Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - 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:	01.01.2020 - 31.12.2020

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:	Stine Nedrebø
Dato for fastsettelse av årsregnskapet:	31.08.2021

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, 28.08.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		2 256 250	2 636 250
Sum kostnader		**2 256 250**	**2 636 250**
Driftsresultat		**-2 256 250**	**-2 636 250**
Nedskrivning av finansielle eiendeler		62 544 743	
Sum finanskostnader		**62 544 743**	
Netto finans		**-62 544 743**	
Ordinært resultat før skattekostnad		**-64 800 993**	**-2 636 250**
Ordinært resultat etter skattekostnad		**-64 800 993**	**-2 636 250**
Årsresultat		**-64 800 993**	**-2 636 250**

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	1	0	62 544 743
Sum finansielle anleggsmidler		**0**	**62 544 743**
Sum anleggsmidler		**0**	**62 544 743**
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		16	16
Sum bankinnskudd, kontanter og lignende		**16**	**16**
Sum omløpsmidler		**16**	**16**
SUM EIENDELER		**16**	**62 544 759**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		277 500	277 500
Overkurs		372 845 449	372 845 449
Sum innskutt egenkapital		**373 122 949**	**373 122 949**
Opptjent egenkapital			
Udekket tap		383 671 617	318 870 624
Sum opptjent egenkapital		**-383 671 617**	**-318 870 624**
Sum egenkapital		**-10 548 668**	**54 252 325**

Balanse

Beløp i: NOK	Note	2020	2019
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Kortsiktig konserngjeld		10 548 684	8 292 434
Sum kortsiktig gjeld		**10 548 684**	**8 292 434**
Sum gjeld		**10 548 684**	**8 292 434**
SUM EGENKAPITAL OG GJELD		**16**	**62 544 759**

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5	692 761 000	688 437 000
Sum inntekter		**692 761 000**	**688 437 000**
Kostnader			
Kostnader ved avfallshåndtering		208 453 000	208 531 000
Lønnskostnad	20	196 003 000	192 467 000
Avskrivning immaterielle eiendeler	7	1 661 000	3 321 000
Avskrivning varige driftsmidler	6	49 986 000	62 790 000
Avskrivning bruksrett	17	50 371 000	47 586 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6	637 000	6 089 000
Annen driftskostnad	19	260 024 000	228 610 000
Sum kostnader		**767 135 000**	**749 394 000**
Driftsresultat		**-74 374 000**	**-60 957 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		88 000	203 000
Sum finansinntekter		**88 000**	**203 000**
Annen rentekostnad		35 561 000	36 863 000
Annen finanskostnad		4 680 000	2 113 000
Sum finanskostnader		**40 241 000**	**38 976 000**
Netto finans	17,18	**-40 153 000**	**-38 773 000**
Ordinært resultat før skattekostnad		**-114 527 000**	**-99 730 000**
Skattekostnad på ordinært resultat	15	405 000	-744 000
Ordinært resultat etter skattekostnad		**-114 932 000**	**-98 986 000**
Årsresultat		**-114 932 000**	**-98 986 000**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7	0	1 661 000
Utsatt skattefordel	15	7 834 000	7 834 000
Sum immaterielle eiendeler		**7 834 000**	**9 495 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	162 796 000	186 475 000
Bruksrett	6,17	192 688 000	197 916 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	49 929 000	62 551 000
Sum varige driftsmidler		**405 413 000**	**446 942 000**
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	1	100 000	100 000
Sum finansielle anleggsmidler		**100 000**	**100 000**
Sum anleggsmidler		**413 347 000**	**456 537 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	9	119 687 000	133 413 000
Sum fordringer		**119 687 000**	**133 413 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10,14	22 289 000	31 581 000
Sum bankinnskudd, kontanter og lignende		**22 289 000**	**31 581 000**
Sum omløpsmidler		**141 976 000**	**164 994 000**
SUM EIENDELER		**555 323 000**	**621 531 000**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	278 000	278 000
Overkurs		372 845 000	372 845 000
Annen innskutt egenkapital		-530 242 000	-415 311 000
Sum innskutt egenkapital		**-157 119 000**	**-42 188 000**
Sum egenkapital		**-157 119 000**	**-42 188 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	13	199 529 000	188 680 000
Langsiktig konserngjeld	13	51 148 000	23 291 000
Leasinggjeld (langsiktig)	17	129 056 000	148 980 000
Annen langsiktig gjeld	13,22	45 738 000	53 887 000
Sum annen langsiktig gjeld		**425 471 000**	**414 838 000**
Sum langsiktig gjeld		**425 471 000**	**414 838 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	13	20 000 000	20 000 000
Leasinggjeld (kortsiktig)	17	74 167 000	55 390 000
Leverandørgjeld	12	81 391 000	87 418 000
Skyldige offentlige avgifter		18 637 000	12 528 000
Annen kortsiktig gjeld	16	92 777 000	83 543 000
Sum kortsiktig gjeld		**286 972 000**	**258 879 000**
Sum gjeld		**712 443 000**	**673 717 000**
SUM EGENKAPITAL OG GJELD		**555 324 000**	**631 529 000**

Resultatregnskap

SSCP SPV 1 AS

Driftsinntekter og driftskostnader	Note	2020	2019
Annen driftskostnad		2 256 250	2 636 250
Sum driftskostnader		**2 256 250**	**2 636 250**
Driftsresultat		**-2 256 250**	**-2 636 250**
Finansinntekter og finanskostnader			
Nedskrivning av andre finansielle anleggsmidler		62 544 743	0
Resultat av finansposter		**-62 544 743**	**0**
Ordinært resultat før skattekostnad		-64 800 993	-2 636 250
Ordinært resultat		**-64 800 993**	**-2 636 250**
Årsresultat		**-64 800 993**	**-2 636 250**
Overføringer			
Overført til udekket tap		64 800 993	2 636 250
Sum overføringer		**-64 800 993**	**-2 636 250**

Balanse

SSCP SPV 1 AS

Eiendeler	Note	2020	2019
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	1	0	62 544 743
Sum finansielle anleggsmidler		**0**	**62 544 743**
Sum anleggsmidler		**0**	**62 544 743**
Bankinnskudd, kontanter o.l.		16	16
Sum omløpsmidler		**16**	**16**
Sum eiendeler		**16**	**62 544 759**

Balanse

SSCP SPV 1 AS

Egenkapital og gjeld	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Aksjekapital	2	277 500	277 500
Overkurs	2	372 845 449	372 845 449
Sum innskutt egenkapital		**373 122 949**	**373 122 949**
Opptjent egenkapital			
Udekket tap		-383 671 617	-318 870 624
Sum opptjent egenkapital		**-383 671 617**	**-318 870 624**
Sum egenkapital	**2**	**-10 548 668**	**54 252 325**
Gjeld			
Kortsiktig gjeld			
Konserngjeld		10 548 684	8 292 434
Sum kortsiktig gjeld		**10 548 684**	**8 292 434**
Sum gjeld		**10 548 684**	**8 292 434**
Sum egenkapital og gjeld		**16**	**62 544 759**

Tananger, 31.08.2021

Stefano Alberto Bonfiglio	Benjamin Alan Hopper	Tor Olav Schibevaag
Styreleder	Styremedlem	Styremedlem/daglig leder

SSCP SPV1 AS Noter til årsregnskapet 2020

Regnskapsprinsipper mv.

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk for små foretak.

Klassifisering av balanseposter
Eiendeler bestemt til varig eie eller bruk klassifiseres som anleggsmidler. Fordringer klassifiseres som omløpsmidler hvis de skal tilbakebetales innen ett år. For gjeld legges analoge kriterier til grunn.

Generelle vurderingsprinsipper
Eiendeler vurderes til det laveste av anskaffelseskost og virkelig verdi.

Investeringer i andre selskaper
Kostmetoden brukes som prinsipp for investeringer i andre selskaper. Kostprisen økes når midler tilføres ved kapitalutvidelse, eller når det gis konsernbidrag til datterselskap. Mottatte utdelinger resultatføres i utgangspunktet som inntekt. Utdelinger som overstiger andel av opptjent egenkapital etter kjøpet føres som reduksjon av anskaffelseskost. Utbytte/konsernbidrag fra datterselskap regnskapsføres det samme året som datterselskapet avsetter beløpet. Utbytte fra andre selskaper regnskapsføres som finansinntekt når utbyttet er vedtatt.

Balanseført beløp skrives ned til antatt virkelig verdi når den er lavere.

Skatt
Det beregnes utsatt skatt i balansen på midlertidige forskjeller mellom regnskapsmessige og skattemessige verdier. Eventuell netto utsatt skattefordel balanseføres ikke, i samsvar med unntaksreglene for små foretak. Skattekostnaden kan bestå av betalbar skatt og endring i utsatt skatt.

Konsernregnskap
Selskapet inngår i konsernet SSCP SPV 1 AS. Konsolidering for konsernet gjøres på SSCP SPV 1 AS nivå.
Konsernregnskap utleveres på selskapets adresse:
Oljeveien 5, 4056 Tananger, Postboks 83.

Note 1 Investering i datterselskap

	Forretnings-kontor	Eierandel/ stemme-andel	Egenkapital 31.12	Resultat 31.12	Balanseført verdi
Datterselskaper					
SSCP SPV2 AS	Stavanger	100,0 %	-99 293	-62 597 161	0

Note 2 Egenkapital

Aksjekapitalen består av 9 250 000 A-aksjer pålydende kr 0,01,
9 250 000 B-aksjer pålydende kr 0,01 og 9 250 003 C-aksjer pålydende kr 0,01.
SSCP SAR PARENT S.A.R.L eier samtlige aksjer i selskapet.

	Aksjekapital	Overkurs	Udekket tap	Sum
Egenkapital 01.01.	277 500	372 845 449	-318 870 624	54 252 325
Årets resultat	0	0	-64 800 993	-64 800 993
Egenkapital pr. 31.12.	**277 500**	**372 845 449**	**-383 671 617**	**-10 548 668**

SSCP SPV1 AS **Noter til årsregnskapet 2020**

Note 3 Skatt

	2020	2019
Beregning av skattepliktig inntekt		
Resultat før skatt	-64 800 993	-2 636 250
Permanente forskjeller	62 544 743	0
Nedskrivning aksjer	0	0
Endring midlertidige forskjeller	0	0
Beregnet skattepliktig inntekt	-2 256 250	-2 636 250
Avgitt konsernbidrag	0	0
Grunnlag for betalbar skatt	**-2 256 250**	**-2 636 250**
Beregnet betalbar skatt 22 % / 23%	0	0
Midlertidige forskjeller		
Fordringer	0	0
Netto midlertidige forskjeller	0	0
Underskudd til fremføring	-10 548 668	-8 292 418
Grunnlag for utsatt skattefordel	**-10 548 668**	**-8 292 418**
22 % Utsatt skattefordel	-2 320 707	-1 824 332
Herav ikke balanseført utsatt skattefordel	2 320 707	1 824 332
Utsatt skatt i balansen	**0**	**0**

Fordeling av skattekostnaden	**2020**	**2019**
Betalbar skatt på årets inntekt	0	0
For mye, for lite avsatt i fjor	0	0
Sum betalbar skatt	0	0
Endring i utsatt skatt	0	0
Skattekostnad / - inntekt	**0**	**0**

Note 4 Lønnskostnader, godtgjørelser m.v.

Selskapet har ingen ansatte.
Det er kostnadsført kr 256 250 (2019: kr 390 625) som honorar til revisor.
Det er kostnadsført kr 2 000 000 i management fee i 2020.

Note 5 Hendelser etter balansedagen og fortsatt drift

Ingen vesentlige hendelser etter balansedagen.

Regnskapet er avlagt under forutsetning om fortsatt drift.

To the General Meeting of SSCP SPV 1 AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

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 2020, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of SSCP SPV 1 AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

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

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

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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.

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

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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.

Stavanger, 31 August 2021
PricewaterhouseCoopers AS

Siren I. Dahle

Siren Iversen Dahle
State Authorised Public Accountant

Board of Director's report 2020

The nature of the business

SAR AS is the operating company in the Group. SAR AS is a total provider of Waste Chain Management services and offers complete waste solutions and waste recycling services to offshore and land-based industry, including treatment, handling, cleaning, removal and disposal of waste.

Operations

Norway

SAR AS provides services mainly to customers in the Norwegian offshore segment in addition to onshore industrial companies. SAR AS has 8 operating branches located along the Norwegian coastline from Tananger in the south to Hammerfest in the north. The head office is in Tananger.

SAR AS's drilling waste treatment facilities comprise slop and cuttings treatment at Averøy and cuttings treatment at Sandnessjøen, Hammerfest and in Risavika, and biological water treatment at Mongstad.

2020 was a challenging year for the SAR Group, with downtime on its treatment facilities and with Covid-19 that came in as an additional burden. To improve the operational performance and financial sustainability, a severe restructuring and improvement program was established in 2020. The program contains a high number of both external and internal improvement initiatives that shall secure profitability in 2021 and onwards. Furthermore, the improvement program also includes initiatives to further reduce the Company's environmental footprint and to increase the share of waste to be fully recycled. SAR has also increased its focus on creating re-useable products from received waste and will continue to expand this area in the years to come.

International operations

SAR AS operates one onshore drill cuttings cleansing facility in Kuwait. SAR AS has a 5-year contract with Kuwait Oil Company and commenced operations in July 2015. The contract has been extended until end of June 2021. The operation at the plant has since commencement proven to be very successful with high level of customer satisfaction, HSEQ performance and financial contribution. The contract with Kuwait Oil Company was terminated after June 2021 and SAR AS has entered into an agreement with Zenith Group Company for Drilling & Maintenance of Oil Wells (Zenith Group) for sale of the Kuwait facility and corresponding assets.

Assessment of going concern

The Board of Directors confirms that the accounts 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 improvement measures started in 2020 and continued in 2021 with already proven results, which both supports achievement of budget targets for 2021 and further growth in 2022. Further, as the contract with Kuwait Oil Company ended in June 2021, SAR has entered into an agreement with

Zenith Group for sale of its Kuwait facility and assets. The sale secures an extraordinary profit in 2021. The Board of Directors have also assessed the potential negative effect of an ongoing dispute with one of SAR's business associates. Finally, the Group has NOK 60 million in unused credit facility and the owner has also issued a letter of support to underline its support and commitment to the Group as a going concern.

Employees and working environment

SAR Group had 255 permanent employees on 31 December 2020. The parent company, SSCP SPV1 AS, had no employees. The Group reported absence due to sickness of 3,4 % of the total number of working hours in 2020, down from 5,6% in 2019. Management is continuously initiating efforts to reduce employee's absence.

SAR registered 3 injuries that resulted in absence, compared to 5 injuries previous year. Internal investigation regarding all injuries is performed and appropriate actions taken to reduce the prospect of a repeat occurrence.

The working environment is considered as good. The Group carries out leadership and working environment surveys ("Klimaundersøkelsen") annually and has various other measures to ensure employee satisfaction and a positive working environment. The cooperation between Management and the unions is constructive and has contributed positively to the operations in 2020.

Equality and anti-discrimination

The Group is strongly committed to the objectives of full gender equality and no discrimination related to ethnic or national origin, language, religion, beliefs, or physical handicaps. The Group had 255 permanent employees on 31 December 2020, of which 22 % were women and 78 % men. The percentage of women in Management was 29. SAR's diverse workforce represents over 20 nationalities and offers a wide range of competencies and insights. The Group's policies include provisions to secure that there is no discrimination with regards to salaries, promotions or recruitment supporting equal opportunities.

Environmental reporting

Emissions from treatment facilities, including waste that can cause damage to the environment, do not exceed limits set by the appropriate Authorities. The Group operates within strict regulations from the Authorities and the operations are governed by concessions and regulations. As a result, the Group has comprehensive internal control routines for safe operations and the control of emissions to ensure it operates within the requirements of the Authorities. The Group has high focus on its social responsibilities and puts significant resources into the objective to operate in an environmentally efficient manner. There have been 5 minor incidents resulting emissions during 2020, compared to 4 in 2019. These were 3 minor emissions over limit value for oil separators and 2 minor emissions over limit value at Mongstad plant. All short time incidents and with no negative environmental impact.

Credit risk is managed on 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. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. The Group has reported only minor losses on trade receivables during the year and believes that receivables as of 31 December 2020 will be settled.

Liquidity risk

Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its facilities. Effects from improved performance and sale of the Kuwait business are assumed to reduce the credit risk during 2021 and to increases the Group's headroom to cover its debt positions and potential negative effect from ongoing dispute. The Group has NOK 60 million in undrawn credit facilities and a Letter of Support from its owners.

Subsequent events

After the balance sheet date, SAR AS has entered into an agreement with Zenith Group for sale of its facility in Kuwait, including all corresponding assets. The sale secures an extraordinary profit for 2021.

Tananger, 31.08.2021

Ole Kristian Sivertsen	Stefano Bonfiglio	Ben Hopper
Chairman of the Board	Member of the Board	Member of the Board
Per Kristian Nagell	Tor Olav Schibevaag	
Member of the Board	CEO and Member of the Board	

Outlook

SAR's activity level is primarily related to the oil and gas market. The market volatility caused by the Covid-19 in 2020 has to some extent stabilized in 2021 as the Government's tax incentive program for new projects has secured drilling activity at a high level for 2021 and beyond. SAR has maintained its strong customer base during 2020, including the award of new contracts and prolongation of existing contracts. The Group aim to harvest from its strong strategic position, the excellence of its services, relationships with key customers and the expertise demonstrated by its employees to decrease its dependency of the drilling activity and to further increasing its diversification into other waste segments. In addition, SAR AS is increasing its focus on green business models where waste-to-product and footprint-based decision making are key success factors to achieve a sustainable business both financially and environmentally. Throughout 2020 and 2021 SAR AS has also increased its focus on value chain collaboration and a mutually beneficial partnership ecosystem which will fuel both the circular direction that the company is on and enhance logistics and value chain coordination.

Key financial information

The Group's total revenue for 2020 amounted to NOK 692,8 million (NOK 688,4 million in 2019) representing an increase of 0,6 %. Profit after tax for the year resulted in a loss of NOK 114,9 million (loss of NOK 99,0 million in 2019). The Operating loss amounted to NOK 74,4 million (loss of NOK 61,0 million in 2019). Reported gross margin for 2020 was 69,9 % compared to 69,7 % in 2019, whilst other operating costs increased to NOK 558,7 million in 2020 from NOK 540,9 million in 2019. Negative effects from the Covid-19 situation, treatment downtime and one-off costs related to the restructuring and improvement initiatives were the main drivers for the increased loss in 2020 compared to previous year.

Cash flow from operations amounted to NOK 40,8 million compared to NOK 66,6 million in 2019. Cash outflow from investment activities amounted to NOK 16,0 million (NOK 9,2 million in 2019) and cash flow from financing activities amounted to negative NOK 34,1 million (NOK 56,2 million in 2019). Net cash flow for 2020 amounted to negative NOK 9,3 million. Net cash flow previous year amounted to NOK 1,2 million. Cash balance per 31 December 2020 amounted to NOK 22,3 million compared to NOK 31,6 million previous year.

As of 31 December 2020, total assets were NOK 555,3 million (NOK 621,5 million in 2019). Total equity per. 31 December 2020 amounted to negative NOK 157,1 million (negative NOK 42,2 million in 2019)

Financial risks

Currency risk

The group operates internationally and is exposed to foreign exchange risk arising primarily from US dollars and Euros. Foreign exchange 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 has a partial natural hedge since most of the operating expenses of the Kuwaiti operation are either in US dollars or Kuwaiti Dinars.

Credit risk

SSCP SPV 1 AS

SAR Group

Annual Accounts 2020

Consolidated Income Statement

All amounts in NOK thousands	Notes	31 December 2020	2019
Operating revenue		692 761	688 437
Total Revenue	5	**692 761**	**688 437**
Waste treatment costs		208 453	208 531
Personnel costs	20	196 003	192 467
Depreciation and amortisation - Intangible assets	7	1 661	3 321
Depreciation - Fixed assets	6	49 986	62 790
Depreciation - Right of use assets	17	50 371	47 586
Impairment - Fixed assets	6	637	6 089
Impairment of goodwill and other intangible assets	7	-	-
Other operating expenses	19	260 024	228 610
Total Operating expenses		**767 135**	**749 394**
Operating profit		**-74 374**	**-60 957**
Interest income		88	203
Interest costs		35 561	36 863
Other financial expenses		4 680	2 113
Net financial costs	17, 18	**40 153**	**38 773**
Profit before income tax		**-114 526**	**-99 730**
Income taxes	15	405	-744
Profit for the year		**-114 932**	**-98 986**
Attributable to:			
Equity holders of the Group		-114 932	-98 986
		-114 932	**-98 986**

Consolidated Balance sheet

All amounts in NOK thousands	Notes	31 December 2020	2019
ASSETS			
Non-current assets			
Concessions, licenses etc	7	-	1 661
Deferred tax asset	15	7 834	7 834
Land and buildings	6	162 796	186 475
Right of use assets	6, 17	192 688	197 916
Other machinery	6	49 929	62 551
Financial assets	1	100	100
Total non-current assets		**413 347**	**456 535**
Current assets			
Accounts receivable and other receivables	9	119 687	133 413
Cash and cash equivalents	10, 14	22 289	31 581
Total current assets		**141 977**	**164 994**
Total assets		**555 323**	**621 529**
EQUITY			
Equity attributable to owners of the parent			
Ordinary shares	11	278	278
Share premium		372 845	372 845
Other equity		-530 242	-415 311
Total equity		**-157 120**	**-42 188**
LIABILITIES			
Non-current liabilities			
Bank borrowings	13	199 529	188 680
Shareholder loan and other long term borrowings	13	51 148	23 291
Finance lease obligations (LT)	17	129 056	148 980
Other long term liabilities	13, 22	45 738	53 887
Total non-current liabilities		**425 471**	**414 837**
Current liabilities			
Borrowings	13	20 000	10 000
Finance lease obligation (ST)	17	74 167	55 390
Accounts payable	12	81 391	87 418
Public duties payable		18 637	12 528
Provisions for other liabilities and charges	16	92 777	83 543
Total current liabilities		**286 972**	**248 880**
Total liabilities		**712 442**	**663 717**
Total equity and liabilities		**555 323**	**621 529**

Tananger, 31.08.2021

Tor Olav Schibevaag
Member of the Board/CEO

Stefano Alberto Bonfiglio
Chairman of the Board

Benjamin Alan Hopper
Member of the Board

Consolidated Statement of cash flows

All amounts in NOK thousands	Notes	31 December 2020	2019
Cash flows from operating activities			
Profit before tax		-114 526	-99 730
Paid taxes / received taxes		-405	744
Depreciation and impairment		102 655	119 786
Interest expense, not paid	18	26 305	38 314
Change in account receivables and other receivables		13 726	4 827
Change in account payables		-6 028	-5 881
Change in other accruals		19 063	8 538
Net Cash generated from operating activities		**40 789**	**66 597**
Cash flows from investing activities			
Net purchases of buildings and equipment	6	-15 983	-9 227
Net cash used in investing activities		**-15 983**	**-9 227**
Cash flow from financing activities			
Proceeds from borrowings	13	25 000	-
Repayment of finance lease	17	-59 097	-56 199
Net cash used in financing activities		**-34 097**	**-56 199**
Net (decrease) / increase in cash and cash equivalents		**-9 292**	**1 171**
Cash and cash equivalents at the beginning of year		31 581	30 410
Cash and cash equivalents at the end of year	**10**	**22 289**	**31 581**
Non cash transactions			
Deferred payment investments in Buildings and Equipment	13	-	-

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. In addition, the Company operates a full scale thermal cuttings cleansing facility in Kuwait.

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, it's 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 2020 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 improvement measures started in 2020 and continued in 2021 with already proven results, which both supports achievement of budget targets for 2021 and further growth in 2022. Further, as the contract with Kuwait Oil Company ended in June 2021, SAR has entered into an agreement with Zenith Group for sale of its Kuwait facility and assets. The sale secures an extraordinary profit in 2021. The Board of Directors have also assessed the potential negative effect of an ongoing dispute with one of SAR's business associates. Finally, the Group has NOK 60 million in unused credit facility and the owner has also issued a letter of support to underline its support and commitment to the Group as a going concern.

The Group accounts for 2020 are prepared in accordance with IFRS.

SAR Group companies

Company	Location	Ownership	Equity	2020 Earnings	Carrying Value
SSCP SPV 1 AS	Tananger	Parent	-10 549	-64 801	n.a
Subsidiaries					
SSCP SPV 2 AS	Tananger	100 %	-99	-62 597	-
SSCP SPV 3 AS	Tananger	100 %	-99	-62 625	-
Sar Gruppen AS	Tananger	100 %	-451	-62 991	-
SAR AS	Tananger	100 %	-135 386	-107 880	-
Investments					
Namdal Tankrens	Grong	13 %	3 619	-147	100
Total carrying value					**100**

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.

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.

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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.

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 years
iii) Inventory 4–7 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 Intangible assets

Operating licences, customer relations and assembled workforce

Separately acquired operating licences, customer relations and assembled workforce are shown at fair value at acquisition date less any amortisation and impairments. The intangible assets identified have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relations, operating licenses and assembled workforce over their estimated useful lives;

i) Operating licenses - 10 years
ii) Assembled workforce - 10 years
iii) Customer relations - 10 years

2.7 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

2.8 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 stright-line basis over the lease term.

At inception of a contract, the Company 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 Company 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.

2.9 Financial instruments
2.9.1 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

2.9.2 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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 were 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.

2.18 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.

2.19 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 has a performance contract with its customer Kuwait Oil Company. The performance elements (uptime hours and volumes of waste treated) are 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.

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 subsequently measured at amortised cost using the effective interest method.

2.22 Changes in accounting principles and information
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 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.

Variations in foreign exchange rates to NOK within +/-10%, would not materially change the Group's book values as per 31 December 2020. See details below.

Foreign exchange exposure 2020

NOK in thousands		Purchases	Sales revenue	Net exposure	EBITDA +10%	EBITDA -10%
	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**

NOK in thousands		Accounts payable	Accounts receivable	Net exposure	Estimate +10%	Estimate -10%
	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**

Foreign exchange exposure 2019

NOK in thousands		Purchases	Sales revenue	Net exposure	EBITDA +10%	EBITDA -10%
	USD	4 338	41 450	-37 112	3 711	-3 711
	EUR	32 903	8 141	24 762	-2 476	2 476
	KWD	13 456	986	12 470	-1 247	1 247
	DKK	4 970	33	4 937	-494	494
	Other	379	-	379	-38	38
	Total	**56 047**	**50 610**	**5 437**	**-544**	**544**

NOK in thousands		Accounts payable	Accounts receivable	Net exposure	Estimate +10%	Estimate -10%
	USD	206	6 999	6 793	679	-679
	EUR	1 364	1 382	19	2	-2
	KWD	1 329	933	-397	-40	40
	Other	56	-22	-79	-8	8
	Total	**2 955**	**9 291**	**6 336**	**634**	**-634**

See note 9 and note 12 for year end balances for receivables and payables respectively.

ii) Floating interest risk
The group's interest rate risk arises from long-term borrowings. The group have in previous periods managed its cash flow interest rate risk by using floating-to-fixed interest rate swaps.

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 13) 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 promising and together with effect from improvement initiatvies are assumed to mitigate the liquidity risk. The Group has also NOK 60 million in unused credit facility and the owner has also issued a letter of support, that further mitigate the Group's liquidity risk.

Maturity groupings for the Group's non-derivative financial liabilities are presented in note 13. The maturity is based on the current repayment plan of the bank debt and the maturity of the shareholder loan.

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.

b) Tangible and intangible asset impairment test

For intangible 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).
Intangible assets recognised in the balance sheet as per 31 December 2019 was related to Kuwait operations. The intangible asset was amortised over the 5 years of the initial contract period which commenced on 1 July 2015, and hence the book value was zero as per 31 December 2020.

In assessing potential impairments of tangible and intangible assets, management has used the Group's budget for 2021 and Business Plan for 2021-2022. The Ebitda forecast implies a significant improvement from the 2020 results to 2022. For the years 2023 and 2024 the assumed growth rate is 3,5% for revenues and 1% 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 has been positive and has improved month by month. SAR is seing 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 2021 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 2020 financial accounts. See also note 6 for more details about long-lived assets.

Sensitivity analysis

WACC	**8 %**	**10 %**	**12 %**	**14 %**	**16 %**
Headroom	567 000	383 000	260 000	171 000	104 000
Difference in growth between revenue and costs	**0,50 %**	**1,50 %**	**2,50 %**	**3,50 %**	**4,50 %**
Headroom	-79 000	92 000	260 000	423 000	581 000
Growth rate terminal value	**-2 %**	**0 %**	**2 %**	**4 %**	**6 %**
Headroom	211 000	260 000	328 000	430 000	600 000

c) Assessment of going concern

The statutory accounts for 2020 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 improvement measures started in 2020 and continued in 2021 with already proven results, which both supports achievement of budget targets for 2021 and further growth in 2022. Further, as the contract with Kuwait Oil Company ended in June 2021, SAR has entered into an agreement with Zenith Group for sale of its Kuwait facility and assets. The sale secures an extraordinary profit in 2021. The Board of Directors have also assessed the potential negative effect of an ongoing dispute with one of SAR's business associates. Finally, the Group has NOK 60 million in unused credit facility and the owner has also issued a letter of support to underline its support and commitment to the Group as a going concern.

5 Specification of Operating revenue

By product	2020	2019
Process waste	352 646	302 296
Hazardious waste	155 235	166 562
Industrial waste	62 710	69 160
Tank cleaning	47 966	53 762
Other operating revenue	74 204	96 656
Total operating revenue	**692 761**	**688 437**
Gain on sale of vessel	-	-
Total revenue	**692 761**	**688 437**

By location	2020	2019
Kuwait	44 740	42 436
Norway	648 021	646 001
Total revenue	**692 761**	**688 437**

6 Property, plant and equipment

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At 01 January 2020						
Purchase cost	487 249	380 132	33 275	46 938	245 502	1 193 096
Accumulated depreciations	300 774	322 988	31 685	43 122	47 586	746 155
Net book value	**186 475**	**57 144**	**1 590**	**3 816**	**197 916**	**446 941**
Year ended 31 December 2020						
Opening net book value	186 475	57 144	1 590	3 816	197 916	446 941
Additions	9 186	5 136	-	-	41 871	56 194
Disposals	-	-	-	-	-	-
Depreciation charge	32 865	14 478	529	2 115	50 371	100 358
Impairment	-	-	-	637	-	637
Adjustments	-	-	-	-	3 272	3 272
Closing net book value	**162 796**	**47 803**	**1 061**	**1 065**	**192 688**	**405 413**
At 31 December 2020						
Purchase cost	496 435	385 268	33 275	46 938	243 059	1 204 976
Accumulated depreciations	333 639	337 465	32 214	45 873	50 371	799 563
Net book value	**162 796**	**47 803**	**1 061**	**1 065**	**192 688**	**405 413**
Exp. useful life of asset	**10-20 years**	**5 years**	**4-7 years**	**5 - 10 years**	**1-5 years**	

See note 4 for information about impairment testing.

7 Concessions, licenses etc

	[illegible]
Fair value at acquisition	16 300
Accumulated amortisation 31.12.2019	14 639
Accumulated impairments	-
Carrying value 31.12.2019	**1 661**
Additions 2020	-
Amortisation 2020	1 661
Impairment	-
Carrying value 31.12.2020	-

Contract and customer relationship Mena is amortized over 5 years in line with the term of the contract period.

8 Financial assets and liabilities

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets as per balance sheet				
Trade and other receivables excluding prepayments	100 645	-	-	100 645
Cash and cash equivalents	22 289	-	-	22 289
Total	**122 934**	-	-	**122 934**

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets as per balance sheet				
Trade and other receivables excluding prepayments	111 043	-	-	111 043
Cash and cash equivalents	31 581	-	-	31 581
Total	**142 624**	-	-	**142 624**

[illegible]	[illegible]	[illegible]
Interest bearing debt		
Bank borrowings	199 529	199 529
Shareholder loan	51 148	51 148
Loans from related parties	25 527	25 527
Lease liabilities	203 223	203 223
Total	**479 427**	**479 427**

[illegible]	[illegible]	[illegible]
Interest bearing debt		
Bank borrowings	188 680	188 680
Shareholder loan	23 291	23 291
Lease liabiltes	204 370	204 370
Total	**416 341**	**416 341**

9 Trade and other receivables

[illegible]	2020	2019
Trade receivables	91 820	101 293
Trade receivables - net	**91 820**	**101 293**
Pre-payments	19 048	21 643
Earned income, not invoiced	6 923	7 306
VAT receivable	1 895	3 171
Total other receivables	**27 867**	**32 120**
Total trade receivables and other receivables	**119 687**	**133 413**

Ageing of accounts receivable	2020 Total	2020 Provision	2019 Total	2019 Provision
Not due	87 002		101 215	
Due 0-90 days	657		-1 534	
Due 91-180 days	4 238		837	
Due 181-360 days	710		289	
Due over 361 days	-786		486	
Total	**91 820**	-	**101 293**	-

As per 31 December 2020 trade receivables of NOK 4,8m 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 2020 SAR Group has no general accrual for potential loss.

As at 31 December 2020 the Group has no receivables due from any related parties.

Accounts receivable by currency	2020	2019
NOK	83 882	92 002
USD	5 098	6 999
EURO	1 756	1 382
KWD	1 087	933
Other	-3	-22
Total	**91 820**	**101 293**

10 Cash and cash equivalents

	2020	2019
Cash at bank and on hand	15 362	25 106
Restricted cash	6 927	6 475
Cash and cash equivalents	**22 289**	**31 581**

Cash at bank and on hand includes amounts which are not in the functional currency of the Group of USD 388,1k (equivalent to NOK 2,6m), Kuwaiti Dinar of 36,1k (equivalent to NOK 1m) and EURO 12,4k (equivalent to NOK 123,3k) as per 31 December 2020.

11 Share capital

The share capital is NOK 277 500 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 9 250 000 C shares at face value NOK 0,01.

[illegible]	Shares	Face value	Ownership
SSCP SAR Parent SARL	27 750 000	0,01	100 %
Total number of shares	**27 750 000**		**100 %**

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12 Accounts payable

[illegible]	2020	2019
Accounts payable	81 391	87 418

Accounts payable per currency	2020	2019
NOK	79 796	84 463
USD	162	206
EURO	87	1 364
GBP	7	12
DKK	6	44
KWD	1 333	1 329
Total	**81 391**	**87 418**

13 Borrowings

[illegible]	2020	2019
Non-current		
Bank borrowings *	199 529	188 680
Shareholder loan **	25 621	23 291
Management fee	9 500	7 500
Long term portion of deferred acquisition liability [1]	35 580	45 580
Finance lease liabilities (LT) [2]	110 773	148 980
Borrowings from related parties [3]	25 527	-
Other long term liabilities	18 941	807
Total non-current borrowings	**425 471**	**414 837**
Current		
Deferred aquisition liability	20 000	10 000
Finance lease liabilities (ST) [2]	74 167	55 390
Total current borrowings	**94 167**	**65 390**
Total borrowings	**519 638**	**480 227**

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.

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.

[illegible]	2020	2019
1 years	94 167	65 390
2-5 years	425 471	414 837
Total	**519 638**	**480 227**

Refer to note 17 for maturity analysis of IFRS 16 lease liabilities.

[illegible]	[illegible]	[illegible]
* 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.

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Maturity of non-current borrowings excluding IFRS 16 lease liabilities	2021	2022	2023	2024
Bank borrowings	-	199 529	-	-
Long term portion of deferred acquisition liability	20 000	10 000	10 000	15 580
Shareholder loan	-	25 621	-	-
Loan from related party	-	25 527	-	-
Total	**20 000**	**260 677**	**10 000**	**15 580**

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 was in compliance with the covenants throughout 2020 and does not foresee any breach occurring in the coming year.

Specification of bank borrowing facilities	2020		2019	
(NOK in thousands)	Credit limit	Balance	Credit limit	Balance
Term Loan A (rollover)	n/a	100 830	n/a	95 010
Term Loan B (rollover)	n/a	87 222	n/a	82 400
Revolving credit facility	40 000	-	40 000	-
Total loan facility	**40 000**	**188 051**	**40 000**	**177 410**
Guarantee facility	200 000	186 439	200 000	185 722
Total commitment SFA	**240 000**		**240 000**	

14 Bank guarantees

[illegible]	[illegible]	[illegible]	[illegible]
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	31.05.2021
Tananger	2 179	Miljødirektoratet	31.05.2021
Tananger	10 017	Staten v/Fylkesmannen i Rogaland	13.03.2022
Tananger	2 216	Staten v/Fylkesmannen i Rogaland	11.07.2021
Sandnessjøen	3 445	Miljødirektoratet	31.05.2021
Sandnessjøen	6 633	Staten v/Fylkesmannen i Nordland	13.03.2022
Mongstad	27 195	Miljødirektoratet	31.05.2021
Risavika	9 204	Miljødirektoratet	31.05.2021
Risavika	5 052	Staten v/Fylkesmannen i Rogaland	31.01.2021
Hammerfest	15 703	Miljødirektoratet	31.12.2022
Hammerfest	894	Staten v/Fylkesmannen i Finnmark	13.03.2022
Florø	11 333	Fylkesmannen i Sogn og Fjordane	31.12.2022
Kristiansund	5 339	Staten v/Fylkesmannen i Møre og Romsdal	31.01.2021
Kristiansund	4 520	Staten v/Fylkesmannen i Møre og Romsdal	13.03.2022
Contract guarantees			
Performance Bond - Kuwait	13 106	Kuwait Oil Company	30.09.2021
Export guarantees	5 000	Miljødirektoratet	14.08.2021
Export guarantees	3 000	Miljødirektoratet	31.08.2021
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	**186 439**		

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.

15 Income taxes

Components of the income tax expense	2020	2019
Tax payable in Norway	-	-
Taxes payable in Kuwait	744	744
Change in deferred tax	-	-
Tax expense (income)	**744**	**744**

Calculation of deferred tax/deferred tax benefit	2020	2019
Temporary differences		
Receivables	-	-3 046
Inventory	-	-
Fixed assets	-66 834	-51 597
Cost incurred stock waste/provision	-44 001	-39 434
Financial leasing	1 570	3 816
Tax loss carry forward	-134	-
Net temporary differences	**-109 399**	**-90 261**
Tax loss carry forward	-471 443	-399 858
Limitation of deduction for interest between related entities	-103 476	-81 042
Net basis for deferred tax	**-684 318**	**-571 161**
Valuation allowance	**-676 484**	**-27 776**
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**

Reconciliation of tax expense	2020	2019
Profit / (Loss) before tax	-114 526	-99 730
22% tax on profit / (loss) before tax	-25 196	-21 941
Permanent differences	55 116	1 478
Change in temporary differences	4 174	1 397
Other differences	4 275	-
Effect of change of tax rate in Norway	-	-
Tax expense in other juridictions	405	-744
Change in deferred tax asset, not recognized	-38 370	19 065
Tax expense	**405**	**-744**

16 Provisions for other liabilities and charges

	2020	2019
Provision for waste disposal and treatment cost	52 841	46 295
Accrued expenses	35 602	33 320
Other current liabilities	4 334	3 929
Total provisions for other liabilities and charges	**92 777**	**83 543**

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
At January 1 2020	30 981	7 795	7 519	-	33 320	3 929	83 543
Change in provisions credited to the income statement	3 700	-4 170	7 015	2 029	253	405	9 234
At December 31 2020	**34 682**	**3 625**	**14 534**	**2 029**	**33 573**	**4 334**	**92 777**

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.

17 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 stright-line basis over the lease term.

[illegible]	2020
Lease liabilities (beginning balance)	204 370
Application effects	-
Additions	41 871
Adjustments	3 272
Lease payments	59 097
Interests	12 807
Lease liabilities (ending balance)	203 223
Share which is current lease liability	74 167
Share which is non-current lease liability	129 056

[illegible]	2020
Right of use (beginning balance)	197 916
Application effects	-
Additions	41 871
Adjustments	3 272
Depreciations	50 371
Right of use (ending balance)	192 688

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Property and trucks	76 847	69 524	29 225	25 297	14 801	18 181	233 874
Total	**76 847**	**69 524**	**29 225**	**25 297**	**14 801**	**18 181**	**233 874**

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

[illegible]	2020
Property	629
Total	**629**

[illegible]	2020
Increase in depreciation	50 371
Increase in interests	12 807
Decrease in other operating expenses	59 097
Net impact	**-4 080**

18 Net financial costs

	2020	2019
Interest expenses - Bank borrowings (paid in kind)	10 641	18 627
Interest expenses - Bank borrowings (cash interest)	8 793	573
Interest costs - Shareholder loan	2 330	2 183
Interest costs - Leasing	13 270	15 480
Interest costs - Related parties	527	-
Interest income	-88	-203
Foreign exchange gains	-2 390	-1 240
Foreign exchange losses	4 924	1 392
Other financial expenses	2 146	1 961
Net financial cost	**40 153**	**38 773**

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19 Other operating expenses by nature

[illegible]	2020	2019
Hired personnel	5 125	7 129
Fees	15 552	14 664
Property and factory costs	47 405	47 142
Consumables	52 184	48 105
IT & Communication	10 972	9 036
Transportation and logistics	91 307	74 814
Truck expenses	17 752	16 612
Sales and admin expenses	10 087	9 009
Other operating expenses	9 639	2 100
Total other operating expenses	**260 024**	**228 610**

Specification of auditor's fee	2020	2019
Audit fees	520	964
Tax advisory (including technical preparation tax returns)	1 098	1 326
Other services	-	-
Total fees to auditor	**1 618**	**2 290**

20 Employee benefit expenses

[illegible]	2020	2019
Wages and salaries	162 719	156 996
Payroll tax expenses	17 512	18 142
Pension costs	8 720	8 901
Employee insurance benefits	1 735	1 457
Other benefits	5 317	6 970
Total employee benefit expenses	**196 003**	**192 467**

Compensation to executive directors		
Chief Executive Officer	1 932	2 880
Chief Financial Officer	2 180	1 646
Chief Operations Officer	1 589	1 484
Chairman of the Board	748	1 105
Total compensation to executive directors	**6 449**	**7 116**

Average number of FTE's in 2020 was 243 (231 in 2019).
The company's pension schemes meet the requirements of the law on compulsory occupational pension.
A new CFO commenced in September 2020.

21 Related party transactions and balances

[illegible]	2020	2019
Stirling Square Capital Partners		
Management fee	9 500	7 500
Shareholder loan	20 000	20 000
Accumulated shareholder interests	5 621	3 291
Total	**35 121**	**30 791**

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

Loan from SAR Holdco AS	2020	2019
SAR Holdco AS		
Loan	25 527	-
Total	**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.

22 Subsequent events.

After the balance sheet date, SAR AS has entered into an agreement with Zenith Group for sale of its facility in Kuwait, including all corresponding assets. The sale secures an extraordinary profit for 2021.

Consolidated Statement of changes in equity

All amounts in NOK thousands	Notes	*Attributable to owners of the parent* Share capital and share premium	Other paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2019		373 123	28 745	-345 070	56 798	-	56 798
Profit/Loss for the year				-98 986	-98 986	-	-98 986
Balance as at 31 December 2019		**373 123**	**28 745**	**-444 056**	**-42 188**	**-**	**-42 188**
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 2020		**373 123**	**28 745**	**-558 988**	**-157 120**	**-**	**-157 120**

SSCP SPV 1 AS

Income Statement

All amounts in NOK thousands	Notes	31 December 2020	2019
Payroll cost		-	-
Other operating costs		2 256	2 636
Total operating costs		**2 256**	**2 636**
Operating profit		**-2 256**	**-2 636**
Write down investment in subsidiaries		62 545	-
Net financial costs		**-62 545**	**-**
Pre-tax profit		**-64 801**	**-2 636**
Income tax expense	4	-	-
Net profit after tax		**-64 801**	**-2 636**
Attributable to:			
Equity holders in SSCP SPV 1 AS		-64 801	-2 636
Total		-64 801	-2 636

Balance sheet

All amounts in NOK (thousands)	Notes	31 December 2020	2019
ASSETS			
Non-current assets			
Investment in subsidiary	1	-	62 545
Receivables from group company		-	-
Total non-current assets		-	62 545
Current assets			
Other receivables from group company		-	-
Total current assets		-	-
Total assets		-	62 545
EQUITY			
Equity attributable to owners of the parent			
Ordinary shares	2,3	278	278
Share premium		372 845	372 845
Other paid in capital		28 745	28 745
Retained earnings / uncovered loss		-412 416	-347 615
Total Equity	2	-10 549	54 252
LIABILITIES			
Non-current liabilities			
Management fee	5	9 500	7 500
Long term debt to group companies		1 049	792
Total non-current liabilities		10 549	8 292
Current liabilities			
Accounts payable		-	-
Current income tax liabilities	4	-	-
Other short term debt		-	-
Total current liabilities		-	-
Total liabilities		10 549	8 292
Total equity and liabilities		-	62 545

Tananger, 31.08.2021.

Tor Olav Schibevaag
Member of the Board/CEO

Stefano Alberto Bonfiglio
Chairman of the Board

Benjamin Alan Hopper
Member of the Board

Statement of cash flows

All amounts in NOK thousands	Notes	31 December 2020	2019
Cash flows from operating activities			
Profit before tax		-64 801	-2 636
Cash generated from operations		-64 801	-2 636
Income tax paid		-	-
Management fee		2 000	2 000
Amortization		62 545	-
Gain on debt extinguishment		-	-
Net Cash generated from operating activities		-256	-636
Cash flows from investing activities			
Investments in subsidiaries		-	-
Net cash used in investing activities		-	-
Cash flow from financing activities			
Proceeds from borrowings		256	636
Share issue		-	-
Net cash used in financing activities		256	636
Net (decrease) / increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of year		-	-
Exchange gains / (losses) on cash and cash equivalents		-	-
Cash and cash equivalents at the end of year		-	-
Non cash transactions			
Deferred payment investments in Buildings and Equipment		-	-

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.

Debtors

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).

Deferred tax is reflected 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	Head office	Ownership	Equity	2020 Earnings	Carrying value
Subsidiaries					
SSCP SPV 2 AS	Tananger	100 %	-99	-62 597	-

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

List of all shareholders at 31.12:	Shares	Face value	Ownership
SSCP SAR Parent SARL	27 750 000	0,01	100,00 %
Total number of shares	27 750 000		100,00 %

In relation to the refinancing agreement in June 2018, SSCP SPV1 AS issued new shares. Total shares as at December 31 2020 is 9 250 000 class A shares. 9 250 000 class B shares and 9 250 000 class C shares. 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 was assessed to be NOK 28,7m.

4 Change in equity

All amounts in NOK thousands	Share capital	Share premium	Other paid in equity	Uncovered loss	Total equity
Balance as at 31 December 2019	278	372 845	28 745	-347 615	54 252
Profit for the year				-64 801	-64 801
Conversion of debt to equity					-
Issue of warrents					-
Balance as at 31 December 2019	278	372 845	28 745	-412 416	-10 549

5 Income taxes

Components of the income tax expense	2020	2019
Tax payable	-	-
Adjustment in respect of prior year	-	-
Change in deferred tax	-	-
Tax cost (income)	-	-

Basis for income tax expense, changes in deferred tax and tax payable	2020	2019
Pre tax profit	-64 801	-2 636
Permanent differences	62 545	-
Interest limitation	-	-
Write down investments		
Basis for loss carry forward not recorded in balance sheet	2 256	2 636
Taxable result	-	-
Utilized loss carry forward	-	-
Basis for payable taxes in the income statement	-	-
22% calculated tax payable	-	-
Changes prior year tax recorded in current year	-	-
Tax payable in balance	-	-

Calculation of deferred tax/deferred tax benefit	Change	2020	2019
Temporary differences			
Receivables	-	-	-
Loss carry forward	-2 257	-10 549	-8 292
Net temporary differences	-2 257	-10 549	-8 292
Off balance sheet deferred tax asset	2 257	10 549	8 292
Net basis for deferred tax	-	-	-
Deferred tax cost / (income)	-2 321	-2 321	-1 824
Not recognized in the balance sheet	2 321	2 321	1 824
Deffered tax cost / (income) in the balance sheet	0	0	0
Applied tax rate		22 %	22 %

5 Long term payables to related parties

Payables	2020	2019
Other group payable	10 549	8 292
Total	10 549	8 292

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	08.09.2017	12.09.2017
Telefon	Deres referanse	Vår referanse
977 59 464	Njål Nummedal	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 forretningsspråk. Styreformann Bolaji Adekunle Odunsi som representerer Stirling Partners er britisk og har engelsk som sitt hovedspråk, og kan ikke noe norsk.*

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0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
E-post:
skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

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

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer