



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	999 647 359
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PROTECTION AS
Forretningsadresse:	Tykkemyr 27 1597 MOSS

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Carine Engen
Dato for fastsettelse av årsregnskapet:	14.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 17.08.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	6	176 087	310 078
Sum kostnader		176 087	310 078
Driftsresultat		-176 087	-310 078
Finansinntekter og finanskostnader			
Share of group contribution recognized		0	3 244 000
Renteinntekt fra foretak i samme konsern		333 739	0
Annen renteinntekt		159 329	2 645
Sum finansinntekter		493 068	3 246 645
Annen rentekostnad	7	39 154 819	39 184 295
Amortisation of debt issuance costs	7	4 596 312	4 492 612
Other finance expenses		822 746	821 197
Sum finanskostnader		44 573 877	44 498 104
Netto finans		-44 080 809	-41 251 459
Ordinært resultat før skattekostnad		-44 256 896	-41 561 537
Income tax expense	4	-12 847 475	-10 471 431
Ordinært resultat etter skattekostnad		-31 409 421	-31 090 106
Årsresultat		-31 409 421	-31 090 106
Overføringer og disponeringer			
Transferred from other equity		-31 409 421	-31 090 106
Sum overføringer og disponeringer		-31 409 421	-31 090 106



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	2,3	991 666 132	984 827 222
Sum finansielle anleggsmidler		991 666 132	984 827 222
Sum anleggsmidler		991 666 132	984 827 222
Omløpsmidler			
Varer			
Fordringer			
Other receivables	4	1 305 016	0
Konsernfordringer	1,3	57 255 158	165 321 382
Sum fordringer		58 560 174	165 321 382
Bankinnskudd, kontanter og lignende			
Cash		897 330	269 265
Sum bankinnskudd, kontanter og lignende		897 330	269 265
Sum omløpsmidler		59 457 504	165 590 647
SUM EIENDELER		1 051 123 636	1 150 417 869
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5	76 479 000	70 596 000
Overkurs	5	579 385 389	547 768 389
Sum innskutt egenkapital		655 864 389	618 364 389
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2018	2017
Udekket tap		198 727 850	167 318 429
Sum opptjent egenkapital		-198 727 850	-167 318 429
Sum egenkapital		457 136 539	451 045 960
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	3 511 405	4 728 166
Sum avsetninger for forpliktelser		3 511 405	4 728 166
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7, 8	566 302 429	586 448 232
Sum annen langsiktig gjeld		566 302 429	586 448 232
Sum langsiktig gjeld		569 813 834	591 176 398
Kortsiktig gjeld			
Current portion of bank borrowings		24 000 000	14 000 000
Leverandørgjeld		0	16 088
Current tax liabilities		0	7 014 091
Kortsiktig konserngjeld		0	86 981 926
Other current liabilities		173 263	183 406
Sum kortsiktig gjeld		24 173 263	108 195 511
Sum gjeld		593 987 097	699 371 909
SUM EGENKAPITAL OG GJELD		1 051 123 636	1 150 417 869



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



Protection AS

Annual Financial Statements 2018

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



Protection AS

Board of Directors' report for 2018

Business summary

Protection AS was established 28 January 2013. The company owns 100% of the shares in Hansen Protection AS. The company's head office is in Moss, Norway and the company has no employees and does not pollute the external environment.

Result of operations

The result for the year was a loss of NOK 31,409,422 (2017: loss of NOK 31,090,106), which the Board of Directors proposes be transferred from other equity.

Assets and liabilities at the end of the year

Total assets at the end of the year amounted to NOK 1,050 million (31 December 2017: NOK 1,150 million), and long-term items accounted for NOK 992 million (31 December 2017: NOK 985 million). The company's long-term debt before deferred tax amounted to NOK 566 million at the end of the year (31 December 2017: NOK 586 million). Hansen Protection ASA paid NOK 38 million in new equity in 2018, and thus equity amounted to NOK 457 million at the end of 2018.

Statement of cash flows

Cash flow from the company's operations amounted to NOK -46 million (2017: NOK -61 million). The amortisation of refinancing costs and the income tax paid, along with changes in the balances with other group companies, 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 through long-term loans.

Liquidity risk: The company has limited liquidity risk. Interest on long-term loans may fluctuate due to changes in market conditions.

Debtor and Creditor risk: The company has no external sales and no credit risk.

Outlook for 2019

In 2019 the level of activity in the oil and gas market is expected to remain strong and increase compared to 2018, the group therefore expects to experience positive earnings growth from its oil and gas related activities. The acquired businesses, Lyngsøe Rainwear and Helippe, are expected to show continued positive development and earnings growth in 2019 due to increased market share and increased penetration of offering, respectively.

Interest expenses will account for a significant amount of the company's expenses in the coming. The loss will be covered in the form of loans and group contributions from Hansen Protection AS.

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 2018 / 26 April 2019
Board of Directors of Protection AS

Amund Skarholt
Board Chairman

Janka Henriksen
Board member

Kjell Theodorsen
Board Member

Carine Engen
Board Member

Terje Gorm Hansen
Managing Director



Protection AS

Statement of profit or loss

	Note	2018	2017
Other operating expenses	6	176,087	310,078
Total operating expenses		176,087	310,078
Operating loss		-176,087	-310,078
Interest income		493,068	2,645
Interest expenses	7	39,154,819	39,184,295
Share of group contribution recognised		-	3,244,000
Amortisation of debt issuance costs	7	4,596,312	4,492,612
Other financial expenses		822,746	821,197
Net financial expenses		-44,080,809	-41,251,458
Loss before income tax		-44,256,897	-41,561,537
Income tax expense	4	-12,847,475	-10,471,431
Loss for the period		-31,409,422	-31,090,106
<i>Allocation of loss</i>			
Transferred from other equity		-31,409,422	-31,090,106



Protection AS

Balance sheet

Assets	Note	2018	2017
Investments in subsidiaries	2, 3	991,666,132	984,827,222
Total investments		991,666,132	984,827,222
Total non-current assets		991,666,132	984,827,222
Receivables group contribution	3	39,819,597	70,098,991
Other receivables group companies	1	17,435,561	95,222,391
Other receivables	4	1,305,016	-
Total receivables		58,560,174	165,321,382
Cash		897,330	269,265
Total current assets		59,457,504	165,590,647
Total assets		1,051,123,636	1,150,417,869



Protection AS

Balance sheet

Equity and liabilities

		2018	2017
<i>Equity</i>			
Share capital		76,479,000	70,596,000
Share premium		579,385,389	547,768,389
Total paid-in capital	5	655,864,389	618,364,389
Other equity		-198,727,850	-167,318,429
Total retained earnings	5	-198,727,850	-167,318,429
Total equity		457,136,539	451,045,960
<i>Liabilities</i>			
Deferred tax liabilities	4	3,511,405	4,728,166
Bank borrowings	7, 8	566,302,429	586,448,232
Total non-current liabilities		569,813,834	591,176,398
Trade and other payables		-	16,088
Debt to group companies		-	86,981,926
Current portion of bank borrowings	7	24,000,000	14,000,000
Current tax liabilities	4	-	7,014,091
Other current liabilities		173,263	183,406
Total current liabilities		24,173,263	108,195,510
Total liabilities		593,987,097	699,371,909
Total liabilities and equity		1,051,123,636	1,150,417,869


Moss, 31 December 2018 / 26 April 2019


Amund Skarholt
Board Chairman


Carine Engen
Board Member


Kjell Theodorsen
Board Member


Janka Henriksen
Board Member


Terje Gorm Hansen
General Manager



Protection AS
Statement of cash flow

	2018	2017
Loss before tax	-44,256,897	-41,561,537
Income tax paid during the period	-5,846,900	-15,449,300
Recognised group contributions received	-	-3,244,000
Amortisation of debt issuance costs	4,596,312	4,492,612
Change in trade payables	-16,088	-4,787,778
Change in other accrual items	-10,143	-51,093
Net cash flow from operating activities	-45,533,716	-60,601,096
Cash from investment activities		
Paid in equity Hansen Protection AS	-37,500,000	-39,282,000
Net cash from investments	-37,500,000	-39,282,000
Cash flows from financing activities		
Proceeds from bank borrowings, net of debt issuance costs	-	51,172,574
Group contributions received	70,098,991	85,584,840
Repayment of long-term debt	-14,742,114	-8,824,677
Change in short term receivables and payables to group companies	-9,195,096	-114,706,548
Payment of debt issuance costs	-	-560,000
Proceeds from equity transactions	37,500,000	85,064,391
Net cash used in financing activities	83,661,781	97,730,580
Cash at the beginning of the period	269,264	2,421,781
Net change in cash and cash equivalents	628,066	-2,152,516
Cash at the end of the period	897,330	269,264



Protection AS

Summary of significant accounting policies

The company owns all the shares in Hansen Protection AS. Separate consolidated financial statements showing the combined operations of the parent company Hansen Protection ASA and its subsidiaries have been prepared. The company has no employees. The company is part of a larger group and does accordingly not prepare its own consolidated financial statements under reference to Section 3-7, first paragraph of the Norwegian Accounting Act of 1998. The consolidated financial statements of the company's parent company Hansen Protection ASA may be obtained from the Register of Company Accounts in Brønnøysund.

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.

Income from investments in subsidiaries

Dividends and group contributions received from subsidiaries are initially taken into income. Dividends and group contributions received from subsidiaries exceeding the portion of retained earnings since the acquisition are reflected as a reduction in purchase cost. Dividend/ group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

Income tax

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. Tax payable related to the group contributions received that exceed the accumulated profit of the relevant subsidiary during the ownership period are netted against the book value of the shares in this company. Deferred tax is calculated at the rate of 22% on the basis of temporary differences that exist between the financial accounting and tax-related values, in addition to tax losses 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 is calculated based on the net amount. Deferred tax assets attributed to net tax-reducing differences are not offset and tax loss carry forward are recognised in the balance sheet based on estimated future earnings. Deferred tax and tax assets that are recognised on the balance sheet are recognised on a net basis.

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. Borrowing costs are amortised over the term of the loan and are presented on the balance sheet as a reduction of the mortgage loan.

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.

Assets impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the recoverable amount (net present value of future use / ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount. Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.



Protection AS

Summary of significant accounting policies

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised on the balance sheet at nominal value.

Interest rate hedging

Up to September 30, 2018 the Company managed interest rate risk related to cash flow by using interest rate swaps that converted floating rates to fixed rates. Realised and unrealised gains and losses on the hedging instrument were recognised in the income statement when the underlying hedged item impacted the income statement. Changes in the value of the hedging instrument were 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. The company did not renew the agreement at expiration date.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash include cash and bank deposits.

Notes

1 Receivables from group companies	2018	2017
Short term interest bearing financing	8,574,205	95,222,391
Other current receivables from group companies	8,861,356	-
Total other receivables	17,435,561	95,222,391

2 Investments in subsidiaries

	Business office at 31/12/2018	Company's share capital	Profit for the year	Equity 31/12/2018
Hansen Protection AS	Norway	7,100,000	-12,752,785	967,837,414
Total				967,837,414

Book value of shares in Hansen Protection AS at 1 January	984,827,222
New equity paid in 2018	37,500,000
Group contributions paid that exceed the accumulated net profit for the year in the subsidiary during the ownership period	-39,819,597
23% tax on group contributions recognised as a reduction in the shareholding	9,158,507
Book value of shares in Hansen Protection AS at 31 December	991,666,132

3 Material transactions with related parties

In 2018, the company received a group contribution of NOK 39 819 597 from Hansen Protection AS. The portion of the group contributions that exceed the accumulated profit in the subsidiary during the ownership period has been deducted from the shares in subsidiaries value.

4 Income tax

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

Temporary differences in the balance sheet at period end

Recognised deferred tax liabilities / (-) deferred tax assets:	31/12/2018	31/12/2017	Change
Capitalised debt issuance costs	15,960,930	20,557,241	4,596,311
Basis for deferred tax liabilities / (-) deferred tax assets	15,960,930	20,557,241	4,596,311
Deferred tax liabilities / (-) deferred tax assets	3,511,406	4,728,165	-1,216,760
Tax rate used for the calculation	22%	23%	



Protection AS

Summary of significant accounting policies

Unrecognised deferred tax liabilities / (-) deferred tax assets:

Non-deductible interest charges	-61,418,482	-71,403,223	-9,984,741
Basis for deferred tax liabilities / (-) deferred tax assets	-61,418,482	-71,403,223	-9,984,741

Unrecognised deferred tax liabilities / (-) deferred tax assets	-13,512,066	-16,422,741	2,910,675
Tax rate used for the calculation	22%	23%	

Non-deductible net interest expenses related to internal loans and internal loan guarantees for the period 2014 - 2016 may be carried forward up to 10 years from the year they occur. Due to the limitation of the period for carrying forward as well as other criteria that must be met in order to take advantage of the carry forward amount, deferred tax asset is not recognised on the balance sheet. Change in in the amount carried forward from 31.12.2017 is a result of a company requirement and the tax authorities acceptance of a reassessment of the amount for non deductible taxable interests in the years 2014 - 2016.

Change in deferred tax

	2018
Change for the year recognised in the income statement	-1,216,760
Deferred tax as 31 December	3,511,406

Components of the income tax expense

	2018	2017
Profit before income tax	-44,256,897	-41,561,537
Share of group contributions booked against shares in D	39,819,597	66,854,991
Other permanent differences	-159,011	-677
+/- Temporary differences	4,596,311	3,932,612
Tax basis for the year	0	29,225,389
Tax payable	0	7,014,093
Rate for tax payable	23%	24%

Reconciliation of income tax expense

	2018	2017
Income tax payable	0	7,014,093
Reassessment of taxable income 2014 - 2016 related to non deductible interest charges	-2,472,207	-
Income tax payable that has been netted against the group contributions received that reduce the book value of shares in subsidiaries	-9,158,507	-16,045,198
Effect of the reduced tax rate from 23% to 22% on temporary differences at 31 December 2018 and 24% to 23% at 31 December 2017	-159,608	-205,571
Difference between accrued tax for 2016 and final tax assessment	-	-290,926
Other changes in deferred tax	-1,057,152	-943,827
Income tax expense	-12,847,474	-10,471,429

Payable tax

Reassessed income tax 2015 and 2016, not yet settled	-1,305,016	-
Payable tax at 31 December	-1,305,016	-



Protection AS

Summary of significant accounting policies

5 Equity

The company's shares consist of 58,830,000 shares with nominal value of 1.30 per share. Shares consist of a single share class with equal voting rights. All the shares are owned by Hansen Protection ASA.

	Share capital	Share premium	Other equity	Total equity
Equity at 1 January	70,596,000	547,768,390	-167,318,429	451,045,961
Capital increase by cash paid in	5,883,000	31,617,000	-	37,500,000
Profit for the year	-	-	-31,409,422	-31,409,422
Equity at 31 December	76,479,000	579,385,390	-198,727,851	457,136,539

6 Remuneration of auditor

Inclusive of value-added tax

	2018	2017
Statutory audit	20,000	19,375

7 Bank borrowings

Creditor	Designation	Maturity	Average interest rate 2018	Principal 31/12/2018	Principal 31/12/2017
DNB/Nordea	Term A/ A1	2021	5.2%	81,000,000	95,000,000
DNB/Nordea	Term B/ B1	2022	5.7%	478,657,576	478,657,576
DNB/Nordea	Term C1/C2	2022	1.2%	46,605,782	48,106,994
Total				606,263,358	621,764,570

	2018
Principal at 31 December	606,263,358
Book value of capitalised borrowing costs	-15,960,929
Total mortgage loans on the balance sheet at 31 December	590,302,429

Instalments in 2019 presented as current liabilities on the balance sheet	-24,000,000
Long-term mortgage loans on the balance sheet at 31 December	566,302,429

In connection with the establishment of long-term financing with an external bank, debt issuance costs have been capitalised in the company's balance sheet. The item is amortised over the term of the loan, and the amortisation totalled NOK 4 596 312 in 2018.

Repayment profile for mortgage loans:

Term A/ A1 loan has the following maturity structure:

Year	Instalments	Remaining principal
2019	24,000,000	57,000,000
2020	34,000,000	23,000,000
2021	23,000,000	-

Term B/ B1 and term C1/C2 loans with principals of 478 657 576 and NOK 46 605 782, respectively at 31 December 2018, matures in its entirety in 2022.



Protection AS

Summary of significant accounting policies

Interest rate hedging:

NOK 439 million of the long-term loan from DnB/Nordea has been hedged with interest rate instruments that expired in September 2018. The average interest rate for 2018 is mentioned in the table above.

Conditions related to the financing:

The company's loan agreement contains certain conditions related to ratios for the interest cover rate, net interest-bearing liabilities / EBITDA and investments. These ratios are measured quarterly on a 12-month rolling basis for the combined accounts for Protection AS, Hansen Protection AS, Biardo Survival Suits BV, Lyngsøe Rainwear Aps, Hansen Protection AB and Helippe Holding Aps. The company met these conditions at 31 December 2018.

8 Pledged assets and guarantee commitments

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

Book value at 31 December

	2018	2017
Shares in subsidiaries	991,666,132	984,827,222
Total	991,666,132	984,827,222



To the General Meeting of Protection AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Protection AS, which comprise the balance sheet as at 31 December 2018, the statement of profit or loss and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, 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 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except 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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report - Protection AS

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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

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 proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.



Independent Auditor's Report - Protection AS

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's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2019
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant