



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 916 884 222
Organisasjonsform: Aksjeselskap
Foretaksnavn: SSCP SPV 1 AS
Forretningsadresse: c/o Aabø-Evensen & Co Advokatfirma
5. etasje
Karl Johans gate 27
0159 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap 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: Geir Bråten
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 27.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		375 000	2 256 000
Sum kostnader		375 000	2 256 000
Driftsresultat		-375 000	-2 256 000
Nedskrivning av finansielle eiendeler			62 545 000
Sum finanskostnader			62 545 000
Netto finans			-62 545 000
Ordinært resultat før skattekostnad		-375 000	-64 801 000
Ordinært resultat etter skattekostnad		-375 000	-64 801 000
Årsresultat		-375 000	-64 801 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-375 000	-64 801 000
Sum overføringer og disponeringer		-375 000	-64 801 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		1 000	1 000
Sum finansielle anleggsmidler		1 000	1 000
Sum anleggsmidler		1 000	1 000
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer		12 000	
Sum fordringer		12 000	
Sum omløpsmidler		12 000	0
SUM EIENDELER		13 000	1 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		291 000	278 000
Overkurs		372 845 000	372 845 000
Annen innskutt egenkapital		28 745 000	28 745 000
Sum innskutt egenkapital		401 881 000	401 868 000
Opptjent egenkapital			
Annen egenkapital		-412 791 000	-412 416 000
Sum opptjent egenkapital		-412 791 000	-412 416 000
Sum egenkapital		-10 910 000	-10 548 000



Balanse

Beløp i: NOK	Note	2021	2020
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld		10 923 000	10 548 000
Sum annen langsiktig gjeld		10 923 000	10 548 000
Sum langsiktig gjeld		10 923 000	10 548 000
Sum gjeld		10 923 000	10 548 000
SUM EGENKAPITAL OG GJELD		13 000	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		725 692 000	670 973 000
Annen driftsinntekt		41 000	
Sum inntekter		725 733 000	670 973 000
Kostnader			
Varekostnad		184 574 000	230 355 000
Lønnskostnad		198 227 000	180 692 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		101 828 000	93 861 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler			637 000
Annen driftskostnad		217 822 000	241 850 000
Sum kostnader		702 451 000	747 395 000
Driftsresultat		23 282 000	-76 422 000
Finansinntekter og finanskostnader			
Annen renteinntekt		14 000	88 000
Sum finansinntekter		14 000	88 000
Annen rentekostnad		34 517 000	35 387 000
Annen finanskostnad		1 723 000	3 608 000
Sum finanskostnader		36 240 000	38 995 000
Netto finans		-36 226 000	-38 907 000
Ordinært resultat før skattekostnad		-12 944 000	-115 329 000
Ordinært resultat etter skattekostnad		-12 944 000	-115 329 000
Ekstraordinære poster		12 558 000	801 000
Skattekostnad på ekstraordinære poster		568 000	404 000
Årsresultat		-954 000	-114 932 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-954 000	-114 932 000
Sum overføringer og disponeringer		-954 000	-114 932 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
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Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		7 834 000	7 834 000
Sum immaterielle eiendeler		7 834 000	7 834 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		87 936 000	162 796 000
Maskiner og anlegg		222 009 000	242 617 000
Sum varige driftsmidler		309 945 000	405 413 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler			100 000
Sum finansielle anleggsmidler			100 000
Sum anleggsmidler		317 779 000	413 347 000
Omløpsmidler			
Varer			
Varer		398 000	
Sum varer		398 000	
Fordringer			
Kundefordringer		154 084 000	119 687 000
Sum fordringer		154 084 000	119 687 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		52 441 000	22 289 000
Sum bankinnskudd, kontanter og lignende		52 441 000	22 289 000
Sum omløpsmidler		206 923 000	141 976 000
SUM EIENDELER		524 702 000	555 323 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital		291 000	278 000
Overkurs		372 845 000	372 845 000
Annen innskutt egenkapital		28 745 000	28 745 000
Sum innskutt egenkapital		401 881 000	401 868 000
Opptjent egenkapital			
Annen egenkapital		-559 943 000	-558 988 000
Sum opptjent egenkapital		-559 943 000	-558 988 000
Sum egenkapital		-158 062 000	-157 120 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner			199 529 000
Langsiktig konserngjeld			51 148 000
Ansvarlig lånekapital		106 282 000	174 794 000
Sum annen langsiktig gjeld		106 282 000	425 471 000
Sum langsiktig gjeld		106 282 000	425 471 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		210 831 000	
Leverandørgjeld		90 141 000	81 391 000
Skyldige offentlige avgifter		20 696 000	18 637 000
Kortsiktig konserngjeld		54 986 000	
Annen kortsiktig gjeld		199 828 000	186 944 000
Sum kortsiktig gjeld		576 482 000	286 972 000
Sum gjeld		682 764 000	712 443 000
SUM EGENKAPITAL OG GJELD		524 702 000	555 323 000



SSCP SPV 1 AS

SAR Group

Annual Accounts 2021





SAR Group – Board of Directors report 2021



Board of Director's report 2021

The nature of the business

SAR AS is a company providing Waste Chain Management services to offshore and onshore industry. The company offers complete waste solutions and waste recycling services. This includes treatment, handling, cleaning, removal, and disposal of waste. SAR AS is the operating company in the Group.

Operations

Norwegian operations

SAR AS mainly provides services to clients in the Norwegian offshore and onshore segment, in addition to onshore industrial companies. SAR AS has eight operating branches located along the Norwegian coastline from Tananger - in the south, to Hammerfest - in the north. The head office is located in Tananger.

SAR AS has production facilities for treatment of offshore drilling waste, comprising slop, and cuttings at Averøy, cuttings treatment at Sandnessjøen, Hammerfest and in Risavika, in addition to a facility for biological water treatment at Mongstad.

After several challenging years, an ambitious improvement program was initiated in 2020. The improvement program aims to improve the operational performance and financial sustainability of the company and contains improvement initiatives in all areas of the company. The program will continue into 2022 and 2023 to complete initiatives started in 2021. In addition, new initiatives have been established in 2022 to ensure further financial improvement, the achievement of budget targets for 2022, as well as long-term goal achievements towards 2026. The improvement program has already had substantial positive effects, including a significant improvement in financial results, and hence securing a more sustainable financial platform. Furthermore, the improvement program also includes initiatives that further reduce the Company's environmental footprint and increase the amount of waste that is fully recycled. The focus on creating re-usable products from received and recycled waste has been further reinforced during 2021 and will continue to be a priority and strategy for the company in the years to come through the SAR Circular program.

International operations

In August 2021, SAR AS entered into an agreement with Zenith Group Company for Drilling & Maintenance of Oil Wells (Zenith Group) for the sale of all of SAR's operations and assets in Kuwait.

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SAR Group – Board of Directors report 2021



Assessment of going concern

The Board of Directors confirms that the accounts for 2021 have been prepared under the assumption of going concern. The going concern assumption is based on an assessment of the market outlook and the effect from the improvement program started in 2020 and continued in 2021 and 2022. The improvement program has already had substantial positive effects, including improved financial results achieved in 2021, company being on track for achieving its budget targets for 2022 and further financial growth in 2023. The market outlook going forward is considered positive with expected increased activity on the Norwegian Continental Shelf and in the onshore waste market. Also important contracts have been extended during 2022, which further supports the Board's assessment of going concern.

The Company's current committed loan facility matures on the 31st of December 2022. The process to refinance the facility from 1st of January 2023 has already started and the dialogue with the Shareholders and Senior Lender is considered positive. All involved parties have confirmed their clear intention to secure a new long-term facility for the company. The Shareholders and the Senior Lender have also confirmed that they do not have any intention to require a repayment of the current facility at maturity date, 31st of December 2022.

SAR was in 2021 involved in a fire incident at one of its downstream suppliers. Following the incident SAR AS has received two claims from the insurers of this supplier. The Board is currently considering the claims to have no impact to the going concern assessment and for the annual accounts 2021. See below for additional description of the incident.

Employees and working environment

SAR Group had 261 permanent employees on the 31st of December 2021. The parent company, SSCP SPV1 AS, had zero employees. The Group reported absence due to sickness was 5,2 % of the total number of working hours in 2021, up from 4,5 % in 2020. Company management is continuously working on efforts to reduce employee's absence.

SAR registered four injuries that resulted in absence, compared to three injuries previous year. Internal investigation regarding all injuries is performed and appropriate measures are implemented to reduce the risk of similar incidents occurring in the future.

The working environment in the company is considered good. The Group carries out leadership and working environment surveys ("Klimaundersøkelsen") annually and has implemented various other measures to ensure employee satisfaction and a positive working environment. The collaboration between the management and the unions is considered constructive and has contributed positively to the operations in 2021.



SAR Group – Board of Directors report 2021



Equality and anti-discrimination

The Group is strongly committed to the objective of complete gender equality and no discrimination related to ethnicity, national origin, language, religion, or physical disability. Of the company's permanent employees at the end of 2021, 20% were women and 80% were men. The proportion of women in the company's management was 30%. SAR's diverse workforce represents over 20 nationalities contributing high competence in a wide range of areas and valuable insights. The Group's policies include provisions to ensure that there is no discrimination with regards to salaries, promotions, or recruitment.

Environmental reporting

Emissions from our treatment facilities, including waste that can cause damage to the environment, does not exceed the limits set by the Authorities. The Group operates within a strict regime of regulations and the operations are governed by concessions and such regulations. As a result, the Group has extensive internal control routines for safe operations and for the control of emissions. The Group has a high focus with regards to its social responsibilities and spends significant resources on the objective of operating in an environmentally friendly manner and minimizing its environmental footprint. There have been two minor incidents resulting in emissions during 2021, compared to five in 2020. One incident was related to emissions from an oil separator, the other was related to emissions from a tank at the water treatment plant at Mongstad. Preventive measures were taken immediately resulting in no negative environmental impact.

Market Outlook

SAR's activity level is primarily correlated with activity in the Energy segment and offshore drilling activity on the Norwegian Continental Shelf, but the Company works actively to also strengthen its position in other waste segments. In addition, the Company continues its expansion within greener business models where waste-to-product and footprint-based decision making are key success factors to achieve a sustainable business - both financially and environmentally.

With regards to the recent increase in oil prices the Company has identified several new market opportunities. We expect the market outlook to be positive on SARs behalf in the years to come. On the other hand, the Company is experiencing a significant increase in several cost segments, especially within transportation and fuel costs. We expect that prices will continue to be volatile in the near future.

Finally, SAR AS has continued to increase its focus on logistics, value chain collaboration and ecosystem partnerships to accelerate the company in a circular direction.



SAR Group – Board of Directors report 2021



Key financial information

The Group's total revenue for 2021 amounted to NOK 725,7 million (NOK 671,0 million in 2020), representing an increase of 8 %. Profit after tax for the year amounted to negative NOK 1,0 million (negative NOK 114,9 million in 2020). The Operating result for 2021 amounted to NOK 23,3 million (negative NOK 76,4 million in 2020). Reported gross margin for 2021 was 75 % compared to 66 % in 2020, whilst other operating costs was reduced from NOK 551,5 million in 2020 to NOK 517,9 million in 2021. Positive contributions from the improvement program, as well as a more diversified customer portfolio, were the main drivers for the improved financial results in 2021. The activity related to the business in Kuwait is discontinued operations for 2021. The 2020 result for the business activity in Kuwait is reclassified to discontinuing operations for comparison purposes. Profits from sale of the assets in Kuwait contributed with NOK 13,4 million in 2021. Net profit from discontinued operations amounting to NOK 12,0 million in 2021.

Cash flow from operations amounted to NOK 101,6 million compared to NOK 40,8 million in 2020. Net cash from investing activities amounted to NOK 7,4 million (negative NOK 16,0 million in 2020) and cash flow from financing activities amounted to negative NOK 78,8 million (negative NOK 34,1 million in 2020). Net cash flow for 2021 amounted to NOK 30,2 million. Net cash flow previous year amounted to negative NOK 9,3 million. Cash inflow from the sale of the assets in Kuwait was 26,6 million. Cash balance per 31 December 2021 amounted to NOK 52,4 million compared to NOK 22,3 million previous year.

As of the 31st of December 2021, total assets were NOK 524,7 million (NOK 555,3 million in 2020). Total equity per 31 December 2021 amounted to negative NOK 158,1 million (negative NOK 157,1 million in 2020)

The parent company SSCP SPV 1 AS did not have revenue in 2021 nor in 2020. Profit after tax for the year amounted to negative NOK 0,4 million (negative NOK 64,8 million in 2020). As of the 31st of December 2021, SSCP SPV 1 AS had total assets of NOK 0 (no changes from previous year). Total equity per 31 December 2021 amounted to negative NOK 10,9 million (negative NOK 10,5 million in 2020).

Financial risks

Currency risk

The group operates internationally and is exposed to currency risk arising primarily from US dollars and Euros. Currency risk mainly arises from commercial transactions (supplier purchases) and related trade liabilities. In 2015 the Group commenced operations in Kuwait and, as such, the Groups risk exposure to US dollars increased. The Group have had a partial natural currency hedge since most of the operating expenses of the Kuwaiti operation are either in US dollars or Kuwaiti Dinars. The assets in Kuwait were sold in 2021 and SAR's activity is ceased.

Credit risk

Credit risk is managed at group level except for credit risk related to accounts receivable. Each location is responsible for managing and analyzing the credit risk of its new customers before standard



SAR Group – Board of Directors report 2021



payment and delivery terms are offered. No credit limits were exceeded during the reporting period and management does not expect any losses on receivables from these counterparties. The Group has reported only minor losses on trade receivables during the year and expects that all receivables per December 31st will be fully settled.

Liquidity risk

Group finance continuously monitors rolling forecasts of the Group's liquidity requirements to ensure they have sufficient cash to meet operational needs while always maintaining sufficient room for maneuvers in accordance with the conditions in the company's financing facilities to ensure that the Group does not breach borrowing limits or covenants (where applicable) on any of its facilities. Effects from improved performance and the sale of the Kuwait business has improved the cash flow during 2021 and has increased the Group's ability to cover its debt positions. Further improvement during 2022 and the expected refinancing of its committed loan facility are expected to further reduce the credit risk going forward. The Group is not paying installments on its current facility and has NOK 60 million in undrawn credit facilities. The current facility has maturity date 31st of December 2022 and the Company has started a process with Shareholders and Senior Lender to secure a new facility valid from the 1st of January 2023. All involved parties have confirmed their clear intention to secure a new long-term facility for the company. The Shareholders and the Senior Lender have also confirmed that they do not have any intention to require a repayment of the current facility at maturity date, 31st of December 2022.

The company has per date a Directors and Officers liability insurance limited to GBP 5 million.

Ongoing disputes

On the 24th of June 2021, a tanker from SAR was present and dispatching waste at one of its suppliers when an explosion and subsequent fire occurred in the waste pit at the supplier's facility. The explosion and the subsequently fire caused extensive damages to personnel and the waste facility, including damages on SAR's involved tanker. Following the incident SAR has received a regress claim from the insurance company of the respective supplier of NOK 166 million and a regress claim from the insurance company of one of the involved employees. The size of this claim is unknown. SAR, for its part, has rejected the claims received in its entirety, as SAR believes that there is neither a factual nor legal basis for the claims made. SAR's insurance company has filed a regress claim against the respective supplier, and in addition, SAR will also shortly submit a claim for recovering its additional costs as a result of the incident. Both with basis in negligent conduct and breach of contract from the supplier's side.

The outcomes of the regress claims are associated with a high degree of uncertainty, in addition to the fact that it is difficult to prepare a reliable estimate of the size of any obligation. Based on this, no provisions have been recognized for liabilities in the annual accounts for 2021.



SAR Group – Board of Directors report 2021



Tananger, 30.06.2022

Tor Olav Schibevaag
Member of the Board/CEO

Stefano Bonfiglio
Chairman of the Board

Ben Hopper
Member of the Board



SAR Group SSCP SPV1 AS - 2021 - Financial Report

Consolidated Income Statement

<i>All amounts in NOR thousands</i>	<i>Notes</i>	<i>31 December</i>	
		<i>2021</i>	<i>2020</i>
Operating revenue		725 692	670 973
Gain on sale of assets		41	-
Total Revenue	5	725 733	670 973
Waste treatment costs	21	184 574	230 355
Personnel costs	19	198 227	180 692
Depreciation and amortisation - Intangible assets		-	1 661
Depreciation - Fixed assets	6	33 548	41 829
Depreciation - Right of use assets	16	68 281	50 371
Impairment - Fixed assets	6	-	637
Other operating expenses	18	247 822	241 851
Total Operating expenses		702 451	747 395
Operating profit		23 282	-76 422
Interest income	17	14	88
Interest costs	16, 17	34 517	35 387
Other financial expenses	17	1 723	3 608
Net financial costs		36 226	38 907
Profit before income tax		-12 944	-115 328
Income taxes	14	-	-
Profit from continuing operation		-12 944	-115 328
Profit before income tax from discontinued operation	22	12 558	801
Income tax on discontinued operation	14, 22	568	405
Profit from discontinued operation		11 990	396
Profit for the year		-954	-114 932
Other Comprehensive Income		-	-
Total Comprehensive income		-954	-114 932
Attributable to:			
Equity holders of the Group		-954	-114 932
		-954	-114 932

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SAR Group SSCP SPV1 AS - 2021 - Financial Report

Consolidated Balance sheet

All amounts in NOK thousands	Notes	31 December	
		2021	2020
ASSETS			
Non-current assets			
Concessions, licenses etc		-	-
Deferred tax asset	14	7 834	7 834
Land and buildings	6	87 936	162 796
Right of use assets	6, 16	126 611	192 688
Other machinery	6	95 399	49 929
Financial assets	1	-	100
Total non-current assets		317 779	413 347
Current assets			
Inventory		398	-
Accounts receivable and other receivables	8	154 084	119 687
Cash and cash equivalents	9, 13	52 442	22 289
Total current assets		206 923	141 977
Total assets		524 702	555 323
EQUITY			
Equity attributable to owners of the parent			
Ordinary shares	10	291	278
Share premium		372 845	372 845
Other paid in capital		28 745	28 745
Other equity		-559 942	-558 987
Total equity		-158 062	-157 120
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	-	199 529
Shareholder loan and other long term borrowings	12	-	51 148
Finance lease obligations (LT)	16	71 202	129 056
Other long term liabilities	12	35 080	45 738
Total non-current liabilities		106 282	425 471
Current liabilities			
Borrowings	12	30 000	20 000
Bank borrowings	12	210 831	-
Loan from shareholder and related parties	12	54 986	-
Finance lease obligation (ST)	16	67 256	74 167
Accounts payable	11	90 141	81 391
Public duties payable		20 696	18 637
Provisions for other liabilities and charges	15	102 573	92 777
Total current liabilities		576 483	286 972
Total liabilities		682 764	712 442
Total equity and liabilities		524 702	555 323

Tananger, 30.06.2022

Tor Olav Schibevaag
Member of the Board/CEO

Stefano Bonfiglio
Chairman of the Board

Ben Hopper
Member of the Board



SAR Group SSCP SPV1 AS - 2021 - Financial Report

Consolidated Statement of cash flows

<i>All amounts in NOR thousands</i>	<i>Notes</i>	<i>31 December</i>	
		<i>2021</i>	<i>2020</i>
Cash flows from operating activities			
Profit before tax from continuing operations		-12 944	115 328
Profit before tax from discontinued operations	22	12 558	801
Paid taxes / received taxes		-568	-405
Gain on sale of Kuwait operations	22	-13 330	-
Depreciation and impairment		101 829	94 498
Depreciation from discontinued operation		1 799	8 157
Write down of financial investments		100	-
Interest expense, not paid	17	26 062	26 305
Change in account receivables and other receivables		-36 689	13 726
Change in account payables		8 751	-6 028
Change in other accruals		14 017	19 063
Net Cash generated from operating activities		101 584	40 789
Cash flows from investing activities			
Net purchases of buildings and equipment	6	-19 271	-15 983
Payments received from sale of Kuwait operations	12, 22	26 646	-
Net cash used in investing activities		7 375	-15 983
Cash flow from financing activities			
Proceeds from borrowings	12	-	25 000
Repayment of finance lease	16	-78 820	59 097
Share issue	10	13	-
Net cash used in financing activities		-78 807	-34 097
Net (decrease) / increase in cash and cash equivalents		30 152	-9 292
Cash and cash equivalents at the beginning of year		22 289	31 581
Cash and cash equivalents at the end of year	9	52 442	22 289



Consolidated Statement of changes in equity

Consolidated Statement of changes in equity

<i>All amounts in NOK thousands</i>	Notes	<i>Attributable to owners of the parent</i>				Non-controlling interest	Total equity
		Share capital and share premium	Other paid in capital	Other equity	Total		
Balance as at 1 January 2020		373 123	28 745	-444 056	-42 188	-	-42 188
Profit/Loss for the year				-114 932	-114 932	-	-114 932
Balance as at 31 December 2019		373 123	28 745	-558 987	-157 120	-	-157 120
Balance as at 1 January 2021		373 123	28 745	-558 987	-157 120	-	-157 120
Share capital increase		13			13		13
Profit/Loss for the year				-954	-954	-	-954
Balance as at 31 December 2021		373 135	28 745	-559 941	-158 062	-	-158 062



Notes to the consolidated financial statements

1 General information

(all figures in NOK thousands if not otherwise specified)

SAR AS offers a full range of Waste Chain Management (WCM®) services. SAR focuses primarily on hazardous waste fractions and drilling waste from the energy segment primarily located on the Norwegian continental shelf.

SAR AS, is located in 8 facilities along the Norwegian coast; Tananger, Risavika, Mongstad, Florø, Kristiansund, Averøy, Sandnessjøen and Hammerfest. SAR AS has sold its business in Kuwait during 2021

The Group's major shareholder is a UK based private equity fund managed by Stirling Square Capital Partners (SSCP). SAR AS was acquired by the current owners in 2012 and has made significant investments in the Group's operations, enabling growth in both national and international markets.

In June 2018, following negotiations between the Group, its shareholders and senior lenders a refinancing agreement was finalized incorporating a debt to equity conversion and refinancing of the terms of the remaining debt to senior lenders. The debt to equity conversion in SAR's immediate parent SAR Gruppen AS and in SAR AS itself was effected on 30 June 2018. Bank debt in the amount of NOK 269.5m was converted to equity in SAR Gruppen AS, and NOK 239.5m was converted to equity in SAR AS. The new Senior Facility Agreement (SFA) secures financing for the SAR Group until 31 December 2022.

For SSCP SPV 1 AS there was a conversion of debt to equity of NOK 280.6m as part of the restructuring. In addition, the senior lender received 3 964 287 warrants for class B shares and 2 312 500 warrants for class C shares as compensation for the debt extinguishment. At the date of transaction the fair value of the warrants are valued at NOK 28,7m.

The statutory accounts for the SSCP SPV 1 Group ("SAR Group") for 2021 have been prepared on the basis of going concern. See note 4. 1 c) for details.

The Group accounts for 2021 are prepared in accordance with IFRS.

SAR Group companies

SSCP SPV 1 AS	Tananger	Parent	-10 911	-375	n.a
Subsidiaries					
SSCP SPV 2 AS	Tananger	100 %	-137	-38	
SSCP SPV 3 AS	Tananger	100 %	-137	-38	
Sar Gruppen AS	Tananger	100 %	-550	-93	
SAR AS	Tananger	100 %	-146 327	-405	

The SSCP managed and Luxembourg based company SSCP SAR Parent S.a.r.l is the ultimate owner of the Group through the parent Company SSCP SPV 1 AS.



Notes to the consolidated financial statements

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis for preparation

The consolidated financial statements of the SAR Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS as adopted by the EU. The consolidated financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all 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 over 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 Group applies the equity method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the 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 measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.



Notes to the consolidated financial statements

2.4 Foreign currency translation

(a) 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"). The consolidated financial statements are presented in Norwegian Krone' (NOK), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "net financial costs". All other foreign exchange gains and losses are presented in the income statement within "Other financial expenses".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.5 Property, plant and equipment

Land and buildings comprise mainly waste processing facilities and offices. Land and buildings are shown at historical cost less subsequent depreciation for buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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 the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

i)	Land and buildings 10-20 years
ii)	Plant and machinery 5-10 years
iii)	Inventory 3-7 years
iv)	Leased equipment 5-10 years
v)	Right of use assets 1-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gain/losses". When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting period.

2.7 Leases

The Group leases certain land, office buildings, tanks, vehicles and equipment. The Group implemented IFRS 16 on 1st of January 2019, using the modified retrospective approach. Exception for contracts with a lease term of 12 months or less have been applied. These lease payments are recognised in profit or loss on a straight-line basis over the lease term.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract includes the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying value to reflect the lease payments made.

The right of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.



Notes to the consolidated financial statements

2.8 Financial instruments

2.8.1 Classification of financial assets

The Group classifies its financial assets in the following three categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income.

(a) Financial assets at amortised cost

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

The Group carries no assets under the following classifications:

- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

2.8.2 Recognition and measurement

Financial assets at amortised cost.

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 30 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. Details about the Group's impairment policy and the calculation of the loss allowance are provided in notes 2.10 and 2.22.

2.9 Impairment of financial assets

Assets carried at amortised cost.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.10 Trade receivables

Trade receivables are amounts due from customers for services performed or equipment sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

2.13 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.



Notes to the consolidated financial statements

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognised 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 not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a contractual 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.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of services

The Group sells waste management services to industrial offshore and onshore customers. Revenue is recognised in the accounting period in which the Group receives waste from customers (when risk and control of the waste has been transferred).

(b) Sale and rental of equipment

The Group also sells and rents equipment for collection and labelling of waste. Revenue from the sale of such goods and equipment is recognised in the accounting period in which the equipment and goods are delivered to the customer.

Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Group's operating company, SAR AS, receives waste from customers which is either delivered at the company's premises or collected from the customers onshore premises. When the waste has been controlled and analysed under the terms of the contracts by SAR, it has taken control over the waste and issues invoices to customers based on weight or volume at the contracted prices. The performance obligation in the customer contract is fulfilled when SAR takes control of the waste. SAR AS also performs tank cleaning services and revenue from such services is recognised when the job has been completed.

In Kuwait, the company had a performance contract with its customer Kuwait Oil Company which ended 30 June 2021. The performance elements (uptime hours and volumes of waste treated) was measured monthly based on the actual monthly performance. The company issues invoices and recognises revenue as per invoice. The company has no other customer contracts that require assessment of performance and related revenue recognition.



Notes to the consolidated financial statements

2.19 Provisions

Provision for destruction costs

The Group receives waste from customers and the waste is normally treated over a period of time subsequent to receipt. In order to recognise cost in the same accounting period as revenue is recognised, Management estimate provisions for destruction costs. The cost of destruction is based on historical actual costs for the different types of waste. Inventories of waste are followed up periodically and provisions for destruction costs are revised to reflect the appropriate cost in the accounting period.

2.20 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and

2.22 Changes in accounting principles and information

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Financial risk management

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, sales volumes risk, cost level risk and price risk), credit risk and liquidity risk. Management seek to minimise potential adverse effects on the group's financial performance on a case by case basis.

a) Market risk

i) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from primarily US dollar, Euros, Kuwaiti Dinars and Danish kroner. Foreign exchange risk mainly arises from commercial transactions (supplier purchases) and related trade liabilities, and a financial investment in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not in SAR's functional currency (Norwegian Krone). In 2015 full operations commenced in Kuwait, and as such the group's risk exposure to US dollars increased. Balance sheet items denominated in foreign currencies mainly comprise accounts payable in Euros and Danish Krone and receivables in US dollars related to the Kuwait operation. SAR repatriates from Kuwait all cash not required for day to day operation to Norway and translates these funds to NOK, thus minimizing the exposure towards US dollars. The activities in Kuwait has been disposed during 2021 and is not considered as an exchange risk per end of the year.

Variations in foreign exchange rates to NOK within +/-10%, would not materially change the group's book values as per 31 December 2021. See details below.

Foreign exchange exposure 2021

USD	1 799	20 327	-18 528	1 853	-1 853
EUR	8 252	10 594	-2 342	234	-234
KWD	7 312	680	6 632	463	663
DKK	705	20	685	69	69
Other	823	-	823	82	82
Total	18 892	31 621	-12 729	1 273	-1 273

USD	11	5	-6	-1	1
EUR	1 664	-	-1 664	166	166
KWD	174	44	-130	13	13
Other	124	-	-124	12	12
Total	1 973	49	-1 924	-192	192



Notes to the consolidated financial statements

Foreign exchange exposure 2020

USD	5 173	44 902	-39 729	3 973	-3 973
EUR	21 094	17 140	3 954	-395	395
KWD	13 470	1 547	11 923	-1 192	1 192
DKK	160	20	140	-14	14
Other	1 326	-	1 326	-133	133
Total	41 223	63 609	-22 385	2 239	-2 239

USD	162	5 098	4 936	494	-494
EUR	87	1 756	1 668	167	-167
KWD	1 333	1 087	-245	-25	25
Other	13	-3	-16	-2	2
Total	1 594	7 938	6 344	634	-634

See note 8 and note 11 for year end balances for receivables and payables respectively.

ii) Floating interest risk

The group's interest rate risk arises from long-term borrowings.

iii) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

iv) Liquidity risk

Cash flow forecasting is performed by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 12) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements. Key assumptions relate in particular to estimates of future volumes of various waste categories and the expected margins that can be made by waste category. An assessment of the volumes going forward includes uncertainty, however, the short term market outlook is assessed to be promising and together with effect from improvement initiatives are assumed to mitigate the liquidity risk. The Group has currently NOK 60 million in unused credit facility.

Maturity groupings for the Group's non-derivative financial liabilities are presented in note 12. The maturity is based on the current repayment plan of the bank debt and the maturity of the shareholder loan.

For further information about the process of refinancing, see note 4.1c.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Provision for waste disposal and treatment

The Group receives waste from customers and the waste is normally treated over a period of time subsequent to receipt. In order to recognise cost in the same accounting period as the revenue is recognised, the Group makes provisions for destruction costs. The cost of destruction is based on estimated full destruction cost for the different types of waste. Inventories of waste are followed up periodically and provisions for destruction costs are revised to reflect the appropriate cost for services in the accounting period.



Notes to the consolidated financial statements

b) Tangible and intangible asset impairment test

For tangible assets that have definite useful life and thus are amortised, an entity is required to assess indications that an asset may be impaired at the end of each reporting period (IAS 36.9).

In assessing potential impairments of tangible and intangible assets, management has used the group's budget for 2022 and Business Plan for 2023-2026. For the years 2023-2026 the assumed growth rate is 2% for revenues and 2% for cost, while we assume zero growth in computing the terminal value. The impairment test is based on comparing discounted expected future cash flows to the book value of the assets. The discount rate (wacc) applied was 12%, and reflects the current interest rate level and the group's long term debt to equity ratio. Sensitivities to the impairment test is done by changing assumptions related to growth in profitability, different discounts rates and growth assumptions in the terminal value.

The assessment concludes that book value is supported with some headroom. Management assess that customer relations and contract base is strong. The development in financial results from September 2020 throughout 2021 has been positive and has improved month by month. SAR is seeing positive contributions from the Continuous Improvement Programme (CIP) among others related to improved operational work processes and cost savings. Based on discussions with key customers and the uplift in activity level on the NCS, as well as further improvements from the Continuous Improvement Program (CIP), the outlook for 2022 and beyond is good and Management expect further improvements in the group's financial performance. Management concludes that there is no need for impairment write downs in 2021 financial accounts. See also note 6 for more details about long-lived assets.

Sensitivity analysis

WACC	8 %	10 %	12 %	14 %	16 %
Headroom	158 000	74 000	16 000	-26 000	-58 000
Difference in growth between revenue and costs					
Headroom	-1,00 % -248 000	-0,50 % -117 000	0,00 % 16 000	0,50 % 152 000	1,00 % 790 000
Growth rate terminal value					
Headroom	-4 % -22 000	-2 % -5 000	0 % 16 000	2 % 47 000	4 % 92 000

c) Assessment of going concern

The statutory accounts for the SSCP SPV 1 Group ("SAR Group") for 2021 have been prepared on the basis of going concern. The going concern assumption is based on an assessment of the market outlook and the effect from the improvement measures started in 2020 and continued in 2021 and 2022. The improvement measures have already proven results, contributing to the financial results achieved in 2021 and supports achievement of budget targets for 2022 and further growth in 2023. The market outlook for the coming years is assessed to be promising with expected increased activity on the NCS and in the onshore waste market. Important contracts have also been extended during 2022 supporting the Board of Directors assessment of going concern.

The Group is currently in a process with its Shareholders and Senior lender to establish a new long term financing facility from 1 January 2023. Both the Senior lender and the Shareholders have expressed their support with providing a financial facility to the Group also after 2022, and they have confirmed their intention to conclude a facility within end of 2022. In addition, both stakeholders have confirmed that they do not intend to require repayment of the current facility at maturity date.

24 June 2021, a tanker from SAR was present at an explosion in the waste pit at one of its suppliers while dispatching waste. The explosion started a subsequent fire at the facility. The explosion and the fire caused several personal injuries and extensive material damages to the facility, including damages on SAR's involved tanker. Subsequent, the incident SAR has received a regress claim from the insurance company of the respective supplier of NOK 166 million and a regress claim from the insurance company of one of the involved personnel. The size of this claim is not specified. SAR has fully rejects the claims put forward and disputes that it exists any factual and/or legal basis for the claims and rejects any responsibility for the claims put forward. SAR's insurance company has put forward a regress claim to the respective supplier and SAR will put forward its own claim shortly for coverage of additional costs as a consequence of the incident. Both with basis in negligent conduct and breach of contract from the suppliers side. The outcome of the regress claims are encumbered with a high degree of uncertainty, in addition to the fact that it is difficult to prepare a reliable estimate of the size of any obligation. Based on this assessment, no provisions related to this item have been accrued for.



Notes to the consolidated financial statements

5 Specification of Operating revenue

Process waste	345 458	309 414
Hazardious waste	161 168	176 680
Industrial waste	74 794	62 710
Tank cleaning	71 918	47 966
Other operating revenue	72 353	74 203
Total operating revenue from continuing operations	725 692	670 973
Gain on sale	41	-
Total revenue from continuing operations	725 733	670 973
Revenue from discontinued operations	33 363	44 740
Total revenue	759 096	715 714

Kuwait	33 363	44 740
Norway	725 733	670 973
Total revenue	759 096	715 714

6 Property, plant and equipment

At 01 January 2021						
Purchase cost	496 435	385 268	33 275	46 938	243 059	1 204 976
Accumulated depreciations	333 639	337 465	32 214	45 874	50 371	799 563
Net book value	162 796	47 803	1 061	1 065	192 688	405 413
Year ended 31 December 2021						
Opening net book value	162 796	47 803	1 061	1 065	192 688	405 413
Additions	-	4 046	15 227	-	-	19 271
Disposals	-	13 179	-	137	-	13 316
Depreciation charge	6 524	26 389	183	452	68 281	101 829
Depreciation - Discontinued Operations	-	1 774	-	24	-	1 799
Adjustments	-	-	-	-	2 203	2 203
Adjustments - Classification	-68 337	59 855	8 934	-452	-	-
Adjustment - Purchase cost	-297 223	84 418	-27 158	-46 350	-	-286 313
Adjustment - Depreciation	297 223	-84 418	27 158	46 350	-	286 313
Closing net book value	87 936	72 136	25 038	-	126 610	309 946
At 31 December 2021						
Purchase cost	130 875	520 408	30 277	-	245 262	926 823
Accumulated depreciations	42 940	450 046	5 239	-	118 652	616 878
Net book value	87 936	70 362	25 038	-	126 610	309 946

Exp. useful life of asset 10-20 years 5-10 years 3-7 years 5 - 10 years 1-5 years

See note 4 for information about impairment testing.



Notes to the consolidated financial statements

7 Financial assets and liabilities

Assets as per balance sheet

Trade and other receivables excluding prepayments	108 260	-	-	108 260
Cash and cash equivalents	52 442	-	-	52 442
Total	160 702	-	-	160 702

Assets as per balance sheet

Trade and other receivables excluding prepayments	100 646	-	-	100 646
Cash and cash equivalents	22 289	-	-	22 289
Total	122 934	-	-	122 934

Financial liabilities

Bank borrowings	210 831			210 831
Shareholder loan	27 632			27 632
Loans from related parties	27 354			27 354
Lease liabilities	138 458			138 458
Deferred acquisition liability	55 580			55 580
Account payables	90 141			90 141
Total	549 995			549 995

Financial liabilities

Bank borrowings	199 529			199 529
Shareholder loan	25 621			25 621
Loans from related parties	25 527			25 527
Lease liabilities	203 223			203 223
Deferred acquisition liability	55 580			55 580
Account payables	81 391			81 391
Total	590 871			590 871



Notes to the consolidated financial statements

8 Trade and other receivables

Trade receivables	99 579	91 820
Trade receivables - net	99 579	91 820
Other receivables	18 249	19 048
Earned income, not invoiced	36 256	6 923
VAT receivable	-	1 895
Total other receivables	54 505	27 867
Total trade receivables and other receivables	154 084	119 687

Not due	96 659	87 002
Due 0-90 days	2 875	657
Due 91-180 days	-	4 238
Due 181-360 days	-	710
Due over 361 days	44	-786
Total	99 579	91 820

As per 31 December 2021 trade receivables of NOK 2,9m were past due, but not impaired. These relate to a number of large independent customers who have no recent history of default.

Management assess and follow up overdue receivables continuously. As at 31 December 2021 SAR Group has no general accrual for potential loss.

As at 31 December 2021 the Group has no receivables due from any related parties.

NOK	99 530	84 482
USD	5	5 098
EURO	-	1 756
KWD	44	1 087
Other	-	3
Total	99 579	91 820

9 Cash and cash equivalents

Cash at bank and on hand	44 642	15 362
Restricted cash	7 800	6 927
Cash and cash equivalents	52 442	22 289

Cash at bank and on hand includes amounts which are not in the functional currency of the Group of USD 166,5k (equivalent to NOK 1,5m), Kuwaiti Dinar of 11,2k (equivalent to NOK 327,9k) and EURO 12,4k (equivalent to NOK 127,2k) as per 31 December 2021.

10 Share capital

The share capital is NOK 290 342 and consists of 9 250 000 A shares at face value NOK 0,01, 9 250 000 B shares at face value NOK 0,01 and 10 534 725 C shares at face value NOK 0,01.

SSCP SAR Parent SARL	27 750 000	0,01	96 %
SAR Manager AS	1 284 722	0,01	4 %
Total number of shares	29 034 722		100 %



Notes to the consolidated financial statements

11 Accounts payable

Accounts payable	90 141	81 391
NOK	88 168	79 796
USD	11	162
EURO	1 664	87
GBP	-	7
SEK	124	6
KWD	174	1 333
Total	90 141	81 391

12 Borrowings

Non-current		
Bank borrowings *	-	199 529
Shareholder loan **	-	25 621
Management fee	9 500	9 500
Long term portion of deferred acquisition liability ¹⁾	25 580	35 580
Finance lease liabilities (LT) ²⁾	71 202	110 773
Borrowings from related parties ³⁾	-	25 527
Other long term liabilities	-	18 941
Total non-current borrowings	106 282	425 471
Current		
Deferred acquisition liability	30 000	20 000
Shareholder loan	27 632	-
Borrowings from related parties ³⁾	27 354	-
Bank borrowings *	210 831	-
Finance lease liabilities (ST) ²⁾	67 256	74 167
Total current borrowings	363 073	94 167
Total borrowings	469 354	519 638

1) As part of an asset purchase transaction in 2016 it was agreed with the counterparty that a portion of the purchase price will be paid over the period from 2017 to 2020. In May 2018, the parties entered into a new agreement which reschedules these payments to begin in 2020 and end in 2024. A new amendment was signed in January 2022 with repayment from 2022 - 2024.

2) Refer to note 17 for further information on finance lease liabilities.

3) Refer to note 21 for further information on borrowings from related parties.

1 years	363 073	94 167
2-5 years	106 282	425 471
Total	469 354	519 638

Refer to note 16 for maturity analysis of IFRS 16 lease liabilities.

* Bank borrowings	Nibor + 5%	Nibor + 5%
** Shareholder loan	Nibor + 8%	Nibor + 8%
Average interest rate bank borrowings	Nibor + 6.5%	Nibor + 6.5%

Refer to note 18 for specification of interest costs.



Notes to the consolidated financial statements

Long term portion of deferred acquisition liability	12 000	13 580
Total	12 000	13 580

Following negotiations, the Group, its Shareholders and Senior lenders reached agreement on a new long term financing agreement ("SFA") in June 2018 which extends the facilities until December 2022. The agreement included the conversion of NOK 269,5m of debt in SAR Gruppen AS and NOK 239,5m in SAR AS to equity and also provided new funding and RCF facilities. In addition there also was a conversion of debt to equity of NOK 280,6m in SSCP SPV 1 AS.

In the new SFA there is no planned repayment of debt in the period to 31 December 2022. Interest is charged and accrued to the principal amount of each debt facility. The revolving credit facility also incurred interest accrued to the principle amount until end of March 2020. As from April 2020 the Group has paid cash interest on the RCF facility.

The SFA includes covenants related to minimum cash balance (including any undrawn amounts from the Bridge and RCF facilities) of NOK 10m at every month end together with an overall limit on capital expenditures on an annual basis.

The Group is currently in a process with its Shareholders and Senior lender to conclude a new financing facility, valid from 1 January 2023. See note 4.1 c) for more information.

The Group was in compliance with the covenants throughout 2021.

Term Loan A (rollover)	n/a	106 474	n/a	106 830
Term Loan B (rollover)	n/a	92 022	n/a	87 222
Revolving credit facility	40 000	-	40 000	-
Total loan facility	40 000	198 497	40 000	188 051
Guarantee facility	200 000	187 731	200 000	186 439
Total commitment SFA	240 000		240 000	



Notes to the consolidated financial statements

13 Bank guarantees



Property lease guarantees

Kristiansund	3 083	SAR Eiendomsforvaltning AS	28.02.2023
Hammerfest	10 601	SAR Eiendomsforvaltning AS	28.02.2023
Florø	15 401	SAR Eiendomsforvaltning AS	28.02.2023

Operating license guarantees

Averøy	25 270	Miljødirektoratet	31.05.2023
Tananger	2 179	Miljødirektoratet	31.05.2023
Tananger	10 017	Staten v/Fylkesmannen i Rogaland	13.03.2022
Tananger	2 216	Staten v/Fylkesmannen i Rogaland	11.07.2022
Sandnessjøen	3 445	Miljødirektoratet	31.05.2023
Risavika	3 076	SAR Eiendomsforvaltning AS	31.01.2023
Mongstad	27 195	Miljødirektoratet	31.05.2023
Risavika	9 204	Miljødirektoratet	31.05.2023
Risavika	1 975	Staten v/Fylkesmannen i Rogaland	31.01.2023
Hammerfest	15 703	Miljødirektoratet	31.12.2022
Hammerfest	3 000	Miljødirektoratet	31.08.2022
Florø	11 333	Fylkesmannen i Sogn og Fjordane	31.12.2022
Kristiansund	5 339	Staten v/Fylkesmannen i Møre og Romsdal	31.01.2023
Kristiansund	4 520	Staten v/Fylkesmannen i Møre og Romsdal	13.03.2022
Sandnessjøen	5 513	Staten v/Fylkesmannen i Nordland	13.03.2023

Contract guarantees

Performance Bond - Kuwait	13 412	Kuwait Oil Company	31.03.2023
Export guarantees	5 000	Miljødirektoratet	31.01.2022
Export guarantees	3 000	Miljødirektoratet	31.07.2025
Export guarantees	1 250	Miljødirektoratet	30.09.2022
Export guarantees	500	Miljødirektoratet	30.06.2022
Export guarantees	300	Miljødirektoratet	09.01.2025
Export guarantees	2 500	Miljødirektoratet	31.12.2022
Transport licenses	2 700	Miljødirektoratet	n.a.

Total 187 731

n.a. = guarantee does not have a specific expiry date.

Operating license guarantees are renewed at expiry. Contract guarantees are related to specific contracts and established when required.



Notes to the consolidated financial statements

14 Income taxes

Tax payable in Norway	-	-
Taxes payable in Kuwait	568	405
Change in deferred tax	-	-
Tax expense (income)	568	744

Temporary differences

Receivables	-	-
Inventory	-	-
Fixed assets	-49 190	-66 834
Cost incurred stock waste/provision	-45 947	-44 001
Financial leasing	-71	1 570
Tax loss carry forward	-107	-134
Net temporary differences	-95 315	-109 399
Tax loss carry forward	-478 588	-471 443
Limitation of deduction for interest between related entities	-137 049	-103 476
Net basis for deferred tax	-710 951	-684 318
Valuation allowance	-703 117	-676 484
Net deferred tax liability / (tax asset)	-7 834	-7 834
Tax rate applied on deferred tax	22 %	22 %
Deferred tax liability at 22%	-	-
Deferred tax asset at 22%	7 834	7 834
Net deferred tax / (tax asset)	-7 834	-7 834

Profit / (Loss) before tax	-386	-114 526
22% tax on profit / (loss) before tax	-85	-25 196
Permanent differences	12 681	55 116
Change in temporary differences	-14 084	4 174
Other differences	7 348	4 275
Effect of change of tax rate in Norway	-	-
Tax expense in other jurisdictions	568	405
Change in deferred tax asset, not recognized	-5 859	-38 370
Tax expense	568	405



Notes to the consolidated financial statements

15 Provisions for other liabilities and charges

Provision for waste disposal and treatment cost	54 612	52 841
Accrued expenses	45 868	35 602
Other current liabilities	2 093	4 334
Total provisions for other liabilities and charges	102 573	92 777

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At January 1 2021	34 682	3 625	14 534	2 029	33 573	4 334	92 777
Change in provisions credited to the income statement	4 605	4 222	-7 056	-1 117	10 403	-2 241	9 796
At December 31 2021	39 287	7 847	7 478	1 892	43 976	2 093	102 573

The Group provides for the cost of destruction of waste received but not yet disposed of. The waste volumes in the storage facilities vary.

The principles for valuation of the provision have not changed during the period.

The valuation is based on historically observed destruction costs from suppliers and on SAR's estimated cost of treatment. Transportation costs to the final point of disposal are also included as part of the total cost of destruction.

In relation to an incident involving a tanker from SAR at the location of one of SAR's suppliers in 2021, SAR has received 2 regress insurance claims. For further information, see note 4.1c.



Notes to the consolidated financial statements

16 Property and facility lease obligations

IFRS 16 was implemented on 1st of January 2019, using the modified retrospective approach. Exception for contracts with a lease term of 12 months or less have been applied. These lease payments are recognised in profit or loss on a straight-line basis over the lease term.

Lease liabilities (beginning balance)	203 223
Application effects	-
Additions	-
Adjustments	2 204
Lease payments	78 748
Interests	11 779
Lease liabilities (ending balance)	138 458
Share which is current lease liability	67 256
Share which is non-current lease liability	71 202

The lease liabilities are mainly related to lease of facilities and lease of trucks and cars.

Right of use (beginning balance)	192 688
Application effects	-
Additions	-
Adjustments	2 204
Depreciations	68 281
Right of use (ending balance)	126 611

Property and trucks	71 415	30 396	26 364	15 405	3 909	15 192	162 682
Total	71 415	30 396	26 364	15 405	3 909	15 192	162 682

Weighted average discount rate at the date of initial application was 7,10 %.

Property	294
Total	294

Increase in depreciation	68 281
Increase in interests	11 779
Decrease in other operating expenses	78 820
Net impact	-1 240



Notes to the consolidated financial statements

17 Net financial costs

Interest expenses - Bank borrowings (paid in kind)	10 446	10 641
Interest expenses - Bank borrowings (cash interest)	8 683	8 793
Interest costs - Shareholder loan	2 011	2 330
Interest costs - Leasing	11 779	13 270
Interest costs - Related parties	1 826	527
Interest income	-14	-88
Foreign exchange gains	-397	-400
Foreign exchange losses	427	1 862
Other financial expenses	1 465	1 971
Net financial cost from continuing operations	36 226	38 906
Net financial cost from discontinued operations	-990	1 247
Net financial cost	35 236	40 153

18 Other operating expenses by nature

Hired personnel	3 544	5 125
Fees	9 712	12 288
Property and factory costs	61 739	45 042
Consumables	41 794	46 060
IT & Communication	12 263	10 771
Transportation and logistics	60 893	86 239
Truck expenses	16 134	17 649
Sales and admin expenses	10 219	8 980
Other operating expenses	1 523	9 696
Other operating expenses from continuing operations	217 822	241 851
Other operating expenses from discontinued operations	10 027	18 230
Total other operating expenses	227 848	260 081

Audit fees	1 087	520
Tax advisory (including technical preparation tax returns)	1 214	1 098
Other services	-	-
Total fees to auditor	2 301	1 618

19 Employee benefit expenses

Wages and salaries	165 156	149 519
Payroll tax expenses	20 380	17 512
Pension costs	10 482	8 720
Employee insurance benefits	2 093	1 735
Other benefits	116	3 206
Employee benefit expenses related to continuing operations	198 227	180 692
Employee benefit expenses related to discontinued operations	8 642	15 311
Total employee benefit expenses	206 868	196 003

Compensation to executive directors		
Chief Executive Officer	2 011	1 932
Chief Financial Officer	1 616	2 180
Chief Operations Officer	1 572	1 589
Chairman of the Board	1 017	748
Total compensation to executive directors	6 217	6 449

Average number of FTE's in 2021 was 262 (243 in 2020).

The company's pension schemes meet the requirements of the law on compulsory occupational pension.



Notes to the consolidated financial statements

20 Related party transactions and balances

Stirling Square Capital Partners		
Management fee	9 500	9 500
Shareholder loan	20 000	20 000
Accumulated shareholder interests	7 622	5 621
Total	37 122	35 121

The interest rate for the Shareholder loan is Nibor + 8% and the maturity date is 31.12.2022.

SAR Holdco AS		
Loan	27 354	25 527
Total	27 354	25 527

On 1st September 2020 SAR Holdco AS granted a loan to SAR AS. SAR Holdco AS is 97% owned by SSCP SAR Parent S.a.r.l. (Luxembourg) that owns 100% of SSCP SPV 1 AS. The interest rate for this loan is Nibor + 6% and the maturity date is 31.12.2022.

See also note 4.1 c) for information about the ongoing refinancing process for the Group.

21 Waste treatment cost

Process waste	49 079	76 886
Hazardious waste	45 759	65 533
Industrial waste	45 867	41 184
Tank cleaning	24 227	17 569
Other operating cost	19 642	29 183
Total operating cost from continuing operations	184 574	230 355
Cost from discontinued operations	1 328	994
Total costs	185 902	231 349

Kuwait	1 328	994
Norway	184 574	230 355
Total revenue	185 902	231 349



Notes to the consolidated financial statements

22 Discontinued operations

SARs operation in Kuwait ended in June 2021. All assets was subsequently sold.

Operating revenue	20 033	44 740
Gain on sale of assets	13 330	-
Total revenue	33 363	44 740
Waste treatment costs	1 328	494
Personnel costs	8 642	15 311
Depreciation - Fixed assets	1 799	8 157
Other operating expenses	10 027	18 230
Total Operating expenses	21 795	42 692
Operating profit	11 568	2 048
Net financial costs	-990	1 247
Profit before income tax	12 558	801
Income tax	568	405
Profit from discontinued operation	11 990	396

Profit before tax	12 558	801
Paid taxes / received taxes	-568	-405
Depreciation and impairment	1 799	8 157
Gain on sale of Kuwait operations	-13 330	-
Change in account receivables and other receivables	4 141	3 597
Change in account payables	-1 313	-41
Change in other accruals	-373	317
Net Cash generated from operating activities	4 935	14 446
Cash flows from investing activities		
Net purchases of buildings and equipment	-47	-
Payments received from sale of Kuwait operations	26 646	-
Net cash used in investing activities	26 600	-
Net Cash flow from discontinued operation	31 534	14 446

23 Subsequent events.

SAR has subsequent the balance sheet date received two regress claim related to an incident involving a tanker from SAR. See note 4.1 c) for more information.



SSCP SPV 1 AS - Annual Accounts 2021

SSCP SPV 1 AS

Income Statement

<i>All amounts in NOK thousands</i>	Notes	31 December 2021	2020
Payroll cost		-	-
Other operating costs		375	2 256
Total operating costs		375	2 256
Operating profit		-375	-2 256
Write down investment in subsidiaries			62 545
Net financial costs		-	-62 545
Pre-tax profit		-375	-64 801
Income tax expense	4	-	-
Net profit after tax		-375	-64 801
Attributable to:			
Equity holders in SSCP SPV 1 AS		-375	-64 801
Total		-375	-64 801



SSCP SPV 1 AS - Annual Accounts 2021


Balance sheet

All amounts in NOK thousands	Notes	31 December 2021	2020
ASSETS			
Non-current assets			
Investment in subsidiary	1	-	-
Receivables from group company		-	-
Total non-current assets		-	-
Current assets			
Other receivables from group company		13	-
Cash and cash equivalents		-	-
Total current assets		13	-
Total assets		13	-
EQUITY			
Equity attributable to owners of the parent			
Ordinary shares	2.3	290	278
Share premium		372 845	372 845
Other paid in capital		28 745	28 745
Retained earnings / uncovered loss		-412 791	-412 416
Total Equity	2	-10 910	-10 549
LIABILITIES			
Non-current liabilities			
Management fee	5	9 500	9 500
Long term debt to group companies		1 424	1 049
Total non-current liabilities		10 924	10 549
Current liabilities			
Accounts payable		-	-
Current income tax liabilities	4	-	-
Other short term debt		-	-
Total current liabilities		-	-
Total liabilities		10 924	10 549
Total equity and liabilities		13	-

Tananger, 30.06.2022


Tor Olav Schibevåg
Member of the Board/CEO


Stefano Alberto Bonfiglio
Chairman of the Board


Benjamin Alan Hopper
Member of the Board



SSCP SPV 1 AS - Annual Accounts 2021

Statement of cash flows

<i>All amounts in NOK thousands</i>	Notes	31 December	
		2021	2020
Cash flows from operating activities			
Profit before tax		-375	-64 801
Cash generated from operations		-375	-64 801
Income tax paid		-	-
Management fee		-	2 000
Amortization		-	62 545
Net Cash generated from operating activities		-375	-256
Cash flows from investing activities			
Investments in subsidiaries		-	-
Net cash used in Investing activities		-	-
Cash flow from financing activities			
Proceeds from borrowings		375	256
Share issue		-	-
Net cash used in financing activities		375	256
Net (decrease) / increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of year		-	-
Cash and cash equivalents at the end of year		-	-



SSCP SPV 1 AS - Notes to the financial statements

1 Accounting policies

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset 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 writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Debts

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Liabilities

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

Share capital and share premium

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

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Disputed tax is collected at nominal value.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the financial statement in the period in which the dividends are approved by the company's shareholders.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Long term investment in subsidiary

Company	Initial value	Carrying value	Impairment	Impairment	Carrying value
SSCP SPV 2 AS	1 000 000	0	-1 000 000	-1 000 000	0

Based on a valuation of underlying assets the investment in SSCP SPV 2 has been written down to zero.

3 Share capital and retained earnings

Company	Share capital	Share premium	Retained earnings
SSCP SAR Parvill SARL	1 250 000	0,01	4 558 36
SAR Managers AS	1 250 000	0,01	4 627 36
Total number of shares	2 500 000		9 185 72

In relation to the establishment of the Management Incentive Program, SAR Managers AS has subscribed for a share capital increase by issue of 1 250 000 new shares. Total shares as of December 31 2021 is 2 500 000 class A shares, 9 250 000 class B shares and 10 530 725 class C shares.



SSCP SPV 1 AS - Notes to the financial statements

4 Change in equity

Diff./innskutt/utvald/innskutt	Share eignarhlutfélag	Minority eignarhlutfélag	Other paid in eignarhlutfélag	Reserves eignarhlutfélag	Total equity
Balance as at 1 January 2021	170	172 045	20 745	4 12 436	10 541
Profit for the year				-175	-175
Share capital increase	13				13
Issue of warrants					
Balance as at 31 December 2021	183	172 045	20 745	4 12 261	10 414

5 Income taxes

Commitments of the income tax expense		2021	2020
Tax payable			
Adjustment in respect of prior year			
Change in deferred tax			
Tax cost (income)			
Change in income tax expense, change in deferred tax provision payable		2021	2020
Pre tax profit		-175	64 001
Permanent differences			62 545
Interest limitation			
Write down investments			
Losses for loss carry forward not recorded on balance sheet		375	1 256
Taxable result			
Unrecorded loss carry forward			
Base for payable taxes in the income statement			
22% calculated tax payable			
Change prior year not paid in current year			
Tax payable in balance			
Calculation of deferred tax/deferred tax benefit	Change	2021	2020
Temporary differences			
Retained			
Loss carry forward		-374	-10 923
Net temporary differences		-374	-10 923
Off balance sheet deferred tax asset		374	10 923
Net basis for deferred tax			
Deferred tax cost / (income)		-1 403	-2 403
Not recognized in the balance sheet		1 403	2 403
Deferred tax cost / (income) in the balance sheet		0	0
Applied tax rate		22 %	22 %

5 Long term payables to related parties

Payables	2021	2020
Other group payable	10 024	10 549
Total	10 024	10 549



To the General Meeting of SSCP SPV 1 AS

Independent Auditor's Report

Opinion

We have audited the financial statements of SSCP SPV 1 AS, which comprise:

- The financial statements of the parent company SSCP SPV 1 AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of SSCP SPV 1 AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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

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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>

Stavanger, 30 June 2022
PricewaterhouseCoopers AS


Siren Iversen Dahle
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 08.09.2017	Vår dato 12.09.2017
Telefon 977 59 464	Deres referanse Njål Nummedal	Vår referanse 2015/673123

PricewaterhouseCoopers AS
Kanalsletta 8
4052 RØYNEBERG

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for SSCP SPV 1 AS, org.nr. 916 884 222

Vi viser til brev mottatt i e-post 8. september 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for SSCP SPV 1 AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering SSCP SPV 1 AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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

Fra deres søknad gjengis:

SSCP SPV 1 AS (SAR) søker om å få avlegge årsregnskap og årsberetning på engelsk språk fra og med regnskapsåret 2016. Største eiere i SAR er SAR Luxembourg SARL (90,1 %) som igjen eier av et britisk Private Equity selskap (Stirling Partners) med 100 %. Arbeidsspråket hos eierne er engelsk. Tilsvarende gjelder for søsterselskapet SAR Holdco AS som har fått innvilget tilsvarende søknad for regnskapsåret 2014.

Øvrige aksjonærer er norske personer og selskaper hvor sentral ledelse er på eiersiden.

Selskapet er i en internasjonalisering og har etablert virksomhet i Midtøsten. Kunder er både i Norge og i utland, og er hovedsakelig internasjonale olje selskap og oljeservice selskaper. Deres arbeidsspråk er i hovedsak engelsk.

Bransjen selskapet opererer i er internasjonal. Det dominerende arbeidsspråket er engelsk også i Norge. Både kunder og leverandører av selskapene er komfortable med å forholde seg til engelskspråklig finansiell informasjon. I mange tilfeller er dette også påkrevd, noe som innebærer at finansiell informasjon må oversettes og dermed dubliseres.

(.....)

Selskapets styre består av tre personer pluss ett varamedlem, hvor kun ett styremedlem er norsk. Øvrige bruker engelsk som sitt forretningspråk. Styreformann Bolaji Adegunle Odunsi som representerer Stirling Partners er britisk og har engelsk som sitt hovedspråk, og kan ikke noe norsk.

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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:

"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 særlig vekt på at selskapet er et datterselskap av et utenlandsk selskap og at eierkretsen er begrenset. Videre er det vektlagt at selskapet opererer innen en bransje der engelsk er det dominerende språket og at selskapets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



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Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer