

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

**To the bondholders in:**

**ISIN: NO 0010831373 - BIDCO RELYON NUTEC A/S FRN SENIOR SECURED  
EUR 100,000,000 CALLABLE BONDS 2018/2023**

Oslo, 29 May 2020

## **NOTICE OF A WRITTEN RESOLUTION**

### **1 INTRODUCTION**

Nordic Trustee AS acts as bond trustee (the "**Bond Trustee**") for the holders of bonds in the above-mentioned bond issue (the "**Bond Issue**") issued by Bidco RelyOn Nutec A/S (formerly known as BidCo nr.2 af 15. marts 2018 A/S), Danish CVR registration no. 39467836 (the "**Issuer**", and together with its subsidiaries, the "**Group**").

Unless otherwise stated herein, all capitalised terms used herein shall have the meaning ascribed to them in the bond terms dated 7 September 2018 (as amended from time to time), entered into between the Bond Trustee and the Issuer (the "**Bond Terms**"). References to clauses and paragraphs are references to clauses and paragraphs of the Bond Terms.

The Issuer has requested that the Bond Trustee issues this notice of a Written Resolution pursuant to clause 15.5 (*Written Resolutions*) of the Bond Terms to consider approval of the Proposal (as defined below).

*The information in this notice regarding the Issuer and market conditions are provided by the Issuer and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

### **2 BACKGROUND**

#### **2.1 Background going into 2020**

The Group has steadily evolved from a Danish fire training school founded in 1968 to become the global leader within the niche of multi-service safety, survival and skills training for hazardous work environments with 33 sites in more than 20 countries. Building on knowledge and experience, the Group plays an increasingly significant role in developing a safe workplace, helping clients in wind, oil & gas, maritime, industrial and other high-risk potential industries to improve safety.

In 2019, the Group continued its performance improvement and increased revenue and EBITDA to DKK 870 million and DKK 153 million, respectively, as a result of multiple expansion initiatives, including the start-up of new facilities in Malaysia, an expanded service offering throughout a new ERP platform, a combined booking platform for all training facilities, and four acquisitions, hereof three acquisitions in the digital space to kick off the Group's digital journey within simulation technology, digital enablement and online learning.

The Group experienced a strong start coming into 2020, with year-to-date revenue and EBITDA in February ahead of last year, coming in at DKK 149 million and DKK 24 million, respectively, with a very strong order book particularly for March and April. However, the strong positive development was put to a halt as a result of the global Coronavirus ("**COVID-19**") outbreak. Revenue for March 2020 came in 38% lower than budgeted, with year-to-date figures for Q1 2020 amounting to DKK 206 million in revenue and DKK 27 million in EBITDA.

## 2.2 Current situation and COVID-19 impact

As a consequence of the COVID-19 outbreak, the Group has been forced to temporarily close a majority of its training centres both due to government-enforced shutdowns and the high risk of infection among personnel and clients. Management deems that a majority of the training centres will be closed for up to six weeks depending on geography, with activity levels averaging 50 percent of budget for the following 8 weeks and 25 percent below budget for the remainder of 2020. As of 26 May 2020, 10 of the Group's sites remain closed, whereas 23 facilities are now open.

**Exhibit 1:** Breakdown of closed and reopened facilities by country

| Country                | Facilities closed | Reopening                  |
|------------------------|-------------------|----------------------------|
| <b>Azerbaijan</b>      | 29 March          | 1 June                     |
| <b>Belgium</b>         | 18 March          | 4 May                      |
| <b>Brazil</b>          | 23 March          | TBD                        |
| <b>Canada</b>          |                   |                            |
| <b>Denmark</b>         | 18 March          | 27 April                   |
| <b>Germany</b>         | 25 March          | 11 May                     |
| <b>Malaysia</b>        | 17 March          | 9 June                     |
| <b>Mexico</b>          |                   |                            |
| <b>Nigeria</b>         | 10 April          | TBD                        |
| <b>Norway</b>          | 16 March          | 11 May                     |
| <b>Qatar</b>           | 29 March          | 1 June                     |
| <b>Singapore</b>       | 7 April           | TBD                        |
| <b>Thailand</b>        | 23 March          | 29 April                   |
| <b>The Netherlands</b> | 23 March          | 29 April                   |
| <b>Trinidad</b>        | 30 March          | 15 May                     |
| <b>UAE</b>             | 10 April          | 25 May                     |
| <b>United Kingdom</b>  | 24 March          | 18 May                     |
| <b>United States</b>   |                   |                            |
| <b>ADS</b>             | Mainly closed     | Aberdeen, 25 May, rest TBD |

The Group reacted early and has implemented multiple measures to keep both personnel and clients safe and in order to limit the financial impact of the material activity reduction, including *inter alia* early deployment of staff policies to protect health and to the furthest extent stop the spread of the virus, freezing of new hires and marketing expenses, permanent and temporary lay-offs and furloughing of personnel, renegotiating of supplier and lease contracts. Furthermore, the Group has reduced planned capital expenditure and has applied for various local government support initiatives related to COVID-19.

Despite the mitigating measures taken, the Issuer expects that the shutdowns and projected activity reduction will have a detrimental effect on the Group's cash flow during 2020, which could result in a temporary shortfall in available liquidity, as the Group needs to hold a minimum cash balance of approximately DKK 60 million across its local subsidiaries.

## 2.3 Cash flow estimates

Following the outbreak of COVID-19 the Group has prepared an updated scenario for cash flows in 2020. The updated scenario assumes that revenue could drop by approximately DKK 330 million to approximately DKK 630 million for the full year 2020, compared to the original budget. Likewise the scenario assumes that EBITDA for the full year 2020 could drop to approximately DKK 40 million, compared with an original budget of DKK 175 million. As a consequence of COVID-19 the majority of the training facilities were closed in April, however preliminary EBITDA for April came in better than anticipated in this scenario.

Capital expenditure has been reduced by approximately DKK 30 million (compared to a budget of DKK 75 million), with the full year investments pertaining mainly to already committed projects, critical maintenance and continuation of the Group's digital ramp-up in order to limit the impact on long-term strategy. The total capital expenditure for 2020 is estimated to 7 percent of revenue. Management assumes that the working capital position will increase in the short term, due to delays in payments from customers, however a working capital release is expected from October, with an expected trade working capital of 8 percent of revenue by the end of 2020. Available liquidity came in at DKK 107 million by end of April, which is DKK 16 million better than anticipated in the scenario.

Based on the aforementioned assumptions management expects a liquidity shortfall to occur during the summer, and in the scenario management projects that the Group needs to obtain approximately DKK 60 million in external financing in order to parry the potential liquidity gap. Management projects the group to be cash generative from October onwards.

As announced on 25 March 2020, the Issuer has not disclosed an outlook for 2020 due to the considerable uncertainty created by the COVID-19 outbreak and measures implemented to contain the virus. The extent of the impact will depend on how long the situation will continue and the Issuer finds itself unable to disclose a reliable outlook for rest of 2020.

Obviously, the outbreak of the COVID-19 will have a negative impact on the Issuer's revenue as well as net profit for 2020. The scenario described above is one potential development, but is not and should not be viewed as an outlook, financial guidance or other financial projection by Management, and will not be updated for subsequent events.

## 2.4 Proposed measures

The Issuer is now seeking to address the forthcoming critical liquidity situation through a dialogue with all stakeholders including Bondholders and Pareto Bank ASA (the "**Working Capital Facility Lender**"). The proposal prepared by the Issuer is intended to cover the total projected liquidity shortfall during 2020 and 2021 through contributions from all relevant stakeholders, with a common goal of bridging the Group's liquidity gap until the return of normal market and operating conditions.

## Coupon payments

The interest to be paid on the Interest Payment Date occurring on 11 June 2020 shall be deferred. The Interest to be paid on the Interest Payment Dates occurring on 11 September 2020, 11 December 2020 and 11 March 2021 may, at the Issuer's election, be deferred.

Any amount of deferred interest will be settled by issuance of new PIK bonds at a rate equivalent to the original Interest Rate plus 2.00 per cent per annum (the "**PIK Bonds**") and shall be repaid no later than on the Redemption Date of the Bonds.

In the event that the market environment stabilises and improves faster than expected, the Issuer shall have the right to, after 11 March 2021, make one or several voluntary amortisations of the PIK Bonds in a maximum amount equivalent to the total nominal amount of all PIK Bonds.

## Shareholder support

Provided that the Bondholders consent to the Proposal (as defined below), the ultimate shareholders of the Issuer, being funds managed by Polaris (the "**Sponsor**"), commit to make an equity injection in an amount of no less than DKK 30 million (the "**Polaris Loans**"). The equity injection will be made in the form of shareholder loans which will be subordinated to the Bonds and will be made as soon as practicable following an approval of the Proposal.

## Working Capital Facility

The Working Capital Facility Lender under the Issuer's existing Working Capital Facility (the "**Existing WCF**") has agreed, subject to Bondholders consenting to the Proposal, to extend an additional working capital facility of EUR 5.35 million (the "**New WCF**") to the Issuer, which is to be guaranteed to 70% by EKF, the Danish Export Credit Agency. The New WCF will rank super senior to the Bonds.

The Issuer also proposes that the requirement in the Bond Terms to clean down the WCF annually ceases to apply for the remainder of the tenor of the Bonds.

## Minimum liquidity covenant

In order to provide comfort to bondholders during these uncertain times, the Issuer will institute a minimum liquidity covenant at a level of DKK 35 million which is to be tested on a monthly basis as long as the Issuer has the option to defer interest payments, i.e. until 11 March 2021.

Liquidity shall be measured on a consolidated basis for the Group and be based on the cash and cash equivalents and undrawn and available commitments under any credit facility but shall exclude the reported cash held in Trinidad and Tobago (due to the slow-moving nature of the cash), and only include 75 per cent of the reported cash held in Nigeria (due to inter alia withholding tax).

## Monthly reporting

To further improve transparency, the Group will commit to monthly reporting until 11 March 2021, by publishing a management commentary on its website covering (i) business updates and comments on open or closed facilities, and (ii) the current headroom to the minimum liquidity covenant.

## Nomination of Material Group Companies

In the light of the uncertainty subsisting on account of COVID-19 and the uneven financial effects on the Group Companies, the Issuer proposes that no Material Group Company, as they were 31 December 2019, shall cease to be a Material Group Company until delivery (and on the basis) of the Annual Financial Statement for the financial year 2021.

New nominations shall only be made for Group Companies, which total assets exceed 10% of the consolidated total assets of the Group, on the basis of the Annual Financial Statements for the financial years 2019 and 2020.

Nominating new companies and replacing former nominees based on share of EBITDA in the current situation might lead to adverse results for the Issuer and the Bondholders and would trigger unnecessary costs.

To implement the proposed measures set out above, the Issuer asks for the Bondholders' consent to the proposals as further described below in Clause 3 (Proposal).

## 3 PROPOSAL

Based on the details set out above, the Issuer proposes that the Bondholders adopt the following proposal (the "**Proposal**"):

The Bondholders approve the resolutions set out in Appendix 1 hereto (the "**Resolution**").

The Resolution will be effective from the date that the Conditions Precedent set out in part A of Appendix 2 hereto have been fulfilled or waived by the Bond Trustee (the "**Effective Date**").

The Issuer shall undertake to, no later than 45 days following the Effective Date, fulfil the Conditions Subsequent set out in part B of Appendix 2 hereto (unless waived by the Bond Trustee).

## 4 FURTHER INFORMATION

For further questions to the Issuer regarding the request, please contact Torben Harring, CEO.

The Issuer has retained Pareto Securities AB as financial advisor (the "**Advisor**"). Bondholders may contact the Advisor for further information.

### **BidCo RelyOn Nutec A/S**

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### **Pareto Securities AB**

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mw@paretosec.com

For further questions to the Bond Trustee, please contact Lars Erik Lærum, mail@nordictrustee.com.

The Advisor acts solely for the Issuer and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisor with respect to the Issuer, and the Advisor expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information herein).

## **5 NON-RELIANCE**

The Proposal set out in this notice is presented to the Bondholders without further evaluation or recommendation from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable to them.

## **6 SUPPORT FROM THE BONDHOLDERS**

The Issuer has informed the Bond Trustee that it has received pre-commitments from Bondholders representing more than 70 per cent. of the Bonds to vote in favour of the Proposal.

## **7 WRITTEN RESOLUTION**

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to clause 15.5 (*Written Resolutions*) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held.

**It is proposed that the Bondholders resolve the following resolution by way of Written Resolution (the "Resolution"):**

*"The Bondholders approve by Written Resolution the Proposal as described in section 3 of this notice.*

*The Bond Trustee shall be authorised to take any action, negotiate, finalise, enter into and deliver any agreements, notices, arrangements or other documentation as it deems necessary or desirable to effect the Proposal in its sole discretion."*

The proposed Resolution will be passed if either:

- (i) Bondholders representing at least a 2/3 majority of the total number of Voting Bonds vote in favour thereof prior to the expiry of the Voting Period (as defined below); or
- (ii) a quorum representing at least 50% of the total number of Voting Bonds submits a response to the notice within the Voting Period and the votes cast in favour of the Resolution represent at least a 2/3 majority of the Voting Bonds that responded to the notice within the Voting Period.

**Voting Period:** The Voting Period shall expire at 8 June 2020 at 13:00 hours (Oslo time). The Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority under the Bond Terms before the expiration of the Voting Period.

**How to Vote:** A duly filled in and signed Voting Form (attached hereto as Appendix 3), with proof of ownership attached, must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by scanned e-mail as follows:

**E-Mail:** mail@nordictrustee.com

The Effective Date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the Resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.

Yours sincerely,  
**Nordic Trustee AS**

  
Lars Erik Lærum

Enclosed:      Appendix 1:      Proposed Resolution  
                 Appendix 2:      Conditions Precedent list  
                 Appendix 3:      Bondholder's Form

## Appendix 1

### PROPOSED RESOLUTION

- (i) The definition of “Margin” in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended into:

*"means 7.00 per cent. per annum or, in Interest Periods for which interest is paid by way of issuing new Bonds (payment-in-kind (PIK)) pursuant to Clause 9.3 (Payment of interest by payment-in-kind (PIK)), 9.00 per cent. per annum."*

- (ii) A new paragraph (l) shall be inserted in the definition of "Permitted Debt" in Clause 1.1 (*Definitions*) of the Bond Terms:

*"(l) incurred under the Polaris Loans."*

- (iii) The definition of the "Polaris Loans" shall be inserted in Clause 1.1 (*Definitions*) of the Bond Terms:

*"**Polaris Loans**" means the subordinated shareholder loans in the amount of DKK 30,000,000 issued by the Sponsor to the Issuer, which loans (i) may include a right for the Issuer to re-lend to any Group Company in accordance with the Bond Terms and (ii) may be convertible into equity or non-convertible at the discretion of the Issuer but which (iii) shall include no right of cash service, prepayment or enforcement prior to the repayment of the Bonds in full. "*

- (iv) The definition of "Working Capital Facility" in Clause 1.1 (*Definitions*) of the Bond Terms will be deleted in its entirety and replaced by the following definition:

*"**Working Capital Facility**" means the working capital facilities to be provided to any Group Company for general corporate purposes of the Group (and any refinancing, amendments or replacements thereof), as amended from time to time (as the case may be), in an aggregate maximum amount not exceeding EUR 14,400,000 (or its equivalent in other currencies), and where all amounts outstanding under the WCF Finance Documents shall be secured by the Shared Security in accordance with the terms of the Intercreditor Agreement. The Working Capital Facility shall (together with any Permitted Hedging Obligations) rank super senior to the Bonds and any New Debt with respect to any Enforcement Proceeds, pursuant to the terms of the Intercreditor Agreement."*

- (v) The definition of "WCF Creditors" in Clause 1.1 (*Definitions*) of the Bond Terms shall be deleted in its entirety and replaced by the following definition:

*"**WCF Creditors**" means the finance parties under the WCF Finance Documents and shall include EKF Danmarks Eksportkredit in its capacity as guarantor for a part of the Working Capital Facility."*

- (vi) A new clause 9.3 shall be inserted in Clause 9 (*INTEREST*) of the Bond Terms:

### **"9.3 Payment of interest by payment-in-kind (PIK)**

- (a) *The Issuer may, for the Interest Periods ending prior to or on 11 March 2021, elect to pay interests otherwise payable in accordance with Clauses 9.1 and 9.2 above, by way of issuing new bonds (payment-in-kind (PIK)) at the Nominal Amount.*
- (b) *Any new Bonds issued under Clause 9.3 (a) (payment-in-kind (PIK)) shall be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue. New Bonds issued pursuant to this Clause 9.3 (Payment of interest by payment-in-kind (PIK)) shall not count as Additional Bonds for the purpose of paragraph (a) of Clause 2.1 (Amount, denomination and ISIN of the Bonds) so that any interest payment in kind does not reduce the amount available for Tap Issues and such new Bonds shall not be subject to the conditions set out in Clause 6.4.*
- (c) *If the Issuer pays interest by payment-in-kind (PIK), the applicable Margin for Interest Periods for which interest is paid by way of issuing new Bonds (payment-in-kind (PIK)) pursuant to this Clause 9.3 shall be 9.00 per cent. per annum.*
- (d) *The Issuer may, at any time following 11 March 2021, at one or more occasions repay all or some new Bonds issued under this Clause 9.3 at 100 per cent. of the Nominal Amount by following the procedures described in paragraphs (c) and (d) of Clause 10.2 (Voluntary early redemption – Call Option).*
- (e) *To exercise the right to pay interest by issue of new Bonds, the Issuer shall notify the Bond Trustee, the Bondholders and the Paying Agent no later than 10 Business Days prior to the relevant Interest Payment Date (provided that no such notice shall be required with respect to the interest payment due on 11 June 2020 and such interest payment shall be made in kind in accordance with paragraph (a) above).*

- (vii) Paragraph (b) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*) shall be amended to read as follows:

The Nominal Amount of each Bond is EUR 1.

- (viii) A new paragraph (iii) (*monthly reporting*) shall be inserted in paragraph (a) of Clause 12.1 (*Financial Reports*) of the Bond Terms:

*"until 11 March 2021, prepare monthly management commentary covering (i) business updates and comments on open or closed facilities, and (ii) disclose the headroom to Minimum Liquidity in relation to the requirements set out in Clause 13.14 (Liquidity), and make them available on its website and [www.newsweb.no](http://www.newsweb.no) as soon as they become available, and not later than 15 Business Days after the end of the relevant month."*

- (ix) Clause 13.10 (*Clean down period*) of the Bond Terms shall be deleted.
- (x) In Clause 13.12 (*Nomination of Material Group Companies*) the following shall be added as last sentence:

*“Notwithstanding the foregoing, with respect to the delivery of the Annual Financial Statements for the financial years 2019 and 2020, the Issuer shall only be required to nominate as Material Group Companies any Group Company which represents more than 10.00 per cent of total assets of the Group on a consolidated basis. No Material Group Companies nominated as of 31 December 2019 shall cease to be considered Material Group Companies until the nominations to occur at the delivery of the Annual Financial Statements for the financial year 2021.”*

- (xi) A new clause 13.14 shall be inserted in clause 13 (*GENERAL AND FINANCIAL UNDERTAKINGS*) of the Bond Terms:

***"13.14 Liquidity"***

*(a) The Issuer shall ensure that the Liquidity, on a consolidated basis, is equal to or exceeds DKK 35,000,000 ("**Minimum Liquidity**").*

*(b) For the purpose of paragraph (a) above, "**Liquidity**" shall mean for the Group the cash and cash equivalents and undrawn and available commitments under any credit facility, but shall exclude the reported cash and cash equivalents in RelyOn Nutec Trinidad Limited and Haztec Services Trinidad, Ltd. (Trinidad and Tobago), and shall only include 75 per cent of the reported cash and cash equivalents in Falck Safety Services Nigeria Limited (Nigeria).*

*(c) The Minimum Liquidity shall be tested monthly (at the end of each month) until 11 March 2021.*

- (xii) The Bond Trustee shall be authorised to make changes to the Intercreditor Agreement to reflect and incorporate the Proposal, including to amend the definition of "WCF Headroom" to align with the amount permitted in the Bond Terms (as amended).

## Appendix 2

### Part A

#### CONDITIONS PRECEDENT

- (i) certified copies of all necessary corporate resolutions of the Issuer to approve the terms of the Resolution;
- (ii) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Resolution, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute the Resolution on behalf of the Issuer;
- (iii) certified copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
- (iv) evidence that an increase of the Working Capital Facilities by EUR 5,350,000 of which 70% shall be guaranteed by EKF, Denmark's export credit agency has been fully committed by the relevant finance parties;
- (v) evidence of an undertaking from the Sponsor to disburse the Polaris Loans to the Issuer as soon as practicable after approval and effectiveness of the Proposal; and
- (vi) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Resolution).

### Part B

- (vii) duly executed security and guarantee confirmation letter or other satisfactory evidence that the Transaction Security and the Guarantees are extended to cover the increase in the Working Capital Facility, including any corporate authorisations of each entity being a party to such security and guarantee confirmation letter or similar document executed in connection therewith; and
- (viii) legal confirmations or, to the extent required by the Bond Trustee, legal opinions from local counsels (including in respect of corporate matters relating to the any provider of Transaction Security or any Guarantee).

## Appendix 3

**VOTING FORM**

**ISIN: NO 0010831373 - BIDCO RELYON NUTEC A/S FRN SENIOR SECURED  
EUR 100,000,000 CALLABLE BONDS 2018/2023**

The undersigned holder or authorised person/entity, votes in the following manner:

The Proposal as defined in the notice of a Written Resolution dated 29 May 2020:

☐ **In favour** of the Proposal

☐ **In disfavour** of the Proposal

|                              |                             |
|------------------------------|-----------------------------|
| ISIN<br><b>NO 0010831373</b> | Amount of bonds owned       |
| Custodian name               | Account number at Custodian |
| Company                      | Day time telephone number   |
|                              | Email                       |

Enclosed to this form is the complete printout from our custodian/VPS,<sup>1</sup> verifying our bondholding in the bond issue, as of \_\_\_\_\_.

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....

Place, date

.....

Signature

**Return:**

Nordic Trustee AS  
P.O.Box 1470 Vika  
N-0116 Oslo

E-mail: mail@nordictrustee.com

<sup>1</sup> If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.