



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 984 754 892
Organisasjonsform: Aksjeselskap
Foretaksnavn: SURVITEC NORWAY AS
Forretningsadresse: Gangstøvikvegen 66
6009 ÅLESUND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Eskil Hollen
Dato for fastsettelse av årsregnskapet: 20.08.2021

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.09.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	10, 11	122 729 464	154 220 298
Sum inntekter		122 729 464	154 220 298
Kostnader			
Cost of goods sold	5, 10	58 040 152	81 703 183
Employee benefits expense	8	37 723 530	47 387 097
Depreciation	4	2 141 702	3 181 057
Other operating expenses	8, 10, 13	20 942 363	21 096 848
Sum kostnader		118 847 747	153 368 184
Driftsresultat		3 881 717	852 114
Finansinntekter og finanskostnader			
Annen renteinntekt		14 785	33 029
Other financial income		1 781 871	551 876
Sum finansinntekter		1 796 655	584 905
Annen rentekostnad	10	1 482 721	1 708 583
Other financial expenses		2 342 989	1 066 931
Sum finanskostnader		3 825 710	2 775 514
Netto finans		-2 029 055	-2 190 609
Ordinært resultat før skattekostnad		1 852 662	-1 338 495
Tax on ordinary result	12		
Ordinært resultat etter skattekostnad		1 852 662	-1 338 495
Extraordinary income	14		
Extraordinary expenses	14		
Tax on extraordinary result	14		
Årsresultat	2	1 852 662	-1 338 495
Årsresultat etter minoritetsinteresser		1 852 662	-1 338 495



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Totalresultat		1 852 662	-1 338 495
Overføringer og disponeringer			
Udekket tap		1 852 662	-1 338 495
Sum overføringer og disponeringer		1 852 662	-1 338 495



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12		
Varige driftsmidler			
Equipment and other movables	4, 9, 13	14 929 928	8 908 652
Sum varige driftsmidler		14 929 928	8 908 652
Finansielle anleggsmidler			
Other long-term receivables	7	134 212	139 972
Sum finansielle anleggsmidler		134 212	139 972
Sum anleggsmidler		15 064 140	9 048 623
Omløpsmidler			
Varer			
Sum varer	5, 9	7 582 223	8 230 929
Fordringer			
Accounts receivables	7, 9, 10	29 731 684	46 542 777
Other short-term receivables	7	2 967 269	1 909 271
Sum fordringer		32 698 953	48 452 049
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	6	6 647 711	10 693 185
Sum bankinnskudd, kontanter og lignende		6 647 711	10 693 185
Sum omløpsmidler		46 928 887	67 376 162
SUM EIENDELER		61 993 028	76 424 786

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	3	64 296 000	64 296 000
Overkurs		366	366
Annen innskutt egenkapital	2	14 281 105	14 281 105
Sum innskutt egenkapital		78 577 471	78 577 471
Opptjent egenkapital			
Reserve for valuation variation	2		
Other equity	2		
Udekket tap	2	84 636 841	86 489 503
Sum opptjent egenkapital		-84 636 841	-86 489 503
Sum egenkapital		-6 059 370	-7 912 032
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7		
Other long term liabilities	9, 10	26 216 602	32 127 002
Sum annen langsiktig gjeld		26 216 602	32 127 002
Sum langsiktig gjeld		26 216 602	32 127 002
Kortsiktig gjeld			
Leverandørgjeld	10	11 563 660	7 325 540
Tax payable	12		
Public duties payable		2 711 403	3 041 329
Other current debt	10	27 560 732	41 842 947
Sum kortsiktig gjeld		41 835 795	52 209 816
Sum gjeld		68 052 397	84 336 817
SUM EGENKAPITAL OG GJELD		61 993 028	76 424 786



To the General Meeting of Survitec Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Survitec Norway AS, which comprise the balance sheet as at 31 December 2020, 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.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Langelandsvegen 35, NO-6010 Ålesund
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Survitec Norway AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Survitec Norway AS



Ålesund, 9 June 2021
PricewaterhouseCoopers AS

Kai Arne Halvorsen
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Halvorsen, Kai Arne	BANKID_MOBILE	2021-06-16 14:19

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- The original document(s)
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Balance sheet

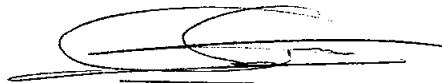
Survitec Norway AS

Equity and liabilities	Note	2020	2019
Restricted equity			
Share capital	3	64 296 000	64 296 000
Share premium reserve		366	366
Other paid-in equity	2	<u>14 281 105</u>	<u>14 281 105</u>
Total restricted equity		<u>78 577 471</u>	<u>78 577 471</u>
Retained earnings			
Uncovered loss	2	<u>-84 636 841</u>	<u>-86 489 503</u>
Total retained earnings		<u>-84 636 841</u>	<u>-86 489 503</u>
Total equity		<u>-6 059 370</u>	<u>-7 912 032</u>
Liabilities			
Other long-term liabilities			
Other long term liabilities	9, 10	<u>26 216 602</u>	<u>32 127 002</u>
Total of other long term liabilities		<u>26 216 602</u>	<u>32 127 002</u>
Current debt			
Trade creditors	10	11 563 660	7 325 540
Public duties payable		2 711 403	3 041 329
Other current debt	10	<u>27 560 732</u>	<u>41 842 947</u>
Total current debt		<u>41 835 795</u>	<u>52 209 816</u>
Total liabilities		<u>68 052 397</u>	<u>84 336 817</u>
Total equity and liabilities		<u>61 993 028</u>	<u>76 424 786</u>

Birkenhead/Ålesund, 09.06.2021
The board of Survitec Norway AS


Jan Eskil Hollen
Chairman of the Board/CEO


Suketu Kishor Devani
Board member


Johan Alfons Maria Denis
Board member



Balance sheet
Survitec Norway AS

Assets	Note	2020	2019
Non-current assets			
Tangible assets			
Equipment and other movables	4, 9, 13	14 929 928	8 908 652
Total tangible assets		14 929 928	8 908 652
Financial fixed assets			
Other long-term receivables	7	134 212	139 972
Total financial fixed assets		134 212	139 972
Total non-current assets		15 064 140	9 048 623
Current assets			
Inventories	5, 9	7 582 223	8 230 929
Debtors			
Accounts receivables	7, 9, 10	29 731 684	46 542 777
Other short-term receivables	7	2 967 269	1 909 271
Total receivables		32 698 953	48 452 049
Cash and bank deposits	6	6 647 711	10 693 185
Total current assets		46 928 887	67 376 162
Total assets		61 993 028	76 424 786



Survitec Norway AS

Org. No. 984 754 892

Annual report 2020

The nature of the business

The company conducts trading activities, including the sale, assembly and service of maritime rescue and safety equipment, as well as activities related to this. The business is run from the head office in Gangstøvika in Ålesund, (temporary relocated to Moa in Ålesund) and also has service stations in Bergen and Stokmarknes and a sales office in Oslo.

Service station in Stavanger was established in 2017 by merging the subsidiary Survitec Survival Craft Norge AS. The merger was implemented with effect from 1 January 2017. The development in Stavanger has not been in line with expectation and were laid down in the beginning of 2020

The company was struck by a fire in the main Service station in Ålesund in May 2020.

The company is wholly owned by Survitec Group Norway AS and is part of the group Survitec Group Ltd.

Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate based on the considerations set out below. The Group and the Company have a net liability position as at 31 December 2020 (31 December 2019: net liability position).

As of 28 August 2020, the Group successfully completed all aspects of its negotiated restructuring, the terms of which were agreed in principle with all of the lenders under the Facilities (the "Lenders") on 6 December 2019 (the "Restructuring"). In accordance with the terms of the Restructuring, the Facilities were amended and restated with a new money facility amounting to £75,000,000 (the "New Money Facility") which was made available to the Survitec Group by the Lenders of which £35,000,000 was drawn, completing the first phase of the implementation of the Restructuring. The remaining £40,000,000 facility was not drawn and expired on 28 February 2021.

The Restructuring saw a portion of the amended and restated Facilities cancelled in exchange for newly issued shares in a Lender-owned newco structure, which acquired the entire issued share capital in Survitec Acquisition Company Limited (and therefore, the Group) on 28 August 2020.

The COVID-19 pandemic had been an evolving situation throughout 2020 and into 2021. Through the revision and rephasing of spending plans and additional cost savings the Group has been able to mitigate any material adverse impact on the markets in which it operates and thus, at 31 December 2020, COVID-19 has not had a material effect on the measurement of assets and liabilities and is not expected to going forward.

In March 2021, the Group successfully completed a refinancing of its existing debt. The total amount borrowed was £270,000,000 over 6 years, with £160,000,000 used to refinance existing debt and the remainder to support the Group's transformation programmes and mergers and acquisition strategy.

In reviewing the appropriateness of the Going Concern assumption, Management has prepared forecasts covering the 15 month period to 30 June 2022 ("the Going Concern period"). These forecasts include the impact of the refinancing in March 2021, the planned acquisition of Hansen



Protection ASA in April 2021 and the continued COVID-19 impact. The forecasts demonstrate that the Group is expected to generate profits and cash during the Going Concern period and beyond, and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due over a period of at least 12 months from the date of signing of these financial statements. The forecast improvements are driven by the underlying strength of the business, with resulting EBITDA projected to increase as a result of increased sales, reduced overheads and a reduction in restructuring costs.

The forecasts have been further sensitized to reflect severe but plausible downside scenarios. The forecasts indicate minimum headroom on the Group's new facilities through to 30 June 2022 of £6,300,000. Through both treasury and financial quarterly forecasting, there is continuous focus on the Group's cash and profitability position, mitigations would be implemented immediately to maintain the minimum cash requirements. The forecasts have been reviewed by the Directors.

Whilst the Group is not forecast to recover back to 2019 levels from the impact of COVID-19 until 2022/23, the Group continues to deliver wide ranging transformational programs to drive profitability improvements ahead of future revenue growth by developing a single scalable, efficient, operating model.

Having considered the matters outlined above, the Directors confirm that they have a reasonable expectation that the Group and as such Survitec Norway AS have sufficient liquidity to continue as a going-concern, and to successfully implement the business plan prepared by the management team, over a period of at least twelve months from the date of signing of these financial statements.

Survitec Norway AS is dependent upon the backing of Survitec Group Limited (SGL) funding. SGL has confirmed in writing its intention to provide financial Support for the continuing operations of Survitec Norway AS so as to meet its liabilities as they fall due and carry on its business without significant curtailment of operations in twelve months from the date of signing of the audit report for the year ended 31 December 2020.

Future development

The company has previously made good progress in the sale of marine evacuation systems, these will now have a need for service in the years to come. Cooperation with other companies in the Survitec Group means that the competition in markets outside Norway is further strengthened and can further develop this activity. However, it will be key to move into other segments in the local market as the ferry building program in Norway moves in cycles, this will mean a drop in revenue in 2020 compared to 2019. For the future it is more optimistic as the government in Norway have proposed that all new ferries in Norway need to be low/ zero emission vessels. Hence, the newbuilding program will pick up in the near future. This is also valid for the HSC market in Norway. Here low weight is essential, and here Survitec has a key advantage with its Zodiac systems.

The board looks more optimistic about the service revenues in the local market and a better price development is expected over medium term. International service with flying squads would still be at risk due to Covid 19. There is still an upside on coordination with other companies in the Survitec Group which may result in reduced prices for purchased goods and cost savings using local resources in installation and service activities.

Overall of goals and strategy

Throughout 2020, the company has carried out several change processes with the purpose of adapting the business to other activities in the Survitec Group. These are change processes that are planned to continue through 2021.

In brief, the company's business focuses on regional markets in Scandinavia. The changes entail the flow of service activities and related activities from other Survitec companies, while activity within



production and global sales is simultaneously transferred to other Survitec companies. This will bring Survitec Norway into position as the preferred supplier of security and service solutions in Scandinavia.

Statement of the annual accounts

The annual financial statements for 2020 comprise the period from 1 January to 31 December 2020 ("calendar year").

The company's turnover is NOK 122.7 million for 2020, compared with 154,2 NOK million in 2019 and 154.6 million for 2018. The result in 2020 was in line with expectations due to the Covid-19 pandemic. In the Board's view, there is no significant uncertainty related to the company's results and position.

The annual result for 2020 is NOK 1,9 million compared with a negative NOK 1,3 million for the previous year. The Operating result were a positive NOK 3,8 million compared to a positive NOK 0,85 million in 2019. This trend has also has continued into 2021 with turnover looking to exceed 2020. The result in 2021 will be affected by the rebuild of service station in Ålesund

New management has shown a positive trend and there will still be taken further measures to improve the profitability of the company. The Board of Directors is expected to see further improvements of the results next year.

The company does not conduct its own research or development according to the accounting definition.

The development activities are limited to the further development of the company's technology, equipment, products and services so that the company can maintain and strengthen its position in the market.

Short-term debt at the balance sheet date amounted to NOK. 41,8 million vs. 52,2 million pr. 31.12.2019.

The company's equity is negative by minus NOK. 6,1 million compared with negative equity of NOK. 7.9 million pr. 31.12.2019. There is a plan to improve the equity in 2021. The equity ratio for the accounts presented is negative by minus 9.8%, compared with a negative 10.2% pr. 31.12.2019. The total capital at the end of the year is NOK. 62,0 million, compared with NOK. 76,4 mill. 31.12.2019.

Total cash flow from operational activities is positive with NOK. 10,0 million, compared with negative NOK. 1,9 million the year before.

Financial risk

Survitec Norway AS is exposed to financial risk in various areas, especially currency risk. The objective is to reduce the financial risk to the greatest possible extent. Long-term sales contracts that are exposed to currency fluctuations are hedged.

Market risk

The company is exposed to changes in exchange rates, particularly Euro, as a significant part of the company's purchases are in foreign currency, while about 90% of the revenues are in Norwegian kroner. In order to reduce this risk, continuous efforts are being made to secure long-term supplier agreements in close cooperation with other companies in the Survitec Group group.

A large part of the business is aimed at evacuation systems for domestic passenger vessels. For a long time, the company has had a solid market share in this segment, which provides good predictability for sales in the service departments. In the coming years there will be a large increase in



contracting new buildings to Norwegian ferry routes. Therefore, there has been a prioritized investment in the sale of evacuation system for new buildings in order to secure market share and future service revenue. It will be important to also focus on other areas to mitigate the dependency on the ferry market (even though market seems promising). To build up Survitec as a full service provider will be important.

Credit risk

The risk of losses on receivables is considered low. The company has good follow-up of debtors and has historically had low losses on outstanding claims. The largest and most risk-exposed receivables are largely secured through bank guarantees.

Liquidity risk

The company considers liquidity to be satisfactory, but we are increasingly focusing on overdue receivables. Sales are mainly conducted with a 30-day credit period. Accounts receivable maturity is maintained. The company has similar terms with its suppliers. Larger contracts are secured by bank guarantee requirement. Furthermore, a program has been initiated to reduce inventory volumes and increase the circulation speed of goods in stock.

Working environment and staff

Sickness absence for the past year has been a total of 673 days, which amounts to approximately 6.4% of total working hours in the period. Correspondingly for the year before, there were a total of 901 days, which represented 7.2% of total working hours. Long-term sickness absence for individual employees has contributed to the increase. No serious accidents or accidents have occurred or been reported during the year. However, there has been a work-related injury that has led to sickness absence.

The working environment is considered good, despite the changes the company has undergone. Within individual areas, however, there is room for improvement, and work will be done systematically to implement improvement measures.

The company's working environment committee has regularly held meetings. A number of cases have been dealt with in the committees and solutions have been submitted to the affected departments.

The collaboration with the employees' organizations has been constructive and contributed positively to the operation.

Equality

The company's personnel policy is considered to be gender neutral in all areas. No feedback has been received that someone perceives the company's personnel policy as gender-discriminatory.

Of the company's 52 employees, 10 are women. The company leader is a man. The fact that the majority of employees are men must be seen in the context of historical development as a maritime industry company.



Discrimination

The company works actively, purposefully and in a planned manner to promote the purpose of the Discrimination Act within our business. Activities include recruitment, pay and working conditions, promotion, development opportunities and protection against harassment.

The company aims to be a workplace where there is no discrimination on the basis of disability. The company works actively and purposefully to design and facilitate the physical conditions so that the company's various functions can be used by as many as possible. For employees or job seekers with disabilities, individual workplace and workplace arrangements are made.

Environmental reporting

Emissions from production, including substances that can cause environmental damage, are within the requirements set by the authorities. The business itself has very limited impact on the external environment. The company's business is not regulated by licenses or orders.

Birkenhead / Antwerp / Ålesund, 09.06.2021

Jan Eskil Hollen

Chairman of the Board Board member / CEO

Johan Denis

Board Member

Suketu Kishor Devani

Board Member



Skatteetaten

Vår dato 16.04.2020	Din/Deres dato 25.03.2020	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse AR366275807	Telefon 32212244
Org.nr 974761076	Vår referanse 2020/5301565	Postadresse Postboks 9200 Grønland 0134 OSLO

SURVITEC NORWAY AS
Postboks 1530
6025 ÅLESUND

Att. Monica Ulstein, Grant Thornton Økonomiservice AS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Survitec Norway AS, org.nr. 984 754 892

Vi viser til deres brev innsendt 25. mars 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Survitec Norway AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Survitec Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Survitec Norway AS er eid av et norsk selskap og inngår i et internasjonalt konsern. Selskapets virksomhet består av handelsvirksomhet, herunder salg og montering av rednings- og sikkerhetsutstyr, samt virksomhet som er forbundet med dette. Bransjen selskapet opererer i er internasjonal. Ledelsen i selskapet er utenlandsk og kommunikasjonen i konsernet skjer på engelsk.

Skattekontorets 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 mv., 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapet har kun en eier og er i et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Financial Statements 2020
Survitec Norway AS

Income statement
Balance sheet
Cash flow statement
Notes to the Accounts

Org.no.: 984 754 892



Income Statement Survitec Norway AS

Operating income and operating expenses	Note	2020	2019
Revenue	10, 11	<u>122 729 464</u>	<u>154 220 298</u>
Total operating income		122 729 464	154 220 298
Cost of goods sold	5, 10	58 040 152	81 703 183
Employee benefits expense	8	37 723 530	47 387 097
Depreciation	4	2 141 702	3 181 057
Other operating expenses	8, 10, 13	<u>20 942 363</u>	<u>21 096 848</u>
Total operating expenses		118 847 747	153 368 184
Operating profit		3 881 717	852 114
Financial income and expenses			
Interest income		14 785	33 029
Other financial income		1 781 871	551 876
Interest expense	10	1 482 721	1 708 583
Other financial expenses		<u>2 342 989</u>	<u>1 066 931</u>
Net financial items		-2 029 055	-2 190 609
Operating result before tax		1 852 662	-1 338 495
Tax on ordinary result	12	<u>0</u>	<u>0</u>
Annual net profit	2	1 852 662	-1 338 495
Brought forward			
Profit or loss brought forward		<u>-1 852 662</u>	<u>1 338 495</u>
Net brought forward		1 852 662	-1 338 495



Balance sheet Survitec Norway AS

Assets	Note	2020	2019
Non-current assets			
Tangible assets			
Equipment and other movables	4, 9, 13	14 929 928	8 908 652
Total tangible assets		14 929 928	8 908 652
Financial fixed assets			
Other long-term receivables	7	134 212	139 972
Total financial fixed assets		134 212	139 972
Total non-current assets		15 064 140	9 048 623
Current assets			
Inventories	5, 9	7 582 223	8 230 929
Debtors			
Accounts receivables	7, 9, 10	29 731 684	46 542 777
Other short-term receivables	7	2 967 269	1 909 271
Total receivables		32 698 953	48 452 049
Cash and bank deposits	6	6 647 711	10 693 185
Total current assets		46 928 887	67 376 162
Total assets		61 993 028	76 424 786



Balance sheet Survitec Norway AS

Equity and liabilities	Note	2020	2019
Restricted equity			
Share capital	3	64 296 000	64 296 000
Share premium reserve		366	366
Other paid-in equity	2	<u>14 281 105</u>	<u>14 281 105</u>
Total restricted equity		78 577 471	78 577 471
Retained earnings			
Uncovered loss	2	<u>-84 636 841</u>	<u>-86 489 503</u>
Total retained earnings		-84 636 841	-86 489 503
Total equity		-6 059 370	-7 912 032
Liabilities			
Other long-term liabilities			
Other long term liabilities	9, 10	<u>26 216 602</u>	<u>32 127 002</u>
Total of other long term liabilities		26 216 602	32 127 002
Current debt			
Trade creditors	10	11 563 660	7 325 540
Public duties payable		2 711 403	3 041 329
Other current debt	10	<u>27 560 732</u>	<u>41 842 947</u>
Total current debt		41 835 795	52 209 816
Total liabilities		68 052 397	84 336 817
Total equity and liabilities		61 993 028	76 424 786

Birkenhead/Ålesund, 09.06.2021
The board of Survitec Norway AS

Jan Eskil Hollen
Chairman of the Board/CEO

Suketu Kishor Devani
Board member

Johan Alfons Maria Denis
Board member



Indirect cash flow Survitec Norway AS

	Note	2020	2019
Cash flows from operating activities			
Operating result before tax		1 852 662	-1 338 495
Loss/gain on the sale of fixed assets		1 414	19 722
Ordinary depreciation	4	2 141 702	3 181 057
Change in inventory	5	648 705	3 641 641
Change in accounts receivable	7	16 811 093	5 632 364
Change in accounts payable		4 238 120	-5 542 659
Change in other accrual items		-15 644 330	-7 500 941
Net cash flows from operating activities		10 049 366	-1 907 310
Cash flows from investment activities			
Payments to buy tangible assets	4	8 184 441	3 110 761
Net cash flows from investment activities		-8 184 441	-3 110 761
Cash flows from financing activities			
Payments from loans to group companies		0	12 563 234
Repayment of loan from group companies	9	5 910 400	27 978 469
Net cash flows from financing activities		-5 910 400	-15 415 235
Net change in cash and cash equivalents		-4 045 475	-20 433 306
Cash and cash equivalents at the start of the period		10 693 185	31 126 491
Cash and cash equivalents at the end of the period	6	6 647 710	10 693 185



Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway. Group financial statements for Survitec Group Norway AS is not prepared in Norway, but Survitec Norway is a part of the group financial statements of Survitec Group Limited, located in Birkenhead, UK. The group financial statements can be found at www.survittegroup.com.

Revenues and expenses

Revenues are recognized at the time of delivery. Expenses are accounted for using the "matching principle", whereas expenses is recognised in the same accounting period as the accompanying revenue.

General valuation principles for balance sheet items

Assets intended for long term ownership or use have been classified as non-current assets. Other assets have been classified as current items. Receivables are classified as current assets if they are to be repaid within one year from the balance sheet date. Similar criteria apply to liabilities.

Fixed assets are valued at historical cost, but written down to fair value if the fair value is lower than its book value and it is not considered to be temporary. Fixed assets are depreciated over the estimated useful life. Long term liabilities are recognized at nominal value.

Current assets are valued at the lower of cost and market value. Short term liabilities are valued at nominal value.

In the preparation of the annual accounts, estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Foreign currency

Monetary items in a foreign currency are translated into the functional currency using the exchange rate applicable on the balance sheet date.

Inventories

Inventories are recognized at the lowest of cost (FIFO-principle) and net selling price. For completed goods and work in progress, the calculated cost includes the costs incurred to develop the product, materials, direct wages and other direct and indirect production costs (based on normal capacity). Net selling price is estimated selling price minus the estimated completion and sales costs. Only variable costs is considered necessary to sell finished goods, but also fixed productions costs are included as necessary for good that are not completed.



Receivables

Accounts receivables and other current receivables are recorded in the balance sheet at nominal value less provision for doubtful accounts. Provision for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Warranties, service and claims

Liabilities for warranty and service on completed projects/sales is recognized at expected cost for such work, which is estimated based on historical figures.

Pension

The net pension cost for the period is classified as salaries and personnel costs.

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Tax

Taxes disclosed in the financial statement include tax payable and changes to deferred tax. Deferred tax is calculated on the basis of timing differences between tax accounting and generally accepted accounting principles basis for the financial statement, including tax loss carried forward. Deferred tax is calculated at 22 % of temporary differences and the tax effect of tax losses carried forward. Tax increasing and tax reducing timing differences that are reversed or may be reversed during the same period are assessed and net recorded. Deferred tax asset has not been capitalized as it does not meet the criteria according to the generally accepted accounting principles.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments that can immediately and with immaterial exchange risk can be converted into known cash amounts and with maturities of three months or less from the acquisition date.

Note 2 Equity

	Share capital	Share premium	Other equity	Uncovered loss	Total
As of 01.01.	64 296 000	366	14 281 105	-86 489 503	-7 912 032
Result for the year				1 852 662	1 852 662
As of 31.12.	64 296 000	366	14 281 105	-84 636 841	-6 059 370

Note 3 Total shares, shareholders etc

	Number of shares	Face value	Total
Share capital			
Ordinary shares	64 296	1 000	64 296 000

Survitec Group Norway AS owns 100 % of the shares.



Note 4 Fixed assets

	Buildings and land	Machinery and equipment	Operating equipment	Total
Acquisition cost 01.01.2020	203 991	5 790 016	38 260 428	44 254 435
Additions	0	0	8 184 441	8 184 441
Disposals	0	0	-16 100	-16 100
Acquisition cost 31.12.2020	203 991	5 790 016	46 428 769	52 422 776
Accumulated depreciation 01.01.2020	192 983	5 790 016	29 362 785	35 345 784
Additions to accumulated depreciation	0	0	0	0
Accumulated depreciation on disposals	0	0	-5 362	-5 362
This years depreciation	11 008	0	2 130 694	2 141 702
Book value as at 31.12.2020	0	0	14 929 928	14 929 928
Useful economic life	0-7 years	5-7 years	3-20 years	

Note 5 Inventory

	2020	2019
Work in progress	421 656	5 110
Finished goods	7 160 568	8 225 819
Total	7 582 223	8 230 929

Provision for obsolete inventory is estimated at NOK 3 194 959 (2019: NOK 4 529 618).

Note 6 Bank deposits

	2020	2019
Restricted bank deposits	1 507 566	1 675 740

Note 7 Receivables

Receivables due within one year	2020	2019
Accounts receivables	29 731 684	46 542 777
Provision for bad debt	0	0
Other receivables	2 967 269	1 909 271
Total	32 698 953	48 452 049
Receivables due later than one year	2020	2019
Loans to employees	134 212	125 798
Prepaid leasing vehicles	0	14 174
Total	134 212	139 972



Note 8 Note Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs	2020	2019
Salaries	30 442 175	38 909 843
Payroll tax	4 081 409	4 991 437
Pension costs	2 243 599	1 996 116
Other benefits	956 348	1 489 701
Total	37 723 530	47 387 097

Averaged full-time employees 52 54

Remuneration to management and board members	CEO	The board
Salaries	1 366 790	0
Pension costs	25 567	0
Other remuneration	149 500	0
Total	1 541 857	0

There are no loans or guarantees to the Chief Executive Officer, Chairman of the board or other related parties.

Pension obligations

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

Auditor

Remuneration to the auditor is NOK 672 813 for statutory audit, NOK 0 for tax advisory and other services. VAT is not included.



Note 9 Liabilities

	2020	2019
Debt due more than five years after 31.12.	-26 216 602	-32 127 002

The Board is in discussion with Survitec Group Ltd to restructure the debt to equity position during 2021.

Loan from Survitec Group Norway AS (parent company).

Currency	Average interest rate	Amount in currency	Amount in NOK
NOK		-26 216 602	-26 216 602
Total other long-term debt		-26 216 602	-26 216 602

Booked value of assets pledged as security for debt	2020	2019
Fixed assets	14 929 928	8 908 652
Inventory	7 582 223	8 230 929
Accounts receivables	17 495 047	17 840 700

Note 10 Intercompany balances and related-party transactions

Receivables	2020	2019
Accounts receivables	1 588 047	3 422 698
Payables	2020	2019
Other long-term debt	-26 216 602	-32 127 002
Account payables	-9 646 959	-5 564 768
Other current debt (interests)	-5 057 406	-3 761 475
Total	-40 920 967	-41 453 244

Related-party transactions

a) Sales of goods and services	2020	2019
Intercompany Revenue	10 659 414	6 705 410
b) Purchases of goods and services	3 630 149	3 589 014
c) Interest expenses		
Interest from Survitec Group Norway AS (parent)	1 455 675	1 654 026
d) Management fee		
Group Management fee	2 733 273	2 718 794
Divisional Management fee	1 099 654	755 071
Group IT recharge fee	1 354 314	439 604

See also note 8 for other related parties.

**Note 11 Operating income**

	2020	2019
Revenue by geographical area		
Norway	98 008 068	123 837 315
Other parts	24 721 396	30 382 984
Total	122 729 464	154 220 299
Revenue by business area		
Commercial Marine	122 644 105	135 206 672
Leisure Marine	0	0
Defence & Government	85 359	554 458
Oil & Gas	0	18 459 168
Total	122 729 464	154 220 298

Note 12 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary profit/loss before tax	1 852 662	-1 338 495
Permanent differences	14 157	24 433
Changes temporary differences	-3 295 441	-4 770 630
Cut interest deduction	471 406	0
Changes in loss carried forward	1 428 621	6 084 692
Taxable income	471 406	0
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2020	2019	Difference
Fixed assets	-521 228	-2 304 868	-1 783 640
Inventory	-3 194 959	-4 529 617	-1 334 659
Other provisions	-2 710 810	-2 887 952	-177 142
Total	-6 426 996	-9 722 437	-3 295 441
Accumulated loss to be brought forward	-76 869 547	-75 912 332	957 215
Cut interest deduction	-471 406	0	471 406
Basis for calculation of deferred taxes	-83 767 949	-85 634 769	-1 866 820
Deferred tax assets (22 %)	18 428 949	18 839 649	-410 700



The tax asset has not been capitalized due to uncertainty about future utilization.

Note 13 Leasing and rent commitments

The company has significant lease agreements. All leasing agreements are considered as operational.

	2020
Annual rent for premises	5 934 969
Annual rent for machinery and equipment	241 596
Annual rent for office machines and systems	364 368
Rent of vehicles	584 248
Other rental costs	0
Total	7 125 180

The length of the agreements are variable.



Note 14 Going concern and Covid-19

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate based on the considerations set out below. The Group and the Company have a net liability position as at 31 December 2020 (31 December 2019: net liability position).

As of 28 August 2020, the Group successfully completed all aspects of its negotiated restructuring, the terms of which were agreed in principle with all of the lenders under the Facilities (the "Lenders") on 6 December 2019 (the "Restructuring"). In accordance with the terms of the Restructuring, the Facilities were amended and restated with a new money facility amounting to £75,000,000 (the "New Money Facility") which was made available to the Survitec Group by the Lenders of which £35,000,000 was drawn, completing the first phase of the implementation of the Restructuring. The remaining £40,000,000 facility was not drawn and expired on 28 February 2021.

The Restructuring saw a portion of the amended and restated Facilities cancelled in exchange for newly issued shares in a Lender-owned newco structure, which acquired the entire issued share capital in Survitec Acquisition Company Limited (and therefore, the Group) on 28 August 2020.

The COVID-19 pandemic had been an evolving situation throughout 2020 and into 2021. Through the revision and rephrasing of spending plans and additional cost savings the Group has been able to mitigate any material adverse impact on the markets in which it operates and thus, at 31 December 2020, COVID-19 has not had a material effect on the measurement of assets and liabilities and is not expected to going forward.

In March 2021, the Group successfully completed a refinancing of its existing debt. The total amount borrowed was £270,000,000 over 6 years, with £160,000,000 used to refinance existing debt and the remainder to support the Group's transformation programmes and mergers and acquisition strategy.

In reviewing the appropriateness of the Going Concern assumption, Management has prepared forecasts covering the 15 month period to 30 June 2022 ("the Going Concern period)". These forecasts include the impact of the refinancing in March 2021, the planned acquisition of Hansen Protection ASA in April 2021 and the continued COVID-19 impact. The forecasts demonstrate that the Group is expected to generate profits and cash during the Going Concern period and beyond, and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due over a period of at least 12 months from the date of signing of these financial statements. The forecast improvements are driven by the underlying strength of the business, with resulting EBITDA projected to increase as a result of increased sales, reduced overheads and a reduction in restructuring costs.

The forecasts have been further sensitized to reflect severe but plausible downside scenarios. The forecasts indicate minimum headroom on the Group's new facilities through to 30 June 2022 of £6,300,000. Through both treasury and financial quarterly forecasting, there is continuous focus on the Group's cash and profitability position, mitigations would be implemented immediately to maintain the minimum cash requirements. The forecasts have been reviewed by the Directors.

Whilst the Group is not forecast to recover back to 2019 levels from the impact of COVID-19 until 2022/23, the Group continues to deliver wide ranging transformational programs to drive profitability improvements ahead of future revenue growth by developing a single scalable, efficient, operating model.

Having considered the matters outlined above, the Directors confirm that they have a reasonable expectation that the Group and as such Survitec Norway AS have sufficient liquidity to continue as a going-concern, and to successfully implement the business plan prepared by the management team, over a period of at least twelve months from the date of signing of these financial statements.

Survitec Norway AS is dependent upon the backing of Survitec Group Limited (SGL) funding. SGL has confirmed in writing its intention to provide financial Support for the continuing operations of Survitec Norway AS so as to meet its liabilities as they fall due and carry on its business without significant curtailment of operations in twelve months from the date of signing of the audit report for the year ended 31 December 2020.