



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	999 647 308
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HANSEN PROTECTION HOLDINGS AS
Forretningsadresse:	Tykkemyr 27 1597 MOSS

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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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:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tonje Braathen
Dato for fastsettelse av årsregnskapet:	05.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 22.09.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Remunerations	8	2 062 000	748 000
Other operating expenses	6,7	3 383 000	4 278 000
Sum kostnader		5 445 000	5 026 000
Driftsresultat		-5 445 000	-5 026 000
Finansinntekter og finanskostnader			
Annen renteinntekt			4 000
Gain on foreign exchange	11	9 000	2 348 000
Other financial income			10 000
Sum finansinntekter		9 000	2 362 000
Annen rentekostnad		18 699 000	15 731 000
Loss on foreign exchange	11	17 847 000	0
Amortisation of debt issuance costs	11	1 642 000	3 933 000
Other financial expenses	11	3 000	3 594 000
Sum finanskostnader		38 191 000	23 258 000
Netto finans		-38 182 000	-20 896 000
Ordinært resultat før skattekostnad		-43 627 000	-25 922 000
Income tax expense	4	-1 423 000	-1 525 000
Ordinært resultat etter skattekostnad		-42 204 000	-24 397 000
Årsresultat		-42 204 000	-24 397 000
Overføringer og disponeringer			
Transferred from other equity		-42 204 000	-24 397 000
Sum overføringer og disponeringer		-42 204 000	-24 397 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	2,3	625 605 000	627 945 000
Sum finansielle anleggsmidler		625 605 000	627 945 000
Sum anleggsmidler		625 605 000	627 945 000
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	1	3 086 000	3 000 000
Sum fordringer		3 086 000	3 000 000
Bankinnskudd, kontanter og lignende			
Bank deposits		181 000	16 661 000
Sum bankinnskudd, kontanter og lignende		181 000	16 661 000
Sum omløpsmidler		3 267 000	19 661 000
SUM EIENDELER		628 872 000	647 606 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	75 050 000	75 050 000
Beholdning av egne aksjer	5	-251 000	-251 000
Overkurs	5	363 232 000	363 232 000
Sum innskutt egenkapital		438 031 000	438 031 000
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2020	2019
Other equity	5	-153 129 000	-110 925 000
Sum opptjent egenkapital		-153 129 000	-110 925 000
Sum egenkapital		284 902 000	327 106 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10		298 091 000
Sum annen langsiktig gjeld			298 091 000
Sum langsiktig gjeld		0	298 091 000
Kortsiktig gjeld			
Borrowings		326 900 000	
Leverandørgjeld		1 000	
Current tax liability	11,4	-867 000	
Other current liabilities		17 936 000	
Sum kortsiktig gjeld		343 970 000	
Sum gjeld		343 970 000	298 091 000
SUM EGENKAPITAL OG GJELD		628 872 000	625 197 000
POSTER UTENOM BALANSEN			
Pantstillelser	12	625 605 000	627 945 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue and other income	6,7	479 672 000	454 423 000
Sum inntekter		479 672 000	454 423 000
Kostnader			
Purchase of goods and materials	16	136 869 000	116 386 000
Payroll and other personnel expenses	8,9	96 666 000	93 035 000
Depreciation	11,15	43 840 000	39 406 000
Amortisation and impairment of intangibles	14	16 976 000	24 534 000
Other operating expenses	10	75 734 000	78 423 000
Other gains and losses - net	11,15	1 595 000	2 075 000
Sum kostnader		371 680 000	353 859 000
Driftsresultat		107 992 000	100 564 000
Finansinntekter og finanskostnader			
Finance income	13	186 000	3 336 000
Sum finansinntekter		186 000	3 336 000
Finance expenses	13	85 291 000	71 312 000
Sum finanskostnader		85 291 000	71 312 000
Netto finans		-85 105 000	-67 976 000
Ordinært resultat før skattekostnad			
Income tax expense	19	14 533 000	12 870 000
Ordinært resultat etter skattekostnad		8 354 000	19 718 000
Årsresultat		8 354 000	19 718 000
Comprehensive income		18 107 000	-2 095 000
Sum resultatkomponenter for IFRS-foretak		18 107 000	-2 095 000
Totalresultat		26 461 000	17 623 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangibles	14	72 687 000	86 704 000
Goodwill	14	996 366 000	989 235 000
Sum immaterielle eiendeler		1 069 053 000	1 075 939 000
Varige driftsmidler			
Property, plant and equipment	7,11,1 5	160 739 000	159 009 000
Sum varige driftsmidler		160 739 000	159 009 000
Finansielle anleggsmidler			
Receivables		1 061 000	1 372 000
Sum finansielle anleggsmidler		1 061 000	1 372 000
Sum anleggsmidler		1 230 853 000	1 236 320 000
Omløpsmidler			
Varer			
Inventories	16	132 475 000	128 397 000
Sum varer		132 475 000	128 397 000
Fordringer			
Trade receivables and other receivables	4,5,17	74 747 000	71 392 000
Sum fordringer		74 747 000	71 392 000
Bankinnskudd, kontanter og lignende			
Bank deposits	5,18	87 627 000	62 186 000
Sum bankinnskudd, kontanter og lignende		87 627 000	62 186 000
Sum omløpsmidler		294 849 000	261 975 000
SUM EIENDELER		1 525 702 000	1 498 295 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	23	75 004 000	75 004 000
Overkurs	23	363 232 000	363 232 000
Sum innskutt egenkapital		438 236 000	438 236 000
Opptjent egenkapital			
Udekket tap	23	25 963 000	52 425 000
Sum opptjent egenkapital		-25 963 000	-52 425 000
Sum egenkapital		412 273 000	385 811 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	22	854 000	847 000
Utsatt skatt	19	16 536 000	21 200 000
Lease liability IFRS16	4,11,2 0	50 088 000	46 408 000
Sum avsetninger for forpliktelser		67 478 000	68 455 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4,5,20	511 888 000	900 508 000
Sum annen langsiktig gjeld		511 888 000	900 508 000
Sum langsiktig gjeld		579 366 000	968 963 000
Kortsiktig gjeld			
Leverandørgjeld	4,5,21	66 428 000	60 254 000
Current tax liability	19	18 053 000	17 079 000
Lease liability IFRS16	4,11,2 0	13 632 000	12 693 000
Borrowings	4,5,20, 24	431 017 000	49 000 000
Bank overdraft	20	4 933 000	4 495 000
Sum kortsiktig gjeld		534 063 000	143 521 000
Sum gjeld		1 113 429 000	1 112 484 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EGENKAPITAL OG GJELD		1 525 702 000	1 498 295 000



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



”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



HANSEN PROTECTION ASA

2020

DIRECTOR'S REPORT

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

PROFIT AND LOSS

BALANCE SHEET

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FINANCIAL STATEMENTS FOR THE YEAR

PROFIT AND LOSS

BALANCE SHEET

CASH FLOW

NOTES

INDEPENDENT AUDITOR'S REPORT



Hansen Protection ASA

Board of Directors' Report

BUSINESS

Hansen Protection ASA ("Hansen Protection", "the group", "the company") specialises in the design, manufacturing and distribution of advanced, coated textiles, which are primarily used to provide protection for employees in high-risk working environments, meaning that the group addresses absolute and mission critical needs for its customers and their employees. Hansen Protection uses its technological expertise and market competence to develop, design, produce and service survival suits, protective clothing and other special high-technology textile products with emphasis on harsh environment applications. Its products are provided to customers through: (i) a pay-per-use/rental services (integrated services), (ii) direct sales to customers and (iii) sales through distributors. Hansen Protection's products are relevant for a wide range of industries, particularly within oil and gas, shipping, defence, offshore wind and construction. Hansen Protection has three business segments: Personal Protection, Protective Rainwear and Boat Canopies & Textile Solutions.

Hansen Protection ASA owns 100 per cent of the shares in Protection AS and is the ultimate parent company. Protection AS owns 100 per cent of the shares in Hansen Protection AS. Remaining subsidiaries in the group are owned by Hansen Protection AS (see table below). The headquarter is located at Tykkemyr, 27, Moss, Norway.

Company name	Location	Ownership
Hansen Protection ASA	Norway	
Protection AS	Norway	100 %
Hansen Protection AS	Norway	100 %
Biardo Survival Suits BV	Netherlands	100 %
Hansen Protection Canada	Canada	100 %
Lyngsøe Rainwear Aps	Denmark	100 %
Hansen Protection AB	Sweden	100 %
HelIPPE Holding ApS ¹	Denmark	50 %
HelIPPE UK Ltd	United Kingdom	100 %

¹ HelIPPE Holding ApS owns 100% of the shares in HelIPPE UK Ltd. Hansen Protection AS has been provided with a "golden share" which effectively gives the deciding vote at any board meetings, extraordinary general meetings or annual general meetings, thus ensuring full control of the entity.

STRATEGIC PLATFORM

Hansen Protection has over 140 years of experience in design and production of textile products safeguarding people, property and environment, and has been a supplier of survival suits since 1970. Hansen Protection has demonstrated significant growth over several decades, always with a continued focus on safeguarding human capital in harsh, cold-water environments. Hansen Protection's competence within advanced and coated textiles is applicable to a range of product areas and industries, many of which are not currently addressed. Through organic initiatives and acquisitions, Hansen Protection has taken significant steps towards becoming a diversified and leading European harsh-environment PPE player, an ambition it will continue to pursue. Going forward, the main strategic focus for Hansen Protection is to:

- Continue focus on product and service innovation to stay ahead of the market and secure market leading positions
- Capture significant growth potential in a fragmented European protective rainwear market
- Capture continued strong offshore wind market growth, with significant potential to expand the integrated services offering
- Seek selective bolt-on acquisitions to support overall strategy
- Maintain dominant position in core oil and gas markets – a long term demand profile with increasingly strict focus on safety and ESG
- Expand geographical footprint and strengthen international distribution power



Hansen Protection ASA

Board of Directors' Report

Continue focus on product and service innovation to stay ahead of the market and secure market leading positions

Hansen Protection has a strong position across its business areas and addressable geographic markets, enabled by the highly regarded product qualities and service offering of the group. Hansen Protection puts considerable emphasis on aiming to always exceed customer expectations while continuously developing its product portfolio with both new innovations and upgrades to its existing products. In doing so, Hansen Protection works closely with both customers and workers that utilise the suits and equipment in order to ensure that user preferences are matched with necessary safety needs and regulatory requirements. Hansen Protection's continuous efforts within product development and innovation, driven by in-house personnel, are core operational specialities of the group, and are expected to remain a key success factor for maintaining and developing Hansen Protection's strong market positions while also advancing in markets where the group sees potential for further growth in coming years.

Capture significant growth potential in a fragmented European protective rainwear market

Hansen Protection added Protective Rainwear as a new operating segment from 30 November 2017 through the acquisition of Lyngsøe Rainwear, a Denmark-based provider of rainwear products with various protective properties. The protective rainwear market is a fragmented international market where the larger competitors primarily offer protective rainwear as part of wider product portfolios, including less differentiated workwear. Lyngsøe Rainwear specialises in providing high-quality rainwear with protective properties at attractive price points. This, in combination with Lyngsøe Rainwear's proven ability to deliver large volumes rapidly to accommodate customer demands, has led the company to gain a reputation as a preferred and reliable supplier. Hansen Protection believes this will provide the group with a good platform to capture further market shares in coming years. Other sources of growth within protective rainwear include continued product innovation to further tap into both new end-markets and existing customers, cross-sales potential with customers in other operating segments and a strengthened distribution platform.

Capture continued strong offshore wind market growth, with significant potential to expand integrated services offering

Hansen Protection has offered the highly appreciated integrated services concept to customers operating on the Norwegian continental shelf since introducing integrated services full scale in 1995. As a result of the group's significant experience and successful track record with this business model, Hansen Protection has also introduced integrated services to companies active in the offshore wind market, with the acquisition of 50 per cent of the shares in the Denmark-based rental provider HeliPEE Holding ApS in June 2018, adding to the group's presence in the sector. In 2019, we have established a presence in the UK through a fully owned subsidiary of HeliPPE Holding ApS, thus strengthening our local presence in a key market. The offshore wind market is currently smaller compared to the oil and gas market, to which Hansen Protection offers its rental services, however it is a market characterised by a rapid growth trajectory with attractive long-term prospects globally. Hansen Protection aims to leverage this market opportunity by further expanding its offering to relevant offshore wind customers, and to take the lead globally in the market for integrated services.

Seek selective bolt-on acquisitions to support overall strategy

Hansen Protection aims to support its overall ambitions and long-term strategy by acquiring companies with a relevant size, position and product offering, in addition to its organic initiatives. In doing so, the group seeks selective bolt-on targets with a strategic fit that may either facilitate an entrance to new, adjacent market opportunities, or contribute to expanding Hansen Protection's presence in the broader European personal protection equipment market. Since 2014, Hansen Protection has acquired Biardo (2014), Divelife (2017), Lyngsøe Rainwear (2017) and HeliPPE (2018). The group has identified a range of further potential targets, with a potential fit according to principles such as a complementary product offering, a complementary market presence or a cross-selling potential with existing business activities.

Hansen Protection believes that it has a solid basis to deliver on its ambitions and strategic priorities based on its robust platform, wide product offering and distribution capabilities in combination with its strong market positions.

Maintain dominant position in core oil and gas markets – a long term demand profile with increasingly strict focus on safety and ESG

Hansen Protection's integrated services offering, with rental of survival suits, was launched full scale as a business concept to customers on the Norwegian continental shelf in 1995. The group's contractual relationship with customers within integrated services are mainly based on long-term frame agreements. The demand for the group's integrated services fluctuates with the underlying activity level in the oil and gas market. As such, the oil price and the overall sentiment amongst oil and gas companies; including investment appetite, maintenance activities and new field developments, are all important drivers of Hansen Protection's activities and revenues.

In 2019, the oil and gas markets, including on the Norwegian continental shelf, saw a significant rebound in activity following stable oil prices, restored industry profitability with lower break-even rates for production and development projects signalled by operators, and increased exploration activity. Hansen Protection sees a continued supportive environment for its integrated services offering also in coming years, with the regulator and major operators showing continued, long-term commitment to the NCS through several, major investment programs.



Hansen Protection ASA

Board of Directors' Report

Expand geographical footprint and strengthen international distribution power

Hansen Protection markets and sells its products and services to a wide range of geographical markets and hence depends on an efficient and powerful distribution platform to reach and serve customers. The group utilises a combination of in-house sales personnel, sales agents and distributors to maximise coverage and distribution power, which together provides a flexible and cost-efficient route to market for products across business areas. Internal sales teams are divided and specialised by business units. Despite being primarily focused on segment-specific sales, Hansen Protection also places strong emphasis on driving cross-segment sales, thus enabling utilisation of customer relationships and customer insight to increase the group's share of wallet amongst existing customers.

Hansen Protection currently employs an extensive distribution network, which includes sales offices located in key markets to ensure customer proximity, such as in Norway, Sweden, Denmark, Germany, the UK, Ireland and the Netherlands. Going forward, Hansen Protection sees it as a strategic priority to further build on its distribution capacity in order to drive sales in both existing and new markets, and is determined to use a combination of added in-house sales personnel, new agents acting on behalf of the group and external distributors. Hansen Protection also aims to increase its focus on cross-segment sales where relevant, such as through offering protective rainwear products to existing customers in the Personal Protection segment.

OPERATIONAL REVIEW

2020 was a very special year, heavily affected by Covid-19 and the global pandemic. Hansen Protection delivered strong results, despite the challenging market environment. The strong results in 2020 is a testament and confirmation of Hansen Protection's ability to quickly turnaround and respond to changing market conditions. All segments delivered financial results above expectations, and it was only Personal Protection that did not demonstrate growth in sales compared to the previous year.

Hansen Protection's Personal Protection business benefitted from the stability of the markets it operates in, and even though some projects were delayed to 2021, the performance of this business segment was above expectations given the circumstances. Hansen Protection's integrated services offering is highly valued by the company's customers, which has been demonstrated by the positive traction during the last years in renewal and extension of agreements with customers on the Norwegian continental shelf, and the company's positive development in other key markets such as the Danish and Dutch continental shelf.

The company continued to explore opportunities in adjacent market segments, including the fast-growing offshore wind market. A number of new key geographical markets have been identified and the preparations for entering these markets were initiated in 2020. Hansen Protection is also well positioned to leverage the increased activity expected within the offshore wind markets of Germany, UK, the Netherlands and Denmark. By utilising our existing experience within the oil and gas industry, and by working closely with key players in the global offshore wind industry, we will continue to build strong relationships and establishing a solid foothold in this fast-growing market. Furthermore, Hansen Protection also significantly increased its presence within other pockets of the personal protective equipment market, such as equipment for first responders, with several new opportunities in 2021.

Hansen Protection's Protective Rainwear business continued to grow in 2020 and strengthened its market position in Northern Europe, particularly in Norway. Given the special circumstances due to Covid-19, few new initiatives was launched, however, ISO certification and the strengthening of the sales- and marketing resources in 2019 had a positive effect in 2020. Norway continues to be a market where we see clear results from increased focus by our sales representatives to work closely with distributors and retailers, following up at store level to drive additional sales. New products continues to be developed and the current pipeline of new innovations will help increase our market share and sales growth for our Protective Rainwear business going forward.

Focus in Hansen Protection's Boat Canopies and Textile Solutions segment has been on continued expansion of the product portfolio directed toward the leisure boat market, including seating solutions and boat canopies. The company has one of the largest portfolios of canopy templates for most leisure boat brands in the market. Hansen Protection's tailor-made approach, high product quality and service level is also well received by customers in the oil and gas, defence and agricultural industries.



Hansen Protection ASA

Board of Directors' Report

FINANCIAL REVIEW

The following financial review is based on the consolidated financial statements of Hansen Protection and its subsidiaries. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as in the Norwegian accounting legislation.

In the view of the board, the consolidated statement of profit or loss, the consolidated balance sheet, in the consolidated cash flow, the consolidated statement of changes in equity and the accompanying notes provide satisfactory information about the operations, financial results and position for the group at 31 December 2020.

Consolidated statement of profit or loss

Consolidated revenues and other income for Hansen Protection was NOK 480 million in 2020, compared to NOK 454 million in 2019. Growth in 2020 was primarily driven by high growth in the company's Protective Rainwear business and the Boat Canopies & Textile Solutions business. The company's Personal Protection saw a experience a slight decline in revenue compared to 2019. Personal Protection constituted around 61 per cent of the group's revenue, while Protective Rainwear constituted 24 per cent and Boat Canopies & Textile solutions 15 per cent in 2020. Hansen Protection's reported EBITA was NOK 126.6 million in 2020, down from NOK 127.2 million in 2019. Amortisation and impairment decreased to NOK 17 million in 2020 from NOK 25 million in 2019. Other gains and losses increased from negative NOK 2 million in 2019 to negative NOK 1.6 million in 2020. Finance income decreased from NOK 3 million in 2019 to NOK 0.2 million in 2020, while finance expenses increased from NOK 71 million in 2019 to NOK 85 million in 2020.

Financial position and capital structure

Cash at the end of the period was NOK 88 million in 2020, up from NOK 62 million at the end of 2019. Total liabilities were NOK 1 115 million in 2020, up from NOK 1 114 million in 2019. Total non-current assets decreased to NOK 1 232 million in 2020, down from NOK 1 238 million in 2019, mainly driven by amortisations of intangible assets during 2020. Total current assets amounted to NOK 295 million in 2020, up from NOK 262 million in 2019. Equity attributable to owners was NOK 392 million in 2020, compared to NOK 367 million in 2019.

Consolidated cash flow

Net cash flow from operating activities was NOK 137 million in 2020, up from NOK 111 million in 2019. 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.

Net cash flow from investing activities was negative NOK 26 million in 2020 compared to negative NOK 50 million in 2019, mainly driven by lower capital expenditures for survival suits and payments and no acquisition costs. Net cash flow from financing activities was negative NOK 88 million in 2020, compared to negative NOK 58 million in 2019 primarily driven by increased payment related to bank borrowings.

Statement of profit or loss – parent company

The parent company Hansen Protection ASA recorded a loss of NOK 42 million in 2020, compared to a loss of NOK 24 million in 2019, mainly driven by an increase in finance expenses from NOK 23 million in 2019 to NOK 38 million in 2020. The board of directors proposes that the loss in the period is covered by a reduction of equity.

Balance sheet – parent company

Total assets was NOK 630 million in 2020, down from NOK 648 million in 2019, mainly driven by lower group contributions from subsidiaries.

Total equity was NOK 285 million in 2020, down from NOK 327 million in 2019, mainly following the loss in the period.

Total liabilities was NOK 345 million in 2020, up from NOK 321 million in 2019, mainly driven by increased bank borrowings, offset by a reduction in other current liabilities.

Cash flow – parent company

Cash at the end of the period was NOK 181 000 in 2020, down from NOK 17 million in 2019.

Net cash flow from operating activities was negative NOK 30 million in 2020, down from negative NOK 28 million in 2019, mainly driven by higher loss in the period, change in trade payables and other payables, effects of exchange rate changes on bank borrowings in EUR and change in other accrual items.

Net cash flow from investing activities was NOK 0 million in 2020, same as in 2019.

Net cash flow from financing activities was NOK 14 million in 2020, down from NOK 44 million in 2019, mainly driven by changes in proceeds from bank borrowings (net of debt issuance costs) and changes in proceeds from equity transactions.



Hansen Protection ASA

Board of Directors' Report

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is at the core of Hansen Protection. The board of directors has adopted a Code of Conduct to create a sound corporate culture and to preserve the integrity of Hansen Protection by helping employees to promote standards of good business practice. Further, the Code of Conduct is intended to be a tool for self-evaluation and a vehicle for development of the company's identity.

Hansen Protection believes that our partners maintain the highest professional and ethical standards, as well as meeting standard legal requirements. The company believes in respecting human and labour rights, protecting the environment, and in applying sound business practices in the group's companies worldwide. In order to make Hansen Protection's position clear to the company's suppliers, Hansen Protection has developed a Supplier Code of Conduct which describes the main requirements. Hansen Protection conducts annual audits at partners to ensure they upheld the standards set forth in the Code. There has been no evidence of material breach of the Code. The audit plan is set annually by the management group.

Both the Code of Conduct and the Supplier Code of Conduct are available on Hansen Protection's website www.hansenprotection.no.

Hansen Protection is working systematically on human rights and worker's rights. The company, its employees and board members shall practice good corporate citizenship and operate in compliance with fundamental human rights. Hansen Protection expresses support and respect for fundamental human rights and recognises its responsibility to observe those rights when conducting its business. Hansen Protection opposes all forms of forced labour and child labour and works to prevent all types of discrimination and harassment.

Hansen Protection is against all forms of corruption including bribery, facilitation payments and trading in influence and has resolved a company-wide anti-corruption compliance manual which is available on Hansen Protection's website www.hansenprotection.no. The manual provides an overview of Hansen Protection's anti-corruption policies. The manual is used as basis for internal training for all relevant personnel, including management, and new employees in particular. It explains the basic legal and ethical requirements that Hansen Protection employees shall follow to avoid corrupt practices throughout their business activities for Hansen Protection. The policies in this manual are mandatory for all Hansen Protection employees. It is also a requirement that the various departments at Hansen Protection take all reasonable steps to ensure that Hansen Protection's independent business partners, including suppliers, do not engage in corruption, or illegal or unethical activities in relation to their business with Hansen Protection.

HEALTH, SAFETY AND THE ENVIRONMENT

Hansen Protection shall operate its business in a manner designed to protect the health and safety of its employees, its customers, the public, and the environment, and in accordance with all applicable safety, environmental and safety laws and regulations so as to ensure the protection of the environment and the company's personnel and property.

Hansen Protection shall be a professional and positive workplace with an inclusive working environment. All employees have a responsibility to help a work environment free from any discrimination, due to religion, skin colour, gender, sexual orientation, age, nationality, race and disability.

On average, Hansen Protection had 143 full time employees in 2020, compared to 142 in 2019. The number of employees was 151 at the end of 2020, compared to 158 in 2019. The competence of our employees represents a major asset and competitive advantage for Hansen Protection.

There were no serious work-related accidents in 2020. Sick leave in Hansen Protection was 6.0 per cent in 2020, up from 4.7 per cent in 2019. The board considers that the working environment is good and special measures in this regard have not been deemed necessary. Hansen Protection's Industrial Safety Committee is trained in cardiopulmonary resuscitation and first aid as part of the preventive precautions.

Hansen Protection does not pollute the external environment to any material extent. The group has implemented initiatives to reduce waste. As an example, Hansen Protection recycles worn personal protection suits into bags and backpacks produced in cooperation with a local sheltered workshop, and has taken an initiative to recycle foam remnants from the boat interior production line through another manufacturer which reuses the foam remnants in its production. Furthermore, some of the products produced by Lyngsøe Rainwear ApS is made by recycled plastic bottles. Sourced raw material are to the largest possible extent compliant with the REACH2 authorisation list.

The group's manufacturing units are certified in accordance with the NS ISO 9001 Quality Management systems and NS ISO 14001 Environmental Management systems requirements.



Hansen Protection ASA

Board of Directors' Report

CORPORATE GOVERNANCE

Hansen Protection wants to maintain high standards of corporate governance. In the company's opinion, good corporate governance is an important condition for value creation, trustworthiness and access to capital. Good corporate governance is a priority for the board of directors of Hansen Protection. To ensure strong and sustainable corporate governance, the company will facilitate sound business practices, reliable financial reporting and an environment for compliance with laws and regulations. Hansen Protection has prepared a set of guidelines and procedures to ensure good corporate governance to safeguard the interests of the company's owners, employees and other stakeholders. These principles and associated rules and practices are intended to create increased predictability and transparency, and thus reduce uncertainties connected with the business. The company believes that good corporate governance implies openness and trust-based cooperation between shareholders, board and management, employees, public authorities, other related parties and society as a whole.

The board of directors will continuously assess the group's adherence to the guidelines and procedures, and has adopted relevant sections of §3-3b of the Norwegian Accounting Act. Hence, the company will annually disclose relevant information concerning corporate governance in its annual statement on corporate governance included in the annual report.

The board of directors of Hansen Protection had four board meetings in 2019.

The management of Hansen Protection is responsible for establishing and maintaining adequate internal control over financial reporting. The group's internal control over financial reporting is a process designed, under the supervision of the chief executive officer and chief financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the group's financial statements for external reporting purposes.

Hansen Protection has implemented a corporate social responsibility policy, a Code of Conduct, a Supplier Code of Conduct and an anti-corruption manual, all available on the company's website www.hansenprotection.no.

Composition and independence of the board of directors

Pursuant to the company's articles of association, its board of directors shall consist of three to six members. The board members are elected by the general meeting, including the chairman. The composition of the board of directors as a whole should represent sufficient diversity of background and expertise to help ensure that the board carries out its work in a satisfactory manner.

EQUAL OPPORTUNITIES

Hansen Protection's view is that people with different backgrounds, irrespective of ethnicity, gender, religion or age, should have the same opportunities for work and career development at Hansen Protection. 55.6 per cent of Hansen Protection's work force in 2020 are women.

Indirect functions include management employees, staff and other support functions. The employees in the company management team comprise six members, all male. No gender-based differences exist with regard to working hour regulations or the design of workplaces. Hansen Protection is working actively to promote equality with respect to ethnicity, gender, gender identity, religion, age, sexual orientation and handicaps, and has an established cooperation with a company providing on the job training for workers with specific needs.

RISK FACTORS AND RISK MANAGEMENT

The objective of Hansen Protection's risk management and internal control is to manage, rather than eliminate, exposure to risks related to the successful conduct of the business of the company and its subsidiaries, and to support the quality of its financial reporting. Effective risk management and good internal control contribute to securing shareholders' investment in the company and the company's assets.

Hansen Protection's business is exposing the company to financial risks. The company's procedures for risk management are designed to minimise possibly negative effects caused by Hansen Protection's financial arrangements.

Market risk

Currency risk

Currency risk arises from transactions related to operations, asset or liabilities which are conducted in a currency other than its functional currency. Hansen Protection's subsidiaries are using their local currencies as functional currency being NOK, SEK, DKK, and EUR. Revenue and cost transactions are carried out mainly in the same currency, which reduces the currency risk. However, since the group's overall financial reporting is NOK, currency fluctuations in SEK, DKK, and EUR in relation to NOK affect overall



Hansen Protection ASA

Board of Directors' Report

revenue and financial position. In addition, Hansen Protection ASA and Hansen Protection AS have bank borrowings in EUR while the functional currency for these entities is NOK. Based on the exposure mentioned, the group assesses that historical fluctuations in NOK/ EUR has the most significant impact on the financial reporting in regards to the financial instruments. The group is currently and for the periods presented, not engaged in any currency hedging activities.

Interest rate risk

The group's interest rate risk arises because of long-term bank borrowings. Debt issued based on variable interest rates means that the group is exposed to interest rate risk affecting cash flow.

Up to 30 September 2018, the company managed interest rate risk related to cash flow by using interest rate swaps that converted floating rates to fixed rates. The derivatives consisting of interest rate swaps did not qualify for hedge accounting. Since then, the group has not implemented any new hedging arrangements. Please see Note 2.14 for further information.

Credit risk

Credit risk arises from, among other cash and deposits with banks and financial institutions. In addition, credit risk occurs through exposure to customers, including outstanding receivables and contracted transactions.

For banks and financial institutions, only well-established independent parties are accepted. The group has limited credit risk relating to one individual contracting party except for one customer which is a well reputable company for which the credit risk is assessed to be low. In order to reduce the credit risk, the group has guidelines to ensure that sales are made only to customers with high credit rating. Customers that has a low credit rating have to prepay for goods and services provided by the group.

Liquidity risk

Liquidity risk is the risk that the group is unable to meet its financial obligations when they mature. Management monitors rolling cash flow forecasts of the group's liquidity requirements to ensure that it has a satisfactory level of cash to meet operational needs, as well as at any time maintain a satisfactory margin of the unused loan facility to ensure that the group is not in breach of the requirements set in the loan agreement. Such estimation of future cash flows takes into account the group's debt financing plans, loan conditions and compliance with internal requirements ratios in the balance. Excess liquidity in each company, beyond the requirements for working capital, is deposited in interest-bearing accounts with financial institutions.

In addition to the risks described above, Hansen Protection is exposed to risk factors related to for example innovation, digitalisation, logistics, infrastructure, personnel, third-party distributors, third-party suppliers, legal claims and litigation, and intellectual property rights which are continuously assessed and managed by the company.

Debt covenants

Hansen Protection met all the loan covenants at 31 December 2020.

GOING CONCERN

There have been no events to date in 2021 that significantly affect the result for 2020 or valuation of the company's assets and liabilities at the balance sheet date. The board confirms that the conditions for the going concern assumption have been satisfied following the signing of an agreement for the intention to join the Survitec Group on 16 March 2021. The transaction includes the acquisition of 100% of the shares outstanding and a repayment of the company's debt facilities.

RESEARCH AND DEVELOPMENT

In Hansen Protection, research and development is an integral part of the business through continuous innovation and development of products and services. The company is engaged in several exciting development projects that are expected to give a positive market position and contribute to earnings growth in the future.



Hansen Protection ASA

Board of Directors' Report

OUTLOOK

In 2021, a gradual normalisation of the markets that Hansen Protection operates in is expected, the company therefore expects a positive development in activity levels for all its business segments. For example, several projects postponed in 2020 due to Covid-19 are expected to start again in 2021. The major uncertainty for 2021 will be at what pace the normalisation takes place and the potential for local outbreaks that could impact the company's activity level temporarily. The company is still committed to invest in the continued development of its operations to capture the effects of the rapidly growing offshore wind market and to continue to increase its presence and market share in the European protective rainwear market. The board emphasises that every assessment of future conditions necessarily involves an element of uncertainty.

The Board of Directors would like to express its gratitude to all employees for their continued effort and positive contribution to the company's results and development in 2020.

Moss, May 4, 2021

The board of directors of Hansen Protection ASA

Amund Skarholt
Chair

Christopher Masek
Director

Wenche Kjølås
Director

Terje Gorm Hansen
Chief executive officer



HANSEN PROTECTION ASA

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

2020



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>NOK 1 000</i>	<i>Note</i>	2020	2019	2018
Revenue and other income	6,7	479 672	454 423	414 635
Purchase of goods and materials	16	136 869	116 386	104 119
Payroll and other personnel expenses	8,9	96 666	93 035	89 287
Other operating expenses	10	75 734	78 423	103 154
Depreciation	11,15	43 840	39 406	37 604
EBITA		126 563	127 173	80 471
Amortisation and impairment of intangibles	14	16 976	24 534	45 292
Other gains/(losses) - net	12,5	(1 595)	(2 075)	2 778
Finance income	13	186	3 336	345
Finance expenses	13	85 291	71 312	75 814
Profit (-loss) before tax		22 887	32 588	(37 511)
Income tax expense	19	14 533	12 870	(2 110)
Profit (-loss) for the period		8 354	19 718	(35 401)
Profit (-loss) is attributable to:				
Owners of the parent		9 419	19 608	(36 632)
Non-controlling interests		(1 065)	110	1 231
Profit (-loss) per share (NOK/share)				
Basic and diluted profit (-loss) per share	25	0,56	1,31	(16,46)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>NOK 1 000</i>	<i>Note</i>	2020	2019	2018
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		18 107	(2 095)	2 764
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurements of defined benefit pension plan		-	-	8
Other comprehensive income (-loss) for the period		18 107	(2 095)	2 772
Total comprehensive income (-loss) for the period		26 461	17 623	(32 629)
Total comprehensive income (-loss) is attributable to:				
Owners of the parent		25 744	17 728	(34 385)
Non-controlling interests		718	(105)	1 756



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CONSOLIDATED BALANCE SHEET

NOK 1 000	Note	31.12.2020	31.12.2019	31.12.2018
Assets				
Intangible assets	14	1 069 053	1 075 939	1 101 898
Property, plant and equipment	7,11,15	160 739	159 009	156 194
Deferred tax asset	19	1 581	1 544	-
Receivables		1 061	1 372	1 836
Total non-current assets		1 232 434	1 237 864	1 259 928
Inventories	16	132 475	128 397	111 369
Trade receivables and other receivables	4,5,17	74 747	71 392	64 060
Cash	5,18	87 627	62 186	62 356
Total current assets		294 849	261 975	237 785
Total assets		1 527 283	1 499 839	1 497 713
Equity and liabilities				
Share capital	23	75 004	75 004	75 004
Share premium	23	363 232	363 232	363 232
Other equity		(45 865)	(71 609)	(89 337)
Equity attributable to owners		392 371	366 627	348 899
Non - controlling interests	23	19 902	19 184	19 289
Total equity		412 273	385 811	368 188
Bank borrowings	4,5,20	511 888	900 508	898 868
Deferred tax liabilities	19	18 117	22 744	29 758
Employee benefit obligations	22	854	847	846
Lease liability	4,11,20	50 088	46 408	49 232
Total non-current liabilities		580 947	970 507	978 704
Trade- and other payables	4,5,21	66 428	60 254	73 939
Lease liability	4,11,20	13 632	12 693	11 612
Current tax liability	19	18 053	17 079	7 019
Bank overdraft	20	4 933	4 495	5 357
Bank borrowings	4,5,20,24	431 017	49 000	52 894
Total current liabilities		534 063	143 521	150 821
Total liabilities		1 115 010	1 114 028	1 129 525
Total equity and liabilities		1 527 283	1 499 839	1 497 713

Moss, May 4, 2021

The board of directors of Hansen Protection ASA

Amund Skarholt
Chair

Christopher Masek
Director

Wenche Kjølås
Director

Terje Gorm Hansen
Chief executive officer



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK 1 000	Note	Other equity				Total	Non-controlling interests	Total equity
		Share capital	Share premium	Accumulated translation differences	Accumulated deficit			
31 December 2019		75 004	363 232	7 414	(79 023)	366 627	19 184	385 811
Profit for the period		-	-	-	9 419	9 419	(1 065)	8 354
Other comprehensive income		-	-	16 325	-	16 325	1 782	18 107
Total comprehensive income for the period		-	-	16 325	9 419	25 744	718	26 461
31 December 2020		75 004	363 232	23 739	(69 604)	392 372	19 902	412 273

NOK 1 000	Note	Other equity				Total	Non-controlling interests	Total equity
		Share capital	Share premium	Accumulated translation differences	Accumulated deficit			
31 December 2018		75 004	363 232	9 294	(98 631)	348 899	19 289	368 188
Profit for the period		-	-	-	19 608	19 608	110	19 718
Other comprehensive income		-	-	(1 880)	-	(1 880)	(215)	(2 095)
Total comprehensive loss for the period		-	-	(1 880)	19 608	17 728	(105)	17 623
31 December 2019		75 004	363 232	7 414	(79 023)	366 627	19 184	385 811

NOK 1 000	Note	Other equity				Total	Non-controlling interests	Total equity
		Share capital	Share premium	Accumulated translation differences	Accumulated deficit			
31 December 2017		66 736	371 557	7 047	(61 704)	383 636	-	383 636
Loss for the period		-	-	-	(36 632)	(36 632)	1 231	(35 401)
Other comprehensive income		-	-	2 247	-	2 247	525	2 772
Total comprehensive loss for the period		-	-	2 247	(36 632)	(34 385)	1 756	(32 629)
Contributions of equity net of transaction costs	23	8 325	(8 325)	-	-	-	-	-
Acquired non-controlling interests	24	-	-	-	-	-	17 533	17 533
Treasury shares transactions	23	(57)	-	-	(295)	(352)	-	(352)
Total transactions with owners in their capacity as owners		8 268	(8 325)	-	(295)	(352)	17 533	17 181
31 December 2018		75 004	363 232	9 294	(98 631)	348 899	19 289	368 188



Hansen Protection ASA Annual report 2020

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CONSOLIDATED CASH FLOW

<i>NOK 1 000</i>	<i>Note</i>	2020	2019	2018
Profit(-loss) before tax		22 887	32 588	(37 511)
Income tax paid		(19 185)	(11 361)	(9 262)
Gain (-) / loss on sale of non-current assets		(775)	(836)	(1 701)
Depreciation, amortisation and impairment	<i>14,15</i>	60 816	63 940	82 896
Amortisation of debt issuance cost	<i>13</i>	4 685	8 709	8 914
Interest expense		56 119	56 942	57 562
Unrealized foreign exchange losses		22 422	(1 586)	5 136
Fair value adjustment to derivatives		-	-	(4 045)
Gain on derecognition of contingent consideration payable	<i>24</i>	-	-	(3 193)
Change in pension liability	<i>22</i>	-	-	367
Change in inventory	<i>16</i>	758	(17 028)	2 932
Change in trade receivables and other receivables	<i>17</i>	(1 243)	(6 868)	(19 738)
Change in trade- and other payables	<i>21</i>	(9 296)	(13 941)	34 076
Net cash flow from operating activities		137 188	110 559	116 433
Proceeds from sale of property, plant and equipment	<i>7</i>	1 149	1 731	2 642
Payments for property, plant and equipment	<i>15</i>	(26 996)	(33 589)	(41 164)
Payments for acquisition of subsidiaries, net of cash acquired	<i>20,24</i>	-	(18 894)	(34 261)
Interest received		139	324	343
Net cash flow from investing activities		(25 708)	(50 428)	(72 440)
Proceeds from bank borrowings, net of debt issuance cost	<i>20</i>	21 407	48 073	51 414
Repayment of bank borrowings and liabilities	<i>20,24</i>	(54 065)	(38 000)	(14 742)
Interest paid		(38 170)	(52 595)	(51 911)
Lease payments	<i>11,20</i>	(16 807)	(15 867)	(15 584)
Acquisition of treasury shares	<i>23</i>	-	-	(330)
Net cash flow from financing activities		(87 635)	(58 389)	(31 153)
Cash at the beginning of the period	<i>18</i>	62 186	62 355	47 482
Net increase in cash		23 845	1 743	12 840
Effects of exchange rate changes on cash		1 597	(1 912)	2 033
Cash at the end of the period		87 627	62 186	62 356



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: General information

Hansen Protection ASA (a Norwegian public limited company) owns all the shares in Protection AS and is the ultimate parent company. At the end of 2020, Hansen Protection ASA and its subsidiaries ("the Group") consists of the ultimate parent company Hansen Protection ASA (the Company), and its subsidiaries as described in the table below. Hansen Protection ASA owns 100 per cent of the shares in Protection AS, while Protection AS owns 100 per cent of the shares in Hansen Protection AS. Remaining subsidiaries in the Group are owned by Hansen Protection AS and HeliPPE Holding Aps as described below. The headquarters is located at Tykkemyr 27, Moss.

Company name	Location	Ownership
Hansen Protection ASA	Norway	
Protection AS	Norway	100 %
Hansen Protection AS	Norway	100 %
Biardo Survival Suits BV	Netherlands	100 %
Hansen Protection Canada Ltd	Canada	100 %
Lyngsøe Rainwear Aps	Denmark	100 %
Hansen Protection AB	Sweden	100 %
HeliPPE Holding ApS	Denmark	50 %
HeliPPE Aps	Denmark	100 %
HeliPPE Ltd	United Kingdom	100 %
HeliPPE GmbH	Germany	100 %

Hansen Protection AS primarily engages in the design, manufacturing and distribution (both rental and sales) of a range of personal protective equipment (PPE), which encompasses all protective gear, wearable equipment and clothing used in high risk work environments to ensure safety for employees. While the overall PPE market is significant and comprises a wide variety of product types such as hand protection, fall protection, protective footwear, hearing protection and various protective wear, Hansen Protection primarily specialises in advanced coated textile technology for the application in harsh environment survival and transportation suits. Hansen Protection ASA and Protection AS were incorporated in 2013. In 2013, Protection AS acquired the shares in Hansen Protection AS. Biardo Survival Suits BV (Biardo) was acquired by Hansen Protection AS in 2014. Biardo is a specialist in rental, maintenance and sales of survival suits and lifejackets in the Netherlands. In 2017 Hansen Protection AS acquired all of the shares in Lyngsøe Rainwear Aps (Lyngsøe), a company based in Denmark producing and selling rainwear that protects workers in harsh- and high-risk environments, and Hansen Protection AB (former Divellife AB), a supplier of ocean rescue systems based in Sweden. HeliPPE Holding ApS was acquired in June 2018. The company is located in Esbjerg, Denmark and holds 100% of the shares in HeliPPE Aps, which main business is renting out survival suits and protective equipment for the offshore wind industry. HeliPPE Aps is also located in Esbjerg, Denmark. In 2019 HeliPPE Aps established a company in UK (HeliPPE UK Ltd) and in 2020 a company in Germany (HeliPPE GmbH). Through the shareholder agreement Hansen Protection AS has been provided with a "golden share" which effectively gives the deciding vote at any Board meetings, EGMs or AGMs, thus ensuring full control of HeliPPE Holding Aps.

Hansen Protection Canada Ltd is currently a dormant company with no business activities.

All figures described in the notes are in NOK thousands unless otherwise stated.



Note 2: Summary of significant accounting principles

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Hansen Protection ASA and its subsidiaries (the Group).

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, as modified by financial assets and financial liabilities (including derivative instruments and contingent consideration) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The consolidated financial statements have been prepared on a going-concern basis.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation policies

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operation decision makers have been identified as the Chief Executive Officer and the Board of Directors which assesses the financial performance and position of the Group, and makes strategic decisions.

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Each subsidiary in the Group use their local currency as the functional currency. The consolidated financial statements are presented in Norwegian kroner (NOK), which is the Group's presentation currency.



Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and amounts collected on behalf of third parties.

The Group recognises revenue when the performance obligations in the contracts with customers are delivered. Specific criteria have been established for each of the Group's revenue generating activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Group's main revenue generating activities are as follows:

Personal Protection

This segment consists of sale and rental income for suits to the offshore-, windfarm- and shipping industry. The revenue from sale of suits is recognised when control of the goods has transferred, being when the goods are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional.

Rental of suits is recognised on a straight line basis over the lease period. If the services rendered by the company exceed the payment, a contract asset is recognised.

Protective Rainwear

This segment consists of sale of rainwear and other technical apparel to the professional industry. Revenue is recognised when control of the goods has transferred, being when the goods are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional.

It is the Group's policy to sell these products to the customer with a right of return within one year. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). The number of products returned has been steady for years, and the impact is considered immaterial for the financial statements. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no liability nor a right to the returned goods are recognised for the products expected to be returned. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.



Boat Canopies & Textile Solutions

This segment consists of sale of customized products, to both private consumers and professional industry. Revenue is recognised when control of the goods has transferred, being when the goods are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional.

2.6 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, net of leased assets and leasing liability presented according to IFRS16 and described in item 2.7 Leases, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

Lease contracts where the Group is a lessee are capitalised as a right-of-use asset. Upon commencement of the lease the right-of-use asset and lease liability is recognised at cost, being the present value of the lease payments in the contract as defined by IFRS 16 in addition to initial direct costs. The Group applies the incremental borrowing rate in discounting the future lease payments.

The right-of-use asset acquired under leases is depreciated over the asset's useful life or the lease term, if shorter, if the lease does not transfer ownership at the end of the lease term, or there is no purchase option that is in the money. The right-of-use asset is tested for impairment for similar assets owned by the entity.

The lease liability is subsequently increased by the effective interest in the lease, and reduced by payments made. The lease liability is also reassessed subsequently if the payments or the interest rate changes. The change in liability is added to or deducted from the right-of-use asset.

2.8 Business combinations

The acquisition method of accounting is used to account for all business combinations subsequent to the IFRS transition date which is 1 January 2015, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement



Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the;

- consideration transferred, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. The interest element in the discounted financial liability is expensed as a finance expense while other changes in fair value of the contingent consideration is recognised and included in Other gains/(losses) – net.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Cash

For the purpose of presentation in the statement of cash flows, cash includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.11 Trade receivables and contract assets

Trade receivables and contract assets are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 45 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 4 for a description of the Group's impairment policies.

2.12 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Self-manufactured finished goods are valued at the full production cost. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Abnormal amounts of idle facility expense, freight, handling costs, and wasted materials are recognised as expense in the current period. Costs are assigned to individual items of inventory on the basis of weighted average are recognised as expense in the current period. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



2.13 Financial assets

The Group classifies its financial assets to be measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Assets measured at amortised cost includes 'receivables', 'trade receivables and other receivables' and 'cash' in the balance sheet (see Notes 2.18 and 2.10).

Impairments

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 4 for further details.

2.14 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate costs over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.15 Intangible assets

Goodwill

Goodwill is measured as described in Note 14. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 6).

Customer relationships

Customer relationship acquired in business combinations are recognised in the balance sheet at fair value at the time of acquisition. The customer relationships have a limited useful life and are stated at acquisition cost less accumulated amortisation.

Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life and are subsequently carried at cost less any impairment losses.



2.16 Research and development

Research expenditure and development expenditure are recognised as an expense as incurred.

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.19 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the balance sheet.

Post employment obligations

The collective pension arrangements in the group are defined contribution plans. In addition to the collective pension schemes Hansen Protection AS has entered into an individual agreement with the CEO. According to this agreement the CEO is entitled to the value of his ABO as at Apr 30, 2007, at the time of his retirement. This pension liability is subject to capitalization of annual interests according to 10 year government bond yield.

Defined contribution plan

For the defined contribution plan, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.21 Contributed equity and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares are accounted for as a reduction of other equity at cost. Treasury shares held for all periods presented are immaterial and does not impact earnings per share.



2.22 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year and excluding treasury shares

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Note 3: Estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be

Detailed information about each of these estimates and judgements is included in Note 14 and Note 24 together with information about the basis of calculation for each affected line item in the financial statements.

Business combination and Purchase Price Allocation (PPA)

The Group has completed one business combination during the last financial periods. See Note 24 for further details. In order to account for the business combination and identify the fair value of the underlying assets and liabilities following IFRS 3, management has used significant judgement as the basis for the calculation of fair value. The excess over the fair value of the net identifiable assets acquired is recognised as goodwill.

In order to calculate the fair value of the intangible assets in the acquired companies, the expected future cash flows have been reconciled to the purchase price of the acquired companies. The reconciliation is performed via a Business Enterprise Valuation (BEV). Intangible assets related to customer relationships and trademark have been valued using the Multi-Period Excess Earnings Method (MEEM) and Relief From Royalty Method (RFR), respectively. The methods are assumed to be appropriate for the type of assets being valued (MEEM for customer relationships and RFR for Trademarks).

Important and sensitive assumptions used requiring significant judgement by management for the calculation of fair values using the above methods are:

- Remaining useful lifetime of customer relationships is 5 years.
- Revenue growth and EBITDA margins are based on the growth and margins from the BEV of the respective companies.
- In the MEEM approach for customer relationships, Contributory Asset Charges (CACs) are deducted from the estimated EBITDA attributable to customer relationships. The included CACs are related to net working capital, tangible fixed assets, trademarks technology and assembled workforce.

Impairment of goodwill and intangible assets

The Group tests annually whether goodwill and intangible assets has suffered any impairment, in accordance with the accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. In calculating value in use, budgeted cash flows and estimated terminal values for future cash flows are used. In calculating the present value of future cash flows, the most critical assumptions which requires significant judgements are discount rate, revenues growth and future expenses. See Note 14 for details related to the estimates and sensitivity calculations.



Note 4: Financial risk management

The Group is exposed through its business to a number of financial risks. The corporate routines for risk management focus on the unpredictability of the financial markets, and endeavor to minimise potential negative effects arising from the Group's financial positions.

Market risk

Currency risk

Currency risk arises from transactions related to operations, asset or liabilities which are conducted in a currency other than its functional currency. Hansen Protection ASA's subsidiaries are using their local currencies as functional currency being NOK, SEK, DKK, GBP and EUR. Revenue and cost transactions are carried out mainly in the same currency, which reduces the currency risk.

However, since the Group's overall financial reporting is NOK, currency fluctuations in SEK, DKK, GBP and EUR in relation to NOK affect overall revenue and financial position. In addition, Hansen Protection ASA and Hansen Protection AS have bank borrowings in EUR while the functional currency for these entities is NOK. Based on exposure mentioned the Group assesses that historical fluctuations in NOK/EUR has the most significant impact on the financial reporting in regards to the financial instruments. The Group is currently and for the periods presented, not engaged in any currency hedging activities. The table below summarizes the impact a change in NOK/EUR will have in the statement of profit or loss from the translation of the borrowing balance at 31 December. The analysis is based on the assumption that the foreign exchange rate increase or decrease 10 per cent, with all other variables held constant.

NOK 1 000	2020	2019	2018
NOK/EUR exchange rate - decrease 10 %	39 548	36 270	34 658
NOK/EUR exchange rate - increase 10 %	(39 548)	(36 270)	(34 658)

Interest rate risk

The Group's interest rate risk arises because of long-term bank borrowings. Debt issued based on variable interest rates mean that the Group is exposed to interest rate risk affecting cash flow. 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. The interest rate swaps were not renewed due to the expectation of a refinancing of the Group's debt.

The derivatives consisting of interest rate swaps do not qualify for hedge accounting.

If interest rates on bank borrowings and bank deposits on average had been 100 basis points higher / lower during the year, given that all other variables had been held constant, profit after tax would have been NOK 7 407 lower/higher (2019: NOK 6 968, 2018: 5 885). Effect on profit is mainly due to higher / lower interest rates on loans entered into with variable interest rates without hedging.

Credit Risk

Credit risk arises from, among other cash and deposits with banks and financial institutions. In addition risk occurs through exposure to customers, including outstanding receivables and contracted transactions.

For banks and financial institutions, only well-established independent parties are accepted.

The Group has limited credit risk relating to one individual contracting party except for one customer which is a well reputable company for which the credit risk is assessed to be low.

In order to reduce the credit risk the Group has guidelines to ensure that sales are made only to customers with high credit rating. Customers having low credit rating have to prepay for goods and services provided by the Group.

Credit quality of financial assets

All new customers are being assessed for credit risk before payments and delivery terms are being offered. As at 31 December the ageing of the Group's accounts receivables is as follows:

**Trade receivables**

<i>NOK 1 000</i>	2020	2019	2018
Not overdue	52 535	46 428	38 957
Overdue less than 1 month	6 130	9 886	9 994
Overdue 1-2 months	1 975	1 952	2 250
Overdue more than 2 months	1 317	2 517	1 319
Total	61 957	60 783	52 520

There are no overdue and not impaired accounts receivables as of 31 December.

Impairment of financial assets

Trade receivables and contract assets are subject to the expected credit loss model.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group. Provisions for losses are considered to cover the actual losses that are expected in relation to accounts receivables and contract assets.

The closing loss allowances for trade receivables and contract assets as at 31 December 2020 reconcile to the opening loss allowances as follows:

Loss allowances for trade receivables and contract assets

<i>NOK 1 000</i>	2020	2019	2018
1 January	1 724	1 601	1 561
Increase in loan loss allowance recognised in profit	100	1 008	105
Unused amounts reversed	(449)	(885)	(65)
31 December	1 375	1 724	1 601

Impairment losses on trade receivables and contract assets are recognised as other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations when they mature.

Management monitors rolling cash flow forecasts of the Group's liquidity requirements to ensure that it has a satisfactory level of cash to meet operational needs, as well as at any time maintain a satisfactory margin of the unused loan facility to ensure that the Group is not in breach of the requirements set in the loan agreement. Such estimation of future cash flows takes into account the Group's debt financing plans, loan conditions and compliance with internal requirements ratios in the balance. Excess liquidity in each company, beyond the requirements for working capital, is deposited in interest-bearing accounts with financial institutions.



The table below shows the Group's financial loans including interest into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts are agreed undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years	Later than 5 years
31 December 2020			
Borrowings	450 259	529 789	-
Trade and other payables	66 428	-	-
Lease liabilities	17 218	48 685	9 198
31 December 2019			
Borrowings	87 084	977 156	-
Trade and other payables	60 254	-	-
Lease liabilities	16 205	43 811	10 477
31 December 2018			
Borrowings	82 763	1 003 433	-
Other liabilities	18 894	-	-
Trade and other payables	73 939	-	-
Lease liabilities	18 351	56 684	11 118

Debt covenants

The Group's loan agreements include certain conditions related to interest cover rate, net interest-bearing liabilities / EBITDA, and capital expenditure. 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 at the Protection International Sarl (majority shareholder) related to the Investec facility. The company met all the loan covenants as at 31 December 2020.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Net debt at 31 December were as follows

NOK 1 000	2020	2019	2018
Bank borrowings (Note 20)	954 608	965 457	958 377
Cash (Note 18)	(87 627)	(62 186)	(62 356)
Net debt	866 981	903 271	896 021



Note 5: Financial assets and financial liabilities

Financial instruments by category

NOK 1 000

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2020:			
Financial assets			
Trade and other receivables excluding pre-payments	-	71 002	71 002
Cash and cash equivalents	-	87 627	87 627
Total	-	158 629	158 629

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2020:			
Financial liabilities			
Bank borrowings	-	954 609	954 609
Derivative financial instruments	-	-	-
Other liabilities (note 20 and 24)	-	-	-
Trade and other payables excluding non-financial liabilities	-	66 428	66 428
Total	-	1 021 037	1 021 037

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2019:			
Financial assets			
Trade and other receivables excluding pre-payments	-	68 523	68 523
Cash and cash equivalents	-	62 186	62 186
Total	-	130 709	130 709

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2019:			
Financial liabilities			
Bank borrowings	-	965 457	965 457
Trade and other payables excluding non-financial liabilities	-	60 254	60 254
Total	-	1 025 711	1 025 711

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2018:			
Financial assets			
Trade and other receivables excluding pre-payments	-	65 322	65 322
Cash and cash equivalents	-	62 356	62 356
Total	-	127 678	127 678

	Fair value through profit or loss	Assets at amortised cost	Total
31 December 2018:			
Financial liabilities			
Bank borrowings	-	958 387	958 387
Other liabilities (note 20 and 24)	18 894	-	18 894
Trade and other payables excluding non-financial liabilities	-	73 939	73 939
Total	18 894	1 032 326	1 051 220

The carrying amount of trade receivables, other receivables and other liabilities is a reasonable approximation of fair value. Derivatives are classified as held for trading and accounted for at fair value (MTM) through profit or loss.



Note 6: Segment information

General

The Group's principal segment is Personal Protection, which encompasses rental and sales of advanced transportation-, SAR (Search and Rescue)- and other work- and niche survival suits for the use in harsh marine environments. The main industrial end-markets by this segment include oil & gas and related services, wind, shipping, SAR services and other.

The Protective Rainwear segment includes sale of products, which includes a broad range of insulated-, flame retardant-, hi-tech- and basic protective rainwear for harsh working environments. The main industrial end-markets by this segment include construction, oil & gas, agriculture and forestry, wind and other.

Boat Canopies and Textile Solutions consists of design, manufacturing and distribution of coated and customised textile solutions, used in niche markets with overlapping material and design/construction needs. The primary application areas for these products are leisure boat canopies and seating solutions, textile tanks for agricultural applications and textile solutions for the defense industry.

The Group's chief operating decision makers (CODM) are the Board of Directors and the Chief Executive Officer. The CODM is responsible for allocating resources and assessing the performance of the segments.

The Group's performance is reviewed by the CODM by product category. The "Group functions and other" column relates to other business activities such as unallocated items.

The CODM primarily uses revenues and a measure of earnings before interest, tax and amortisation (EBITA, see below) to assess the performance of the operating segments. However, the CODM also receives information about the segments' revenue and the consolidated balance sheet of the Group on a monthly basis. Balance sheet items, including depreciation and amortisation, per segment, is not information provided to the CODM.

Financial year 2020

NOK 1 000	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
Revenue					
Revenue from services	211 838	-	-	-	211 838
Revenue from products	78 744	114 965	71 646	-	265 355
Income from other sources	775	-	-	1 704	2 479
Total revenue	291357	114965	71 646	1 704	479 672

EBITA¹ and gross profit reconciles to profit before tax as follows:

NOK 1 000	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
EBITA¹	88 708	26 268	18 026	6 439	126 563
Amortisation and impairment	-	-	-	16 976	16 976
Other gains/(losses) -net	-	-	-	(1 595)	(1 595)
Finance income ²	-	-	-	186	186
Finance expenses ²	-	-	-	85 291	85 291
Profit/(loss) before tax					22 887



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Financial year 2019

<i>NOK 1 000</i>	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
Revenue					
Revenue from services	211 942	-	-	-	211 942
Revenue from products	83 695	100 814	55 367	-	239 876
Income from other sources	836	-	-	1 769	2 605
Total revenue	296 473	100 814	55 367	1 769	454 423

EBITA¹ and gross profit reconciles to profit before tax as follows:

<i>NOK 1 000</i>	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
EBITA¹	100 230	22 958	11 390	7 405	127 173
Amortisation and impairment	-	-	-	24 534	24 534
Other gains/(losses) -net	-	-	-	(2 075)	(2 075)
Finance income ²	-	-	-	10 107	10 107
Finance expenses ²	-	-	-	78 083	78 083
Profit/(loss) before tax					32 588

Financial year 2018

<i>NOK 1 000</i>	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
Revenue					
Revenue from services	188 571	-	-	-	188 571
Revenue from products	78 272	87 493	57 350	-	223 115
Income from other sources	1 101	-	-	1 847	2 948
Total revenue	267 944	87 493	57 350	1 847	414 634

EBITA¹ and gross profit reconciles to profit before tax as follows:

<i>NOK 1 000</i>	Personal Protection	Protective Rainwear	Boat Canopies and Textile Solutions	Group functions and other	Total
EBITA¹	83 964	24 517	13 192	41 202	80 471
Amortisation and impairment	-	-	-	45 292	45 292
Other gains/(losses) -net	-	-	-	2 778	2 778
Finance income ²	-	-	-	16 509	16 509
Finance expenses ²	-	-	-	91 977	91 977
Profit/(loss) before tax					(37 511)

1) For further information about EBITA, please see Appendix.

2) Finance income and expenses are not allocated to segments, as this type of activity is derived by the central treasury function, which manages the cash position of the Group.



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Geographical information

<i>NOK 1 000</i>	Norway	Sweden	Denmark	Netherlands	Rest of Europe	Rest of the world	Total
Financial year 2020							
Revenue and other income	264 269	20 815	41 397	33 248	77 561	42 382	479 672
Property, plant and equipment ³	109 793	7	36 728	13 663	548	-	160 739

<i>NOK 1 000</i>	Norway	Sweden	Denmark	Netherlands	Rest of Europe	Rest of the world	Total
Financial year 2019							
Revenue and other income	261 086	17 318	42 308	39 176	69 516	25 019	454 423
Property, plant and equipment ³	114 563	18	28 777	15 651	-	-	159 009

<i>NOK 1 000</i>	Norway	Sweden	Denmark	Netherlands	Rest of Europe	Rest of the world	Total
Financial year 2018							
Revenue and other income	243 188	21 780	32 223	35 320	62 285	19 839	414 635
Property, plant and equipment ³	117 085	36	23 865	15 209	-	-	156 194

1) For further information about EBITA, please see Appendix.

2) Finance income and expenses are not allocated to segments, as this type of activity is derived by the central treasury function, which manages the cash position of the Group.

3) Non-current tangible assets other than financial instruments and deferred tax assets.

**Note 7: Revenue and other income**

The Group has recognised the following amounts relating to revenue in the statement of profit or loss:

<i>NOK 1 000</i>	2020	2019	2018
Revenue from contract with customers			
Revenue from services	211 838	212 515	160 978
Revenue from products	265 355	239 876	141 732
Other income			
Gain on sale of property, plant and equipment	775	876	3 272
Revenue from sub-lease of premises	1 071	1 142	1 058
Other	633	14	939
Total	479 672	454 423	307 979

Gain on sale of property, plant and equipment

Relates primarily to sale of second-hand offshore rental-suits classified as property, plant and equipment. See note 15 for further information on the disposals during the year.

Income from sub-lease of premises

Relates among other to sub-lease of premises at the headquarters in Moss and has been treated as operating lease.

The group has the following revenue-related contract assets recognised in the balance sheet as at period end:

<i>NOK 1 000</i>	2020	2019	2018
Current contract assets relating to rental of suits	10 068	9 349	10 195

There are no contract liabilities recognised in the balance sheet.

Accounting policies and significant judgements

Please see note 2.5 for information about the accounting policies for the Groups main type of revenue.

Financing components

The Group has from time to time contracts where the period between the transfer of the promised goods or service to the customer and payment by the customer exceeds one year. Such receivables are recognised in the balance sheet at fair value. The interest element in the discounted financial receivable is included as financial income.

Note 8: Payroll and other personnel expenses

<i>NOK 1 000</i>	2020	2019	2018
Wages and salaries	80 425	76 391	74 222
Social security tax	9 137	9 948	9 190
Pension cost (see note 22 "Pension Plans")	4 211	3 911	3 377
Other payroll costs	2 893	2 785	2 498
Total	96 666	93 035	89 287



Note 9: Remuneration of the board of directors and executive management

Remuneration of the Board of Directors

NOK 1 000		2020	2019	2018
Name	Position			
Amund Skarholt	Chair	360	390	293
Thomas Astrup Klitbo	Director	90	130	98
Wenche Kjølås	Director ²	300	163	-
Carine Engen	Director ¹	-	65	-
Peter Svarrer	Director ³	-	-	98
Total		750	748	489

¹ From 24 October 2018 until 3 July 2019

² From 3 July 2019

³ From 16 March 2017 until 24 October 2018

Remuneration to Executive management

NOK 1 000	Wages and salaries	Bonus	Pension expense	Other remunerations	Total benefit to executives
2020					
Terje Gorm Hansen (CEO)	3 009	472	146	137	3 764
Dan Lund (CFO) ¹	1 027	13	107	10	1 157

NOK 1 000	Wages and salaries	Bonus	Pension expense	Other remunerations	Total benefit to executives
2019					
Terje Gorm Hansen (CEO)	2 904	1 078	187	86	4 255
Anders Kvame (CFO) ²	577	-	44	3	624

NOK 1 000	Wages and salaries	Bonus	Pension expense	Other remunerations	Total benefit to executives
2018					
Terje Gorm Hansen (CEO)	3 130	421	160	10	3 721
Carine Engen (CFO)	1 293	-	144	9	1 446

¹ From 1 September 2020

² From 1 September 2019

No loans, advances or guarantees have been granted to Executives or Board members.

The Board of Directors Declaration on salaries and other remuneration for senior management

The board of directors of Hansen Protection ASA will base the determination of salary and other remuneration of the chief executive officer and other members of the senior management on the following guidelines during the coming financial year.



General guidelines

The overall objective of the management remuneration policy of Hansen Protection ASA is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the company and its shareholders. Hansen Protection ASA shall offer competitive terms to senior management. Subject to this, the remuneration of the company's senior management shall as far as possible be in line with the market level for remuneration of senior management in comparable companies.

The remuneration of senior management shall not be of a size or nature, which is liable to harm the company's reputation.

The remuneration of the company's senior management may, in addition to a fixed salary, include customary benefits in kind such as car allowance or company car, coverage of telephony and broadband costs, newspaper subscriptions etc.

The remuneration may also include pension and insurance schemes as well as severance pay entitlements.

The board of directors may establish bonus schemes for senior management. The purpose of any bonus scheme shall be to give management an incentive to contribute to value creation in the company.

Guidelines for determination of salary and other remuneration for the fiscal year 2020

The key principle for determination of managements' salaries is the sum of base salary and other benefits. This sum shall be competitive. The base salary shall normally be the main component in the managements' salaries and this is determined based on tasks, responsibilities, competence and seniority.

Result-based remuneration

The Company has a result-based bonus scheme for management and certain other senior level employees. The arrangement shall contribute to the Company's achievement of key goals and strategies. Bonuses are tied to the Company's results and achievement of agreed personal goals. The maximum bonus is between 10 and 40 per cent of the individual salary, while the CEO is entitled to a bonus of up to six months' salary.

Severance pay

The Company does not have agreements regarding severance pay to management, except for the CEO, who has waived his employment protection in the Working Environment Act against severance pay.

Pension schemes

The Company as well as some of the subsidiaries have a defined contribution pension scheme that applies to all employees. The CEO also has an individual agreement regarding early retirement. There are no other agreements regarding early retirement.

Benefits in kind

The Company's management may be granted benefits in kind, such as free phone, at home pc, free internet and newspapers. There are no particular restrictions as to the kind of benefits in kind that may be agreed.

Other benefits

It is possible to grant other variable elements of the remuneration or other particular benefits, including special bonuses, than those mentioned above if this is deemed beneficiary to attract and/or retain a manager or is otherwise deemed to benefit the Company.

Remuneration policy during the last fiscal year

The remuneration policy for senior management during 2020 has been in accordance with the principles described above. Information on remuneration to senior executive management during 2020 is included in the table above.

**Note 10: Other operating expenses**

Other operating expenses are split up into the following categories:

<i>NOK 1 000</i>	2020	2019	2018
Sales and distribution costs	43 148	39 690	36 163
Advertising and marketing costs	3 337	5 584	4 363
Other costs related to leased facilities	4 285	3 851	2 880
External service provider fees	6 389	7 254	5 865
Cost for travel and means of transport	3 001	5 232	4 226
Bad debts	100	1 008	(57)
Professional fees and other restructuring costs	2 865	2 986	39 641
Other operating costs	12 609	12 818	10 073
Total	75 734	78 423	103 154

Professional fees and other restructuring expenses in 2018 is materially impacted by fees related to due diligence and IPO preparations.

No government grants have been recognised in other operation expenses in the three year period from 2018 to 2020.

Remuneration of the auditor (excl. VAT):

<i>NOK 1 000</i>	2020	2019	2018
Statutory audit (including technical assistance with annual report)	1 089	1 088	2 487
Other assurance services	-	-	60
Tax services	-	24	1 762
Other assistance	607	260	16 997
Total	1 696	1 372	21 305

Note 11: Rent and lease agreements

Leases – amounts recognised in the balance sheet.

The balance sheet shows the following amounts relating to leases:

<i>NOK 1 000</i>	2020	2019	2018
Right-of-use assets¹			
Properties	56 531	52 081	54 061
Total	56 531	52 081	54 061

¹Included in the line item 'Property, plant and equipment' in the balance sheet

<i>NOK 1 000</i>	2020	2019	2018
Lease liabilities			
Non-current	50 088	46 408	49 232
Current	13 632	12 693	11 612
Total	63 720	59 101	60 844

Additions to the right-of-use assets during the 2020 financial year were NOK 16 986 (2019: NOK 10 935, 2018: NOK 14 831).



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Leases – amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

NOK 1 000	2020	2019	2018
Depreciation charge of right-of-use assets			
Properties	13 461	12 556	12 341
Cars and equipment	-	-	78
Total	13 461	12 556	12 419
Interest expense (included in finance cost)	3 477	3 592	2 359
Expense relating to short-term leases (included in other expenses)	53	57	104
Total	3 530	3 649	2 463

The total cash outflow for leases in 2020 was NOK 16 807 (2019: NOK 15 868. 2018: 15 585).

The Group's leasing activities and how these are accounted for

The Group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of lease payments. The lease payments are discounted using the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Group and not by the respective lessor, and the lease term period has been estimated based on the period that is assessed as most probable.

Note 12: Other gains- and losses

NOK 1 000	2020	2019	2018
Net foreign exchange gains/(losses) on operations	(1 595)	(2 075)	(893)
Net gain/ (loss) on interest rate swaps	-	-	496
Share of profit/ (loss) on investments accounted for using the equity method	-	-	-
Contingent consideration earn-out adjustment from business combinations	-	-	3 175
Total	(1 595)	(2 075)	2 778



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Note 13: Financial items

Finance income

<i>NOK 1 000</i>	2020	2019	2018
Interest income			
Financial institutions	139	222	89
Other	47	158	256
Other financial income			
Foreign exchange gains on bank borrowings	-	2 956	-
Total	186	3 336	345

Finance expenses

<i>NOK 1 000</i>	2020	2019	2018
Interest expenses			
Bank borrowings	52 416	53 619	53 033
Amortization of debt issuance cost	4 685	8 709	8 914
Leasing	3 477	3 535	4 741
Other	504	436	444
Other financial expenses			
Foreign exchange losses on bank borrowings	21 850	-	4 785
Other financial expenses ¹	2 359	5 013	3 897
Total	85 291	71 312	75 814

¹Other financial expenses relates to bank charges.



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Note 14: Intangible assets

<i>NOK 1 000</i>	Goodwill	Trademarks	Patents	Customer relationships	Total
At 1 January 1, 2018					
Acquisition cost	974 439	50 850	22 800	254 709	1 302 798
Accumulated amortisation and impairment	(424)	-	(21 375)	(160 252)	(182 051)
Carrying amount	974 015	50 850	1 425	94 457	1 120 747
31 December 2018					
Opening net book amount	974 015	50 850	1 425	94 457	1 120 747
Translation differences	279	189	-	(107)	361
Acquisition of Helippe Holding Aps	26 082	-	-	-	26 082
Impairment Hansen Protection AB	(10 189)	-	-	-	(10 189)
Amortisation	-	-	(1 425)	(33 678)	(35 103)
Closing net book amount	990 187	51 039	-	60 672	1 101 898
At 31 December, 2018					
Acquisition cost	1 000 800	51 039	22 800	254 602	1 329 241
Accumulated amortisation and impairment	(10 613)	-	(22 800)	(193 930)	(227 343)
Net book amount	990 187	51 039	-	60 672	1 101 898
31 December 2019					
Opening net book amount	990 187	51 039	-	60 672	1 101 898
Translation differences	(952)	(197)	-	(276)	(1 425)
Amortisation	-	-	-	(24 534)	(24 534)
Closing net book amount	989 235	50 842	-	35 862	1 075 939
At 31 December, 2019					
Acquisition cost	999 848	50 842	22 800	254 326	1 327 816
Accumulated amortisation and impairment	(10 613)	-	(22 800)	(218 464)	(251 877)
Net book amount	989 235	50 842	-	35 862	1 075 939
31 December 2020					
Opening net book amount	989 235	50 842	-	35 862	1 075 939
Translation differences	7 131	1 423	-	1 536	10 090
Amortisation	-	-	-	(16 976)	(16 976)
Closing net book amount	996 366	52 265	-	20 422	1 069 053
At 31 December, 2020					
Acquisition cost	1 006 979	52 265	22 800	255 862	1 337 906
Accumulated amortisation and impairment	(10 613)	-	(22 800)	(235 440)	(268 853)
Net book amount	996 366	52 265	-	20 422	1 069 053



Trademarks

Trademarks derives from acquisition including among other Hansen Protection AS, Biardo Survival suits BV and Lyngsøe Rainwear Aps. Trademarks that has existed for a long period of time and have a sound development at the time of acquisition have an indefinite useful life and are not amortised. An indefinite useful life means that it is impossible on the statement of financial position date to estimate the period during which assets will be available for use.

Patents

Capitalized patents are related to development of a breathing regulator installed on survival suits. The patent was fully amortised in 2018.

Customer relationships

Customer relationships derives solely from aquisition of companies in the period 2013 - 2017. The amortisation period is 5-10 years. This period is based on analysis of customer churn rate and remaining useful lifetime of the customer relationships. The amortisation is based on a degressive method.

Goodwill

Goodwill is a residual value consisting of the difference between the purchase price and the capitalised value of an acquired company. Goodwill derives from acquisitions performed in the period 2013-2018. The Group's cash-generating units are indentified as each acquired company.

The table below shows goodwill allocation per cash-generating units as of 31 December:

NOK 1 000	2020		2019		2018	
	NOK	Local currency	NOK	Local currency	NOK	Local currency
Hansen Protection AS	879 585	879 585	879 585	879 585	879 585	879 585
Biardo Survival suits BV	22 009	2 102	20 732	2 102	20 936	2 102
Lyngsøe Rainwear Aps	67 146	47 719	62 999	47 719	63 583	47 719
Helippe Holding Aps	27 626	19 633	25 919	19 633	26 083	19 633
Total	996 366		989 235		990 187	

Impairment and testing of goodwill and trademarks

The group has performed an impairment test on the carrying value of goodwill and trademarks as a result of these assets having indefinite useful life. Value in use was used as the measure of recoverable amount. The test includes the net present value analysis of expected future cash-flows from cash-generating units. In 2018 the indicators for Hansen Protection AB was indentified due to the decision to close down the consumer business in Sweden. The carrying amount was reduced to nil through recognition of an impairment loss of NOK 10 189. The loss is included in amortisation and impairment of goodwill in the consolidated statement of profit and loss for 2018.

Cash-flow Model

The model is based on a three-year forecast of discounted cash flows of the Group's business plan, and a terminal value calculated using the Gordon's formula. Net discounted cash flow is calculated before tax. The model is based on the following assumptions:

Cash flow

A strategic business plan for the Group for the period 2021 - 2023 has been prepared based on market development in the recent years and guidelines issued by the Board and the owners. The terminal value is calculated with an annual growth rate of 2.0 per cent.

WACC (Weighted annual cost of capital)

To calculate the discount rate, the Group has applied CAPM as a method, and WACC is calculated to 10.1 per cent before tax for the Norwegian cash generating unit (CGU) and 10.0 per cent before tax for the NL and DK CGUs. Cost of equity is calculated based on 10-year government bonds adjusted for a market risk premium and non-liquidity premium linked to the Group. Debt cost is calculated based on the Group's long term target for gearing.

A reduction of 1 per cent in annual growth rate in the terminal value will not affect the conclusion of the impairment test. The same applies to a 1 per cent increase in the WACC.

**Note 15: Property, plant and equipment**

<i>NOK 1 000</i>	Right og use assets	Rental suits	Other machinery and equipment	Total
At 1 January 1, 2018				
Acquisition cost	82 223	134 969	24 163	241 355
Accumulated amortisation and impairment	(29 347)	(67 120)	(15 500)	(111 967)
Carrying amount	52 876	67 849	8 662	129 388
31 December 2018				
Opening net book amount	52 876	67 849	8 662	129 388
Conversion differences	279	401	27	707
Additions from acquisitions during the year	2 268	10 266	-	12 534
Additions	12 563	37 377	3 662	53 602
Disposals at acquisition cost	(1 506)	(1 831)	-	(3 337)
Accumulated depreciations disposals	-	903	-	903
Depreciation	(12 419)	(21 205)	(3 980)	(37 604)
Closing net book amount	54 061	93 761	8 371	156 194
At 31 December, 2018				
Acquisition cost	95 827	182 086	27 852	305 764
Accumulated amortisation and impairment	(41 766)	(88 325)	(19 480)	(149 571)
Net book amount	54 061	93 761	8 371	156 194
31 December 2019				
Opening net book amount	54 061	93 761	8 371	156 194
Translation differences	(29)	62	15	48
Additions	10 935	28 386	5 203	44 524
Disposals at acquisition cost	(330)	(2 324)	(466)	(3 120)
Accumulated depreciations disposals	-	743	26	769
Depreciation	(12 556)	(23 086)	(3 764)	(39 406)
Closing net book amount	52 081	97 543	9 385	159 009
At 31 December, 2019				
Acquisition cost	106 403	208 191	32 600	347 194
Accumulated amortisation and impairment	(54 322)	(110 648)	(23 215)	(188 185)
Net book amount	52 081	97 543	9 385	159 009
31 December 2020				
Opening net book amount	52 081	97 543	9 385	159 009
Translation differences	1 014	1 133	641	2 789
Additions	16 896	23 897	3 099	43 892
Disposals at acquisition cost	-	(1 597)	(1 737)	(3 334)
Accumulated depreciations disposals	-	1 109	1 114	2 223
Depreciation	(13 460)	(26 843)	(3 537)	(43 840)
Closing net book amount	56 531	95 242	8 965	160 739
At 31 December, 2020				
Acquisition cost	124 313	231 433	34 576	390 322
Accumulated amortisation and impairment	(67 782)	(136 191)	(25 611)	(229 583)
Net book amount	56 531	95 242	8 965	160 739

**Note 16: Inventories**

<i>NOK 1 000</i>	2020	2019	2018
Raw Materials	33 104	25 456	24 301
Work in progress	3 296	4 861	4 508
Finished products	101 994	104 371	89 202
Total inventories (gross)	138 394	134 688	118 011
Allowance for obsolete inventories	-	-	-
Raw materials and finished products	(5 919)	(6 291)	(6 642)
Carrying value	132 475	128 397	111 369

Inventories recognised as an expense during 2020 amounted to NOK 136 869 (2019: NOK 116 386, 2018: NOK104 119). These were included in the Purchase of goods and materials. There were no write-downs to net realisable value included in Purchase of goods and materials in 2020 (2019: NOK 0, 2018: NOK 0).

Note 17: Trade receivables and other receivables

<i>NOK 1 000</i>	2020	2019	2018
Trade receivables (gross)	61 957	60 783	52 520
Provision for loss on trade receivables	(1 375)	(1 724)	(1 601)
Total inventories (gross)	60 582	59 059	50 919
Prepaid expenses	3 745	2 869	2 714
Income accruals	10 068	9 349	10 195
Other current receivables	352	115	232
Total other current receivables	14 165	12 333	13 141

Note 18: Cash

<i>NOK 1 000</i>	2020	2019	2018
Cash in bank	87 627	62 186	62 356
Whereof taxes withheld	2 392	2 557	2 494



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Note 19: Taxes

<i>NOK 1 000</i>	2020	2019	2018
Current tax:			
Tax payable current year	19 898	21 259	9 629
Adjustments for current tax of prior years ¹	185	-	(2 459)
Total current tax expense	20 083	21 259	7 170
Deferred income tax:			
Change in deferred tax assets	230	(691)	1 644
Change in deferred tax liability	(5 779)	(7 698)	(10 297)
Change in tax rate	-	-	(627)
Total deferred tax expense	(5 549)	(8 389)	(9 280)
Income tax expense:	14 534	12 870	(2 110)

¹ Adjustment for current tax prior years in in 2018 is a result of amended taxable income in the years 2014 - 2016 related to the understanding of the non-deductible interest charges. Amendment was initiated by the company and approved by the tax authorities in the year.

<i>NOK 1 000</i>	2020	2019	2018
Reconciliation of income tax expense:			
Profit before income tax expense	22 887	32 588	(37 511)
Tax calculated using the domestic rate (22%/23%)	5 035	7 169	(8 628)
Change in deferred tax assets not recognized	9 452	6 991	10 030
Other change in deferred tax assets	(37)	(1 544)	-
Effect of local taxes	(106)	28	(300)
Effect on deferred tax and deferred tax asset of reduced tax rate	-	-	(627)
Tax expense related to previous years	185	-	(2 459)
Other permanent differences	5	225	(126)
Income tax expense	14 534	12 870	(2 110)

Tax losses carried forward

Unused tax losses for which no tax asset has been recognised refer to non-deductible internal interest charges as well as losses carried forward.

<i>NOK 1 000</i>	2020	2019	2018
Non-deductible interest charges expiring 2024 and later	(142 674)	(118 176)	(88 067)
Losses carried forward no expiring dates	(52 760)	(39 655)	(36 456)

Tax rate related to non-deductible interest charges is 22 per cent. Losses carried forward are potentially subject of tax rates of 21.4 - 22 per cent



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Deferred tax balances

Deferred tax asset presented gross:

<i>NOK 1 000</i>	2020	2019	2018
Deferred tax asset Denmark	-	-	1 116
Deferred tax asset related to net leasing liability according to IFRS 16	1 581	1 544	-
Deferred tax asset	1 581	1 544	1 116

Change in carrying amount of deferred tax asset

<i>NOK 1 000</i>	2020	2019	2018
Opening balance deferred tax asset	1 544	1 116	-
Currency translation difference	-	(10)	-
Profit and loss account	37	438	729
Deferred tax asset from acquisitions	-	-	388
Deferred tax asset	3 564	1 544	1 116

Net deferred tax asset and deferred tax liability (-) in the balance sheet

Deferred tax asset and deferred tax liabilities is presented net if the group has a legal right to net the effect in the balance sheet and the tax-increasing and the tax-reducing temporary differences reverse or may reverse during the same period.

<i>NOK 1 000</i>	2020	2019	2018
Other deferred tax assets recognised in the balance sheet	1 202	1 668	2 091
Deferred tax liability recognised in the balance sheet	(18 630)	(23 867)	(32 298)
Adjustment for local tax rates	(688)	(545)	(627)
Deferred tax/ deferred tax liability (-) (net)	(18 117)	(22 744)	(30 834)

Change in carrying amount of deferred tax

<i>NOK 1 000</i>	2020	2019	2018
Opening balance deferred tax liability (net)	22 744	30 834	36 153
Currency translation difference	885	(150)	155
Profit and loss account	(5 512)	(7 951)	(8 653)
Change in tax rate	-	-	(627)
Intangible assets new subsidiaries	-	-	3 598
Other	-	11	208
Total	18 117	22 744	30 834



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Temporary differences and deferred tax

Taxable differences netted against deductible differences

<i>NOK 1 000</i>	2020	2019	2018
Receivables	(793)	(699)	(706)
Inventory	(3 877)	(3 450)	(4 878)
Tangibles	1 658	(61)	(2 429)
Pension liability	(854)	(847)	(847)
Development of rental suit	(276)	(386)	(496)
Accruals	-	-	(150)
Taxloss carried forward	(1 320)	(2 137)	-
Gross amount differences attributable to deferred tax assets	(5 462)	(7 580)	(9 506)

Temporary differences attributable to deferred tax liability

<i>NOK 1 000</i>	2020	2019	2018
Capitalized borrowing costs	6 768	11 454	20 162
Tangibles	3 290	7 828	18 110
Customer relations	20 422	35 860	60 075
Goodwill	4 514	5 081	-
Trademark	49 688	48 263	48 462
Gross amount differences attributable to deferred tax liability	84 682	108 487	146 809

Net temporary differences	79 221	100 906	137 303
Net deferred tax liability	17 429	22 199	30 207
Tax rate	22 %	22 %	22 %
Adjusted for local taxes	688	545	627
Net deferred tax liability 31 December	18 117	22 744	30 834

Note 20: Borrowing and liabilities

Non-current liabilities

<i>NOK 1 000</i>	2020	2019	2018
Bank borrowings	511 890	900 508	898 868
Lease liabilities	50 088	46 408	49 232
Total	561 978	946 916	948 100

Current liabilities

<i>NOK 1 000</i>	2020	2019	2018
Bank borrowings	511 890	900 508	898 868
Lease liabilities	50 088	46 408	49 232
Total	561 978	946 916	948 100
Total borrowings and liabilities	1 123 955	1 893 832	1 896 199



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Notes to the consolidated financial statements

The fair value of borrowings has been calculated, there is no material difference from carrying value.

2020

NOK 1 000

Creditor	Designation	Principal as at 1 January 2020 (NOK)	Maturity	Average interest rate 2020	Principal as at 31 December 2020 (LC)	Currency	Principal as at 31 December 2020 (NOK)
Investec	Long-term	298 091	2021	5,50 %	31 222	EUR	326 900
DnB/Nordea	Facility A/A1	57 000	2021	5,24 %	23 000	NOK	23 000
DnB/Nordea	Facility B/B1	478 658	2022	5,39 %	478 658	NOK	478 658
DnB/Nordea	Facility C	97 214	2021	4,08 %	6 550 / 12 540	EUR/NOK	81 117
DnB/Nordea	RCF	30 000	2022	4,59 %	40 000	NOK	40 000
Middelfart Sparebank	Bank overdraft	4 495		2,33 %	3 506	DKK	4 933
Total							954 608

2019

NOK 1 000

Creditor	Designation	Principal as at 1 January 2019 (NOK)	Maturity	Average interest rate 2019	Principal as at 31 December 2019 (LC)	Currency	Principal as at 31 December 2019 (NOK)
Investec	Long-term	281 606	2021	5,50 %	30 221	EUR	298 091
DnB/Nordea	Facility A/A1	80 259	2021	5,32 %	57 000	NOK	57 000
DnB/Nordea	Facility B/B1	478 657	2022	5,82 %	478 658	NOK	478 658
DnB/Nordea	Facility C	112 508	2021	5,36 %	6 550 / 32 605	EUR/NOK	97 214
DnB/Nordea	RCF	-	2022	5,30 %	30 000	NOK	30 000
Middelfart Sparebank	Bank overdraft	5 357		3,25 %	3 405	DKK	4 495
Total							965 457

2018

NOK 1 000

Creditor	Designation	Principal as at 1 January 2018 (NOK)	Maturity	Average interest rate 2018	Principal as at 31 December 2018 (LC)	Currency	Principal as at 31 December 2018 (NOK)
Investec	Long-term	226 327	2020	5,50 %	28 288	EUR	281 606
DnB/Nordea	Facility A/A1	95 000	2021	5,26 %	81 000	NOK	80 259
DnB/Nordea	Facility B/B1	478 657	2022	5,76 %	478 657	NOK	478 657
DnB/Nordea	Facility C	111 802	2021	5,22 %	6 550 / 62 184	EUR/NOK	112 508
Middelfart Sparebank	Bank overdraft	-		3,30 %	3 991	DKK	5 357
Total							958 387

Refinancing of existing facilities maturing in less than 1 year

As per the 31 December 2020 (Balance Sheet Date), the group was not in a position to meet its financial obligations under the current maturity schedule of its facilities. Subsequent to the Balance Sheet Date, the group has signed an agreement with Survitec Group Ltd for the acquisition of all shares in Hansen Protection ASA. The transaction is expected to close 5 May 2021, at which point all existing facilities will be repaid with funds from outside of the current group. See note 27 for further details.



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Notes to the consolidated financial statements

The line item borrowing consists of:

<i>NOK 1 000</i>	2020	2019	2018
Principal amount	954 608	965 457	958 387
Book value of debt issuance cost	(6 768)	(11 454)	(20 162)
Total	947 840	954 003	938 225

Loan facility

<i>NOK 1 000</i>	2020	2019	2018
<i>Undrawn loan facility at 31 December</i>			
Investec	-	17 551	17 044
Facility A	263 000	229 000	205 000
Facility B	50 342	50 342	50 342
Facility C	-	-	-
Revolving facility	-	10 000	40 000
Bank overdraft facility Denmark	695	786	12

Liabilities deriving from the implementation of IFRS 16 Leases. Please see Note 11 for further details.

Other liabilities

Contingent considerations deriving from business combinations in the period 2014-2017. See Note 24 for further details on acquisitions made in the period 2017-2018.

Amounts with due date within 12 months are classified as current liabilities.

See table below for changes in bank borrowings, lease liabilities and other liabilities (other than changes in net working capital) arising from financing activities, both cash flows and no cash flow changes.

Non-current and current bank borrowings, lease liability and other liabilities

<i>NOK 1 000</i>	2020	2019	2018
1 January	1 013 104	1 017 963	986 570
- Proceeds from borrowings	21 407	48 073	51 414
- Repayment of borrowings	(54 065)	(38 000)	(14 742)
- Lease payments	(16 087)	(15 867)	(15 584)
- Contingent consideration acquisitions of subsidiaries	-	(18 894)	(23 362)
<i>Non-cash flows</i>			
- Translation differences	22 109	2 329	6 487
- Debt assumed from business combinations	-	-	5 140
- Lease liability	20 406	8 791	16 301
- Amortisation of debt issuance cost	4 685	8 709	8 914
- Downward adjustment contingent consideration acquisitions of subsidiaries	-	-	(3 175)
31 December	1 011 560	1 013 104	1 017 963



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Notes to the consolidated financial statements

Mortgages

Assets in Hansen Protection AS have been pledged as security for non-current bank borrowings.

Carrying amount of assets provided as security:

<i>NOK 1 000</i>	2020	2019	2018
Trade receivables	20 087	35 709	27 452
Inventories	66 733	55 068	47 446
Property, plant and equipment	79 105	80 205	77 745
Total	165 925	170 982	152 643

Note 21: Trade and other payables

<i>NOK 1 000</i>	2020	2019	2018
Trade payables	13 928	18 209	18 329
Public duties	8 716	5 499	6 181
Accrued vacation pay	10 515	9 098	7 967
Accrued expenses	33 269	27 448	41 462
Total	66 428	60 254	73 939

Trade payables are non-interest bearing and are due within the next 12 months.

Note 22: Pension Plans

The employees of Hansen Protection AS, Hansen Protection AB, Lyngsøe Rainwear Aps and Helippe UK Ltd are members of collective occupational pension schemes. At 31 December 2020 126 employees were in these schemes.

The net pension obligations in the company include a one-off compensation to one person related to the discontinuation of an uninsured pension agreement. This obligation consist of an accumulated benefit obligation (ABO) at the time of the agreement, as well as interest accrued on this, corresponding to a ten-year government bond yield.

Hansen Protection AS also has an agreed early retirement scheme (AFP). This AFP-scheme is a defined benefit multi-enterprise plan, but is recognised in the accounts as a defined contribution plan until reliable and sufficient information is available for the Group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as an obligation in the balance sheet.

The other subsidiaries in which there are employees have defined contribution plans an accordance with the local rules and agreements.

Pension expenses recognised in the statement of profit or loss:

<i>NOK 1 000</i>	2020	2019	2018
Premiums for defined contribution scheme	3 701	3 009	2 637
Premiums for contractual early retirement scheme (AFP)	893	914	727
Costs from defined benefit scheme	7	(12)	13
Total	4 601	3 911	3 377
Pension obligation recognised	854	847	847

**Note 23: Equity and shareholder information**

<i>NOK 1</i>	2020	2019	2018
Number of shares at 31 December	15 010	15 010	15 010
Ordinære shares	15 010	15 010	15 010
Nominal value per share (NOK)	5,0	5,0	5,0

<i>NOK 1000</i>	2020	2019	2018
Share capital	75 050	75 050	75 050
Share premium	363 232	363 232	363 232

Share capital increase

In 2018 the Board of Directors carried out a capital increase of NOK 8 325 by capitalization issue increasing the nominal value per A-shares from NOK 4.54 to NOK 5.0 and increasing the nominal value per B-shares from NOK 4.43 to 5.0

Reverse split of shares

On 24 October 2018, the Board approved a reverse split of the company's shares. The company's A-shares was consolidated 4.548297609:1. The total of 11 089 outstanding A-shares was thus consolidated to 2 441. B-shares was consolidated 4.542897609:1. The total of 55 636 B-shares was thus consolidated to 12 569.

Conversion of classes of shares

On 24 October 2018 the shares in Hansen Protection ASA was converted from A-shares and B-shares to one singular class of ordinary shares. Following consolidation of each of the two classes 2 441 A-shares at par value NOK 5.0 per share and 12 569 B-shares at par value NOK 5.0 per share were converted to ordinary shares. Total number of ordinary shares following the conversion was 15 010 at nominal value 5.0 per share.

Treasury shares

The ordinary general meeting on 2 May 2017 authorized the Board to acquire and sell own shares. During 2017 170 shares was acquired at 8.36 per share and 159 shares at NOK 9.43 per share was sold in the same period. In January 2018 Hansen Protection ASA purchased 35 treasury shares class A at 9.43 per share. Total number of shares at 31 December following the conversion to ordinary shares as described above is 10.

Largest shareholders at 31 December 2020	Total number of shares	Ownership
Protection International Sarl (Luxembourg)	13540	90.21%
Lyngsøe Holding Aps (Denmark)	1086	7.24%
Hansen Protection Management	374	2.65%
Hansen Protection ASA (treasury shares)	10	0.07%
	15010	100.0%

Largest shareholders at 31 December 2019	Total number of shares	Ownership
Protection International Sarl (Luxembourg)	13540	90.21%
Lyngsøe Holding Aps (Denmark)	1086	7.24%
Hansen Protection Management	374	2.65%
Hansen Protection ASA (treasury shares)	10	0.07%
	15010	100.0%

Largest shareholders at 31 December 2018	Total number of shares	Ownership
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Notes to the consolidated financial statements

Protection International Sarl (Luxembourg)	13517	90.05%
Lyngsøe Holding Aps (Denmark)	1086	7.24%
Hansen Protection Management	397	2.65%
Hansen Protection ASA (treasury shares)	10	0.07%
	15010	100.0%

Note 24: Business combinations

Acquisitions 2020

There were no acquisitions in the year ending 31 December 2020.

Acquisitions 2019

There were no acquisitions in the year ending 31 December 2019.

Acquisitions 2018

During 2018 the parent company has acquired 50 per cent of the shares in Helippe Holding Aps, located in Denmark. Helippe Holding Aps holds 100 per cent of the shares in Helippe Aps.

Helippe Holding Group

On 6 June 2018, Hansen Protection AS acquired 50 per cent of the shares in Helippe Holding ApS, the owner of all shares in Helippe ApS, through a combination of share purchase and participation in a capital increase. Total purchase consideration for the 50 per cent ownership was NOK 17 538. Hansen Protection has through the shareholder agreement entered into on 13 March 2018 been provided with a "golden share" which effectively gives Hansen Protection the deciding vote at any Board meetings, EGMs or AGMs, thus ensuring full control of the entity. Based on the shareholder agreement Helippe Holding ApS is fully incorporated in the consolidated accounts of Hansen Protection Group from the time of the acquisition. The initial recognition of the non-controlling interest in Helippe Holding Aps is presented in the accounts at fair value. Helippe ApS is located in Esbjerg, Denmark and its main business is renting out survival suits and protective equipment for the offshore wind industry.

The acquired businesses' contribution to the Group from the date of acquisition and consolidated pro-forma information:

<i>NOK 1 000</i>	Revenues	EBITA	Profit (-loss) for the period
Group standalone	403 107	77 814	(37 387)
Helippe Holding Group reported	11 528	2 654	1 986
Group reported	414 635	80 471	(35 401)
Helippe Holding Group full year effect	4 511	(898)	(1 444)
Group pro forma	419 146	79 573	(36 845)

Details of the purchase consideration for 50 per cent of the shares:

<i>NOK 1000</i>	Helippe Holding Group
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	17 538
Less: Balances acquired	
Cash	8 830
Net outflow of cash - investing activities	8 708

The difference between net outflow of cash from investing activities in the table above and the payments for acquisition of subsidiaries, net of cash acquired in the consolidated cash flow statement comprise payments relating to deferred settlements from previous acquisitions of Lyngsøe Rainwear ApS and Hansen Protection AB.

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



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Notes to the consolidated financial statements

<i>NOK 1 000</i>	Helippe Holding Group
Cash	8 830
Trade receivables	1 424
Property, plant and equipment	10 751
Other current assets	99
Long term receivables	66
Deferred tax	(2 945)
Bank borrowings	(5 140)
Trade payables	(2 173)
Taxes payable	86
Other current liabilities	(1 147)
Net identifiable assets acquired	9 851
Non-controlling interest	(17 538)
Goodwill	25 225
Net outflow of cash - investing activities	17 538

The goodwill is attributable to the workforce and the high profitability of the acquired businesses. It will not be deductible for tax purposes.

Acquisition-related costs

Acquisition-related costs of NOK 1 417 that were not directly attributable to the issue of shares are included in other operating expenses in profit or loss and in operating cash flows in the statement of cash flows.

Note 25: Earnings per share

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period, while diluted earnings per share calculations are performed using the average number of common shares and dilutive common share equivalents outstanding during each period. The calculation of basic and diluted earnings per share for all comparative periods presented has been adjusted retrospectively to reflect the new number of average outstanding A-share as a result of this reverse share split that was approved by the extraordinary general meeting held on October 24,

<i>NOK 1 000</i>	2020	2019	2018
Profit(-loss) for the period	8 354	19 718	(35 401)
10 % annual accrued interest to shareholders of B-shares upon conversion of classes of shares	-	-	(43 020)
Gain (Loss-)	8 354	19 718	(78 421)
Average number of shares outstanding	15 010	15 010	4 783
Average number of shares outstanding adjusted for dilutional effects	15 010	15 010	4 783
Basic earnings per share (NOK/Share)	0,56	1,31	(16,46)
Diluted earnings per share	0,56	1,31	(16,46)
	2020	2019	2018
Average number of shares outstanding	15 010	15 010	4 783
Dilutional effects	-	-	-
Average number of shares outstanding adjusted for dilutional effects	15 010	15 010	4 783



Note 26: Related party transactions

The Group's related parties include its Executive Manager, Board of Directors and management shareholders. From 2018 the group no longer has associated companies.

Please see Note 9 for details on remuneration of Executive Manager and Board of Directors, and Note 23 for information about shares owned by management and Board of Directors.

Note 27: Subsequent events

At 16 March 2021, Survitec Group Ltd signed an agreement for the intent to acquire Hansen Protection. The transaction is expected to close 5 May 2021, following this, Hansen Protection will be part of the Survitec Group. The transaction includes the acquisition of 100% of the shares outstanding and a repayment of the company's debt facilities.

At 22 March 2021, Hansen Protection agreed to acquire the remaining 50% of the shares in HeliPPE Holding ApS and which was completed 1 April 2021.



HANSEN PROTECTION ASA

FINANCIAL STATEMENTS FOR THE YEAR
2020

PROFIT AND LOSS
BALANCE SHEET
CASH FLOW
NOTES



HANSEN PROTECTION ASA

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STATEMENT OF PROFIT OR LOSS

<i>NOK 1 000</i>	<i>Note</i>	2020	2019
Remunerations	8	2,062	748
Other operating expenses	6,7	3,383	4,279
Total operating expenses		5,445	5,026
Operating loss		(5,445)	(5,026)
Finance income	11	9	2,362
Finance expenses	11	38,191	23,258
Loss before tax		(43,627)	(25,922)
Income tax expense	4	(1,423)	(1,525)
Loss for the period		(42,204)	(24,397)
Allocation of loss			
Transferred from other equity		(42,204)	(24,397)



HANSEN PROTECTION ASA

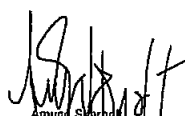
Financial statements


BALANCE SHEET

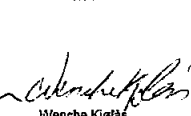
NOK 1 000	Note	31.12.2020	31.12.2019
Assets			
Investments in subsidiaries	2,3	625,605	627,945
Total non-current assets		625,605	627,945
Other receivables	1,3	3,953	3,000
Cash		161	16,661
Total current assets		4,134	19,661
Total assets		629,739	647,606
Equity and liabilities			
Share capital		75,050	75,050
Treasury shares		(261)	(251)
Share premium		363,232	363,232
Total paid-in capital	5	438,031	438,031
Other equity		(153,129)	(110,925)
Total retained earnings	5	(153,129)	(110,925)
Total equity		284,902	327,106
Deferred tax liabilities	4	-	-
Bank borrowings	10	-	288,091
Total non-current liabilities		-	288,091
Trade- and other payables		1	4,594
Current tax liability		-	-
Bank borrowings	10	326,900	-
Other current liabilities	9	17,936	17,815
Total current liabilities		344,837	22,409
Total liabilities		344,837	320,500
Total equity and liabilities		629,739	647,606


Moss, May 4 2021

The board of directors of Hansen Protection ASA


Amund Skjold
Chair


Christopher Masek
Director


Wenche Kjellesvik
Director


Terje Gorm Hansen
Chief executive officer



HANSEN PROTECTION ASA

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STATEMENT OF CASH FLOWS

<i>NOK 1 000</i>	<i>Note</i>	2020	2019
Loss before tax		(43,627)	(25,922)
Paid taxes		(104)	(797)
Amortisation of debt issuance cost		-	3,933
Change in trade payables and other payables		(4,593)	4,392
Effects of exchange rate changes on borrowings in EUR		17,839	(2,348)
Change in other receivables		(953)	2,236
Change in other accrual items		989	(9,883)
Net cash flow from operating activities		(30,449)	(28,390)
Net cash flow from investing activities		-	-
Proceeds from bank borrowings, net of debt issuance cost		10,969	19,065
Received group contributions		3,000	25,000
Net cash flow from financing activities		13,969	44,065
Cash at the beginning of the period		16,661	987
Net increase in cash		(16,480)	15,675
Cash at the end of the period		181	16,662



HANSEN PROTECTION ASA

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NOTES TO THE FINANCIAL STATEMENTS

Summary of significant accounting policies

The company owns all the shares in Protection AS. Separate consolidated financial statements showing the combined operations of Hansen Protection ASA and its subsidiaries have been prepared and 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. Dividends and group contributions received from subsidiaries are classified as income. Dividends and group contributions received from subsidiaries exceeding the portion of retained earnings since acquisition are reflected as a reduction of purchase cost. Dividend / group contributions from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

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 at December 31, 2019 is calculated at the rate of 22 per cent 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 are not offset and the tax loss carry forward 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. Tax payable related to 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.

Liabilities

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

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.

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 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.

Cash flow statement

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



HANSEN PROTECTION ASA

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NOTES TO THE FINANCIAL STATEMENT

Note 1: Other current receivables

NOK 1 000	2020	2019
Tax receivable ¹	867	-
Group contribution	3,000	3,000
Other receivables for group companies	86	-
Total	3,953	3,000

¹The company is entitled to tax relief introduced for 2020 as part of general Covid-19 compensations

Note 2: Investments in subsidiaries

NOK 1 000	Business Office at 31.12.20	Company's share capital	Profit for the year	Equity 31.12.2020
Protection AS	Norway	NOK 76 479	(3,160)	440,245
Total			(3,160)	440,245

Book value of the shares in Protection AS at 1 January 627,945
Group contributions received from Hansen Protection AS (3,000)
22% tax on group contributions recognised as a reduction in the shareholding 660
Book value of shares in Protection AS at 31 December 625,605

Note 3: Material transactions with related parties

Hansen Protection ASA has chosen to centralize certain management services, in order to exploit benefits of scale, save costs and utilize knowledge about the group companies in an effective way. The company was invoiced NOK 1.2m in 2020 relating to these services. The company has received a group contribution of NOK 3 million from Hansen Protection AS in 2020 (NOK 3 million in 2019). The group contributions including tax effect are reflected as a reduction in the purchase cost of the shares.

Note 4: Income tax

Deferred tax is calculated on the basis of temporary differences that exist at the end of the financial year between the financial and tax-related values. At the end of 2020 and 2019 no differences existed.

Components of the income tax expense

NOK 1 000	2020	2019
Loss before tax	(43,627)	(25,922)
+/- Group contribution received recognized as a reduction of shares in subsidiaries in the balance	3,000	3,000
+/- Permanent differences	19,337	18,989
+/- Temporary differences	-	3,933
Tax basis for the year	(21,290)	-
Current tax liability	-	-
Tax rate used	-	-

In 2020 and in 2019 the company received a group contribution with a tax effect of NOK 3 million from Hansen Protection AS.

Reconciliation of the income tax expense

NOK 1 000	2020	2019
Current tax liability	-	-
Change in deferred tax	-	(865)
Net of refund of tax paid in 2018 and 2019 due to Covid-19 relief and tax expense related to prior years	(763)	-
Tax effect of group contribution	(660)	(660)
Income tax expense	(1,423)	(1,525)

Tax receivable presented as other current receivables in the balance sheet. 867 -



HANSEN PROTECTION ASA

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NOTES TO THE FINANCIAL STATEMENT

Note 5: Equity

Par and nominal value per share NOK 1

NOK 1 000	Share capital	Treasury shares	Share premium	Other equity	Total equity
31 December 2020	75,050	(251)	363,232	(110,925)	327,106
Purchase of treasury shares	-	-	-	-	-
Capitalisation issue	-	-	-	-	-
Loss for the year	-	-	-	(42,204)	(42,204)
31 December 2020	75,050	(251)	363,232	(153,128)	284,902

Largest shareholders at December 31, 2020

Protection Internatinal Sarl (Luxembourg)	90.1 %
Lyngsøe Holding ApS (Denmark)	7.2 %
Hansen Protection management	2.6 %

Note 6: Other operating expenses

Other operating expenses in 2020 include consultancy fees and other professional fees for corporate purposes.

Note 7: Remuneration of the auditor

Exclusive of value-added tax

NOK 1 000	2020	2019
Statutory audit (including technical assistance with annual report)	229	320
Other confirmations	-	10
Tax services	10	13
Other consultancy fees	549	503
Total	788	846

Note 8: Remuneration of the Board of Directors

NOK 1 000	2020	2019
Director's fees	750	748
Total	750	748

Note 9: Other current liabilities

NOK 1 000	2020	2019
Debt to group companies	9,241	4,593
Other current liabilities	8,695	17,817
Total	17,936	22,410



HANSEN PROTECTION ASA

Financial statements

NOTES TO THE FINANCIAL STATEMENT

Note 10: Bank borrowings in EUR

Creditor	Designation	Principal (EUR	Maturity	Average interest	Principal (NOK
		1000)			1000)
		31.12.2020		rate 2020	31.12.2020
Investec	Long-term loans	31,222	2021	5.50 %	326,900
Total					326,900

Norges Bank's official rate for 31 December 2020 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 32 million and the loan principal at year end 2020 is EUR 31.2 million. The loan will fall due in its entirety in 2021.

The line item Bank borrowings consists of:

NOK 1 000	2020
Principal amount	326,900
Book value of capitalised debt issuance costs	-
Total	326,900

Conditions related to the financing

The company's loan agreement contains certain covenants at the IK fund level (majority shareholder) which are measured quarterly. The company met these conditions at 31 December 2020.

Note 11: Financial items

NOK 1 000	2020	2019
Finance income		
Interest income	-	4
Foreign exchange gains on bank borrowings	-	2,348
Foreign exchange gains (other)	9	-
Other financial income	-	10
Total	9	2,362
Finance expenses		
Interest expenses	18,699	15,731
Foreign exchange losses on bank borrowings	17,839	-
Foreign exchange losses (other)	8	-
Amortisation of debt issuance cost	1,642	3,933
Other financial expenses	3	3,594
Total	38,191	23,258

Note 12: Pledged assets and guarantee commitments

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

NOK 1 000	2020
Book value at 31 December:	
Shares in subsidiaries	625,605
Total	625,605

Note 13: Subsequent Events

At 16 March 2021, Survitec Group Ltd signed an agreement for the intent to acquire Hansen Protection. The transaction is expected to close 5 May 2021, following this, Hansen Protection will be part of the Survitec Group. The transaction includes the acquisition of 100% of the shares outstanding and a complete refinancing of the company's debt facilities.



To the General Meeting of Hansen Protection ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hansen Protection ASA, which comprise:

- The financial statements of the parent company Hansen Protection ASA (the Company), which comprise the balance sheet as at 31 December 2020, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Hansen Protection ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Company as at 31 December 2020, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Hansen Protection ASA



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.

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 a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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>

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Independent Auditor's Report - Hansen Protection ASA



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.

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, 4 May 2021

PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant
(This document is signed electronically)

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