



**Falck Safety Services  
Interim financial report  
Q3 2018**



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[www.falcksafety.com](http://www.falcksafety.com)

BidCo nr. 2 af 15. marts 2018 A/S  
CVR-nr. 39 46 78 36  
c/o Polaris Management A/S  
Malmøgade 3  
2100 København Ø



# CEO's review

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“

***The journey is on. We were carved out of Falck Group on September 20, 2018, and have found a sustainable owner in Danish/Swedish private equity found***

”

Our journey started in Q4 2017, when the carve-out process were initiated. Through dedication from all employees around the world, we have succeed as a team to perform a carve-out from Falck Group. It has been a true pleasure to be surrounded by more than 1,000 employees in the process. Without the team, the carve-out would not have been possible.

We have found an owner, who understands our business and are willing to support the transformation of our business taking it to the next level.

## **Safety**

We have instructed and guided in safety training through decades. Safety is our DNA and is outmost important for us. We haven't had any lost time injury for our delegates and staff in Q3 2018, despite working situations can be challenging and demanding.

## **Operation**

Operation in Q3 are only accounted for 10 days; September 20 to September 30. September is normally a strong month for our business, and Q3 2018 were no surprise. All regions have performed well and according to expected. Through a dedicated management team locally, we have been able achieve acceptable margins.

Despite the carve-out, the majority of the nations within the Group have performed activity unaffected.

## **Europe**

Europe comprises training centers in Denmark, Norway, United Kingdom, Germany, Belgium and the Netherlands. 384 employees are the foundation on twelve training centers. The marked is exposed against the Oil & Gas marked and Wind marked.

The construction of the new training facility in Rotterdam is ongoing with expected opening in October. Q3 were a particular great month for the operation in Norway, with high fill rate on courses.

## **Middle East & Africa**

Middle East & Africa comprises training centers in UAE, Qatar, Azerbaijan, Oman and Nigeria. The marked is exposed against the Oil & Gas marked. There is an increase marked activity within the Middle East regions within drilling activity, which have had a positive effect on the Q3 result.

## **Asia**

Asia comprises training centers in Singapore, Thailand and Malaysia. The new training center in Malaysia are ongoing and expect to be operational in Q4 2018.

## **Americans**

Americans comprises training centers in Canada, USA, Mexico, Trinidad & Tobago and Brazil. The operation in Canada, USA and Trinidad & Tobago have been satisfied.

Q3 were a satisfied quarter given the circumstances with a carve-out and a increase demand from customers. It wasn't possible with dedication from all employees.

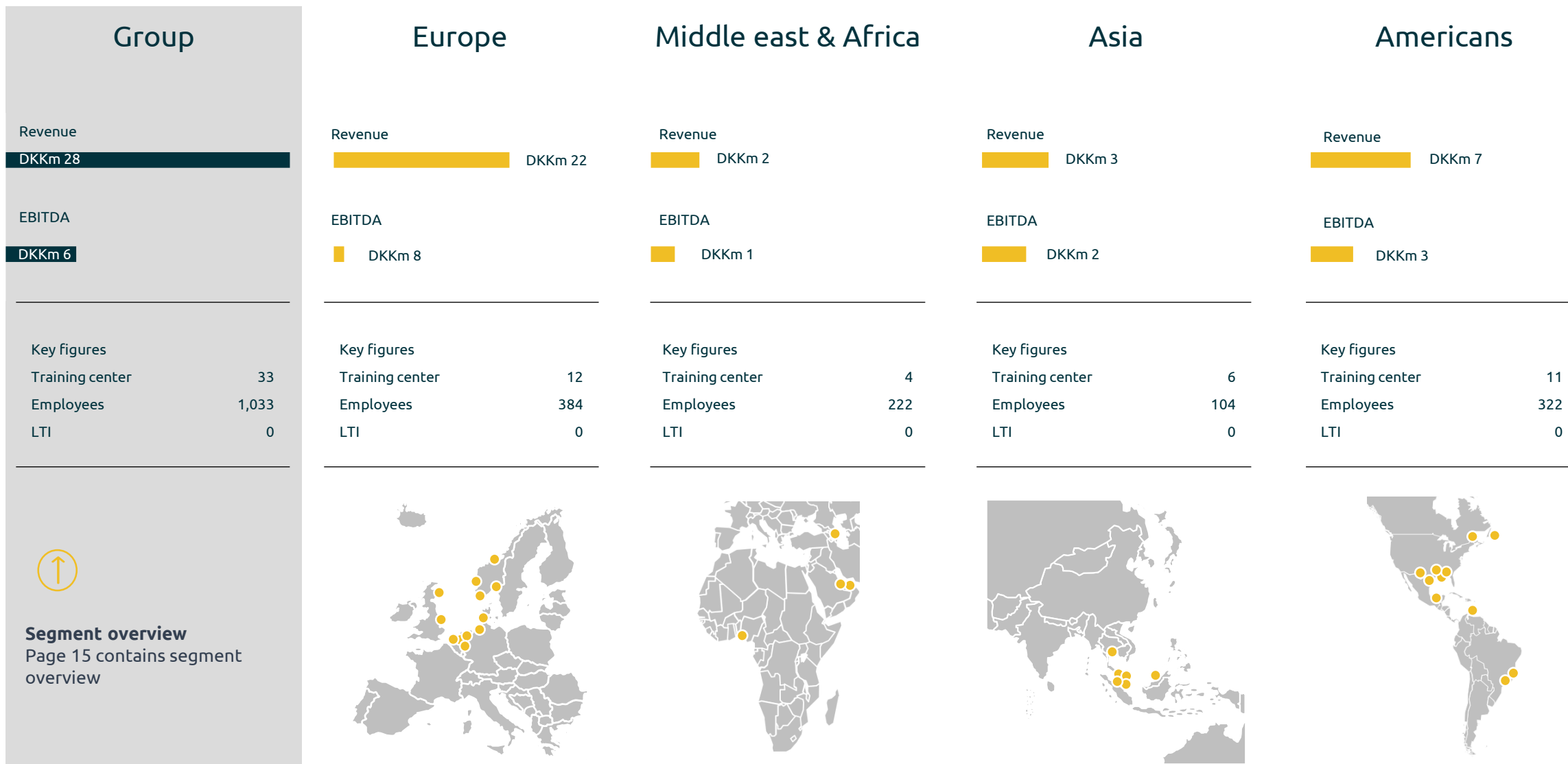
“

***We expect to announce our new name and start the branding process later on this year***

”

**Torben Harring**  
CEO

# At a glance – September 20 to September 30, 2018



# Statement by the Executive Board and the Board of Directors

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The Board of Directors and the Executive Board have today considered and approved the interim report of BidCo nr. 2 af 15. marts 2018 A/S for the period September 20 - September 30 September 2018. The interim report, which has not been audited or reviewed by the company's independent auditors,

has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2018 and of the results of the

Group's operations and cash flows for the period September 20 - September 30 September 2018.

Furthermore, in our opinion the management's review gives a fair presentation of the development in the Group's operations and

financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

## Executive board

Torben Harring

## Board of Directors

Jakob Bo Thomasen  
Chairman

Jesper Lok

Henrik Bonnerup

# Income statement

DKK millions	Q3 2018
Revenue	28
Costs of sales and external assistance	(8)
Employee costs	(13)
Other external costs	(1)
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>6</b>
Amortisation, depreciation and impairment losses on and property, plant and equipment	(1)
<b>Operating profit (loss) before other items (EBITA)</b>	<b>5</b>
Restructuring costs	-
Amortisation of intangible assets	(0)
Impairment of intangible assets	-
<b>Operating profit (loss) (EBIT)</b>	<b>5</b>
Financial income	1
Financial expenses	(1)
<b>Profit (loss) before tax</b>	<b>5</b>
Income tax	(2)
<b>Profit for the period</b>	<b>3</b>
<b>Profit is attributable to:</b>	
Shareholders in Bidco nr. 2 af 15. marts 2018	3
Non-controlling interests	(0)
Total	3



## Effective tax rate

The estimated average annual tax rate for ordinary business activities is 17%.

# Balance sheet

DKK millions	September 30, 2018	DKK millions	September 30, 2018
Goodwill	82	Share capital	2
Customer contracts	62	Reserves	258
Development costs and rights	2	<b>Share of shareholders equity</b>	<b>260</b>
Software	5	Non-controlling interest	12
Brand	55	<b>Total shareholders equity</b>	<b>272</b>
Other intangible assets	27		
<b>Total intangible assets</b>	<b>233</b>	Provisions	25
Property and plant	219	Deferred tax	15
Equipment	140	Bond	306
<b>Total tangible assets</b>	<b>359</b>	Other long term debt	103
<b>Financial fixed assets</b>	<b>13</b>	<b>Non-current liabilities</b>	<b>449</b>
<b>Non current assets</b>	<b>604</b>		
		Bank loans	5
Inventories	2	Trade payables	107
Trade receivable	175	Corporate income tax	10
Other receivables	22	Prepayments	28
Prepayments	19	Other liabilities	75
Cash	124	<b>Current liabilities</b>	<b>225</b>
<b>Current assets</b>	<b>342</b>	<b>Liabilities</b>	<b>674</b>
<b>Assets</b>	<b>946</b>	<b>Equity and liabilities</b>	<b>946</b>

# Statement of change in equity

DKK millions	Share capital	Retained earnings	Share of shareholders equity	Non-controlling interest	Total shareholders equity
Equity at Septmeber 20, 2018	2	255	<b>257</b>	12	<b>269</b>
<b>Comprehensive income for the period</b>					
Profit for the period	-	3	<b>3</b>	-0	<b>3</b>
<b>Other comprehensive income</b>					
Exchange rate adjustment	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	3	<b>3</b>	-0	<b>3</b>
Transactions with owners					
Dividends paid	-	-	-	-	-
<b>Equity at Septmeber 30, 2018</b>	<b>2</b>	<b>258</b>	<b>260</b>	<b>12</b>	<b>272</b>



**Non-controlling interest**  
Page 16 contains an overview of all companies within the Group



# Statement of cash flow

DKK millions	Q3 2018
Operating profit before other items (EBITA)	5
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	1
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>6</b>
Change in net working capital including operating provisions	-20
Net interest paid	0
Income tax paid	1
<b>Cash flows from operating activities</b>	<b>-13</b>
Investment in property and plant	-6
Investment in equipment	-
Investments in subsidiaries, non-controlling interests and operations	-
Divestment of subsidiaries, non-controlling interests and operations	-
<b>Cash flow from investing activities</b>	<b>-6</b>
Change in external financing	3
Change in internal financing	5
<b>Cash flows from financing activities</b>	<b>8</b>
Cash flow from operation	-11
Cash flow from non-recurring operation	-7
<b>Change in cash and cash equivalents</b>	<b>-18</b>
Cash and cash equivalents, opening	136
Change in cash and cash equivalents	-18
<b>Cash and cash equivalents, closing</b>	<b>118</b>



## Non-recurring operation

Cash flow from non-recurring operation comprises non-operating items; restructuring costs etc.

# Basis of reporting

The interim report of BidCo nr. 2 af 15. marts 2018 A/S is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of large reporting class C entities.

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

## Accounting policies

The consolidated financial statements include the parent company, Bidco nr. 2 af 15. marts 2018 A/S, and its subsidiaries. Subsidiaries are entities controlled by Bidco nr. 2 af 15. marts 2018 A/S. Control means that the Falck Safety Services Group controls the company, i.e. that the Falck Safety Services Group is exposed or has rights to variable returns from the company and has the ability to affect the size of those returns through its power over the company. Control is usually achieved by directly or indirectly holding or controlling more than 50% of the voting rights or other rights such as agreements on management control. The consolidated financial statements are prepared on the basis of the financial statements of Bidco nr. 2 af 15. marts 2018 A/S and subsidiaries by adding items of a like nature.

The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

On consolidation, investments in subsidiaries, intra-group income and expenses, intra-group balances and dividends and realised and unrealised gains and losses on transactions between Group entities are eliminated. The line items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. Profit for the year and equity attributable to non-controlling interests in subsidiaries that are not wholly owned are included in the consolidated profit and equity, respectively, but as separate line items.

## Foreign currency translation

A functional currency is determined for each of the reporting entities of the Group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currency are translated to the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date when the receivable or payable arose or

the exchange rate applied in the most recent financial statements is recognized in the income statement under financial income or financial expenses.

On recognition in the consolidated financial statements of enterprises with a functional currency other than DKK, the statements of comprehensive income are translated at the exchange rates at the transaction date and the balance sheets are translated at the exchange rates at the balance sheet date. Average exchange rates for the month are used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions.

Exchange differences arising on the translation of the equity of these subsidiaries at the beginning of the year to the exchange rates at the balance sheet date and on the translation of statements of comprehensive income from the exchange rate at the transaction date to the exchange rate at the balance sheet date are recognized directly in other comprehensive income and classified in equity in a separate currency translation reserve. Exchange rate adjustments are allocated between the parent company's and the non-controlling interests' shares of equity.



# Basis of reporting

## Segment reporting

The segment information has been prepared in accordance with the Group's accounting policies and is based on the internal management reporting.

Segment income, expenses and assets comprise items that can be directly attributed to individual segments and items that can be allocated to the individual segments on a reasonable basis. Non-current assets in a segment comprise non-current assets used directly in the operation of the segment, including intangible assets, property, plant and equipment and investments in associates. Current assets in a segment comprise current assets used directly in the operation of the segment, including inventories, trade receivables, other receivables, prepaid expenses and cash. Inter-segment transactions are made on an arm's length basis.

## Income statement

### Revenue

Revenue represents the value of services and goods delivered and invoiced subscriptions attributable to the financial period, and is recognized in the income statement if delivery and transfer of risk to the buyer have taken place before year-end, and if the income can be reliably measured and is expected to be received. The value of services rendered is recognised on the basis of the delivered percentage of the total service. Revenue from subscriptions is allocated to the income statement on a straight-line basis.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the agreed consideration excluding VAT and other taxes collected on behalf of third parties. All discounts granted are recognised in revenue.

### Other income and expenses

Other income and other operating expenses consists of gains and losses on the sale of non-current assets, compensations received, income from sublease of premises and other non-primary income and expenses.

### Restructuring costs

Restructuring costs consist of non-recurring income and expenses that the Group does not consider to be part of its ordinary operations such as restructuring projects. The use of restructuring costs entails Management judgement in the separation from the ordinary operations of the Group. When using restructuring costs, it is essential that these constitute items that cannot be attributed directly to the Group's ordinary operating activities.

### Financial income and expenses

Financial income and expenses represent interest income and interest expense, realized and unrealised capital gains and losses and amortisation related to financial assets and liabilities. Dividends to capital holders who have received put options in connection with business combinations are recognised as a financial expense in the cases where the option price is independent of dividend payments. Financials are recognised at the amounts related to the year.

Furthermore, realised and unrealised gains and losses on derivative financial instruments which cannot be classified as hedging arrangements are included.

### Income taxes

Bidco nr. 2 af 15. marts 2018 A/S and the Group's Danish subsidiaries are jointly taxed. Danish corporation tax is allocated among the jointly taxed companies according to the taxable income of these companies. Income tax for the year, consisting of current tax for the year and changes in deferred tax, is recognised in profit for the year with respect to the part that can be attributed to profit for the year and in other comprehensive income with respect to the part that can be attributed to other comprehensive income or directly to equity.

### Tax payables

Corporation tax payables include corporation taxes made up on the basis of estimated taxable income for the financial year and prior-year adjustments.

### Deferred tax

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

Deferred tax assets, including the tax base of tax losses carried forward, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred tax assets and liabilities are offset within the same legal tax entity or jurisdiction. Deferred tax assets are measured at the value at which they are expected to be realised. Deferred tax is measured using the tax rate expected to apply when timing differences are reversed. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

### Depreciation

Land and buildings are measured at cost less accumulated depreciation and impairment of buildings. Depreciation of buildings is calculated on a straight-line basis over the expected useful lives of the assets, estimated to be between 25 and 30 years. Certain installations are depreciated over 10 years. Leasehold improvements are depreciated on a straight-line basis over the term of the lease. Other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The expected useful lives are as follows:

Property & plant	25 - 30 years
Equipment	3 - 10 years

# Basis of reporting

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognised in the income statement as other operating income and external expenses, respectively.

## Balance sheet

### Valuation of assets

In connection with acquisitions, an assessment is made of the value of the customer agreements, framework agreements and customer portfolios taken over. The valuation thereof is based on the "Multi-Period Excess Earnings Method (MEEM method)" in which the value is calculated on the basis of an expected future cash flow. The principal assumptions are expected lives of the existing agreements and portfolios, earnings and contribution for using associated assets and employees.

### Intangible assets

Goodwill is recognised in the balance sheet at cost on initial recognition as described under "Business combinations". Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is not amortised.

Intangible assets acquired on acquisition are measured at cost less accumulated amortization and impairment losses. Intangible assets acquired on acquisitions are amortised over the expected economic life, estimated to be 3 to 10 years.

Other intangible assets are measured at cost including costs which can be directly or indirectly attributed to the assets in question less accumulated impairment, amortisation and depreciation.

Other intangible assets include software, etc. Software is amortised on a straight-line basis over the expected economic life, estimated to be 3 to 5 years.

### Non-current assets in general

Intangible assets and property, plant and equipment, except for goodwill and other intangible assets with indefinite useful lives, are measured at cost less accumulated impairment, amortization and depreciation. Goodwill and intangible assets with indefinite useful lives are measured at cost less accumulated impairment losses. Impairment, amortisation and depreciation are recognised in the income statement.

Assets held under finance leases are recognized under property, plant and equipment and measured at the lower of the fair value and value in use of the future lease payments at the inception of the lease.

Assets held under finance leases are depreciated over the estimated useful lives of the assets or, if shorter, over the lease term.

The basis of depreciation is calculated with consideration to the asset's residual value, reduced by any impairment losses. The residual value is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated or amortised.

If the depreciation or amortisation period or the residual value is changed, the effect on depreciation or amortisation going forward is recognized as a change in accounting estimates.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located, if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset.

Where parts of an intangible asset or an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

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

If the recoverable amount of an asset or its cash-generating unit is lower than the carrying amount, an impairment charge is recognised in respect of the asset. The impairment loss is recognised in the income statement.

In addition, for goodwill and other intangible assets with indefinite useful lives, impairment tests are performed at each balance sheet date, regardless of whether there are any indications of impairment. For acquisitions, the first impairment test is performed before the end of the year of acquisition.

Impairment losses are reversed if the recoverable amount increases. Impairment losses will only be reversed to the extent that the value in use does not exceed the carrying amount of the asset if the impairment loss had never been charged. Impairment losses on goodwill are not reversed.

### Financial assets

Enterprises in which the Group exercises significant influence but not control of the operating policy and financial decisions are classified as associates. Significant influence is generally achieved by directly or indirectly holding or controlling more than 20%, but less than 50%, of the voting rights. Agreements and other matters are included in the assessment of influence. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of the enterprise.

Companies acquired or established during the financial year are recognised as from the date of acquisition or inception. The comparative figures are not restated to reflect companies acquired. Acquisitions of subsidiaries or associates are accounted for applying the acquisition method. Identifiable assets, liabilities and contingent liabilities of acquirees are stated at their fair value at the date of acquisition.



# Basis of reporting

Identifiable intangible assets are recognised if they are separable or derive from a contractual right. Deferred tax on revaluations is recognised.

The acquisition date is the date on which the Group obtains control of the acquiree.

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

Any goodwill arising and any fair value adjustments made on the acquisition of a foreign company whose functional currency is not the same as the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities of the foreign company and are translated on initial recognition to the foreign company's functional currency at the exchange rate at the transaction date. Any negative difference is recognised in the income statement on the date of acquisition.

The consideration for an enterprise consists of the fair value of the agreed purchase price. For business combinations in which the agreement includes a provision on adjustment of the consideration conditional on future events, the fair value of this part of the consideration is recognized at the date of acquisition. Any changes in the fair value of the contingent consideration after initial recognition are recognised in the income statement. Put options issued to minority shareholders in connection with acquisitions for them to sell their remaining shares to the Group, the value of which is contingent on future events, will be recognised as part of the consideration at the date of acquisition. The put options issued are subsequently measured at the present value of the expected exercise price. Any changes in the value of the issued put options after initial recognition are recognised in equity. Acquisition costs and the interest element of discounting are recognised in the income statement.

If uncertainties regarding the measurement of acquired identifiable assets, liabilities, contingent liabilities or the consideration for the business combination exist at the acquisition date, initial recognition takes place on the basis of preliminary fair values. If identifiable assets, liabilities, contingent liabilities and the consideration for the business combination are subsequently determined to have had a different fair value at the acquisition date than first assumed, goodwill is adjusted until 12 months after the acquisition date. The effect of the adjustments is recognized in the opening equity, and the comparative figures are restated accordingly. Goodwill is not adjusted subsequently except in the event of material errors.

## *Purchase price allocation in business combinations*

In connection with allocation of purchase price in business combinations, calculations are made of fair value of acquired assets and liabilities. As this determination is based on expected future cash flows related to the assets and liabilities acquired, the realisation of such cash flows as anticipated is subject to an inherent uncertainty. In accordance with IFRS 3, the purchase price allocations in business combinations may be adjusted for up to 12 months from the date of acquisition.

## *Receivables*

Receivables are initially recognised at fair value and subsequently at amortised cost less provision for bad debts. A write-down is made for expected losses when there is an indication that a receivable or a portfolio of receivables is impaired. The writedown is calculated as the difference between the carrying amount and the net present value of expected future cash flows associated with the receivable. The assessment is based on the individual customer's capacity to pay and history as well as calculations based on experience as to customer types, payment patterns and other factors which Management finds relevant. If at a later point it is found that the impairment loss no longer exists, the impairment loss is reversed in the income statement. Write-downs are generally recognised in other external costs.

## *Prepayments*

Prepayments from customers are income paid in advance from subscription customers relating to the following financial period.

## *Put options and outstanding considerations and earn-outs*

In connection with the Group assuming an obligation to acquire non-controlling interests, a concurrent right was obtained for the Group to acquire the same non-controlling interests in the agreed period. The consideration for obligations and rights to acquire non-controlling interests is determined on the basis of profit before exercise multiplied by an already agreed multiple, typically less net debt in the relevant companies. On recognition in the balance sheet, this liability is made up on the basis of earnings and net debt at the time when the non-controlling interests are expected to exercise their right to sell their shares to the Group. The calculated liability typically assumes an increase in earnings and a decrease in net debt in the relevant companies as compared with the value recognised in the financial statements.

## *Occupational injuries*

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

## *Pension obligations*

Most of the Groups pension agreements are defined contribution plans under which payments are made to external pension institutions. Contributions to such plans are recognised in the income statement in the period in which they are earned by the employees, and outstanding payments are included in the balance sheet under other payables.

# Basis of reporting

In certain countries, the Group has pension agreements that are defined-benefit plans. These plans are either externally funded, with the assets of the plans held separately from those of the Group in independently administered funds, or unfunded. The liabilities related to the defined-benefit plans are determined using the projected unit credit method.

## *Provisions*

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

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

A provision for onerous contracts is made when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

## *Non-controlling interests*

The proportionate shares of the profits and equity of subsidiaries attributable to non-controlling interests are recognised as a separate item under equity. On initial recognition, non-controlling interests are recognised as described under "Business combinations".

Put options issued as part of the consideration for business combinations are recognised as described under "Acquisition and divestment of non-controlling interests" above.

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as non-controlling interests' proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

## *Acquisition and divestment of non-controlling interests*

Increases and reductions of non-controlling interests are accounted for as transactions with shareholders, in their capacity as shareholders. As a result, any differences between adjustment to the carrying amount of non-controlling interests and the fair value of the consideration received or paid are recognized directly in equity.

When put options are issued as part of the consideration for business combinations, the non-controlling interests receiving put options are considered to have been redeemed on the acquisition date. The non-controlling interests are eliminated and a debt obligation is recognised. The liability is determined as the present value of the expected exercise price of the option. Subsequent adjustments to the liability are recognised in equity.

Issued put options related to business combinations with an acquisition date prior to 1 January 2010 will continue to be recognised in Accordance with IFRS 3 (2004), i.e. with recognition of interest expenses in the income statement and value changes in goodwill. Any subsequent dividend payments to the option holders reduce the liability, as the option price is adjusted for dividend payments.

## *Financial liabilities*

Debt to credit institutions, bonds, etc. is recognised at the time of obtaining the loan at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost. Residual lease commitments from finance leases and other financial liabilities are recognised at amortised cost.

## *Leasing*

For financial reporting purposes, lease liabilities are classified as either finance or operating lease liabilities.

Leases are classified as finance leases when substantially all risks and rewards of ownership of the leased asset are transferred to the Group. Other leases are classified as operating leases.

The accounting treatment of assets held under finance leases and the related liability is described in the sections on property, plant and equipment and financial liabilities respectively.

Assets held under operating leases are not recognised in the balance sheet. Lease liabilities under operating leases are disclosed as contingent liabilities.

Lease payments concerning operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

The operating lease commitments concern leases for vehicles and buildings. The lease term for cars is typically between 4 and 9 years. The lease term for buildings is typically up to 20 years.

# Segment and revenue information

DKK millions	Europe	Middle East & Africa	Asia	Americans	Elimination	Q3 2018
Revenue	22	2	3	7	-6	28
Costs of sales and external assistance	-5	-1	-1	-1	0	(8)
Employee costs	-9	0	-1	-2	-1	(13)
Other external costs	-0	0	0	0	0	(1)
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>-8</b>	<b>6</b>
Amortisation, depreciation and impairment losses on property, plant and equipment	-0	0	0	-1	0	(1)
<b>Operating profit before other items (EBITA)</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>-8</b>	<b>5</b>
Restructuring costs	-	0	0	0	0	0
Amortisation of intangible assets	-0	0	0	0	0	(0)
Impairment of intangible assets	-	0	0	0	0	-
<b>Operating profit (loss) (EBIT)</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>-8</b>	<b>5</b>
Financial income	0	0	0	0	1	1
Financial expenses	-0	0	0	-1	-1	(1)
<b>Profit (loss) before tax</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>-7</b>	<b>5</b>
Income tax	-0	0	-1	-1	0	(2)
<b>Profit for the period</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-7</b>	<b>3</b>
<b>Balance sheet</b>						
Total assets	848	115	87	587	-691	946

# Group companies

Country	Legal name	Equity interest	Country	Legal name	Equity interest
Azerbaijan	Falck Caspian Safe LLC	100.0%	Norway	Falck Nutec AS	100.0%
Belgium	Falck Safety Services Belgium BVBA	100.0%	Oman	Aberdeen Drilling International Co. LLC	70.0%
Brazil	Falck Nutec Brasil Participacoes Ltda	100.0%	Qatar	Falck Safety Services LLC	49.0%
Brazil	Falck Nutec Brasil Treinamentos em Segurança Marítima Ltda	100.0%	Singapore	MSTS Asia (S'pore) Pte. Ltd.	100.0%
Canada	Falck Safety Services Canada Incorporated	67.6%	Thailand	Southfield Ltd	49.5%
Canada	Falck Safety Services Canada (NL) Incorporated	100.0%	Thailand	Falck Nutec (Thailand) Ltd	65.0%
Canada	Falck Safety Services Canada (LA) Incorporated	100.0%	The Netherlands	Falck Global Safety B.V.	100.0%
Denmark	Bidco nr. 2 af 15. marts 2018	100.0%	The Netherlands	Falck B.V.	100.0%
Denmark	Falck Safety Services Holding A/S	100.0%	The Netherlands	Falck Nutec B.V.	100.0%
Denmark	Falck Safety Services A/S	100.0%	Trinidad & Tobago	Falck Safety Services Limited	100.0%
Malaysia	MSTS Asia Sdn. Bhd.	70.0%	Trinidad & Tobago	Haztec Services Trinidad, Ltd.	100.0%
Malaysia	Risktec (M) Sdn. Bhd.	100.0%	UAE	Falck Safety Services LLC	49.0%
Malaysia	Falck Bestari Healthcare Sdn Bhd	82.0%	UAE	Aberdeen Drilling International Limited	100.0%
Malaysia	Falck Nutec Malaysia Sdn. Bhd.	70.0%	United Kingdom	Falck Nutec Ltd.	100.0%
Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	100.0%	United Kingdom	Aberdeen Drilling School Ltd	100.0%
Mexico	Falck Holding de México, S.A. de C.V.	100.0%	USA	Falck USA Holdings, LLC	100.0%
Mexico	Falck Safety Services de México, S.A.P.I. de C.V.	60.0%	USA	Alford Services, Inc	100.0%
Nigeria	Falck Safety Services Nigeria Limited	51.0%	USA	Alford Safety Services, LLC	100.0%
Nigeria	Falck Prime Atlantic Limited	51.0%	Vietnam	Falck Nutec Vietnam Limited	88.0%



[www.falcksafety.com](http://www.falcksafety.com)

BidCo nr. 2 af 15. marts 2018 A/S  
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