



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Eskil Hollen
Dato for fastsettelse av årsregnskapet: 05.10.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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

Brønnøysundregistrene, 16.09.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Sales revenue		154 220 298	154 216 653
Other revenue			410 000
Sum inntekter		154 220 298	154 626 653
Kostnader			
Cost of goods sold		81 703 183	99 006 906
Payroll expenses		47 387 097	39 944 964
Depreciation		2 885 469	3 399 600
Depreciation on disposal Goodwill		295 588	
Other operating expenses		21 096 848	19 745 600
Sum kostnader		153 368 185	162 097 070
Driftsresultat		852 113	-7 470 417
Finansinntekter og finanskostnader			
Annen renteinntekt		33 029	51 847
Other financial income		551 876	667 738
Sum finansinntekter		584 905	719 585
Annen rentekostnad		1 708 583	1 398 837
Other financial expense		1 066 931	1 547 929
Sum finanskostnader		2 775 514	2 946 766
Netto finans		-2 190 609	-2 227 181
Ordinært resultat før skattekostnad		-1 338 496	-9 697 598
Ordinært resultat etter skattekostnad		-1 338 496	-9 697 598
Årsresultat		-1 338 496	-9 697 598
Overføringer og disponeringer			
To uncovered loss		-1 338 496	-9 697 598
Sum overføringer og disponeringer		-1 338 496	-9 697 598



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill			295 588
Sum immaterielle eiendeler			295 588
Varige driftsmidler			
Fixtures and fittings, tools, office machinery etc		8 908 652	8 703 082
Sum varige driftsmidler		8 908 652	8 703 082
Finansielle anleggsmidler			
Other receivables		139 972	187 159
Sum finansielle anleggsmidler		139 972	187 159
Sum anleggsmidler		9 048 624	9 185 829
Omløpsmidler			
Varer			
Inventory		8 230 929	11 872 569
Sum varer		8 230 929	11 872 569
Fordringer			
Accounts receivables		46 542 777	52 175 141
Other receivables		1 909 271	1 013 614
Sum fordringer		48 452 048	53 188 755
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		10 693 185	31 126 491
Sum bankinnskudd, kontanter og lignende		10 693 185	31 126 491
Sum omløpsmidler		67 376 162	96 187 815
SUM EIENDELER		76 424 786	105 373 644

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Share capital		64 296 000	64 296 000
Overkurs		366	366
Annen innskutt egenkapital		14 281 105	14 281 105
Sum innskutt egenkapital		78 577 471	78 577 471
Opptjent egenkapital			
Uncovered loss		-86 489 503	-85 151 008
Sum opptjent egenkapital		-86 489 503	-85 151 008
Sum egenkapital		-7 912 032	-6 573 537
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other long term liabilities		32 127 002	19 563 768
Sum annen langsiktig gjeld		32 127 002	19 563 768
Sum langsiktig gjeld		32 127 002	19 563 768
Kortsiktig gjeld			
Cash credit			27 978 469
Leverandørgjeld		7 325 540	12 868 199
Public duties payable		3 041 329	4 820 781
Other short term liabilities		41 842 947	46 715 965
Sum kortsiktig gjeld		52 209 816	92 383 414
Sum gjeld		84 336 818	111 947 182
SUM EGENKAPITAL OG GJELD		76 424 786	105 373 645



Financial Statements
Survitec Norway AS
2019



Survitec Norway AS

**Income statement for the period
1 January to 31 December**

	Notes	2019	2018
Operating revenue			
Sales revenue	11	154 220 298	154 216 653
Other revenue		0	410 000
<i>Total revenues</i>		154 220 298	154 626 653
Operating expenses			
Cost of goods sold		81 703 183	99 006 906
Payroll expenses	8	47 387 097	39 944 964
Depreciation	4	2 885 469	3 399 600
Depreciation on disposal Goodwill		295 588	0
Other operating expenses	8,14	21 096 848	19 745 600
<i>Total operating expenses</i>		153 368 184	162 097 069
Operating result		852 114	(7 470 416)
Financial income and expense			
Interest income		33 029	51 847
Other financial income		551 876	667 738
Interest expense	9	1 708 583	1 398 837
Other financial expense		1 066 931	1 547 929
<i>Net financial items</i>		(2 190 609)	(2 227 180)
Ordinary result before taxes		(1 338 495)	(9 697 596)
Tax on ordinary result	12	0	0
Net profit or loss for the year		(1 338 495)	(9 697 596)
Allocations			
To uncovered loss		(1 338 495)	(9 697 596)



Survitec Norway AS

Balance sheet as of 31 December

Assets

	Notes	2019	2018
Non-current assets			
Intangible fixed assets			
Goodwill	4	0	295 588
<i>Total intangible assets</i>		0	295 588
Tangible fixed assets			
Fixtures and fittings, tools, office machinery etc	4,9	8 908 652	8 703 082
<i>Total tangible fixed assets</i>		8 908 652	8 703 082
Financial fixed assets			
Other receivables	7	139 972	187 159
<i>Total fixed financial assets</i>		139 972	187 159
Total non-current assets		9 048 624	9 185 829
Currents assets			
Inventory	5,9	8 230 929	11 872 569
Receivables			
Accounts receivables	1,7,10,13	46 542 777	52 175 141
Other receivables	7	1 909 271	1 013 614
<i>Total receivables</i>		48 452 048	53 188 755
Cash and bank deposits	6	10 693 185	31 126 491
Total current assets		67 376 162	96 187 815
Total assets		76 424 786	105 373 645



Årsregnskap 2019

Balance sheet as of 31 December

Equity and liabilities

	Notes	2019	2018
Equity			
Restricted equity			
Share capital	2,3	64 296 000	64 296 000
Share premium	2	366	366
Other paid-in capital	2	14 281 105	14 281 105
Total restricted equity		78 577 471	78 577 471
Retained earnings			
Uncovered loss	2	(86 489 503)	(85 151 008)
Total equity		(7 912 032)	(6 573 537)
Liabilities			
Long term liabilities			
Other long term liabilities	9,10	32 127 002	19 563 768
Total long term liabilities		32 127 002	19 563 768
Current liabilities			
Cash credit		0	27 978 469
Account payables	10	7 325 540	12 868 199
Public duties payable		3 041 329	4 820 781
Other short term liabilities	13	41 842 947	46 715 965
Total current liabilities		52 209 816	92 383 414
Total liabilities		84 336 818	111 947 182
Total equity and liabilities		76 424 786	105 373 645

Birkenhead/Alesund

Dag Rune Rensmoen
Chairman of the Board
05/10/2020Suketu Kishor Devani
Board memberJan Eskil Hollen
CEO/Board member



Survitec Norway AS

Cash flow analysis

	2019	2018
Cash from operating activities		
Ordinary profit (loss) before tax	(1 338 495)	(9 697 596)
Proceeds from disposal of tangible fixed assets	19 722	(105 858)
Depreciation	4	3 399 600
Changes in inventory	5	3 641 641
Changes in account receivables	1,7,10,13	5 632 364
Changes in account payables	10	(16 857 728)
Changes in other accrual accounts	7,13	(5 542 658)
<i>Net cash from operating activities</i>	(1 954 497)	18 453 035
Cash from investment activities		
Proceeds from disposal of tangible fixed assets	0	410 000
Investments in tangible fixed assets	4	(3 110 761)
Additions to tangible fixed assets not affecting cash-flow	4	(2 907 740)
Payment from loans (current/non-current)	7,9	0
<i>Net cash from investments activities</i>	(3 063 574)	(152 030)
Cash from financing activities		
Net payment of cash credit	(27 978 469)	44 498
Payments from loans to group companies	9,1	47 187
<i>Net cash from financing activities</i>	(15 415 235)	(2 605 272)
<i>Net change cash and cash equivalents during the period</i>	(20 433 306)	(2 190 205)
<i>Cash and cash equivalents at the start of the period</i>	31 126 491	(3 997 080)
<i>Cash and cash equivalents from the merger</i>	0	35 123 571
Cash and cash equivalents at the end of the period	10 693 185	31 126 491



Survitec Norway AS

Notes to the accounts

31 December 2019

1. Accounting principles

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

Revenues and expenses

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

General valuation principles for balance sheet items

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

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

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

Foreign currency

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

Inventories

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

Construction contracts

Work in progress related to long term contracts with fixed fee is recognized using the "percentage of completion method". Revenues are recognized after the main deliverance has been made to the customer. At that stage all remaining costs are also allocated. The total costs are considered on a running basis. When a contract is expected to generate a loss, the loss is immediately booked as an expense.



Survitec Norway AS

Notes to the accounts

31 December 2019

Receivables

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

Warranties, service and claims

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

Pension

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

Taxes

Taxes disclosed in the financial statement include tax payable and changes to deferred tax. Deferred tax is calculated on the basis of timing differences between tax accounting and generally accepted accounting principles basis for the financial statement, including tax loss carried forward. Deferred tax is calculated at 22 % (2018: 22 %) of temporary differences and the tax effect of tax losses carried forward. Tax increasing and tax reducing timing differences that are reversed or may be reversed during the same period are assessed and net recorded. Deferred tax asset has not been capitalized as it does not meet the criteria according to the generally accepted accounting principles.

Cash flow statement

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



Survitec Norway AS

Notes to the accounts

31 December 2019

2. Equity

	Share capital	Share premium	Other equity	Uncovered loss	Total
Pr. 01.01	64 296 000	366	14 281 105	(85 151 008)	(6 573 537)
This years result	0	0	0	(1 338 495)	(1 338 495)
Egenkapital 31.12.	64 296 000	366	14 281 105	(86 489 503)	(7 912 032)

3. Share capital

The share capital consists of:

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

Survitec Group Norway AS owns 100% of the shares.

4. Fixed assets

	Buildings and land	Machinery and equipment	Operating equipment	Total
Acquisition cost 01.01	203 991	5 790 016	36 793 931	42 787 938
+ Additions	0	0	3 110 761	3 110 761
- Disposals	0	0	(1 644 264)	(1 644 264)
= Acquisition cost 31.12.	203 991	5 790 016	38 260 428	44 254 435
Accumulated depreciation 01.01.	182 820	5 790 016	28 112 020	34 084 856
Additions to accumulated depreciation	0	0	0	0
Accumulated depreciation on disposals	0	0	(1 624 541)	(1 624 541)
This years depreciation	10 163	0	2 875 306	2 885 469
Accumulated depreciation 31.12	192 983	5 790 016	29 362 785	35 345 784
= Net value 31.12	11 008	0	8 897 643	8 908 652
Amortisation plan	0	0	0	
Useful economic life	0-7 years	5-7 years	3-20 years	



Survitec Norway AS

Notes to the accounts

31 December 2019

5. Inventory

	2019	2018
Work in progress	5 110	172 305
Finished goods	8 225 819	11 700 265
Sum	8 230 929	11 872 569

Provision for obsolete inventory is estimated at NOK 4 529 618.

6. Bank deposits

	2019	2018
Restricted bank deposits	1 675 740	1 627 622

7. Receivables

Receivables due within one year	2019	2018
Accounts receivables	46 542 777	52 245 020
Provision for bad debt	0	(69 879)
Other receivables	1 909 271	1 013 614
Sum	48 452 048	53 188 755

Receivables due later than one year	2019	2018
Loans to employees	125 798	124 294
Prepaid leasing vehicles	14 174	62 865
Sum	139 972	187 159

8. Employee benefits

Payroll expenses	2019	2018
Salaries	38 909 843	31 932 859
Payroll tax	4 991 437	4 631 055
Pension costs	1 996 116	2 075 884
Other benefits	1 489 701	1 305 166
Sum	47 387 097	39 944 964

Average full-time employees	54	59
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Remuneration to management and board members	CEO	The Board
Salaries	1 471 788	0
Pension	28 636	0
Other benefits	248 642	0
Sum	1 749 066	0



Survitec Norway AS

Notes to the accounts

31 December 2019

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

Pension obligations

The company has pensions schemes that cover in total 58 employees, i.e all employees are included in a pension scheme according to the Norwegian Mandatory Occupational Pension Act. The pension schemes gives rights to defined future benefits which are dependent on contribution time, level of wage at the retirement age and the level of benefits from the National Insurance Fund. The pension obligations are covered through an insurance firm. The company is required to have an occupation scheme in accordance with the Norwegian Mandatory Occupational Pension Act.

Auditor

Remuneration to the auditor is NOK 296 007 for statutory audit, NOK 2 600 for tax advisory and NOK 115 640 for other services. VAT is not included.

9. Liabilities

	2019	2018
Debt due more than five years after 31.12.	32 127 002	19 563 768
Loan from Survitec Group Norway AS (parent company)		
	Average	Amount
Currency	interest rate	Amount
NOK	6,05 %	in NOK
	in currency	
Total other long-term debt	32 127 002	32 127 002

The loan is exempt for repayment according to the loan agreement. Interests are due quarterly. Repayment has historically been through loan conversion.

Booked value of assets pledged as security for debt	2019	2018
Fixed assets	8 908 652	8 703 082
Inventory	8 230 929	11 872 569

10. Intercompany balances

Receivables	2019	2018
Accounts receivables	3 422 699	1 712 882
Payables		
Other long-term debt	32 127 002	19 563 768
Account payables	5 564 768	10 009 429
Sum	37 691 770	29 573 197



Survitec Norway AS

Notes to the accounts

31 December 2019

11. Revenues

Revenue by geographical area	2019	2018
Norway	123 837 315	132 625 854
Other parts	30 382 984	21 590 799
Total	154 220 298	154 216 653

Revenue by business area	2019	2018
Commercial Marine	135 206 672	126 771 946
Leisure Marine	0	66 731
Defence & Government	554 458	0
Oil & Gas	18 459 168	27 377 976
Total	154 220 298	154 216 653

12. Tax

Tax base calculation	2019	2018
Net result before tax	(1 338 495)	(9 697 596)
Permanent differences	24 433	19 384
Changes in timing differences	(4 770 630)	3 664 975
Changes in loss carried forward	6 084 693	6 013 237
Tax base	0	0

Temporary differences	Change	2019	2018
Fixed assets	(378 225)	(2 304 869)	(1 926 644)
Inventory	5 153 856	(4 529 618)	(9 683 474)
Receivables	69 879	0	(69 879)
Other provisions	(74 880)	(2 887 952)	(2 813 072)
Total temporary differences	4 770 630	(9 722 439)	(14 493 069)

Loss carried forward	(6 084 692)	(75 912 332)	(69 827 640)
Basis for calculation of deferred tax		(85 634 771)	(84 320 709)

Deferred tax asset, 22 % (22% for 2018) (18 839 650) (18 550 556)

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



Survitec Norway AS

Notes to the accounts

31 December 2019

13. Account receivables and contracts

Accounts receivables	2019	2018
Account receivables	21 263 399	22 215 554
Net provision for impairment	0	(69 879)
Unbilled revenue	25 279 378	30 029 465
Sum	46 542 777	52 175 140

For construction contracts, the percentage of completion method is used. For more information see note 1.
If received amounts from customers on each contract exceeds the net value of the contracts as of 31.12, the exceeding amount is classified as prepayments under other current liabilities.

Other current liabilities	2019	2018
Construction contracts - amounts due to customers	9 748 470	19 448 907

	2019	2018
Contract revenue	22 847 634	20 777 450
Contract cost	15 240 810	16 673 606
Booked gross margin	7 606 824	4 103 844
Estimated gross margin on ongoing projects	5 673 625	3 304 523

There are no contracts where loss is expected.
The stage of completion is based on an individual assessment of the progress on each project.

14. Leasing and rent commitments

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

	2019
Annual rent for premises	6 072 417
Annual rent for machinery and equipment	282 947
Annual rent for office machines and systems	334 869
Rent of vehicles	589 197
Other rental costs	78 199
SUM	7 357 629

The length of the agreements are variabel.



Survitec Norway AS

Notes to the accounts

31 December 2019

15. Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate based on the considerations set out below.

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (The Group and the Company have a net liability position as at 31 December 2019 (31 December 2018: net liability position).

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (together with its subsidiaries, the "Survitec Group"). As at 31 December 2018, the Company had net liabilities of MNOK 7,9 and is reliant upon the support of Survitec Group to meet its current liabilities as they fall due. The assets of the Company and the shares that the parent company owns in the Company, are pledged as collateral under Survitec Group's external bank loan and overdraft facilities ("the facilities"). This collateral would be at risk in the event that a member of the Survitec Group defaults on obligations contained in the facilities agreement.

As of 28 August 2020, the Group has successfully completed all aspects of its negotiated restructuring, the terms of which were agreed with all of the lenders under the Facilities (the "Lenders") on 6 December 2019 (the "Restructuring"). In accordance with the terms of the Restructuring, the Facilities were amended and restated and a committed new money facility amounting to £35,000,000 (the "New Money Facility") was made available to the Survitec Group by the Lenders, completing the first phase of the implementation of the Restructuring. This provides the Group with sufficient liquidity to meet its financial obligations over the next twelve months and, in particular, is being used to fund the business plan prepared by the Survitec Group's management team. A further £40,000,000 was made available on completion of the Restructuring and is available, if required, until March 2021.

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

The COVID-19 epidemic had been an evolving situation since late 2019 and has developed rapidly during 2020 resulting in the pandemic. At 31 December 2019, the COVID-19 epidemic, is considered a non-adjusting event as it was still in relative infancy. Furthermore, given the information available at 31 December 2019, management determine that COVID-19 would not have had a material effect on the measurement of assets and liabilities at that date.

The resulting impact of the virus globally, and measures taken by various governments to contain the virus, have had a mixed impact on the group's operations during 2020. Although certain industries in which the group operates, specifically the cruise ship sector which has seen a decline in activity, other opportunities have been realised across the group's diverse range of capabilities. Furthermore, we worked closely with our customers to manage the affects of the downturn in their respective markets and assist in a recovery.

Due to the global reach of the group, we were given early insight into how governments around the world were responding to the pandemic and were able to work collaboratively with our customers in Q1 2020 to reforecast revenue and plan spending accordingly. Through the revision and rephrasing of spending plans and additional cost savings the group has been able to mitigate any material adverse impact on its operations and thus achieving these revised forecasts year to date for 2020. Additionally, whilst not material, to increase liquidity, the group availed of COVID-19 government backed schemes where available in the regions. These proactive measures along with strong credit control has led to cash headroom increasing significantly throughout the year. Although the future impact of COVID-19 globally is uncertain, management has determined that the actions that it has taken are sufficient to mitigate the impact throughout 2020 and beyond.

Management has produced forecasts that have also been sensitised to reflect severe but plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the directors. Forecasted revenue would need to decrease by 15% and savings not achieved leading to forecast costs increasing by 15% over the forecasted period, before the Group would reach its minimum cash holding of £17,500,000 required by our facility agreement. Through both treasury and financial quarterly forecasting there is continuous focus on our cash and profitability position, mitigations would be implemented immediately to manage to maintain our minimum cash requirements.



Survitec Norway AS

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31 December 2019

The forecasts demonstrate the Group is forecast to generate profits and cash in the year ending 31 December 2020 and beyond and that the Group and as a result, the Company, has sufficient cash reserves to enable the Group and Company to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Having given consideration to the matters outlined above, the Directors confirm that they have a reasonable expectation that the Survitec Group and the Company have sufficient liquidity to continue as a going-concern, and to successfully implement the business plan prepared by the management team, over the next twelve months.



To the General Meeting of Survitec Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Survitec Norway AS, which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Matters

The company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

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.

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



Independent Auditor's Report - Survitec Norway AS

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 fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly

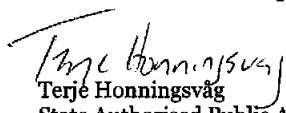
(2)



Independent Auditor's Report - Survitec Norway AS

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.

Ålesund, 7 October 2020
PricewaterhouseCoopers AS


Terje Honningsvåg
State Authorised Public Accountant

(3)



Survitec Norway AS

Org. No. 984 754 892

Annual report 2019

The nature of the business

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

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

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

Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate based on the considerations set out below.

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (The Group and the Company have a net liability position as at 31 December 2019 (31 December 2018: net liability position).

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (together with its subsidiaries, the "Survitec Group"). As at 31 December 2019, the Company had net liabilities of MNOK 7,9 and is reliant upon the support of Survitec Group to meet its current liabilities as they fall due. The assets of the Company and the shares that the parent company owns in the Company, are pledged as collateral under Survitec Group's external bank loan and overdraft facilities ("the facilities"). This collateral would be at risk in the event that a member of the Survitec Group defaults on obligations contained in the facilities agreement.

As of 28 August 2020, the Group has successfully completed all aspects of its negotiated restructuring, the terms of which were agreed with all of the lenders under the Facilities (the "Lenders") on 6 December 2019 (the "Restructuring"). In accordance with the terms of the Restructuring, the Facilities were amended and restated and a committed new money facility amounting to £35,000,000 (the "New Money Facility") was made available to the Survitec Group by the Lenders, completing the first phase of the implementation of the Restructuring. This provides the Group with sufficient liquidity to meet its financial obligations over the next twelve months and, in particular, is being used to fund the business plan prepared by the Survitec Group's management team. A further £40,000,000 was made available on completion of the Restructuring and is available, if required, until March 2021.

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

The COVID-19 epidemic had been an evolving situation since late 2019 and has developed rapidly during 2020 resulting in the pandemic. At 31 December 2019, the COVID-19 epidemic, is considered a non-adjusting event as it was still in relative infancy. Furthermore, given the information available at 31 December 2019, management determine that COVID-19 would not have had a material effect on the measurement of assets and liabilities at that date.



The resulting impact of the virus globally, and measures taken by various governments to contain the virus, have had a mixed impact on the group's operations during 2020. Although certain industries in which the group operates, specifically the cruise ship sector which has seen a decline in activity, other opportunities have been realised across the group's diverse range of capabilities. Furthermore, we worked closely with our customers to manage the affects of the downturn in their respective markets and assist in a recovery.

Due to the global reach of the group, we were given early insight into how governments around the world were responding to the pandemic and were able to work collaboratively with our customers in Q1 2020 to reforecast revenue and plan spending accordingly. Through the revision and rephasing of spending plans and additional cost savings the group has been able to mitigate any material adverse impact on its operations and thus achieving these revised forecasts year to date for 2020. Additionally, whilst not material, to increase liquidity, the group availed of COVID-19 government backed schemes where available in the regions. These proactive measures along with strong credit control has led to cash headroom increasing significantly throughout the year. Although the future impact of COVID-19 globally is uncertain, management has determined that the actions that it has taken are sufficient to mitigate the impact throughout 2020 and beyond.

Management has produced forecasts that have also been sensitised to reflect severe but plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the directors. Forecasted revenue would need to decrease by 15% and savings not achieved leading to forecast costs increasing by 15% over the forecasted period, before the Group would reach its minimum cash holding of £17,500,000 required by our facility agreement. Through both treasury and financial quarterly forecasting there is continuous focus on our cash and profitability position, mitigations would be implemented immediately to manage to maintain our minimum cash requirements.

The forecasts demonstrate the Group is forecast to generate profits and cash in the year ending 31 December 2020 and beyond and that the Group and as a result, the Company, has sufficient cash reserves to enable the Group and Company to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Having given consideration to the matters outlined above, the Directors confirm that they have a reasonable expectation that the Survitec Group and the Company have sufficient liquidity to continue as a going-concern, and to successfully implement the business plan prepared by the management team, over the next twelve months.



Annual report 2019

Future development

The company has previously made good progress in the sale of marine evacuation systems, these will now have a need for service in the years to come. Cooperation with other companies in the Survitec Group means that the competition in markets outside Norway is further strengthened and can further develop this activity. However, it will be key to move into other segments in the local market as the ferry building program in Norway moves in cycles, this will mean a drop in revenue in 2020 compared to 2019.

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

Overall of goals and strategy

Throughout 2019, the company has carried out several change processes with the purpose of adapting the business to other activities in the Survitec Group. These are change processes that are planned to continue through 2020.

In brief, the company's business focuses on regional markets in Scandinavia. The changes entail the flow of service activities and related activities from other Survitec companies, while activity within production and global sales is simultaneously transferred to other Survitec companies. This will bring Survitec Norway into position as the preferred supplier of security and service solutions in Scandinavia.

Statement of the annual accounts

The annual financial statements for 2019 comprise the period from 1 January to 31 December 2019 ("calendar year").

The company's turnover is NOK 154.2 million for 2019, compared with 154,6 NOK million in 2018 and 116.1 million for 2017. There is a positive trend in turnover, despite a demanding market, as well as major restructuring within the company. In the Board's view, there is no significant uncertainty related to the company's results and position.

The annual result for 2019 is minus NOK 1,3 million compared with a negative NOK 9,7 million for the previous year. The Operating result were a positive NOK 0,85 million compared to a negative NOK 7,5 million in 2018. The trend has also improved in 2020, despite a shortfall in turnover.



The board considers the result of the year to not be satisfactory, however new management has shown a positive trend and there will still be taken further measures to improve the profitability of the company. The Board of Directors is expected to see further improvements of the results next year, and the years ahead will be positive.

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

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

Annual report 2019

Short-term debt at the balance sheet date amounted to NOK. 52,2 million vs. 92,3 million pr. 31.12.2018. The decrease is due to partially converting to long term debt from NOK. 19,6 million to NOK. 32,2 million but also improving the company's working capital by reducing from NOK 96,2 million to NOK 48,2 million

The company's equity is negative by minus NOK. 7,9 million compared with negative equity of NOK. 6.6 million pr. 31.12.2018. The equity ratio for the accounts presented is negative by minus 10.2%, compared with a negative 6.2% pr. 31.12.2018. The total capital at the end of the year is NOK. 76,4 million, compared with NOK. 105,4 mill. 31.12.2018.

Total cash flow from operational activities is negative with NOK. 1,9 million, compared with positive NOK. 0.8 million the year before. Net cash flow was negative by minus NOK 20,0 million for 2018, compared with a negative NOK 4,0 million the year before.

Financial risk

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

Market risk

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

A large part of the business is aimed at evacuation systems for domestic passenger vessels. For a long time, the company has had a solid market share in this segment, which provides good predictability for sales in the service departments. Throughout 2019, a large increase has been seen in contracting new buildings to Norwegian ferry routes. Therefore, there has been a prioritized investment in the sale of evacuation system for new buildings in order to secure market share.



Credit risk

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

Annual report 2019

Liquidity risk

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

Working environment and staff

Sickness absence for the past year has been a total of 901 days, which amounts to approximately 7.2% of total working hours in the period. Correspondingly for the year before, there were a total of 691 days, which represented 5.4% of total working hours. Long-term sickness absence for individual employees has contributed to the increase. No serious accidents or accidents have occurred or been reported during the year. However, there has been a work-related injury that has led to sickness absence.

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

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

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

Equality

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

Of the company's 59 employees, 12 are women. The company leader is a man. The fact that the majority of employees are men must be seen in the context of historical development as a maritime industry company.



Discrimination

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

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

Annual report 2019

environmental reporting

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

Birkenhead / Antwerp / Ålesund, date

Dag Rune Rensmoen
Chairman of the Board

Suketu Kishor Devani
Styremedlem

Jan Eskil Hollen
Styremedlem / Daglig leder





Skatteetaten

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

SURVITEC NORWAY AS
Postboks 1530
6025 ÅLESUND

Att. Monica Ulstein, Grant Thornton Økonomiservice AS

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

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

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

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

Bakgrunn

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

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig



prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har kun en eier og er i et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.