



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 916 068 530
Organisasjonsform: Aksjeselskap
Foretaksnavn: SURVITEC SAFETY SOLUTIONS NORWAY AS
Forretningsadresse: Gangstøvikvegen 66
6009 ÅLESUND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Eskil Hollen
Dato for fastsettelse av årsregnskapet: 30.06.2021

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, 18.08.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3, 12	323 093 000	422 494 000
Sum inntekter		323 093 000	422 494 000
Kostnader			
Varekostnad	12	160 417 000	214 461 000
Lønnskostnad	2	43 995 000	41 344 000
Avskrivning	7, 8	113 096 000	66 448 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7		585 000
Net impairment losses on financial and contract assets	11, 13	36 721 000	12 567 000
Annen driftskostnad	2, 4	109 176 000	129 114 000
Net foreign exchange gains/losses		-6 679 000	-22 535 000
Sum kostnader		456 726 000	441 983 000
Driftsresultat		-133 633 000	-19 490 000
Finansinntekter og finanskostnader			
Currency gain/(loss)	5	-10 660 000	280 000
Sum finansinntekter		-10 660 000	280 000
Net impairment losses on loans	11, 13		
Other financial items	5	34 030 000	33 946 000
Sum finanskostnader		34 030 000	33 946 000
Netto finans		-44 690 000	-33 666 000
Ordinært resultat før skattekostnad		-178 322 000	-53 156 000
Skattekostnad på ordinært resultat	6	348 000	768 000
Ordinært resultat etter skattekostnad		-178 671 000	-53 924 000
Årsresultat		-178 671 000	-53 924 000
Årsresultat etter minoritetsinteresser		-178 671 000	-53 924 000
Totalresultat		-178 671 000	-53 924 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Overføringer og disponeringer			
Avsatt til annen egenkapital		-178 671 000	-53 924 000
Sum overføringer og disponeringer		-178 671 000	-53 924 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning, utvikling, konsesjoner, goodwill o.l.		188 000	265 000
Sum immaterielle eiendeler	8	188 000	265 000
Varige driftsmidler			
Maskiner og anlegg	7	286 089 000	403 187 000
Sum varige driftsmidler		286 089 000	403 187 000
Finansielle anleggsmidler			
Lån til foretak i samme konsern	11, 13		
Sum anleggsmidler		286 277 000	403 452 000
Omløpsmidler			
Varer			
Sum varer	9	9 196 000	19 069 000
Fordringer			
Kundefordringer	11, 13, 15	111 094 000	141 641 000
Andre kortsiktige fordringer	11	15 176 000	14 011 000
Konsernfordringer	11, 13, 11, 13, 16	392 760 000	850 409 000
Sum fordringer		519 030 000	1 006 061 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	11	31 515 000	69 972 000
Sum bankinnskudd, kontanter og lignende		31 515 000	69 972 000
Sum omløpsmidler		559 741 000	1 095 103 000
SUM EIENDELER		846 018 000	1 498 554 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital (0 aksjer á kr 0)	10	1 000 000	1 000 000
Overkurs	10	40 966 000	40 966 000
Annen innskutt egenkapital	10	81 923 000	81 923 000
Sum innskutt egenkapital		123 889 000	123 889 000
Opptjent egenkapital			
Annen egenkapital	10	-301 407 000	-122 736 000
Sum opptjent egenkapital		-301 407 000	-122 736 000
Sum egenkapital		-177 517 000	1 153 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	2	3 091 000	2 492 000
Sum avsetninger for forpliktelser		3 091 000	2 492 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	11	5 956 000	6 590 000
Sum annen langsiktig gjeld		5 956 000	6 590 000
Sum langsiktig gjeld		9 047 000	9 081 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	11	314 000	235 000
Leverandørgjeld	11, 11, 13	441 350 000	840 147 000
Skyldige offentlige avgifter	11	1 159 000	1 375 000
Kortsiktig konserngjeld	11, 13, 14	442 394 000	514 798 000
Annen kortsiktig gjeld	11	129 272 000	131 764 000
Sum kortsiktig gjeld		1 014 488 000	1 488 320 000
Sum gjeld		1 023 535 000	1 497 401 000



Balanse

Beløp i: NOK	Note	2020	2019
SUM EGENKAPITAL OG GJELD		846 018 000	1 498 554 000



Skatteetaten

Vår dato 16.04.2020	Din/Deres dato 25.03.2020	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse AR366275474	Telefon 32212244
Org.nr 974761076	Vår referanse 2020/5301361	Postadresse Postboks 9200 Grønland 0134 OSLO

SURVITEC SAFETY SOLUTIONS NORWAY AS
Kingsway, Dunmurry Belfast BT17 9AF
Belfast
STORBRITANNIA
Att. Monica Ulstein, Grant Thornton Økonomiservice AS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Survitec Safety Solutions Norway AS, org.nr. 916 068 530

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 Safety Solutions 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 Safety Solutions 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 Safety Solutions Norway AS er eid av et norsk selskap og inngår i et internasjonalt konsern. Selskapets virksomhet består av å yte service innenfor skipsfart, samt hva som naturlig står i forbindelse med dette, samt å forvalte eller ved aksjetegning eller på annen måte å delta i slik virksomhet gjennom andre selskaper. 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.



Survitec Safety Solutions Norway AS – Vedlegg til skattemelding 2020

1. RF 1217 Endring midlertidig forskjell driftsmidler

a) Selskapet har en utenlandsk filial med funksjonell valuta som avviker fra NOK. Ved innregning og omregning av balansepostene til balansedagens kurs oppstår det en differanse. Dette innebærer at endringen i midlertidig forskjeller ikke utelukkende kan forklares gjennom forskjeller mellom skattemessig- og regnskapsmessig behandling av avskrivninger/gevinst/tap.

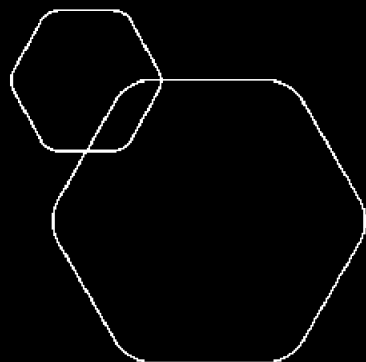
b) Utestående fordringer; endring midlertidig forskjell utestående fordringer skyldes regnskapsmessig avsetning for tap på konserninterne fordringer/lån. Avsetningen er håndtert som en midlertidig forskjell da tapene ikke er realisert. Det er ikke vurdert hvorvidt et eventuelt realisert tap vil være skattemessig fradragsberettiget eller ei.

2. Formuesskjema i RF 1028

Survitec Safety Solution Norway AS ultimate eiere er Onex Corporation (~80%) og Wilh. Wilhelmsen Holding ASA (~20%). Onex Corporation er børsnotert på Toronto Stock Exchange. Wilh. Wilhelmsen Holding ASA er børsnotert på Oslo Børs. Som følge av eierforholdene er ikke formuesskjemaet på side 4 i RF 1028 utarbeidet.

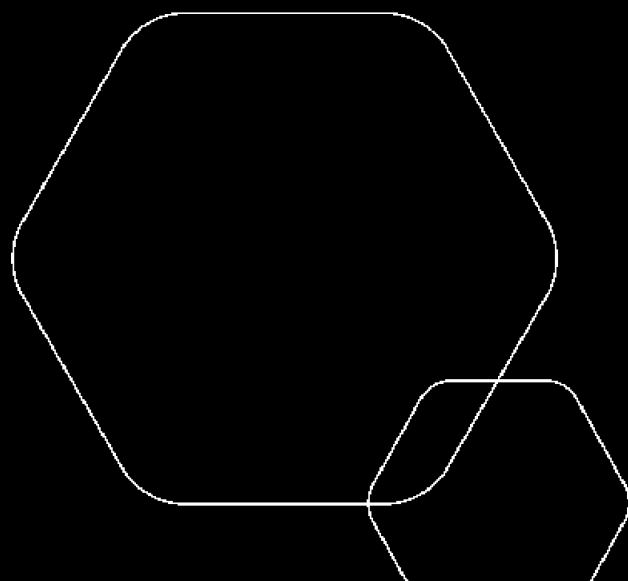
3. Immaterielt driftsmiddel IFS8

Selskapets IT plattform IFS8 avskrives regnskapsmessig over 2 år. Skattemessig avskrives eiendelen over antatt levetid, lagt til grunn som 8 år.



Annual report 2020
Survitec Safety Solutions Norway AS

Directors' report
Income statement
Balance sheet
Cash flow statement
Notes



Org.nr.: 916 068 530



Directors' report 2020 | Survitec Safety Solutions Norway AS

The company's activities

Survitec Safety Solutions Norway AS sells and services equipment in the marine market. The company has four main activities: sales of safety products, multi-brand service on safety systems, global life raft exchange service offer and corporate fees. The company is represented in the United Arab Emirates with a Branch office. The branch consists of a service station in Fujairah and the delivery of safety products through a warehousing provider. It also owns the inventory/stock in the international consolidation centre in Netherlands. The company additionally delivers safety service, performs life raft exchanges and sells safety products in the following locations Angola, Argentina, Bahrain, Bulgaria, Croatia, Denmark, Egypt, Estonia, Finland, France, Gibraltar, Greece, India, Latvia, Lithuania, Malta, Mexico, New Zealand, Philippines, Qatar, Saudi Arabia, Sweden, Taiwan and Trinidad and Tobago where 3rd parties provide safety service and life raft exchange.

The company has its business office at Gangstovikveien 66, 6009 Aalesund and visiting address Drammensveien 123, Oslo, Norway.

Financial summary

SSSN AS operating revenue in 2020 was TNOK 323,093 (2019: TNOK 422,494). The operating loss in 2020 was TNOK 133,633 (2019: Operating loss TNOK 19,490).

By the end of the year, SSSN AS had a total negative equity of TNOK 177,517 (2019: positive TNOK 1,153).

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 Group Norway AS who is in turn wholly owned by Survitec Group Limited. The largest and smallest Group in which the results of the Company are consolidated is Survitec Acquisition Company Limited (together with its subsidiaries, the "Group" or "Survitec Group"). The Group has a net liability position as at 31 December 2020 (31 December 2019: net liability position).

As at 31 December 2020, the Company had net current liabilities (2019: net current liabilities). The Company has received a letter of support from Survitec Group Limited which states the Directors' intention to provide sufficient funding to the Company for a period of at least 12 months from the date these financial statements are signed, to allow the company to settle its liabilities as they fall due. This support extends to intercompany liabilities that won't be recalled unless the company has the ability to settle them. Below, the Directors' have considered the ability of the Group to provide this support.

As of 28 August 2020, the Group successfully completed all aspects of its negotiated restructuring, the terms of which were agreed in principle with all of the lenders under the Facilities (the "Lenders") on 6 December 2019 (the "Restructuring"). In accordance with the terms of the Restructuring, the Facilities were amended and restated and a committed new money facility amounting to £75,000,000 (the "New Money Facility") was made available to the Survitec Group by



the Lenders of which £35,000,000 was drawn, completing the first phase of the implementation of the Restructuring. The remaining £40,000,000 facility was not drawn and expired on 28 February 2021.

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

The COVID-19 pandemic had been an evolving situation throughout 2020 and into 2021. Through the revision and rephasing of spending plans and additional cost savings the Group has been able to mitigate any material adverse impact on the markets in which it operates and thus, at 31 December 2020, COVID-19 has not had a material effect on the measurement of assets and liabilities and is not expected to going forward. In March 2021, the Group successfully completed a refinancing of its existing debt. The total amount borrowed was £270,000,000 over 6 years, with £160,000,000 used to refinance existing debt and the remainder to support the Group's transformation programmes and mergers and acquisition strategy.

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

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

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

Having given consideration to the matters outlined above, the Directors conclude that the Group has both intention and ability to provide support as required to enable Survitec Safety Solutions Norway AS to continue as a going concern for a period of at least twelve months from the date of signing these financial statements.

Pursuant to section 4, sub-section 5, confer section 3, sub-section 3a of the Norwegian Accounting Act, it is hereby confirmed that the annual accounts have been prepared under the assumption that the enterprise is a going concern and that the conditions for this assumption are present



Future prospect

Survitec Group is a world leader in the markets for critical safety and survival solutions and provides our customers with a stronger total offering. Survitec Group with a historical focus on product research & development with a commercial customer focus should enable continued success for the business. However, the general shipping market remains challenging, impacted by limited volume growth, reduced activity in offshore and overcapacity in many segments. This will continue to influence revenue with ship-owners being cost focused. The long-term trends remain positive.

Cash flow & liquidity

Cash and cash equivalents were TNOK 31,515. Cash flow from operating activities was TNOK 115,560. Cash outflows from investing activities were TNOK 59,232. The cash outflow was primarily driven by investment in fixed assets. Cash outflows from financing activities were TNOK 94,785.

Risk management

SSSN AS is exposed to changes in foreign currency, especially the change in USD/NOK and the local currencies of the other Survitec Safety Solution entities due to the factoring of customer invoices and internal distribution of products from the international consolidation centre in Rotterdam, Netherlands where SSSN AS owns the inventory. Credit risk for the company relates to accounts receivable, but routines for credit assessments, follow up and accruals minimise the potential risk. The Group seeks to minimise the impact of the movement in exchange rates on its local operations by the use of multi-sourcing of its key materials and the use of foreign exchange contracts.

Shareholding

Survitec Group Norway AS is the Company's immediate parent undertaking, which is incorporated in Norway. The ultimate parent company of the Company is Ark Topco Limited, a private company registered in Jersey.

The largest and smallest Group in which the results of the Company are consolidated is Survitec Acquisition Company Limited. Copies of these consolidated financial statements can be obtained from its registered office - The Aspect, Fourth Floor, 12 Finsbury Square, London, England, EC2A 1AS.

Organisation and people development

By 31 December 2020 the number of employees in SSSN AS was 37 (31 December 2019: 39). No job-related accidents involving employees were reported in the period.

The company provides a workplace with equal opportunities for all employees. We treat current and prospective employees fairly as to salaries, promotions and recruitment. The company offers its employees a sound working environment. We also give possibilities for professional development where women and men are treated equally and free of any discrimination. The sick leave was 6.7 % in 2020 (2019: 1.0 %). In a global organisation like SSSN AS it is important to attract, retain and develop the best qualified people.



Environment

The directors acknowledge the environmental challenges in the marine industry. Survitec Safety Solutions Norway AS and its subcontractors operates in multiple locations around the world with different regulatory regimes towards environmental protection. In compliance with Survitec policy we actively work towards pollution prevention in order to reduce the adverse effect on the environment within practical limits. Our product portfolio includes Pyrotechnics for life rafts and CO2/Chemicals for fire extinguishing systems where the adverse disposal can negatively affect the environment. With our partners, we work towards minimizing the adverse effects on the environment from our waste. During 2020 SSSN AS has not had any accidents or emissions that caused pollution or harmed the environment.

Market conditions


The commercial marine and offshore markets continue to exhibit only modest underlying growth. Owners and operators having an ongoing focus on costs to combat their lower levels of vessel utilisation and charter rates. Signs of improvement in new build activity are starting to develop which, if sustained, would give a welcome boost to that segment of the market


Allocation of profit or loss


The board proposes to transfer the year's loss of TNOK 178,671 to accumulated losses.

SSSN AS's accumulated losses at 31 December 2020 were TNOK 301,407 (31 December 2019: TNOK 122,736).

Lysaker, 30.06.2021


Jan Eskil Hollen
(Managing Director)


Suketu Kishor Devani
(Director)


Johan Alfons Maria Denis
(Director)



Income statement | Survitec Safety Solutions Norway AS

NOK thousand	Note	Year ended 31 December 2020	Year ended 31 December 2019
Operating revenue	3,12,13	323 093	422 494
Cost of goods and materials	12,13	(160 417)	(214 461)
Gross profit		162 676	208 032
Operating expenses and income			
Payroll expenses	2	(43 995)	(41 344)
Depreciation and amortisation	7,8	(113 096)	(66 448)
Net impairment losses on financial and contract assets	7,11,13,15	(36 721)	(12 567)
Net foreign exchange gains		6 679	22 535
Other operating expenses	4	(109 176)	(129 114)
Disposal of property, plant and equipment		-	(585)
Total operating expenses and income		(296 309)	(227 522)
Operating loss		(133 633)	(19 490)
Financial income and expenses			
Other financial items	5	(34 030)	(33 946)
Currency (loss)/gain	5	(10 660)	280
Net financial expenses		(44 690)	(33 666)
Loss before tax		(178 322)	(53 156)
Income tax expense	6	(348)	(768)
Loss for the year		(178 671)	(53 924)
Loss attributable to:			
Equity holders of the company	10	(178 671)	(53 924)
Total transferred to accumulated losses		(178 671)	(53 924)



Balance sheet | Survitec Safety Solutions Norway AS

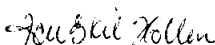
NOK thousand	Note	31 December 2020	31 December 2019
Assets			
Non current assets			
Property, plant and equipment	7, 15	286 089	403 187
Intangible assets	8	188	265
Deferred tax asset	6	-	-
Total non current assets		286 277	403 452
Current assets			
Inventories	9	9 196	19 069
Trade receivable	11,13,15	111 094	141 641
Loans to group companies - current	11,13	12 795	97 459
Other receivables from group companies	11,13,15,16	379 965	752 950
Other current assets	11	15 176	14 011
Cash and cash equivalents	11	31 515	69 972
Total current assets		559 741	1 095 103
Total assets		846 018	1 498 554

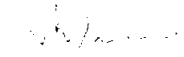


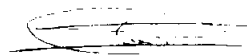
Balance sheet | Survitec Safety Solutions Norway AS

NOK thousand	Note	31 December 2020	31 December 2019
Equity and liabilities			
Equity			
Share capital	10	1 000	1 000
Share premium reserve	10	122 889	122 889
Accumulated losses	10	(301 407)	(122 736)
Total equity		(177 517)	1 153
Non current liabilities			
Pension liabilities	2	3 091	2 492
Interest-bearing debt to external parties	11	5 956	6 590
Total non current liabilities		9 047	9 081
Current liabilities			
Accounts payable	11	10 154	28 997
Accounts payable to group companies	11,13	431 195	811 150
Interest-bearing debt to external parties - current	11	314	235
Interest-bearing debt to group companies	11,13,14	442 394	514 798
Tax and public duties payable	11	1 159	1 375
Other current liabilities	11	129 272	131 764
Total current liabilities		1 014 488	1 488 320
Total liabilities		1 023 535	1 497 401
Total equity and liabilities		846 018	1 498 554

Lysaker, 30.06.2021


Jan Eskil Hollen
(Managing Director)


Suketu Kishor Devani
(Director)


Johan Alfons Maria Denis
(Director)



Cash flow statement | Survitec Safety Solutions Norway AS

NOK thousand

	Note	Year ended 31 December 2020	Year ended 31 December 2019
Cash flow from operating activities			
Loss before tax		(178 322)	(53 156)
Adjustments for:			
Depreciation and amortisations	7, 8	113 096	66 448
Impairment loss of financial and contract assets	11, 7, 15	36 721	12 567
Disposal of fixed assets	7	-	(585)
Net financial expenses	5	44 690	33 666
Other non-cash movements		(2 470)	38 275
Change in operating assets and liabilities:			
Change in accounts receivable	11,13,15	141 801	35 687
Change in inventories	9	15 038	5 244
Change in accounts payable	11,13	(18 843)	(8 100)
Change in other net working capital items		(5 969)	(11 855)
Change in intercompany receivables and payables	11,13	(6 970)	107 249
Cash generated from operations			
Interest received	5	3 082	5 908
Interest paid and bank charges paid	11,13	(25 945)	(35 013)
Income tax paid	6	(348)	(768)
Net cash provided by operating activities		115 560	195 567
Cash flow from investing activities			
Investment in life rafts and tangible fixed assets	7	(143 896)	(116 151)
Sale of life rafts and service stations	7	-	7 345
Loans received from/(granted to) subsidiaries and associates	13	84 664	(64 181)
Net cash flow used in investing activities		(59 232)	(172 987)
Cash flow from financing activities			
Other financial items	5	(11 167)	(4 841)
Loans (to)/from external parties		(555)	3 651
Loans (to)/from group companies	13	(83 064)	6 441
Net cash flow from financing activities		(94 785)	5 251
Net (decrease)/increase in cash and cash equivalents		(38 458)	27 830
Cash and cash equivalents as of 1 January		69 972	42 142
Cash and cash equivalents as of 31 December		31 515	69 972



Note 1 | SIGNIFICANT ACCOUNTING POLICIES

General information

The annual accounts have been prepared and presented in accordance with simplified IFRS as stipulated by regulation approved by the Ministry of Finance 10 December 2019. The company has elected to apply the exception from the recognition and measurement rules under IFRS for dividends and group contributions from subsidiaries.

Survitec Safety Solutions Norway AS ("the Company") is domiciled in Norway. The company is represented in the United Arab Emirates with a Branch office which is included in these accounts as part of one legal entity.

Historical cost convention

The financial statements have been prepared on a historical cost basis except for the following:
- Certain financial assets and liabilities (including derivative instruments) - measured at fair value

New and amended standards adopted by the company

There have not been any new and/or amended standards adopted by the company this year.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Comparative figures

When items are retrospectively restated the comparative figures are adjusted from the beginning of the earliest comparative period.

There has not been a need for retrospective restatement of the comparative figures this year.



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Foreign currency

Items included in the financial statements of Survitec Safety Solutions Norway AS are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in NOK, which is the company's functional and presentational currency.

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. Currency gains and losses resulting from the settlement of such transactions and from the translation at period-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 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement as 'Net foreign exchange gains/(losses) '.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Revenue is shown net of value-added tax.

The company has four key revenue streams; sales of goods, sale of Fire Suppression Systems and Equipment and servicing of these, corporate fees and life raft commission income. The company's performance obligations and revenue recognition policy for each revenue stream is noted below.

(a) Sale of goods

For contracts for the sale of an individual item, the performance obligation is the acceptance or delivery of the item. For contracts with more than one item, the performance obligation is either:

- i) The acceptance or delivery of each individual item where each item is considered distinct; or
- ii) The acceptance or delivery of the final item where the goods are not distinct.

Revenue is recognised at the point in time when the customer obtains control of the goods which is based on the delivery terms of the contract.

(b) Rendering of services

The performance obligation is the provision of servicing work as specified in the agreement with the customer. Revenue is recognised over time provided that the following criteria are met:

- i) The customer simultaneously receives and consumes the benefits provided by the company's performance as the service is performed; or
- ii) The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) The company's performance creates an asset with no alternative usage, and the company has an enforceable right to payment for performance completed to date.

(c) Rental income

The company hires survival suits and life rafts to customers. The lease terms are up to 12 months, therefore the leases are classified as operating leases. Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. Deferred lease income is recognised within other current liabilities.



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories of purchased goods are valued at the lower of cost in accordance with the weighted average cost method and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average cost. Weighted average costs of purchased goods comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

Property, plant and equipment

Property, plant and equipment acquired by the company are recognised initially at cost. Depreciation is calculated on a straight-line basis, and charged as an expense over the expected useful life of the asset. The carrying value of property, plant and equipment equals the historical cost less accumulated depreciation and any impairment charges.

Property, plant and equipment are depreciated over the following expected useful lives:

- Buildings and fittings 5-10 years
- Life rafts and service stations 5-10 years
- Machinery and equipment 3-10 years

Each component of a property, plant and equipment which is significant for the total cost of the item will be depreciated separately. Components with similar useful lives are aggregated into a single component.

Intangible assets

Amortisation of intangible fixed assets is based on the following expected useful lives:

- Software and rights 2-3 years

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

(a) Pension obligations

The company operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company 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. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Bonus plans

The company recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the owners of the parent after certain adjustments, as well as other personal performance objectives. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets of the company include cash and cash equivalents, trade receivables and other receivables. Financial liabilities of the company include trade payables, other payables and borrowings.

Initial recognition and measurement

Financial assets and liabilities are recognised in the statement of financial position when the company becomes a party to the contractual obligations of the instrument.

The company classifies its financial assets in the following measurement categories:

- (i) Those to be measured at amortised cost; and
- (ii) Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows. The company reclassifies its financial assets when and only when its business model for managing those assets changes.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost or as derivatives. The company determines the classification of its financial assets and liabilities at initial recognition.

Initially, financial assets and liabilities are recognised at fair value plus, in the case of financial instruments not at fair value through profit and loss (i.e. loans and receivables and other financial liabilities), transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs directly attributable to financial assets and liabilities which are measured at fair value (i.e. fair value through profit and loss or derivatives) are recognised in the income statement as incurred.



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Subsequent measurement

Subsequent to recognition, financial assets and liabilities are measured according to the category to which they are classified.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss ("FVTPL") when the financial asset is either held for trading or it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in note 15.

(b) Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at cost less any impairment. They are included in current assets, except for those loans and receivables with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

(c) Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other financial items' line item in the income statement.

(d) Other financial liabilities

Trade and other payables, and borrowings (including amounts due to related parties) are classified as other financial liabilities and are measured at fair value, net of transaction costs..



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Impairment of a financial asset

The company 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. Further information is presented in note 15.

Fair value of financial instruments

Fair value amounts disclosed in these financial statements represent the company's estimate of the price at which a financial instrument could be exchanged in an arm's length market transaction between knowledgeable, willing parties who are under no compulsion to act. They are point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value is determined by reference to quoted prices in the most advantageous active market for that instrument to which the company has immediate access. However, where there is no active market for the company's financial instruments, the company determines fair value based on internal or external valuation models, such as stochastic models, option-pricing models and discounted cash flow models. These calculations represent management's best estimates based on a range of methods and assumptions. Since they are based on estimates the fair values may not be realised in an actual sale or immediate settlement of the instruments. Further information on fair value is presented in note 11 and 15.

Leases

Company as a lessee

Leases in which substantially all of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Company will continue to recognise the leased asset in its statement of financial position.

Dividend and group contribution

Proposed dividend for the company's shareholders is shown in the annual account as a liability at 31 December in the current year. Group contribution to other group companies is recognised as current liabilities and the effect (net of tax) is deducted from retained earnings in the financial statements at 31 December current year.



Cont. Note 1 | SIGNIFICANT ACCOUNTING POLICIES

Taxation

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 carry forward losses for tax purposes at the year-end. Tax deductible temporary differences and tax losses carried forward give rise to a deferred tax asset if there are taxable temporary differences, which reverse or may be reversed in the same period or based on estimated future taxable earnings. Deferred tax and tax assets are presented net if the tax is against the same tax authority.

Tax reduction on group contributions given is booked directly against equity. (Following the proposed change by IASB this may change in future years, as the tax deduction is proposed to be recognised in the income statement if the group contribution is deemed as a dividend for accounting purposes.) Tax on group contribution received, booked as an increase in equity, is booked net with the group contribution.

Deferred tax is measured at nominal value.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one period or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other current highly liquid investments with original maturities of three months or less.

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. If not, they are presented as non-current liabilities.

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 with maturities of three months or less.



Note 2 | EMPLOYEE BENEFITS

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Pay	29 967	30 120
Payroll tax	3 091	2 479
Pension cost	3 970	2 558
Other remuneration/social expenses	6 966	6 186
Total employee benefits	43 995	41 344
Average number of employees	37	39

Contribution pension plan

The company has contribution pension plans for all 22 employees in Norway complying with local laws and regulations.

Employees in the Fujairah branch are part of a gratuity scheme in compliance with local UAE laws.

Remuneration of senior executive

There has not been any remuneration of senior executives.

Board of directors

No remuneration of the Board of Directors for 2020 and 2019.

Senior executive

The CEO has a severance pay guarantee under which he has the right to receive up to 100% percent of his salary for 12 months. Possible income during the period is deducted which comes into force after 6 months notice period.

The CEO has a bonus agreement related to financial and operational targets limited upwards to 6 months of annual base salary. Agreed retirement age is 70 years and CEO is entitled to pension of salary exceeding 12G.

Loans and guarantees employees

There were no loans or guarantees to employees per 31 December 2020 or 31 December 2019.



Note 3 | REVENUE FROM CONTRACTS WITH CUSTOMERS

NOK thousand

	Liferafts	Suppression Systems and Equipment Servicing	Fire Suppression Systems and Equipment	Corp. Fees	Life raft commission income	Other revenues	Total
Year ended 31 December 2020							
Revenue from contracts with customers	-	69 628	43 388	7	-	-	113 024
Rental income	210 069	-	-	-	-	-	210 069
Operating revenue	210 069	69 628	43 388	7	-	-	323 093

	Liferafts	Suppression Systems and Equipment Servicing	Fire Suppression Systems and Equipment	Corp. Fees	Life raft commission income	Other revenues	Total
Year ended 31 December 2019							
Revenue from contracts with customers	-	73 372	77 550	11 062	75 878	(47)	237 815
Rental income	184 679	-	-	-	-	-	184 679
Operating revenue	184 679	73 372	77 550	11 062	75 878	(47)	422 494

REVENUE BY DESTINATION

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Africa	2 996	4 211
Asia	96 288	126 662
Europe	195 157	222 805
Middle-East	15 315	41 696
America	13 337	27 120
Revenue from contracts with customers	323 093	422 494

Note 4 | OTHER OPERATING EXPENSES

NOK thousand

	Note	Year ended 31 December 2020	Year ended 31 December 2019
Communication and IT expenses		1 591	1 612
External services		5 613	6 221
Travel and meeting expenses		1 142	924
Intercompany management fees	13	69 851	96 897
Other operating expenses (repairs, tools, premises, freight etc.)		30 978	23 460
Other operating expenses		109 176	129 114

EXPENSED AUDIT FEE

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Statutory audit	1 277	1 905
Taxation Services	-	317
Total expensed audit fee (excluding VAT)	1 277	2 222

Note 5 | FINANCIAL INCOME / (EXPENSES)

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Other financial items		
Interest income	3 082	5 908
Interest expenses	(25 945)	(35 013)
Other financial items	(11 167)	(4 841)
Net other financial items	(34 030)	(33 946)

	Year ended 31 December 2020	Year ended 31 December 2019
Financial expenses		
Currency gain	4 138	1 349
Currency loss	(14 797)	(1 069)
Net financial expenses	(10 660)	280

Net financial expenses	(44 690)	(33 666)
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Note 6 | TAX

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Allocation of tax expense		
Withholding tax	348	768
Total tax expenses	348	768

	Year ended 31 December 2020	Year ended 31 December 2019
Basis for tax computation		
Loss before tax	(178 322)	(53 156)
22% tax	(39 231)	(11 694)

Tax effect from		
Permanent differences	11	-
Deferred tax asset not meeting recognition criteria	39 220	11 694
Current year calculated tax	-	-
Effective tax rate	0 %	0 %

	31 December 2020	31 December 2019
Summary of temporary differences are as follows		
Non current assets and liabilities	(137 478)	21 877
Current assets and liabilities	(30 675)	(151 022)
Tax losses carried forward	(184 751)	(68 348)
Non-deductible interests expenses carried forward	(40 350)	(17 487)
Net temporary differences; asset	(393 254)	(214 980)
Differences not recognized for deferred tax calculation	(28 547)	(143 335)
Net temporary differences for deferred tax calculation	(364 708)	(54 159)
Nominal tax rate	22 %	22 %
Calculated deferred tax asset based on nominal tax rate	(80 236)	(11 915)

Deferred tax assets in balance sheet	-	-
Deferred tax liabilities in balance sheet	-	-
Net deferred tax (liability)/asset	-	-
Net deferred tax at the beginning of the period	-	-
Charge to OCI	-	-
Change of deferred tax through income statement	-	-
Net deferred tax (liability)/asset carried forward	-	-

Significant estimates and judgements

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.



Note 7 | Property, plant and equipment

NOK thousand

	Property, plant and equipment	Buildings and fittings	IT equipment	Liferafts and service stations	Total
2020					
Cost as at 1 January 2020	3 684	7 990	391	506 617	518 682
Additions	24	-	113	143 759	143 896
Reclass/Disposals	-	-	-	-	-
Currency translation differences	-	-	-	-	-
Cost as at 31 December 2020	3 708	7 990	504	650 376	662 578
Accumulated depreciation as at 1 January 2020	(2 129)	(1 496)	(280)	(111 590)	(115 495)
Depreciation charged in the year	(615)	(718)	(82)	(111 603)	(113 018)
Disposals	-	-	-	-	-
Impairment	-	-	-	(147 975)	(147 975)
Currency translation differences	-	-	-	-	-
Accumulated depreciation as at 31 December 2020	(2 744)	(2 214)	(362)	(371 168)	(376 488)
Net book value 31 December 2020	964	5 776	142	279 208	286 089

	Property, plant and equipment	Buildings and fittings	IT equipment	Liferafts and service stations	Total
2019					
Cost as at 1 January 2019	3 418	8 458	343	401 056	413 275
Additions	217	352	47	115 535	116 151
Reclass/Disposals	-	-	-	(10 478)	(10 478)
Currency translation differences	49	(820)	1	504	(266)
Cost as at 31 December 2019	3 684	7 990	391	506 617	518 682
Accumulated depreciation as at 1 January 2019	(1 423)	(1 158)	(181)	(50 356)	(53 118)
Depreciation charged in the year	(672)	(718)	(100)	(64 545)	(66 035)
Disposals	-	-	-	3 321	3 321
Currency translation differences	(34)	380	1	(10)	337
Accumulated depreciation as at 31 December 2019	(2 129)	(1 496)	(280)	(111 590)	(115 495)
Net book value 31 December 2019	1 555	6 494	111	395 027	403 187

Economic lifetime	3-10 years	5-10 years	3-5 years	5-10 years
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line

Net impairment losses on financial and contract assets

This years net impairment losses on financial and contract assets consists of:

This years impairment of property, plant and equipment (estimated at year end)*	(145 000)
This years reversal of intercompany receivables impairment (estimated at year end)*	114 787
This years impairment of property, plant and equipment (during the year 2020)	(2 975)
Final write off, accounts receivables (during the year 2020)	(3 533)
Total	(36 721)

*The estimates above are further disclosed in note 15.



Note 8 | INTANGIBLE ASSETS

NOK thousand

	Software & rights	Total
2020		
Cost as at 1 January 2020	95 031	95 031
Additions	-	-
Disposals	-	-
Cost as at 31 December 2020	95 031	95 031
Accumulated amortisation as at 1 January 2020	(94 766)	(94 766)
Amortisation charged in the year	(78)	(78)
Accumulated amortisation as at 31 December 2020	(94 844)	(94 844)
Net book value 31 December 2020	188	188
2019		
Cost as at 1 January 2019	95 031	95 031
Additions	-	-
Disposals	-	-
Cost as at 31 December 2019	95 031	95 031
Accumulated amortisation as at 1 January 2019	(94 688)	(94 688)
Amortisation charged in the year	(78)	(78)
Accumulated amortisation as at 31 December 2019	(94 766)	(94 766)
Net book value 31 December 2019	265	265

Intangible assets are IFS8 software/ application, which was amortised over the Transfer Service Agreement period with Wilhelmsen Ships Service (24 months from acquisition date) and a communications management system which is being amortised over five years.



Note 9 | INVENTORIES

NOK thousand

	31 December 2020	31 December 2019
Inventories		
Goods for resale	9 728	21 898
Others	555	3 423
Total inventories (at purchase price)	10 282	25 321
Obsolescence allowance	(1 086)	(6 251)
Inventory valued at fair value / net realisable value	9 196	19 069

Collateral inventory value - -

Note 10 | EQUITY

NOK thousand

	Share capital	Share premium reserve	Accumulated losses	Total
Equity 1 January 2020	1 000	122 889	(122 736)	1 153
Profit/(loss) for the year	-	-	(178 671)	(178 671)
Equity 31 December 2020	1 000	122 889	(301 407)	(177 517)

	Share capital	Share premium reserve	Accumulated losses	Total
Equity 1 January 2019	1 000	122 889	(68 812)	55 077
Profit/(loss) for the year	-	-	(53 924)	(53 924)
Equity 31 December 2019	1 000	122 889	(122 736)	1 153

The share capital of TNOK 1 000 consists of 1 000 shares with a nominal value of NOK 1 000 each.

The assets transferred through the demerger is accounted for at predecessor values as it was a transfer under common control. The Company has elected not to present comparatives for the business transferred.

All shares confers the same rights in the company. As per December 31st 2020 all shares were owned by Survitec Group Norway AS.



Note 11 | FINANCIAL ASSETS AND FINANCIAL LIABILITIES

NOK thousand

FINANCIAL ASSETS

	Note	31 December 2020	31 December 2019
Financial assets at amortised cost			
Trade receivables	11(a)	111 094	141 641
Other financial assets at amortised cost	11(b)	407 936	864 420
Cash and cash equivalents	11(c)	31 515	69 972
Total		550 544	1 076 033

FINANCIAL LIABILITIES

	Note	31 December 2020	31 December 2019
Liabilities at amortised cost			
Trade and other payables	11(d)	451 722	855 924
Borrowings	11(e)	448 664	521 623
Total		900 385	1 377 547

11(a) TRADE RECEIVABLES

	Note	31 December 2020	31 December 2019
Current assets			
Trade receivables		112 134	143 077
Loss allowance	15	(1 041)	(1 436)
Total		111 094	141 641

11(b) OTHER FINANCIAL ASSETS AT AMORTISED COST

	31 December 2020			31 December 2019		
	Current	Non-current	Total	Current	Non-current	Total
Other receivables from group companies	408 513	-	408 513	896 285	-	896 285
Loans to group companies	12 795	-	12 795	97 459	-	97 459
Other receivables	15 176	-	15 176	14 011	-	14 011
	436 484	-	436 484	1 007 755	-	1 007 755
Less: impairment losses on financial and contract assets	(28 548)	-	(28 548)	(143 335)	-	(143 335)
Less: impairment losses on loans	-	-	-	-	-	-
Total	407 936	-	407 936	864 420	-	864 420



Cont. Note 11 | FINANCIAL ASSETS AND FINANCIAL LIABILITIES

NOK thousand

11(c) CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Current assets		
Cash at bank and in hand	31 515	69 972
Total	31 515	69 972

Restricted cash

Survitec Safety Solutions Norway AS has a payroll tax withholding account - balance per 31.12.20 is 642 NOK thousand (2019: 458 NOK thousand). SSSN AS has not issued any guarantees, nor does the company have any credit overdraft facilities.

11(d) TRADE AND OTHER PAYABLES

	Note	31 December 2020	31 December 2019
Current liabilities			
Accounts payable		10 154	28 997
Accounts payable to group companies	13	431 195	811 150
Tax and public duties payable		1 159	1 375
Accruals and other liabilities		9 214	14 402
Total		451 722	855 924

Included within "Other current liabilities" on the face of the balance sheet are the following non-financial liabilities:

	31 December 2020	31 December 2019
Deferred income from operating leases	120 058	117 363

11(e) BORROWINGS

	31 December 2020			31 December 2019		
	Current	Non-current	Total	Current	Non-current	Total
Interest-bearing debt to external parties	314	5 956	6 270	235	6 590	6 825
Interest-bearing debt to group companies	442 394	-	442 394	514 798	-	514 798
Total	442 708	5 956	448 664	515 033	6 590	521 623

Further information relating to loans from related parties is set out in note 13.



Note 12 | RELATED PARTY TRANSACTIONS

NOK thousand

Please see note 13 for intercompany balances.

Operating revenues, cost of goods and materials to related parties	Year ended 31 December 2020	Year ended 31 December 2019
Operating income from related party	2 673	3 230
Cost of goods and materials to related party	21	12
Total	2 694	3 242

Operating revenue and cost of goods and materials are deliveries of products, technical services and fees charged to Wilhelmsen group entities.

Operating expenses to related party	Year ended 31 December 2020	Year ended 31 December 2019
Other operating expenses to related parties	168	692
Total	168	692

Current assets	31 December 2020	31 December 2019
Receivables from related party	3 625	4 379

Current liabilities	31 December 2020	31 December 2019
Payables to related party	2 644	608



Note 13 | INTERCOMPANY

NOK thousand

	31 December 2020	31 December 2019
Loans to group companies - current assets		
Survitec Safety Solutions US LLC	-	44 030
Survitec Safety Solutions Singapore Pte Ltd	-	40 269
Safety Solutions do Brasil Ltda	12 795	13 160
Total loans to group companies	12 795	97 459
Less impairment	-	-
Total loans to group companies	12 795	97 459

	31 December 2020	31 December 2019
Interest-bearing debt to group companies - current liabilities		
Survitec Group Norway AS	442 394	481 873
Survitec Fire Solutions Norway AS	-	3 150
Survitec Safety Solutions US LLC	-	7 048
Survitec Safety Solutions Singapore Pte Ltd	-	13 040
Survitec Safety Solutions Netherlands BV	-	2 848
Survitec Safety Solutions Spain	-	6 839
Total interest-bearing debt to group companies	442 394	514 798

No part of loans and interest-bearing debt from group companies is due later than 5 years after balance date.

	31 December 2020	31 December 2019
Other receivables from group companies		
Other receivables from group companies	408 513	896 285
Total other receivables from group companies	408 513	896 285
Less impairment	(28 548)	(143 335)
Total other receivables from group companies	379 965	752 950

	31 December 2020	31 December 2019
Accounts payable to group companies		
Accounts payable to group companies	431 195	811 150
Total accounts payable to group companies	431 195	811 150

Survitec Safety Solutions Norway AS has factoring agreements with all Survitec Safety Solutions companies, and is also a supplier to these entities. Risk for the respective balances are monitored and chased separately per legal entity.



Cont. Note 13 | INTERCOMPANY

NOK thousand

	Year ended 31 December 2020	Year ended 31 December 2019
Corporate fees from group companies		
Management fee	-	110 258
Total Corporate fees from group companies	-	110 258

	Year ended 31 December 2020	Year ended 31 December 2019
Operating income from group companies		
Operating revenue from group companies	63 405	69 886
Total operating income from group companies	63 405	69 886

	Note	Year ended 31 December 2020	Year ended 31 December 2019
Operating expenses from group companies			
Cost of goods sold to group companies		(53 288)	(96 066)
Other operating expenses to group companies (management fees)	4	(69 851)	(98 076)
Total operating expenses from group companies		(123 140)	(194 143)

	Note	Year ended 31 December 2020	Year ended 31 December 2019
Net financial income/(expense) from group companies			
Financial income from group companies	5	3 082	5 908
Financial expenses to group companies	5	(25 271)	(31 855)
Total net financial expense to group companies		(22 189)	(25 947)

Corporate fees consists of fees for administrative services the company performs on behalf of other companies in the Survitec Group.

Other operating expenses consists of charges made by the parent company and other group companies for services rendered on behalf of Survitec Safety Solutions Norway AS.

Financial income consists of interest on loans to other companies in Survitec Group. Financial expenses consists of interest on loans from group companies.



Note 14 | PLEDGES

NOK thousand

PLEDGES

	31 December 2020	31 December 2019
Liabilities for assets being pledged		
Interest bearing debt to Group Entities	442 394	514 798
Total liabilities	442 394	514 798

	31 December 2020	31 December 2019
Book value of assets being pledged		
Inventories	9 196	19 069
Life rafts and tangible fixed assets	286 089	403 187
Accounts receivables and other receivables	491 059	894 591
Total book value of assets having been pledged	786 344	1 316 847



Note 15 | FINANCIAL RISK MANAGEMENT

SSSN AS has exposure to the following financial risks from its ordinary operations:

Currency risk

SSSN AS has currency risk exposure on imbalances between the currency denomination of revenues and costs (transaction risk) and on imbalances between the denomination currencies of balance sheet items (translation risk). Hedging is not performed, the Survitec group treasury team monitors the currency risk on an ongoing basis.

Interest rate risk

SSSN AS has interest rate risk exposure in net positive liquidity and interest-bearing debt to a group company. For both categories the interest rate risk is evaluated to be limited.

Credit risk

The risk of financial loss to SSSN AS if a customer or counterparty to financial derivative fails to meet its contractual obligations originates primarily from SSSN AS's customer receivables and bank deposits. The global customer base provides a certain level of diversification with respect to credit risk on receivables. SSSN AS manages and monitors its credit risk on a regular basis. SSSN AS's exposure to credit risk on cash and bank deposits is considered to be very limited as SSSN AS maintain banking relationships with a selection of financially solid banks (as determined by their official credit ratings). SSSN AS has no outstanding financial guarantees.

The company has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables from the provision of goods and services
- Other receivables from group companies
- Loans to group companies

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows for trade receivables:

		1-90 days overdue	More than 90 days past due	Total
31 December 2020	Current			
Expected loss rate	0,000%	0,000%	42,259%	
Gross carrying amount	77 333	32 340	2 461	112 134
Loss allowance	-	-	1 040	1 040
31 December 2019	Current			
Expected loss rate	0,000%	0,000%	10,433%	
Gross carrying amount	86 025	43 288	13 764	143 077
Loss allowance	-	-	1 436	1 436



Cont. Note 15 | FINANCIAL RISK MANAGEMENT

NOK thousand

The closing loss allowances for trade receivables and contract assets as at 31 December 2020 reconcile to the opening loss allowances as follows:

	Note	31 December 2020	31 December 2019
Opening loss allowance as at 1 January - calculated under IFRS 9	11	1 436	5 025
Increase in allowance recognised in profit or loss during the year		954	1 260
Utilisation of existing allowance		(981)	(2 800)
Unused amount reversed		(369)	(2 048)
Total	11	1 040	1 436

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include amounts receivable from related parties, loans to related parties and other receivables.

The loss allowance for other financial assets at amortised cost as at 31 December 2019 reconciles to the opening loss allowance on 1 January 2020 and to the closing loss allowance as at 31 December 2020 as follows:

	Amounts receivable from related parties	Loans to related parties	Other receivables	Total
31 December 2020				
Closing loss allowance as at 31 December 2019	143 335	-	-	143 335
Amounts restated through opening retained earnings	-	-	-	-
Opening loss allowance as at 1 January 2020	143 335	-	-	143 335
Decrease in the allowance recognised in profit or loss during the period	(114 787)	-	-	(114 787)
Closing loss allowance as at 31 December 2020	28 548	-	-	28 548



Impairment of amounts due from group undertakings (estimate)

The Company reviews amounts due from group companies regularly for any indication of an expected credit loss under IFRS 9.

The determination of the recoverable amount of the amounts due from group companies involves the use of estimates by management. The Company has reviewed amounts due from group companies as one balance as opposed to reviewing individual balances and have concluded that the entities in the Group do not have sufficient liquid resources to pay all liabilities from group companies due on demand. When reviewing the amounts owed from group undertakings, the Company considered the expected credit loss using both a value in use model and a fair value on sale of the businesses by the Company's parent company, Survitec Group Limited. The Company has determined that the most likely scenario for recovery of a portion of this balance is to seek to sell the Group's trade and assets considering significant deficits and bank loans within the Group. Survitec Group Limited owns all trade entities within the Survitec Group and would sell the trade and assets of those entities. There are two trading divisions of the Group, Marine and Defence.

Post-tax cash flow projections were completed by the Group for year ended 31 December 2020 which indicated an EBITDA multiple for the Group of 8.6x for the Defence division and 5.0x for the Marine division. Survitec Group Limited has therefore used this multiple, discounted for the period to disposal (estimated at 2 years and at a 3% discount rate) and used this to calculate the potential credit loss. It is expected that Survitec Group Limited will then take the proceeds earned from the sale of the trade and assets and pro-rata the proceeds across all remaining related party balances. The Company can therefore determine the loss on default of amounts owed by Survitec Group Limited and the loss on default of the remaining amounts owed from group companies is expected to range between 0% to 100%.

On this basis, an impairment release of TNOK 114 786 (Year ended 31 December 2019: impairment of TNOK 143 335) against amounts owed from group companies has been recognised.

The key estimate is the calculation is the EBITDA multiple which derives from the post-tax cash flow projections as noted above. If the Defence trading division EBITDA multiple moved by +/- 0.3 and the Marine trading division EBITDA multiple moved by +/- 0.2, the change in level of total impairment would be TNOK 757.

Property, plant and equipment - impairment (estimate)

The Survitec Group tests at least annually whether non-current assets have suffered any impairment, in accordance with its accounting policies. On an individual company basis, the carrying amount of non-current assets are compared to their recoverable amount, being the higher of value in use and fair value less costs to sell, to determine if an impairment exists.

In assessing the recoverable amount, the value in use calculation was used. Key assumptions were used within this calculation were the growth rates within the five year financial budgets (long term growth rate of 2 %) and pre-tax weighted average cost of capital 12.46%.

The impairment review concluded on 31 December 2020 that the recoverable amount of the non-current assets did not exceed its carrying amount, and as such, an impairment has been recognised. An impairment charge of TNOK 145 000 has been charged in the current year.

If the discount rate increased by 1 % this would give rise to an increase in charge of TNOK 26 000 whilst if it decreased by 1 % this would give rise to a decrease in charge of TNOK 38 000.

If the growth rate increased by 0.5 % this would give rise to a decrease in charge of TNOK 20 000 whilst if the growth rate decreased by 0.5 % this would give rise to an increase in charge of TNOK 12 000.

If the EBITDA increased by 10 % this would give rise to a decrease in charge of TNOK 110 000 whilst if the EBITDA decreased by 10 % this would give rise to an increase in charge of TNOK 104 000.



Cont. Note 15 | FINANCIAL RISK MANAGEMENT

Significant estimates and judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed above.

Liquidity risk

SSSN AS's approach to managing liquidity is to secure sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to SSSN AS's reputation.

Note 16 | CAPITAL RISK MANAGEMENT

SSSN AS's approach to capital risk management is to maintain a strong capital base to secure future business development. Currently, no specific targets have been set for long-term return-objectives related to the invested capital. However, SSSN AS seeks to maintain a balance between the higher potential returns from higher levels of financial leverage and the advantages of a strong balance sheet.

Note 17 | CONTINGENCIES

Survitec Safety Solutions Norway is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements. Nevertheless, any such disputes/actions which might exist are of such a nature that they will not significantly affect the company's financial position.

Note 18 | EVENTS AFTER THE BALANCE SHEET DATE

There have not been any significant events after balance sheet date which are assessed to impact the entity's figures for the financial year ended 31 December 2020.



To the General Meeting of Survitec Safety Solutions Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Survitec Safety Solutions Norway AS, 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.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other information

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

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

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

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



Independent Auditor's Report - Survitec Safety Solutions 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 for the Financial Statements

The Board of Directors (management) is responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company 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.

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, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

(2)



Independent Auditor's Report - Survitec Safety Solutions Norway AS



Kristiansand, 30 June 2021
PricewaterhouseCoopers AS

Kai Arne Halvorsen
State Authorised Public Accountant

(This document is signed electronically)

Note: This translation from Norwegian has been prepared for information purposes only.



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Revisjonsberetning

Signers:

Name	Method	Date
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