



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|---------------------------------|
| Organisasjonsnummer: | 923 706 747 |
| Organisasjonsform: | Allmennaksjeselskap |
| Foretaksnavn: | TECO 2030 ASA |
| Forretningsadresse: | Lysaker torg 45 1366 LYSAKER |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2020 - 31.12.2020 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|----|
| Mørselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

Regnskapsregler

| | |
|--|------|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | IFRS |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | IFRS |

Årsregnskapet fastsatt av kompetent organ

| | |
|--|-----------------------|
| Bekreftet av representant for selskapet: | Pål Christian Johnsen |
| Dato for fastsettelse av årsregnskapet: | 28.01.2021 |

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, 31.08.2022



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------|--------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Kostnader | | | |
| Personnel expenses | 2.1 | 2 221 835 | |
| Depreciation and amortisation | 3.1,3.2 | 1 499 855 | |
| Other operating expenses | 2.2 | 12 025 124 | 2 635 608 |
| Sum kostnader | | 15 746 814 | 2 635 608 |
| Driftsresultat | | -15 746 814 | -2 635 608 |
| Finansinntekter og finanskostnader | | | |
| Finance income | 4.8 | 479 936 | 14 086 |
| Sum finansinntekter | | 479 936 | 14 086 |
| Finance cost | 4.6,4.8 | 1 090 285 | 1 090 285 |
| Sum finanskostnader | | 1 090 285 | 1 090 285 |
| Netto finans | | -610 349 | -1 076 199 |
| Ordinært resultat før skattekostnad | | -16 357 163 | -3 711 807 |
| Ordinært resultat etter skattekostnad | | -16 357 163 | -3 711 807 |
| Årsresultat | | -16 357 163 | -3 711 807 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Intangible assets | 3.2 | 15 127 536 | 3 909 237 |
| Sum immaterielle eiendeler | | 15 127 536 | 3 909 237 |
| Varige driftsmidler | | | |
| Property, plant and equipment | 3.1 | 193 160 | 164 909 |
| Sum varige driftsmidler | | 193 160 | 164 909 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 6.3 | 1 060 000 | |
| Sum finansielle anleggsmidler | | 1 060 000 | |
| Sum anleggsmidler | | 16 380 696 | 4 074 146 |
| Omløpsmidler | | | |
| Varer | | | |
| Varer | | 6 084 475 | |
| Sum varer | | 6 084 475 | |
| Fordringer | | | |
| Other receivables | 2.3,6.1 | 3 964 940 | 4 646 078 |
| Other current assets | | 300 392 | |
| Konsernfordringer | 6.1 | 21 214 367 | |
| Sum fordringer | | 25 479 699 | 4 646 078 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 4.7 | 40 475 846 | 3 689 963 |
| Sum bankinnskudd, kontanter og lignende | | 40 475 846 | 3 689 963 |
| Sum omløpsmidler | | 72 040 020 | 8 336 041 |
| SUM EIENDELER | | 88 420 716 | 12 410 187 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---------------------------------------|------|--------------------|-------------------|
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 4.6 | 1 200 000 | 111 111 |
| Overkurs | | 83 805 377 | 9 988 879 |
| Sum innskutt egenkapital | | 85 005 377 | 10 099 990 |
| Opptjent egenkapital | | | |
| Other reserves | 4.3 | 449 731 | |
| Retained earnings | | -18 978 685 | -2 621 522 |
| Sum opptjent egenkapital | | -18 528 954 | -2 621 522 |
| Sum egenkapital | | 66 476 423 | 7 478 468 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | | 67 338 | |
| Sum annen langsiktig gjeld | | 67 338 | |
| Sum langsiktig gjeld | | 67 338 | 0 |
| Kortsiktig gjeld | | | |
| Konvertible lån | 6.1 | 10 000 000 | |
| Leverandørgjeld | 2.5 | 8 376 024 | 209 468 |
| Kortsiktig konserngjeld | 6.1 | 23 827 | |
| Interest-bearing loans and borrowings | 6.1 | 1 623 029 | |
| Other current liabilities | 2.6 | 1 854 075 | |
| Sum kortsiktig gjeld | | 21 876 955 | 209 468 |
| Sum gjeld | | 21 944 293 | 209 468 |
| SUM EGENKAPITAL OG GJELD | | 88 420 716 | 7 687 936 |



Konsernets resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|---|---------|--------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | 2.1 | 2 183 289 | |
| Sum inntekter | | 2 183 289 | |
| Kostnader | | | |
| Costs of goods sold | | 691 027 | |
| Personnel expenses | 2.2 | 11 231 904 | |
| Depreciation and amortisation | 3.1,3.2 | 1 969 048 | |
| Other operating expenses | 2.3 | 14 860 883 | 2 635 608 |
| Sum kostnader | | 28 752 862 | 2 635 608 |
| Driftsresultat | | -26 569 573 | -2 635 608 |
| Finansinntekter og finanskostnader | | | |
| Finance income | 4.8 | 683 068 | 14 086 |
| Sum finansinntekter | | 683 068 | 14 086 |
| Finance cost | 4.3,4.8 | 1 334 753 | |
| Sum finanskostnader | | 1 334 753 | |
| Netto finans | | -651 685 | 14 086 |
| Ordinært resultat før skattekostnad | | -27 221 258 | -2 621 522 |
| Skattekostnad på ordinært resultat | 5.1 | 7 439 | |
| Ordinært resultat etter skattekostnad | | -27 228 697 | -2 621 522 |
| Årsresultat | | -27 228 697 | -2 621 522 |
| Items that will be reclassified to profit or loss | | 29 214 | |
| Sum resultatkomponenter for IFRS-foretak | | 29 214 | |
| Totalresultat | | -27 199 483 | |



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Intangible assets | 3.2 | 19 510 544 | 3 909 237 |
| Right-of-use assets | 3.3 | 1 112 449 | |
| Goodwill | | 2 482 661 | |
| Sum immaterielle eiendeler | | 23 105 654 | 3 909 237 |
| Varige driftsmidler | | | |
| Property, plant and equipment | 3.1 | 376 382 | 164 909 |
| Sum varige driftsmidler | | 376 382 | 164 909 |
| Sum anleggsmidler | | 23 482 036 | 4 074 146 |
| Omløpsmidler | | | |
| Varer | | | |
| Inventories | | 6 084 475 | |
| Sum varer | | 6 084 475 | |
| Fordringer | | | |
| Trade and other receivables | 2.3 | 8 728 765 | 4 646 078 |
| Other current assets | | 354 506 | |
| Sum fordringer | | 9 083 271 | 4 646 078 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 4.7 | 43 717 208 | 3 689 963 |
| Sum bankinnskudd, kontanter og lignende | | 43 717 208 | 3 689 963 |
| Sum omløpsmidler | | 58 884 954 | 8 336 041 |
| SUM EIENDELER | | 82 366 990 | 12 410 187 |

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---------------------------------------|------|--------------------|-------------------|
| Innskutt egenkapital | | | |
| Selskapskapital | 4.6 | 1 200 000 | 111 111 |
| Overkurs | | 83 785 307 | 9 988 879 |
| Sum innskutt egenkapital | | 84 985 307 | 10 099 990 |
| Opptjent egenkapital | | | |
| Other reserves | 4.3 | 449 731 | |
| Currency translation differences | | 29 214 | |
| Retained earnings | | -29 850 219 | -2 621 522 |
| Sum opptjent egenkapital | | -29 371 274 | -2 621 522 |
| Sum egenkapital | | 55 614 033 | 7 478 468 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Non-current lease liabilities | | 223 276 | |
| Sum annen langsiktig gjeld | | 223 276 | |
| Sum langsiktig gjeld | | 223 276 | 0 |
| Kortsiktig gjeld | | | |
| Konvertible lån | 4.3 | 10 000 000 | |
| Leverandørgjeld | 2.5 | 10 137 345 | 209 468 |
| Current lease liabilities | 3.3 | 893 592 | |
| Interest-bearing loans and borrowings | 4.2 | 1 623 029 | 4 722 251 |
| Other current liabilities | 2.6 | 3 875 716 | |
| Sum kortsiktig gjeld | | 26 529 682 | 4 931 719 |
| Sum gjeld | | 26 752 958 | 4 931 719 |
| SUM EGENKAPITAL OG GJELD | | 82 366 991 | 12 410 187 |



Skatteetaten

TECO EGCS AS
Postboks 462
1327 LYSAKER

Att: Pål Christian Johnsen

Vår dato
29.11.2019

800 80 000
Skatteetaten.no

Org.nr
974761076

Din/Deres dato
04.11.2019

Din/Deres referanse

Vår referanse
2019/6668178

Saksbehandler
Katerina Stepanenko

Telefon
94523587

Postadresse
Postboks 9200 Grønland
0134 OSLO

13 DES. 2019

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for TECO EGCS AS, org.nr. 923 706 747

Vi viser til deres brev av 4. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for TECO EGCS 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 TECO EGCS 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

TECO EGCS AS er 100 % eid av TECO Tech Holding AS. Morselskapet har 31 % utenlandske aksjonærer. Selskapet utvikler og selger utstyr til maritim sektor globalt. Engelsk er selskapets arbeidsspråk. Selskapet har bedriftskunder som behersker engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Morselskapet og søsterselskapet har fått tillatelse til å benytte engelsk ved utarbeidelse av årsregnskap og årsberetning.

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 selskapets morselskap har tillatelse til å benytte engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere i bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Katerina Stepanenko
spesialrevisor
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



annual report 2020





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In brief

Powering the maritime industry's transition to renewable energy

TECO 2030 aims to tackle one of the biggest environmental challenges of our time: How to combine growing global shipping volumes with reduced emissions. We believe the maritime industry can move to zero emissions by implementing new technologies, with hydrogen-based fuel cells as the ultimate solution.

In order to do this, the company currently offers two environmental technologies which are ready for delivery:

- TECO 2030 Future Funnel:
Next-generation marine emission-reduction system
- TECO 2030 Ballast Water Treatment System:
Ballast water cleaning.

As a solution for the future, TECO 2030 Marine Fuel Cell System, a hydrogen-based emission free propulsion, will be ready for production and launched in the market during 2022/2023.

- TECO 2030 Marine Fuel Cell System:
Hydrogen-based emission free propulsion

TECO 2030 was incorporated in 2019 and is built on broad and long-running experience. The company has its roots from the TECO Maritime Group, which has more than 25 years of experience in supplying products and technical services to the international maritime industry.

TECO 2030 was set up to spearhead the group's efforts within clean tech for the maritime industry. During 2020, TECO 2030 has recruited key personnel with highly relevant backgrounds from various technology and industrial companies.

TECO 2030 was listed on Euronext Growth Oslo in October 2020 and trades under the ticker TECO.



TECO 2030 Marine Fuel Cell System

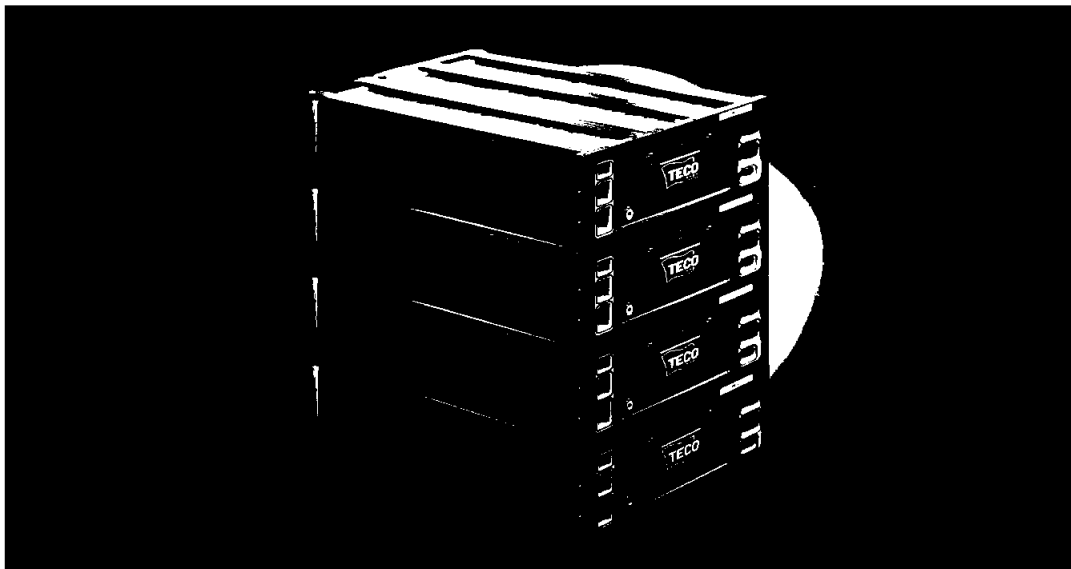
The Group's strategically most important solution is the TECO 2030 Marine Fuel Cell System, being developed specifically to introduce hydrogen as an emission-free fuel for heavy duty marine application.

The development is carried out in partnership with the Austrian engineering firm AVL, the world's largest independent company for development, simulation and testing of powertrain systems, with more than 11 500 employees worldwide. Through this partnership, TECO 2030 has established a unique cooperation with, and access to, one of the world's most sophisticated R&D clusters, which has 20 years of experience and more than 150 patents within fuel cells.

The combination of hydrogen and fuel cells is today the most efficient way to convert energy to synthetic fuel and back to energy and it is considered to be the most feasible technology available for the maritime industry on the pathway towards zero emissions.

The TECO 2030 Marine Fuel Cell System is based on a modular design, enabling system configuration in the multi-megawatt scale. It is compact and suitable for retrofits as well as newbuilds, and offers a zero-emission alternative for applications where battery power is not a viable option due to weight.

TECO 2030 is a partner in the major project Green Hydrogen @ Blue Danube, together with significant players such as Siemens, Bosch, AVL and Verbund. The latter company is leading this important project which aims to transport 80 000 tons of green hydrogen on barges with push tugs along the Danube from Romania to Austria and Germany. This project will reduce CO₂ emissions by 3.2 million tons annually and TECO 2030 has signed a letter of intent for the delivery of fuel cells to the first push tugs during 2022.



TECO 2030 Future Funnel

Since an immediate phase-out of fossil fuels in the maritime industry is impossible, better cleaning systems will play a vital role in reducing emission for the foreseeable future.

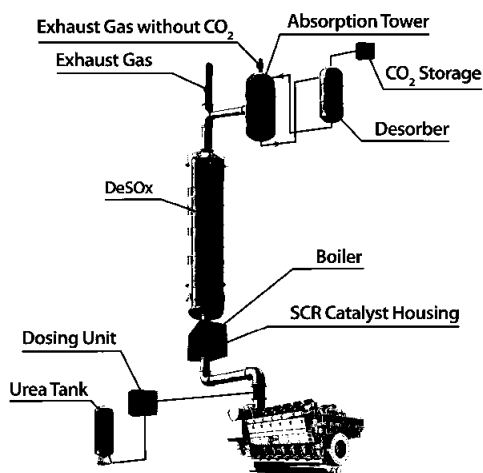
The TECO 2030 Future Funnel is a next-generation marine emission-reduction system, developed to comply with not only existing but even upcoming and far stricter regulations in the marine industry. The Future Funnel will allow ships to reduce sulphur oxides, nitrogen oxides, black carbon and particulate matter emissions. In addition, the system will be equipped with carbon capture and storage capabilities, offering the most comprehensive emission reduction system for shipowners looking to future proof vessels operating on fossil fuel.

TECO 2030's main responsibility throughout the development process has been to use its extensive marine competence and experience in close cooperation with AVL's technical expertise to ensure the best possible exhaust gas cleaning system for the marine market. Further, TECO 2030

has spent much time and effort investigating the market for high-quality equipment suppliers.

TECO 2030 will develop and produce its Future Funnel primarily in Europe by using highly qualified and well-known equipment suppliers. AVL holds one of Europe's most advanced R&D testing facilities and has tested the Future Funnel design through its highly advanced simulation system. This has been done by simulating in excess of 20 years of running time through extreme conditions in order to make the best cleaning system available.

TECO 2030 has Future Funnel designs ready for production in various sizes. However, the Group works on continuous developments to broaden the portfolio further and has throughout the second half of 2020 been developing a closed loop and a hybrid solution ready for production in the second quarter of 2021. Even more importantly, the Future Funnel is being developed to adapt to the enhanced environmental requirements and regulations in line with the initial IMO Greenhouse Gas (GHG) strategy.



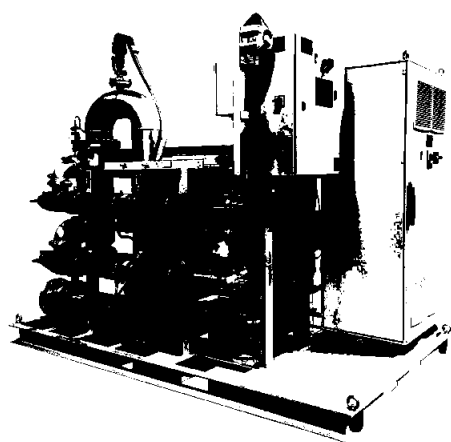
TECO 2030 Ballast Water Treatment System

The TECO 2030 Ballast Water Treatment System addresses the need to avoid negative impact to the marine environment from the release of ballasts, which are water reservoirs used to stabilise ships according to their load. In order to prevent invasive species and possible health issues, a ship's ballast water needs to be treated before being discharged back to sea.

In order to reduce the problem, IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments in 2004.

From 2017, when the convention was put into force, new ships have been required to install systems that comply with the standards as adopted in the Convention. Existing ships are subject to an implementation schedule ending in September 2024.

TECO 2030 Ballast Water Treatment System is powered by the BIO-UV Group of France, which has designed, manufactured and marketed ballast water management systems worldwide since 2011.



TECO 2030 AVL EPOS™

The Engine Performance Optimization System (EPOS) for combustion engines will be offered to shipowners worldwide. The system provides the owners with preventive engine damage measures and reduces fuel consumption and environmental impact by up to 3%. For instance, a vessel which consumes 25 000 tons of fuel annually will be able to reduce emissions by approximately 2 000 tons of CO₂, 50 tons of NO_x, and 6 tons of PM (Particulate Matters - 10/2.5) per year.

According to the International Maritime Organization, a carbon intensity and decarbonisation program for existing ships over 400 gross tonnage is set to be implemented January 1st, 2023. TECO 2030 AVL EPOS™ will provide shipowners with a reduction of up to 3% in CO₂ emissions and together with additional TECO 2030 technologies, we aim to support shipowners in achieving a carbon intensity indicator rating of C or better.



Hydrogen

TECO 2030's most ambitious project is directed towards hydrogen-based fuel cells for heavy-duty maritime use.

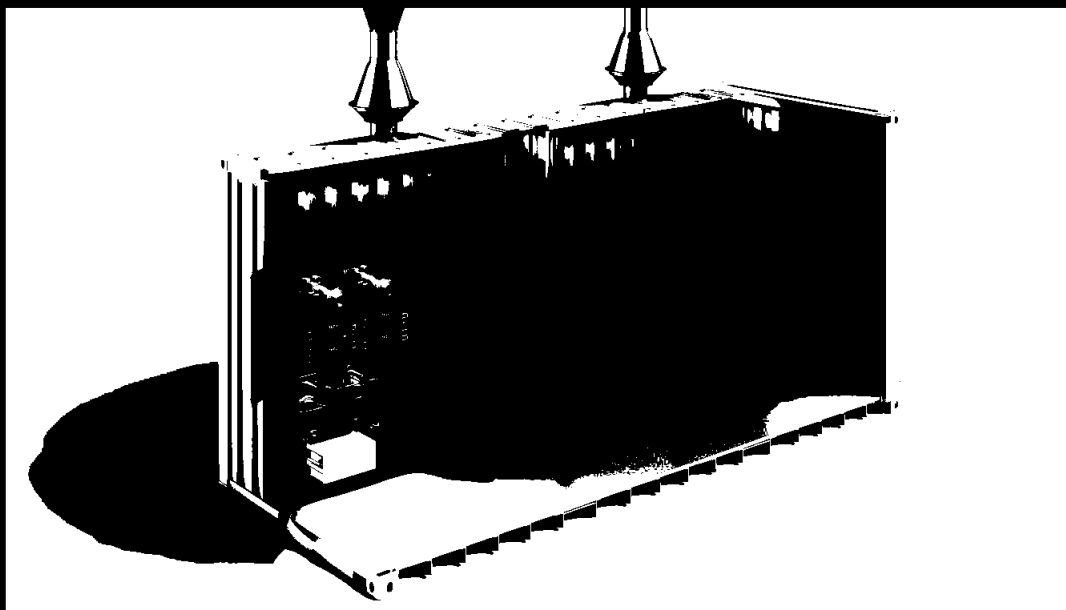
This is based on the following: Global seaborne trade has grown steadily, and it is expected to continue to do so. The international shipping industry carries about 90 percent of world trade.

While marine transport is already the most energy efficient mode of transportation, the huge volumes result in significant pollution and emission. There is increasing pressure on the shipping industry to mitigate these negative effects.

There are several avenues open to the industry. Emissions from ships running on fossil fuels may be reduced through updated technology.

For shorter-haul transport battery power is also an option. However, there are substantial segments of the shipping industry where battery power is not viable due to weight issues. This is where hydrogen comes in.

Today the global fleet consists of approximately 160,000 vessels, including both ocean- and river-going vessels. The marine market consists of approximately 100 000 ocean-going vessels, and approximately 60 000 river and waterways transport vessels worldwide which can be potential customers for hydrogen-based fuel cell propulsion. In addition, an estimated 2 500 newbuilds per year could potentially be fitted with fuel cells. This is potentially a multi-billion dollar market, every year for the foreseeable future.





Letter from the CEO

The shipping routes crisscrossing the oceans of the world are the major arteries of global trade. They supply the lifeblood sustaining billions of people all over the world, and as the global population grows, so do shipping volumes.

Over the past four decades seaborne trade has quadrupled, and this trend is expected to continue over the coming decades.

For many of the seaborne goods, there are no other realistic transport alternatives, be it oil, grain, gas, chemicals, trucks, heavy machinery or containers.

Firstly, any other alternative would be prohibitively expensive. And secondly, shipping is environmentally friendly when compared to the alternatives. Air freight produces more than 40 times the carbon emissions of marine transport on a per-ton basis. Rail and road have lower impact than air, but still significantly higher than marine transport.

Even so, the huge volume carried by ships makes for significant pollution and emissions. For the shipping industry to ignore this would not only be bad for the environment, it would be commercial suicide.

We're seeing a clear policy trend towards stricter environmental regulations of global shipping. The International Maritime Organization in 2018 set out clear targets, including a reduction of the industry's carbon intensity by at least 40 percent by 2030, and work is now underway to specify the details of these targets.

We have our eyes firmly on this trend. That's why our company is called TECO 2030.

We believe this creates huge opportunities, and at TECO 2030 we truly believe that innovative technology can reduce the environmental footprint of the shipping industry even as freight volumes continue to increase, contributing to a better life for a growing world population.

We intend to play our part in this, and we are looking both for emission reduction systems and zero emission solutions.

Firstly, a significant portion of the fleet will run on fossil fuels for decades into the future. So we need to reduce the emissions from today's fossil fuel engines. This covers both local pollution and global CO₂ emissions. The TECO 2030 Future Funnel will address this concern.

However, in the longer run, we need to move to carbon-neutral fuels. In some cases the solution is batteries, but in many shipping segments this is not feasible due to the weight of the batteries. This is where hydrogen comes in.

Fuel cells have already proven their performance in applications such as buses, trucks and trains, and they have the potential to power huge ships.

We are now working hard to develop the TECO 2030 Marine Fuel Cell System, designed from the bottom-up for heavy duty marine application.

TECO 2030 sees billion-dollar cleantech markets opening up as the shipping industry goes through a paradigm shift that is just as fundamental as moving from sail to steam and then from steam to diesel engines.

We will pursue these opportunities based on more than 25 years of working closely with the world's leading maritime transport companies through the TECO Group of companies. We have also recruited an amazing team of 17 people from 9 nationalities who have left excellent jobs to take part in a new adventure. Our Board of Directors consist of 60% women, and all the board members have a passion for the environment and the shipping industry.

I am truly proud of the passion our team demonstrate in their focus on the opportunity to build a highly profitable growth business that also aims to have a global impact by solving one of the greatest environmental puzzles of our time: How do we drastically reduce emissions from an ever-increasing global shipping fleet?

During 2020, we have worked hard on developing our technology and preparing for a commercial phase. In doing so, we have worked very closely with the leading Austrian engineering firm AVL, which possesses unrivaled know-how relevant to our projects.



Listing TECO 2030 on Euronext Growth Oslo was also a major milestone, as this increases our financial flexibility and enables us to think even bigger.

Looking forward to 2021 and beyond, TECO 2030 will continue to pursue a combination of market-ready solutions and future developments, both done under our headline banner:

TECO 2030 - powering the maritime industry's transition to renewable energy.

Tore Enger
Chief Executive Officer





Report from the Board of Directors

History and background

TECO 2030 ASA is an innovative engineering and equipment development company aiming to significantly increase the use of renewable energy, specifically in the form of hydrogen fuel cells, and exhaust gas cleaning systems, and to reduce the environmental footprint of the shipping industry. TECO 2030's ambition is to develop tomorrow's technology today.

TECO 2030 ASA ("the Company" or "TECO 2030") is the parent company of the TECO 2030 group ("the Group"). The head office is located at Lysaker, outside Oslo, Norway, with branches in Miami and Singapore.

TECO 2030 ASA was established in 2019 whereas the Group for all practical reasons was established by 1st August 2020 when the Company acquired the employees from prior sister company TECO Technologies, the shares in TECO 2030 INC and TECO 2030 Pte. Ltd. as well as some other items. These transactions are thoroughly described in note 6.3 to the financial statements as the transactions have been considered as business combinations in accordance with IFRS 3.

On 12th October 2020, TECO 2030 went public on Euronext Growth Oslo after successfully raising NOK 80 million in new equity prior to the listing. Preceding this process, TECO Tech Holding AS, the previously 90 percent shareholder of TECO 2030, distributed its shares in TECO 2030 to all of its 37 shareholders, providing a direct ownership in TECO 2030 ASA.

Following completion of the public share offering, TECO 2030 had more than 450 new shareholders. The share price in the public share offering was set at NOK 40. The share closed at NOK 67.00 on 31st December 2020.

Operations, research and development

TECO 2030 is a lean and efficient organisation which employs people with a proactive approach, always searching for improved solutions towards our common goal: a cleaner and better environment. In pursuing this ambitious goal, TECO 2030 has developed important products and is constantly moving forwards with new technologies

together with its collaborating partners. At the end of 2020, TECO 2030 has the following products available or under development:

TECO 2030 Future Funnel

During 2019 and 2020, TECO 2030 has developed its TECO 2030 Future Funnel emission reduction system for use onboard ships. The mantra for TECO 2030 has been to develop a future funnel of high quality and with less complexity, based on a lean and efficient organizational structure.

TECO 2030 works closely with the Austrian company AVL List GmbH ("AVL"), the world's largest independent company for development, simulation and testing of powertrain systems, with more than 11 500 employees worldwide.

Almost parallel with the completion of the first TECO 2030 Future Funnel design during the first half of 2020, the Covid-19 pandemic hit the world and put most of the world's shipowners' investment programs on hold. The pandemic led to a significant decrease in oil prices and thereby contributed to a dramatic reduction in the number of exhaust gas cleaning systems sold in 2020.

Together with its German manufacturer Gothe Edelstahl GmbH, TECO 2030 chose to start production of two 10 MW Future Funnels ready for delivery during the third quarter of 2020. This strategic production start was important to test and secure a high-quality and efficient production going forwards.

TECO 2030 Marine Fuel Cell

During the second half of 2020, TECO 2030 started the development of the TECO 2030 Marine Fuel Cell together with AVL. This project will be the largest project developed by TECO 2030 so far and the Board of directors ("BoD") believes that it will make a major contribution towards a cleaner and greener shipping industry.

Based on the previously proven successful cooperation between AVL and TECO 2030's strong team, the BoD is confident that this major development project is in good



hands. The BoD believes that the TECO 2030 Marine Fuel Cell project will develop TECO 2030 into an important player within the hydrogen fuel cell industry and a significant supplier for the maritime industry as it moves towards zero emissions.

TECO 2030 Ballast Water Treatment Systems

Ballast water contains a number of organisms, such as marine and coastal plants and animals from different regions of the world. If loaded in one part of the world and released in another, some organisms may survive and prosper in their new environment, with potential serious ecological, economic and public health impact.

TECO 2030 is a distributor of ballast water treatment systems ("BWTs") produced by the French company BIO-UV. Through TECO 2030 INC in Miami, the Group has, despite the various consequences of the Covid-19 pandemic, sold five systems to American ship owners in 2020. The last system was sold in December and will be delivered in 2021. The BoD believes that the market for BWTs will continue to increase the coming years as we are moving closer to 2024.

Strategy

TECO 2030's primary goal is to become a leading provider of green technology for the maritime industry as we move towards a zero-emission society. By developing tomorrow's technology today in close cooperation with sophisticated and experienced partners and the maritime industry, TECO 2030 aims to become a profitable and successful player in the important shift towards a greener and cleaner maritime industry.

IMO predicts an increase in maritime global trade by 50-250% by 2050. Despite this increase, IMO has a goal of reducing CO₂ emissions by at least 40% by 2030, and 70% by 2050 when comparing to 2008 emission levels. TECO 2030 has a goal of being a preferred provider for ship owners to meet these goals through strategic partnerships. Such collaborations provide TECO 2030 with the possibilities to develop leading industry technologies that will help ship owners comply with IMO's emission regulations.





TECO 2030 will maintain a lean, highly skilled, and efficient organization and rather purchase services and competence from cooperating partners when needed.

This will enable the Group to reach its ambitious targets without building a large internal R&D organization.

Through this strategy, TECO 2030 reduces the Company's financial and operational risk as it enables the Company to pick and choose between various technological developments before committing itself to significant expenses. TECO 2030's strategy of being a lean organization and flexible in terms of new developments aims to avoid a large and expensive cost base and thus providing the Company with potentially good cash flow and increased financial flexibility.

Financial position and cash flow

2020 is the first year of consolidated financial statements for the TECO 2030 Group. As such, comparable numbers for previous years do not exist. TECO 2030 is in an early phase of development of green technology and has a limited number of products for sale. In 2020, the Group sold some ballast water treatment systems through its American subsidiary for the total amount of NOK 1.2 million. Further, the Group also provided consultancy services towards external partners for NOK 0.76 million. Total income for TECO 2030 amounted to NOK 2.2 million.

Total operating expenses amounted to NOK 28.8 million and were mainly made up of personnel expenses (NOK 11.2 million) and Other operating expenses (NOK 14.9 million). Depreciations amounts to NOK 1.97 million and is related to the first TECO 2030 Future Funnel which was developed by the first quarter 2020 by TECO 2030 ASA and which was put into production in late February 2020. Net financial expenses amounted to NOK 652. The consolidated financial accounts showed a loss of NOK 27.2 million before tax.

Total assets were NOK 82.4 million and consisted of NOK 19.5 million of intangible assets related to the ongoing development projects. These are mainly based on internal manhours and external consultancy services such as AVL.

Further, non-current assets include Goodwill items of NOK 2.5 million related to the acquisitions in August 2020 referred to in note 6.3.

The Group had an interest-bearing debt of NOK 10 million in the parent company, TECO 2030 ASA. The loan, which was a convertible bond loan expiring in July 2021, was converted in January 2021 by all seven bondholders. The loan had an interest rate at 10 % p.a. The Group had no other interest-bearing debt as per end of 2020.

As of December 31st, the Group's total equity was NOK 55.6 million, thus leading to an equity ratio of 67.5 percent. In connection with the listing on Euronext Growth Oslo in October 2020, TECO 2030 raised NOK 80 million in gross proceeds.

Cash Flow Statement

The Group had a net cash flow from operating activities in 2020 of NOK 24.1 million, primarily made up by the operational loss of NOK 27.2 million and adjusted for depreciations (NOK 2 million).

Net cash flow from investing activities was NOK 19.3 million. The major investment throughout the year was related to the development of the Group's products and led to the capitalization of altogether NOK 13.3 million. Further, another NOK 5.7 million was invested in connection to the acquisitions of the business combination.

Net proceeds from financing activities (NOK 83.5 million) was largely made up of the issuance of equity in September 2020 prior to the listing of the Company's shares of NOK 74.9 million and the convertible bond loan issued in July 2020 which raised another NOK 10 million. The cash balance at the end of the year was NOK 43.7 million.

TECO 2030 ASA

The Group's parent company, TECO 2030 ASA, recorded a net loss of NOK 16.4 million for 2020 compared to NOK 2.6 million in 2019 (only three months of operation). Even for TECO 2030 ASA, 2020 has been a year with major focus on developments. The operating expenses were



primarily made up of personnel expenses (NOK 2.2 million) (2019: 0) and Other operating expenses of NOK 12 million (2019: NOK 2.6 million). The other operating expenses for 2020 also include management fees for the period January - July.

The Company's total assets were NOK 88.4 million (2019: NOK 12.4 million) and consist primarily of intangible assets related to development projects (NOK 15.1 million) (2019: NOK 3.9 million), Intra-group loans of NOK 21.2 million and Cash and cash equivalents of NOK 40.5 million (2019: NOK 3.7 million). The total equity was NOK 66.5 million (2019: NOK 7.5 million), leading to an equity ratio of 75.2 percent (2019: 60.3 percent).

The Company had a negative net cash flow from operating activities of NOK 33.5 million, mainly resulting of the loss for the year and the changes in trade and other receivables from group-companies. Investing activities shows a negative cash flow of NOK 13.7 million, primarily arising from capitalized development expenses throughout the year and the purchase of various agreements in August 2020.

Cash flow from financing activities is positive by NOK 84 million and is the result of the share issue in September 2020 (NOK 74.9), prior to the listing of the Company and the issuance of the NOK 10 million convertible bond loan in July 2020. The Company's cash balance at the end of the year was NOK 40.5 million.

The BoD proposes the net loss of NOK 16.4 million to be allocated to Losses brought forward.

The financial statements are prepared in accordance with IFRS as adopted by the EU.

In accordance with the Norwegian Accounting Act, the board of directors confirms that the annual accounts have been prepared in accordance with the going-concern assumption.

Liquidity

Throughout the first half of 2020, the Company and the Group had limited liquidity reserves. Following the issuance of a NOK 10 million bond loan in July and the NOK

80 million share issue in October, the situation improved significantly, and the BoD considers the liquidity situation to be satisfactory per the balance sheet date. The current cash balance is expected to enable the funding of the Group's operating expenses throughout 2021. The major fuel cell development project will, however, to a large extent require additional separate funding. The more successful the Group is in selling TECO 2030 Future Funnels in 2021 the less the requirement for additional funding will be. The BoD is, together with management, looking into various solutions to secure the TECO Marine Fuel Cell development.

Risk factors

All businesses are, to more or less extent, subject to a number of risk factors related to business areas such as Operational risks, Financial risks (credit, liquidity, interest etc.), and Markets. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, the parent company of a relatively newly established group of companies, which by itself represents a number of risks. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

The BoD and management team of TECO 2030 are constantly monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical. The risk factors are also described in note 4.5 after the financial statements.

Operational risk factors

As TECO 2030 is in an early stage and to a substantial extent depends on external partners for development and production, the internal operational risks are limited. However, the Group is dependent on recruiting and retaining highly qualified personnel with deep knowledge of the maritime industry and relevant technologies.

The Group will also have to build and maintain close relationships with its key business partners.



Development risk

Developing new technologies is always associated with development risk. Development is done in close cooperation with AVL, a major development company with a long track record of developing new technologies within the areas of which TECO 2030 operates. TECO 2030 also has strong development competence within the organization. Even so, there is a risk that developed products do not function as well as anticipated, either due to technical failures or other technical or design challenges, or that competing and superior technologies emerge leading to TECO 2030's products being outperformed by competitors. Although relying on already available patents from AVL and/or jointly developed patents by AVL and TECO 2030, the risk of patent restrictions might occur.

Market risk

Green technology is in constant change and is dependent on factors such as major fluctuations in oil prices, as low oil prices increase ship owners return on investment for scrubber installations and other low-emission technologies; the global economy in general and shipping companies in particular; and national and international regulations.

Financial risk

Foreign exchange risk

Throughout 2020, TECO 2030 was exposed to foreign exchange transaction risk as the major cooperating partners are located in central Europe with Euro as currency. For 2021 it is expected that the majority of sales, as well as most of the production costs will be in Euro. Some of the production costs will, however, be in NOK together with a large part of the Group's overhead expenses and, as such, lead to an increased exposure to the EUR/NOK exchange rate. More importantly, the significant development program related to TECO 2030 Marine Fuel Cells with AVL will be invoiced in Euro.

In addition, the Company will, from project to project, be exposed to a limited number of other currencies (mainly USD). The Company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the

Group's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Liquidity risk

TECO 2030 successfully raised NOK 80 million in a share issue prior to the listing in October 2020. The cash from the share issue secures the Group's liquidity needs for 2021. An acceleration of the development process related to TECO 2030 Marine Fuel Cells will, however, increase the Group's cash needs. The Group's success, or lack of success, in selling TECO 2030 Future Funnels and ballast water treatment systems will affect the Group's cash position in 2021 and onwards.

Interest risk

As per end of 2020, TECO 2030 is to a limited extent exposed to interest risk. The Company had per 31 December 2020 one convertible bond loan of NOK 10 million bearing a fixed interest rate of 10 percent which falls due in July 2021. The conversion period ends on 30 June 2021 but a few days into 2021, all bondholders have announced a request to convert and the loan is, as per the date of signing the Annual financial statements, fully converted into 400 000 new shares.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has limited number of customers as per end of 2020 but has already established sufficient internal guidelines in order to minimise the risk of ending into such situations.

Risks related to regulations and political risk

Governmental regulations in the jurisdictions in which TECO 2030 operates, relating to issues such as health, security, environment, and tax, will affect the Company's business going forwards. New or changing regulations implemented by IMO, the United Nations authority to serve as a regulator of all vessels sailing in International waters, may affect the market for products in the markets in which TECO 2030



operates. Additionally, regulations might be imposed from flag states and local authorities.

Risks related to key personnel and competence

In August 2020, TECO 2030 acquired the employees from TECO Technologies AS. TECO 2030's future success will therefore partly depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. TECO 2030's total number of employees is limited and retaining key personnel is therefore important.

The Covid-19 pandemic

The Covid-19 pandemic hit TECO 2030 just as the Group was about to launch its first Future Funnel to the market. The pandemic had a strong negative effect on the world economy in general, and the Maritime industry was no exception. With falling oil prices and uncertain times ahead, ship owners had less incentives and willingness to enter into significant investment programs, thus leading to a global slowdown in the ordering of emission reduction systems. Towards the end of 2020, the price gap between high sulphur and low sulphur oil was about to increase in a way that makes the installation of a TECO Future Funnel more interesting and profitable for ship owners. The BoD is of the opinion that the Covid-19 pandemic led to a delay in the Group's sale of TECO Future Funnels in 2020 but anticipates that the market will pick up again in 2021 and onwards. Due to lack of sales, the Group was forced to slow down some of its operations and activities in March and April 2020. Apart from this, it is the opinion of the BoD that the Group has been somewhat spared from major impacts of the pandemic. Its development processes have all continued according to schedule.

Working environment and external environment

At the end of 2020, the Group employs a total staff of 18 full-time equivalents.

Absence due to illness during 2020 was below 1 percent for the TECO 2030 Group and is considered satisfactory. The BoD considers the working environment to be healthy and good. The market in which TECO 2030 operates is dominated by male employees, but the Group is actively working towards a diversified working environment and the share of female employees is increasing. 60 percent of the BoD members are female. Among the 18 employees that made up the TECO 2030 team per 31.12.2020, nine different nationalities were represented.

The Company strongly respects and supports diversity in general and see this as a competitive advantage to create value for the company and its shareholders. In 2020, several highly skilled employees with various cultural backgrounds have joined the team. The Company is a strong supporter of the UN's Sustainable Development Goals which includes tackling global challenges such as poverty, inequality (gender, ethnicity, sexual preferences etc.), climate change, environmental degradation, peace and justice.

The Company works towards the goal of securing environmentally sustainable and healthy solutions for the maritime industry. As such, the Company attempts through all its activities to reduce the environmental impact to a minimum. None of the Company's activities during 2020 have had any negative impact on the environment beyond an expected minimum.

The BoD's review on sustainability is presented in a separate section of the Annual report.

Corporate Governance

The BoD has adopted policies for corporate governance to safeguard the interests of shareholders, employees and other stakeholders. TECO 2030 intends to comply with the Norwegian Code of Practice for Corporate Governance and explain any deviations from the code.

The BoD's review on corporate governance is presented in a separate section of the Annual report.



Events after the end of the financial year

In the beginning of January 2021, all lenders in the Company's MNOK 10 convertible bond loan announced that they wanted to convert their loans into shares in accordance with the loan agreement dated July 10, 2020. The conversion period started October 31st, 2020 and ended June 30th, 2021. The conversion was expected and resulted in the issuance of 400 000 new shares increasing the share capital to NOK 1240 000.

On January 12th 2021 TECO announced the launch of TECO 2030 EPOS powered by AVL. The Engine Performance Optimization System (EPOS) for combustion engines will be offered to shipowners worldwide. The system provides the owners with preventive engine damage measures and reduces fuel consumption and environmental impact by up to 3%.

Outlook

The BoD expects 2021 to be an interesting and a very important year for TECO 2030. The development program for TECO 2030 Marine Fuel Cells will enter into a new phase and hopefully strengthen the Group's position as an upcoming leading provider of fuel cells to the marine market. The focus on hydrogen as the most viable solution and pathway towards a zero-emission marine industry is increasing almost day by day in the EU and in several of its member states as well as in Norway. As an example, it has been stated by the Norwegian Government that low

or zero emission will be an absolute requirement for new governmental coastal and ferry contracts in Norway from 2023 and onwards. TECO 2030 will be very well positioned to offer solutions for such projects going forward. TECO 2030's partnership in the EUR 6 billion-project; Green Hydrogen @ Blue Danube, is also offering vast opportunities for the Group as well as many other individual and joint projects that are expected the following years.

As stated in the prospectus prepared prior to the listing of the Company in October 2020, TECO 2030 will, as part of the fuel cell study, undertake investigations towards the industrialization of the fuel cell technology. TECO 2030 has signed a non-binding Letter of Intent with AVL with the goal of establishing a scalable industrialization of the first fuel cell systems developed by TECO 2030.

The price gap between heavy fuel oil (HFO) and very low sulfur fuel oil (VLSFO) increased towards the end of 2020 and the BoD expects this tendency to continue into 2021 as the world economy is projected to slowly recover after a slow period affected by the Covid-19 pandemic. As this price gap increases towards, and above, USD 100 per ton of fuel the ROI for shipowners will become increasingly attractive thus establishing a good foundation for an increased demand for TECO 2030 Future Funnels. Further, IMO and local authorities around the world are expected to implement more restrictions on emissions from vessels related to areas such as Particulate Matter (PM), NOx, SOx and CO₂. These are areas where TECO 2030 provides viable solutions through its Future Funnel.

Lysaker, 28 January 2021

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Marit Kirkhusmo
Member of the Board

Birgit Liodden
Member of the Board

Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer





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TECO 2030 Group

Statement of comprehensive income

| TECO 2030 Group Amounts in NOK | Notes | 01.01.2020- 31.12.2020 | 30.09.2019- 31.12.2019* |
|--|----------|---------------------------|----------------------------|
| Total revenue | 2.1 | 2 183 289 | - |
| Costs of goods sold | | -691 027 | |
| Personnel expenses | 2.2 | -11 231 904 | |
| Other operating expenses | 2.3 | -14 860 883 | -2 635 608 |
| Depreciation and amortisation | 3.1,3.2 | -1 969 048 | - |
| Total operating expenses | | -28 752 862 | -2 635 608 |
| Operating profit (loss) | | -26 569 573 | -2 635 608 |
| Finance income | 4.8 | 683 068 | 14 086 |
| Finance cost | 4.3, 4.8 | -1 334 753 | - |
| Net financial income (expense) | | -651 685 | 14 086 |
| Profit before tax | | -27 221 258 | -2 621 522 |
| Income tax expense | 5.1 | -7 439 | - |
| Profit (loss) for the year | | -27 228 697 | -2 621 522 |
| Other comprehensive income: | | | |
| Items that will be reclassified to profit or loss | | 29 214 | - |
| Total other comprehensive income for the period | | 29 214 | - |
| Comprehensive income for the year | | -27 199 483 | -2 621 522 |
| Earnings per share | | | |
| Basic EPS, profit for the year attributable to ordinary equity holders | 4.6 | -5,65 | -2,36 |
| Diluted EPS, profit for the year attributable to ordinary equity holders | 4.6 | -5,65 | -2,36 |

* The company was incorporated on 30 September 2019



TECO 2030 Group

Statement of financial position

| TECO 2030 Group | Notes | 31.12.2020 | 31.12.2019 |
|---------------------------------|-------|-------------------|-------------------|
| Amounts in NOK | | | |
| ASSETS | | | |
| Non-current assets | | - | |
| Property, plant and equipment | 3.1 | 376 382 | 164 909 |
| Intangible assets | 3.2 | 19 510 544 | 3 909 237 |
| Goodwill | 6.3 | 2 482 661 | |
| Right-of-use assets | 3.3 | 1 112 449 | - |
| Total non-current assets | | 23 482 036 | 4 074 146 |
| Current assets | | | |
| Trade and other receivables | 2.3 | 8 728 765 | 4 646 078 |
| Inventories | | 6 084 475 | - |
| Other current assets | | 354 506 | - |
| Cash and cash equivalents | 4.7 | 43 717 208 | 3 689 963 |
| Total current assets | | 58 884 954 | 8 336 041 |
| TOTAL ASSETS | | 82 366 989 | 12 410 187 |



| TECO 2030 Group Amounts in NOK | Notes | 31.12.2020 | 31.12.2019 |
|---------------------------------------|-------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 4.6 | 1 200 000 | 111 111 |
| Share premium | | 83 785 307 | 9 988 879 |
| Other reserves | 4.3 | 449 731 | |
| Currency translation differences | | 29 214 | - |
| Retained earnings | | -29 850 219 | -2 621 522 |
| Total equity | | 55 614 031 | 7 478 468 |
| Non-current liabilities | | | |
| Non-current lease liabilities | 3.3 | 223 276 | - |
| Total non-current liabilities | | 223 276 | |
| Current liabilities | | | |
| Current lease liabilities | 3.3 | 893 592 | - |
| Interest-bearing loans and borrowings | 4.2 | 1 623 029 | 4 722 251 |
| Convertible bonds | 4.3 | 10 000 000 | - |
| Trade and other payables | 2.5 | 10 137 345 | 209 468 |
| Other current liabilities | 2.6 | 3 875 716 | - |
| Total current liabilities | | 26 529 682 | 4 931 719 |
| Total liabilities | | 26 752 958 | 4 931 719 |
| TOTAL EQUITY AND LIABILITIES | | 82 366 989 | 12 410 187 |

Lysaker, 28 January 2021

Sigurd Gaarder Lange
Chairman of the Board

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Member of the Board

Marit Kirkhusmo
Member of the Board

Birgit Liodden
Member of the Board

Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



TECO 2030 Group

Statement of changes in equity

| TECO 2030 Group Amounts in NOK | Notes | Share capital | Share premium | Other reserves | Currency translation differences | Retained earnings | Total equity |
|---|-------|------------------|------------------|-------------------|--|----------------------|------------------|
| Balance at 30 September 2019 (date of incorporation) | | | | | | | |
| Issuance of share capital at inception | | 100 000 | - | - | - | - | 100 000 |
| Issuance of share capital | | 11 111 | 9 988 879 | - | - | - | 9 999 990 |
| Profit (loss) for the period | | - | - | - | - | -2 621 522 | -2 621 522 |
| Other comprehensive income | | - | - | - | - | - | - |
| Balance as of 31 December 2019 | | 111 111 | 9 988 879 | - | - | -2 621 522 | 7 478 468 |

| TECO 2030 Group Amounts in NOK | Notes | Share capital | Share premium | Other reserves | Currency translation differences | Retained earnings | Total equity |
|--|-------|------------------|-------------------|-------------------|--|----------------------|-------------------|
| Balance at 1 January 2020 | | | | | | | |
| Issuance of shares 19.08.2020 | | 888 889 | -888 889 | - | - | - | - |
| Issuance of shares 09.10.2020 | | 200 000 | 79 800 000 | - | - | - | 80 000 000 |
| Transaction costs - Issuance of shares | | - | -5 114 683 | - | - | - | -5 114 683 |
| Conversion rights | 6.3 | - | - | 449 731 | - | - | 449 731 |
| Profit (loss) for the year | | - | - | - | - | -27 228 697 | -27 228 697 |
| Other comprehensive income | | - | - | - | 29 214 | - | 29 214 |
| Balance as of 31 December 2020 | | 1 200 000 | 83 785 307 | 449 731 | 29 214 | -29 850 219 | 55 614 031 |



TECO 2030 Group Statement of cash flows

| TECO 2030 Group Amounts in NOK | Notes | 01.01.2020- 31.12.2020 | 30.09.2019- 31.12.2019* |
|--|-------|---------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Profit or loss before tax | | -27 221 258 | -2 621 522 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | | |
| Net financial income/expense | | -201 954 | -14 086 |
| Other financial income | | -349 835 | - |
| Conversion rights | 4.3 | 449 731 | - |
| Depreciation, amortisation and impairment | | 1 969 048 | - |
| <i>Changes in working capital:</i> | | | |
| Changes in trade receivables and other receivables | 2.4 | 82 699 | -4 646 078 |
| Changes in trade and other payables | 2.5 | 6 489 192 | 4 931 718 |
| Change in inventories | | -6 084 475 | - |
| Changes in other current assets and current liabilities | | 746 990 | - |
| Net cash flows from operating activities | | -24 119 862 | -2 349 968 |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | 3.1 | -291 567 | -164 909 |
| Investment in business combinations, net of cash acquired | 6.3 | -5 724 692 | - |
| Transaction cost business combinations | 6.3 | -100 000 | - |
| Development expenditures | 3.2 | -13 269 444 | -3 909 237 |
| Interest received | | 66 925 | 14 086 |
| Net cash flows from investing activities | | -19 318 778 | -4 060 060 |
| Cash flow from financing activities | | | |
| Net proceeds from issuance of equity | | 74 885 317 | 10 099 990 |
| Proceeds from convertible debt | 4.3 | 10 000 000 | - |
| Repayment of principal | | -6 933 756 | - |
| Repayment of interest | | -140 863 | - |
| New borrowings in connection with business combination | 6.3 | 6 133 756 | - |
| Cash payments for the principal portion of the lease liability | 3.3 | -446 490 | - |
| Cash payments for the interest portion of the lease liability | 3.3 | -32 079 | - |
| Net cash flows from financing activities | | 83 465 885 | 10 099 990 |
| Net increase/(decrease) in cash and cash equivalents | | 40 027 245 | 3 689 963 |
| Cash and cash equivalents at beginning of the year/period | 4.7 | 3 689 963 | - |
| Cash and cash equivalents, end of year | | 43 717 208 | 3 689 963 |

The statement of cash flows are prepared using the indirect method.

* The company was incorporated on 30. September 2019



TECO 2030 Group

Notes to consolidated financial statements

1 – Overview

1.1 – Corporate information

TECO 2030 ASA (“The Company” or TECO 2030) and its subsidiaries is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on the 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. The registered office address of TECO 2030 is Lysaker torg 12, 1366 LYSAKER, Norway.

Teco 2030 ASA or the Group is hereafter referred to as “the Group” Teco 2030 ASA as parent and TECO 2030 Pte Ltd, TECO 2030 INC, Teco Fuel Cell AS and TECO 2030 AS as its subsidiaries. Teco 2030 ASA shares are traded on Euronext Growth (Oslo Norway). The Group financial statements for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the Board on the 28 January 2021.

1.2 – Basis of preparation

The Group financial statements of TECO 2030 comprise of consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The Group financial statements have been prepared in accordance with International

Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Group financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK).

1.3 – Estimates, judgements and assumptions

The preparation of the Group financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management’s judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.



Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

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 utilized. Reference is made to note 5.1 for information on the Group's recognized and unrecognised deferred tax assets.

Going concern

As a result of the proceeds from the offering in September and the current liquidity situation, the Group's Directors expect that the Group has available financial resources sufficient for all planned activities, at least but not limited to 31 December 2021. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.4 – Significant accounting policies

Foreign currency translation

Items included in the Group's financial statements are measured using the functional currency of the individual entities. The Group's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and

from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in the statement of profit or loss on a net basis within other gains/(losses). Subsidiaries with a functional currency that is not NOK are converted into the presentation currency using the exchange rate at the date of the transaction for the profit or loss statement and for the statement of financial position using the exchange rate at the end of the reporting period.

Current/non-current classification

An asset is classified as current when it is expected to be realized, or is intended for sale or consumption, in the Group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realized or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits.

Trade receivables

The Group initially recognises trade receivables at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting



rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs. The inventory consist of two 10 MW scrubbers.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognized as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in the consolidated statement of comprehensive income over the useful life of a depreciable asset as a reduced depreciation expense.

Statement of cash flows

The consolidated statement of cash flows of the Group is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

1.5 – New standards and amendments

New standards and amendments that are effective for the first time for periods commencing on or after 1 January 2020 (ie years ending 31 December 2020), and forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2021 and might have an effect on the Groups reporting are disclosed below.

New standards and amendments – applicable 1 January 2020 Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to

align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to IAS 1 and IAS 8 are applied prospectively by the Group for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 3 - Definition of a Business

The amendments will help companies determine whether an acquisition made is of a business or a Group of assets. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and the Group have applied it prospectively

New standards and interpretations not yet adopted.

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to impact Group's financial statements materially, or are not expected to be relevant to the Group's financial statements upon adoption.

2 – Operating performance

2.1 – Segment information and operating income

ACCOUNTING POLICIES

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial



information is available. The Company has determined that the board of directors is collectively the chief operating decision maker. At the present, the group is organized into one reporting segment, because of this, segment information is not provided.

The segment information is reported in accordance with the reporting to board of directors (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. EBITDA is defined as segment profit or loss.

ACCOUNTING POLICIES

Revenue from contracts with customers

Revenue from contracts with customers in 2020 is sales of the groups ballast water treatment system as well as

consultancy hours. Consultancy work has been sales to companies which are considered as related parties. Revenue from sales of ballast water treatment systems and hours for consultancy work is recognised at a point in time which is at delivery to the customer.

Products

Ballast water treatment system (BWTS)

The UV Ballast Water Treatment System for ships address the issue related to the spreading of flora in the sea through ballast water. The BWTS is offered by the Group through a distribution agreement with the French developer and producer BIO UV. The product is paid partly upfront and partly at the delivery. The revenue is recognised at delivery to the customer.

| Disaggregation of revenue | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|---|-----------------------|-----------------------|
| Revenue from customers - Ballast water treatment system | 1 211 112 | - |
| Revenue from customers - Consultancy | 757 414 | - |
| Total revenue from contracts with customers | 1 968 525 | - |
| Other income | 214 764 | - |
| Total | 2 183 289 | - |

| Revenue from contracts with customer based on geography ¹⁾ (NOK) | | |
|---|-----------|---|
| United States of America | 1 677 847 | - |
| Malaysia | 290 678 | - |
| Total | 1 968 525 | - |

¹⁾ Based on customer location

The Group has four customers in 2020 where the revenue individually exceeds 10% of group revenues of NOK 2 183 289.

| Revenue in % of group revenue | 2020 | 2019 |
|-------------------------------|------|------|
| Company 1 | 44 % | - |
| Company 2 | 32 % | - |
| Company 3 | 13 % | - |
| Company 4 | 10 % | - |



2.2 – Employee benefit expenses

| Employee benefit expense Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Salaries and wages | 9 707 000 | - |
| Social security tax | 1 332 094 | - |
| Pension | 238 669 | - |
| Other personnel costs | 1 395 869 | - |
| Capitalized personnel expense | -1 441 728 | - |
| Total employee benefit expenses | 11 231 904 | - |

By the end of 2020, the Group employed altogether 18 employees. The Group did not have any employees prior to August 2020.

In august following the restructuring and transaction described in note 6.3 the Group gained 13 employees.

Pensions

Both in Norway and in the US the Group has a defined contribution plan. TECO 2030 ASA (the parent company) and the subsidiary TECO 2030 AS are obligated to follow the stipulations in the Norwegian mandatory occupational pensions act. The companies' pension scheme adheres to the requirements as set in the act.

The Group's payments are recognized in the income statement as employee benefit expenses for the year to which the contribution applies.

Share-based payments

The Board of Directors has resolved to implement a share incentive scheme for employees and board members of the Group for the period 2020 – 2022. The Board of Directors intend to grant options on an annual basis. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options. No options have been issued by the end of 2020.



2.3 – Other operating expenses

| Other operating expenses Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Management fees ¹⁾ | 5 576 176 | 2 046 674 |
| Legal, audit and professional fees | 5 559 944 | - |
| Facilities | 736 116 | - |
| Other operating expenses | 2 988 647 | 588 934 |
| Total other operating expenses | 14 860 883 | 2 635 608 |

¹⁾ Management fees in 2020 reflects the costs from Teco Technologies AS January - August 2020. In addition NOK 2,3 million was capitalized and is recognised in the intangible assets.

| Auditor fees Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Statutory audit (excl. VAT) | 461 200 | - |
| Audit related services and attestation (excl. VAT) | 393 000 | - |
| Tax compliance (excl. VAT) | 103 309 | - |
| Other services (excl. VAT) | 447 629 | - |
| Total remuneration to the auditor | 1 405 138 | - |

2.4 – Trade and other receivables

| Trade and other receivables Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|------------------|------------------|
| Trade receivables | 4 272 645 | - |
| Interest bearing loans related parties ¹⁾ | 2 893 457 | 4 646 078 |
| Deposits | 389 669 | - |
| VAT receivable | 1 172 994 | - |
| Total trade and other receivables | 8 728 765 | 4 646 078 |

¹⁾ See note 6.1 for additional information



2.5 – Trade and other payables

| Trade and other payables Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|-------------------|----------------|
| Trade payables | 8 555 700 | 209 468 |
| Public duties payable | 1 574 206 | - |
| Tax payable | 7 439 | - |
| Total trade and other payables | 10 137 345 | 209 468 |

2.6 – Other current liabilities

| Other current liabilities Amounts in NOK | 31.12.2020 | 31.12.2019 |
|---|------------------|------------|
| Payable salary and board remuneration | 1 592 322 | - |
| Other accrued expenses | 2 283 395 | - |
| Total trade and other payables | 3 875 716 | - |

3 – Asset Base

3.1 – Property, plant and equipment

The Group's property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.



| Acquisition cost Amounts in NOK | Equipment and movables | Total |
|---|------------------------|----------------|
| Acquisition cost 30.09.2019 | - | - |
| Additions | 164 909 | 164 909 |
| Disposals | - | - |
| Reclassifications | - | - |
| Acquisition cost 31.12.2019 | 164 909 | 164 909 |
| Accumulated depreciation & impairment 30.09.2019 | - | - |
| Depreciation for the year | - | - |
| Disposals | - | - |
| Impairment | - | - |
| Reclassifications | - | - |
| Accumulated depreciation & impairment 31.12.2019 | - | - |
| Carrying amount 31.12.2019 | 164 909 | 164 909 |

| Acquisition cost Amounts in NOK | Equipment and movables | Total |
|---|------------------------|----------------|
| Acquisition cost 31.12.2019 | 164 909 | 164 909 |
| Additions | 292 254 | 292 254 |
| Business combination | 12 282 | 12 282 |
| Disposals | - | - |
| Reclassifications | - | - |
| Currency translation effects | -11 876 | -11 876,5 |
| Acquisition cost 31.12.2020 | 457 569 | 457 569 |
| Accumulated depreciation & impairment 31.12.2019 | - | - |
| Depreciation for the year | -92 376 | -92 376 |
| Disposals | - | - |
| Reclassifications | - | - |
| Currency translation effects | 11 189 | 11 189 |
| Accumulated depreciation & impairment 31.12.2020 | -81 187 | -81 187 |
| Carrying amount 31.12.2020 | 376 381 | 376 381 |
| Economic life (years) | 5 | |
| Depreciation plan | Straight-line method | |



3.2 – Intangible assets

Nature of the Group's intangible assets

The Group has recognised intangible assets comprising internal development projects related to the Group's solutions:

- TECO 2030 Future Funnel - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements
- TECO 2030 Marine Fuel Cell

ACCOUNTING POLICIES

Intangible assets acquired in a business combination
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalized no amortization is recorded and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortized by the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if

events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- Its ability to use or sell the intangible asset
- Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles
The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.



| Amounts in NOK | Development | Completed development | Sales and distribution agreements ¹⁾ | Goodwill ¹⁾ | Website | Total |
|--|-------------|-----------------------|---|------------------------|---------|-----------|
| Acquisition cost 30.09.2019 | - | | - | - | - | - |
| Additions | 3 909 237 | | | | | 3 909 237 |
| Disposals | - | | - | - | - | - |
| Reclassifications | - | | - | - | - | - |
| Acquisition cost 31.12.2019 | 3 909 237 | - | - | - | - | 3 909 237 |
| Accumulated depreciation & impairment 30.09.2019 | - | | - | - | - | - |
| Amortisation for the year | - | | - | - | - | - |
| Disposals | - | | - | - | - | - |
| Reclassifications | - | | - | - | - | - |
| Accumulated depreciation & impairment 31.12.2019 | - | | - | - | - | - |
| Carrying amount 31.12.2019 | 3 909 237 | - | - | - | - | 3 909 237 |



| Amounts in NOK | Development | Completed development | Sales and distribution agreements ¹⁾ | Goodwill ¹⁾ | Website | Total |
|---|------------------|---------------------------|---|------------------------|---------------------------|-------------------|
| Acquisition cost 31.12.2019 | 3 909 237 | - | - | - | - | 3 909 237 |
| Additions | 5 128 824 | 8 090 220 | - | - | 50 400 | 13 269 444 |
| Business combination | - | - | 3 750 000 | 2 482 661 | - | 6 232 661 |
| Disposals | - | - | - | - | - | - |
| Reclassifications | -3 909 237 | 3 909 237 | - | - | - | - |
| Acquisition cost 31.12.2020 | 5 128 824 | 11 999 457 | 3 750 000 | 2 482 661 | 50 400 | 23 411 342 |
| Accumulated depreciation & impairment 31.12.2019 | - | - | - | - | - | - |
| Amortisation for the year 2) | - | -1 103 957 | -312 500 | - | -1 680 | -1 418 137 |
| Disposals | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - |
| Accumulated depreciation & impairment 31.12.2020 | - | -1 103 957 | -312 500 | - | -1 680 | -1 418 137 |
| Carrying amount 31.12.2020 | 5 128 824 | 10 895 500 | 3 437 500 | 2 482 661 | 48 720 | 21 993 205 |
| Economic line Amortisation plan | | 7 Straight-line method | 5 Straight-line method | | 5 Straight-line method | |

¹⁾ See note 6.3 Business combination on goodwill recognised in 2020.

²⁾ Amortization for completed 10 MW Future Funnel development from 1. April. Distribution Agreement and Strategic Cooperation Agreement from 1. August.



Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalized are included in the statement of comprehensive income as other operating expenses.

Goodwill and intangible assets with indefinite useful lives - Impairment considerations

Goodwill

Goodwill, and CGUs where goodwill has been allocated, are required to be tested for impairment annually. Impairment losses are recognised where the recoverable amount is less than the carrying amount. As part of the Group-structuring, thoroughly described in note 6.3, that took place in August 2020, a goodwill item of NOK 2 482 661 arose. The Group performed its annual impairment test of the goodwill in December 2020 by using a discounted cash flow model.

The impairment test was based on conservative forecasts for the next five years and managements best estimate of cash flows for the following years. Sales forecasts for 2021 and 2022 have taken into consideration the underlying uncertainty related to the consequences of the Covid-19 pandemic. A terminal value beyond the 5 year forecast period has been included in the calculated VIU. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC considers the cost of debt and equity and was set at 8 %.

Based on these assumptions the value exceeds the carrying value of NOK 2.4 million.

Intangible assets

Intangible assets include capitalized development costs and sales and distribution agreement as well as a strategic cooperation agreement with the Group's major development partner.

Future Funnel

The Group has, by the end of 2020, capitalized a total of approx. NOK 13 million of development expenses for the 10 MW Future Funnel-project. These include internal as well as external development expenses. This product was

considered ready for sale from Q2 2020. Despite the lack of sales in 2020, the capitalized amount is considered to be low compared to the value of the product and its anticipated future potential for generating revenues and positive cash flows. The Covid-19 pandemic, with its implications on various factors such as oil prices, is considered to be the main reason for the lack of sale of Future Funnels in 2020.

Other

Future Funnel-related projects include capitalized development expenses of approx. NOK 1 million and are considered still to be in a relatively early development phase and the considerations for the 10 MW very much applies for these projects as well.

Fuel Cell

The Group has capitalized some internal and external development costs related to the TECO Fuel Cells during 2020, although these expenses are still considered to be a cautious beginning of the total development project. The BoD and management have a strong believe in the hydrogen and Fuel Cell technology and its future possibilities and considers this to be a major step towards an emission free maritime sector with the potential to be a major contributor to the Group's future revenues and cash flow.

Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Group's major development partner. As such, this agreement is considered to be vital in the future development of the Group and its product portfolio.

The Sales and Distribution Agreement is necessary for the Group to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2023/24. The subsidiary TECO 2030 INC sold during 2020, on a 12 month basis, such systems for approx. NOK 3.2 million despite the Covid-19 pandemic and its impact on ship owners significant investment decisions.



3.3 – Leases

ACCOUNTING POLICIES

Identifying a lease

At inception of a contract, the group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is measured at present value of unpaid lease payment which includes the following:

- Fixed rental payments less incentives
- Variable lease payments based on an index or rate
- Purchase option price (reasonably certain)
- Guaranteed Residual Value
- Penalty for termination of lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest and reducing carry amount to reflect lease payments. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications.

Measuring the right-of-use asset

Right of use of asset is Initially measured at COST. Cost includes:

- The amount of initial lease liability
- Lease payments made on or before commencement
- Initial direct costs incurred
- Estimated costs of dismantling or site restoration
- Less: Incentives

The right of use of asset is subsequently measured using cost model i.e. cost less accumulated depreciation and impairment losses. The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group has elected to not apply the revaluation model for its right of use asset for leased buildings. The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Interest Rate

Interest rate for the calculation of present value of future lease payments is either

- Interest rate implicit in a lease OR
- Incremental borrowing rate by lessee

Right-of-use assets

The Group leases office space, vehicles and other equipment. For personal computers, IT equipment and machinery the Group has elected to apply the practical expedient of low value assets and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur.



| Rights - of use assets Amounts in NOK | Office | Vehicles | Total |
|--|-----------|----------|-----------|
| Acquisition cost 31.12.2019 | 0 | 0 | 0 |
| Addition of right-of use asset | 1 075 275 | 495 708 | 1 570 983 |
| Acquisition cost 31 December 2020 | 1 075 275 | 495 708 | 1 570 983 |
| Depreciation and impairment 1 August 2020 | - | - | - |
| Depreciation | -312 980 | -145 555 | -458 535 |
| Currency exchange differences | - | - | - |
| Accumulated depreciation and impairment 31 December 2020 | -312 980 | -145 555 | -458 535 |
| Carrying amount of right-of use assets 31 December 2020 | 762 295 | 350 153 | 1 112 449 |
| Lease liabilities | | | |
| Undiscounted lease liabilities and maturity of cash outflows | | | Total |
| Less than 1 year | | | 273 658 |
| 1-2 years | | | 868 739 |
| 2-3 years | | | - |
| Total undiscounted lease liabilities at 31 December 2020 | | | 1 142 397 |



| Summary of the lease liabilities in the financial statements | Statement of: | Total |
|--|-------------------------|------------------|
| At initial application 1 August 2020 | | 1563 358 |
| Change in contracts | | |
| New lease liabilities recognised in the year | | |
| Cash payments for the principal portion of the lease liability | Cash flows | 446 490 |
| Cash payments for the interest portion of the lease liability | Cash flows | 32 079 |
| Interest expense on lease liabilities | Profit and loss | 32 079 |
| Reassessment of the discount rate on previous lease liabilities | Profit and loss | - |
| Currency exchange differences | Profit and loss and OCI | -12 546 |
| Total lease liabilities at 31 December 2020 | | 1 116 868 |
| Current lease liabilities | Balance sheet | 893 592 |
| Non-current lease liabilities | Balance sheet | 223 276 |
| Total cash outflows for leases | Cash flows | 478 569 |
| Summary of other lease expenses recognised in profit or loss | | |
| Operating expenses period related to low value assets (excluding short-term leases included above) | | 544 700 |



4 – Financial instruments, risk and equity

4.1 – Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group measures its financial assets at amortised cost. At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Group's financial instruments are grouped in the following categories: Financial assets measured at amortised cost:

- Includes mainly trade receivables, cash and cash equivalent and loans to related parties.

Financial liabilities measured at amortised cost:

- Represent the Group's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables

Financial liabilities measured at fair value:

- The Group does not have any financial liabilities at fair value during the current reporting period or at the balance sheet date.

All of the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash

flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Group's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Group does not buy or sell or hold any derivative financial instruments.

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses.

Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.



The carrying amount of the Group's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

| 31.12.2020 Amounts in NOK | Note | Financial instruments at amortised cost | Total |
|---|------|---|-------------------|
| Assets | | | |
| Loan to related parties | 6.1 | 2 893 457 | 2 893 457 |
| Trade receivables | | 4 272 645 | 4 272 645 |
| Cash and cash equivalents | 4.7 | 43 717 208 | 43 717 208 |
| Total financial assets | | 50 883 310 | 50 883 310 |
| Liabilities | | | |
| <i>Interest-bearing loans and borrowings</i> | | | |
| Current interest bearing liabilities to related parties | 4.2 | 1 623 029 | 1 623 029 |
| Convertible bond loan | 4.3 | 10 000 000 | |
| <i>Other financial liabilities</i> | | | |
| Trade payables | 2.4 | 8 555 700 | 8 555 700 |
| Total financial liabilities | | 20 178 729 | 10 178 729 |

| 31.12.2019 Amounts in NOK | Note | Financial instruments at amortised cost | Total |
|---|------|---|------------------|
| Assets | | | |
| Receivables related parties | 6.1 | 4 646 078 | 4 646 078 |
| Cash and cash equivalents | 4.6 | 3 689 963 | 3 689 963 |
| Total financial assets | | 8 336 041 | 8 336 041 |
| Liabilities | | | |
| <i>Interest-bearing loans and borrowings</i> | | | |
| Current interest bearing liabilities to related parties | 4.2 | 4 722 251 | 4 722 251 |
| <i>Other financial liabilities</i> | | | |
| Trade payables | 2.4 | 209 468 | 209 468 |
| Total financial liabilities | | 4 931 719 | 4 931 719 |



4.2 – Interest-bearing loans and borrowings

Amounts in NOK

| | 31.12.2020 | 31.12.2019 |
|--|-------------------|------------------|
| Non-current Interest bearing loans and borrowings | | |
| Borrowings from related parties | | - |
| Total non-current interest bearing loans and borrowings | | - |
| Current interest bearing loans and borrowings | | |
| Borrowings from related parties | 1 623 029 | 4 722 251 |
| Convertible bond loan | 10 000 000 | - |
| Net total current interest bearing loans and borrowings | 11 623 029 | 4 722 251 |

The convertible bond loan carries a fixed interest rate of 10 % per annum and is further described in note 4.3.

The Group did not provide any guarantees to or on behalf of third parties as of 31 December 2020, or as of 31 December

2019. The Group does not have significant commitments.

The Group has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.



| 31.12.2020 Amounts in NOK | Loans and borrowing | Borrowings related parties | Total |
|--|------------------------|-------------------------------|-------------------|
| Balance at 01.01.2019 | 0 | 0 | 0 |
| <i>Changes from financing cash flows</i> | | | |
| Repayment of borrowings | | | - |
| New borrowings from related parties | | 4 722 251 | 4 722 251 |
| Interest paid | | | - |
| Total changes from financing cash flows | 0 | 4 722 251 | 4 722 251 |
| <i>Non-cash changes</i> | | | |
| Interest expense using effective interest method | | | - |
| Effect of changes in foreign exchange rates | | | - |
| Total non-cash changes | 0 | - | - |
| Balance 31.12.2019 | 0 | 4 722 251 | 4 722 251 |
| <i>Changes from financing cash flows</i> | | | |
| Repayment of principal | | -6 933 756 | -6 933 756 |
| Repayment of interest | | -54 852 | -54 852 |
| New borrowings from related parties (See note 6.3 Business combination) | | 6 133 756 | 6 133 756 |
| Proceed from borrowings | 10 000 000 | | 10 000 000 |
| Interest | | | - |
| Total changes from financing cash flows | 10 000 000 | 3 867 399 | 9 145 148 |
| <i>Non-cash changes</i> | | | |
| Reclassification assets against liabilities | | -2 497 768 | -2 497 768 |
| Other non-cash | | 253 398 | 253 398 |
| Finance expense conversion rights | 449 731 | | 449 731 |
| Derivative conversion liability transferred to equity | -449 731 | | -449 731 |
| Accrued interest convertible bonds | 684 595 | | 684 595 |
| Reversal of accrued interest convertible bonds upon notification of conversion | -684 595 | | -684 595 |
| Total non-cash changes | - | -2 244 370 | -2 244 370 |
| Balance 31.12.2020 | 10 000 000 | 1 623 029 | 11 623 029 |



| 31.12.2020 Amounts in NOK | Borrowings related parties | Total |
|--|-------------------------------|------------------|
| Balance 31.12.2019 | - | - |
| <i>Changes from financing cash flows</i> | | |
| New lease liabilities recognised in the year | 1 563 358 | 1 563 358 |
| Cash payments for the principal portion of the lease liability | -446 490 | -446 490 |
| Cash payments for the interest portion of the lease liability | -32 079 | -32 079 |
| Total changes from financing cash flows | 1 084 789 | 1 084 789 |
| <i>Non-cash changes</i> | | |
| Interest expense on lease liabilities | 32 079 | 32 079 |
| Total non-cash changes | 32 079 | 32 079 |
| Balance 31.12.2020 | 1 116 868 | 1 116 868 |

4.3 – Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loan in July 2021. Each bondholder can give notification and convert their loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The convertible loan has been accounted for under IFRS as a convertible loan with an equity element. The fair value of the convertible bond at initial recognition reflects the fair value of the liability ("the loan") and the value of the conversion rights (a derivative liability). At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The NOK 0,4million liability was reclassified against equity

as of year-end based on the bondholders' notification of conversion. The convertible bond loan is subsequently measured at amortised cost based on the implied market interest rate. Upon notification of conversion of the NOK 10 million bond, accrued interest of 10% has been derecognized as the interest is only payable at maturity of the bond (based on no conversion having occurred).

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bond as of 31 December 2020 is NOK 10 million.

Conversion of the bonds and the new share issuance will occur in January 2021. Please see note 6.2 Events after the reporting period for additional information.



4.4 – Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable occur in January 2021. Please see note 6.2 Events after the reporting period for additional information.

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowings from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

4.5 – Financial risk management

The Group is exposed to market risk, financial risk, credit risk and liquidity risk. Risk management is carried out by the Group's management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below: Market risk
The market outlook for solutions that significantly reduce the ecological impact of maritime pollution and solutions for a cleaner global environment are good. However, the Group is still exposed to external factors such as industry regulations and commodity prices. The very low oil prices during most of 2020 lead, amongst others, to an increased timespan for ship owners return on investment for scrubber installations and other low-emission technologies which again lead to a drop in the sales of such systems world wide.

Currency risk
The entities in the consolidated financial statements have two functional currencies, NOK and USD. At 31 December 2020 the exposure to exchange rate risk is mainly due to development - and construction costs in EUR in the parent company while the Group's funding has been made in NOK.

The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

For 2021 it is expected that the majority of sales, as well as most of the production costs will be in Euro. Some of the production costs will, however, be in NOK together with a large part of the Group's overhead expenses and, as such, lead to an increased exposure between Euro and NOK. More



importantly, the development program related to the TECO 2030 Fuel Cell with AVL will be invoiced in Euro. In addition, the Group will, from project to project, be exposed to a limited number of other currencies (mainly USD). Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK. TECO 2030's current reporting and functional currency. Interest rate risk Interest rate risk is the risk that the future cash flows of a financial liabilities will fluctuate because of changes in market interest rates. As per end of 2020, TECO 2030 is to a limited extent exposed to interest risk. The Company had per 31 December 2020 one convertible bond loan of NOK 10 million bearing a fixed interest rate of 10 percent which falls due in July 2021. The conversion period ends on 30 June 2021 but a few days into 2021, all bondholders have announced a request to convert, and the loan is, as per the date of signing the Annual financial statements, fully converted into 400 000 new shares. The other interest bearing financial liability is borrowings from related parties. These borrowings are at a fixed interest rate, and therefore do not create an exposure to interest rate risk.

Liquidity risk The Group is managed with the objective to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The Group successfully raised NOK 80 million in a share issue prior to the listing in October 2020. The cash from the share issue secures the Group's liquidity needs through 2021. An acceleration of the development process related to the TECO 2030 Fuel Cell will, however, increase the Group's cash needs. The Group's success, or lack of success, of selling TECO Future Funnels and ballast water treatment systems will affect the Group's cash position in 2021 and onwards.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

| As at 31 December 2020 Amounts in NOK | > 1 year | 1 to 5 years | > 5 years | Total |
|--|-------------------|--------------|-----------|-------------------|
| Borrowings from related parties (Note 4.2) | 1 623 029 | - | - | 1 623 029 |
| Trade payables (Note 2.5) | 8 555 700 | - | - | 8 555 700 |
| Convertible loan 1) | 10 000 000 | - | - | 10 000 000 |
| Total contractual undiscounted payments | 20 178 729 | - | - | 20 178 729 |

1) See note 4.3

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is considered limited as TECO 2030 has a limited number of customers with acceptable credit ratings. Contracts for Ballast Water Treatment Systems sold by the Group ensures partial payments from customers prior to the corresponding payments to the supplier and thus avoids major credit risk.

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets ECLs are based on the cash flows that the Group expects to receive. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

By year-end, the Group had a total cash balance of NOK 43 million, of which approx. NOK 1.8 million was restricted cash related to employees tax funds in the Norwegian



companies. The companies' cash balances are placed in high credit-rated, primarily Norwegian, banks and in secure deposit accounts. The Group focuses on an active cash management but the security of cash deposits is considered most important. The Group is not subject to any external requirements in terms of financial covenants related to cash and cash management.

Covid-19

The Covid-19 pandemic hit most of the world just at the time when TECO 2030 was about to launch its first 10 MW Future Funnel to the market. The pandemic had a strong negative effect on the world economy in general, and the maritime industry was no exception. A strong fall in global oil prices reduced ship owners incentives to invest in exhaust gas cleaning systems as the payback time for such installment increased compared to the situation before the pandemic as the price spread between compliant very low sulphur fuel oil (VLSFO) and high sulphur fuel oil (HFO) decreased

significantly. These effects are considered to have had a negative impact on the market for Future Funnels during 2020 and the lack of sales forced the Group to slow down some of its operations and activities in March and April 2020. As per December 31 2020, the pandemic is still considered a potential major threat to the world economy and it is unsure when oil prices and other commodities will return to pre-pandemic levels. The price gap between VLSFO and HFO has, nevertheless, slowly increased during late 2020 and the beginning of 2021 thus contributing with some optimism to the Future Funnel-market into 2021. There is, nevertheless, a risk that the pandemic continues throughout a substantial part of 2021 and thereby continues the trend from 2020 proving it challenging to sell Future Funnels to ship owners. The pandemic did not have any significant negative impact on the Group's various development programs in 2020. The Group expects this situation to continue in 2021 despite the uncertainty towards the Covid-19 pandemic.

4.6 – Equity and shareholders

| Date Amounts in NOK | Number of shares authorised and fully paid | Par value per share (NOK) | Carrying amount |
|------------------------------------|--|------------------------------|-----------------|
| At incorporation 30 September 2019 | 1 000 000 | 0,1 | 100 000 |
| Equity issue 26. November 2019 | 11 111 | 0,1 | 1 111 |
| At 31 December 2019 | 1 111 111 | 0,1 | 111 111 |
| Equity issue 19. August 2020 | 8 888 889 | 0,1 | 888 889 |
| Equity issue 9. October 2020 | 2 000 000 | 0,1 | 200 000 |
| At 31 December 2020 | 12 000 000 | 0,1 | 1 200 000 |

In the annual general meeting on 5 August 2020, the Board of Directors was granted with an authorization to increase the share capital of the Company in connection with the issuing of the Offer Shares, up to NOK 500,000. The authorization is valid until 30 June 2022.

The convertible loan as described in note 4.3 gives the bondholders an option to convert the loan to equity from 31 October 2020 to 30 June 2021. At conversion, a total of 400 000 shares will be issued. See note 6.2.

The Company's 20 largest shareholders as of 31 December 2020 are shown in the table on the following page.



| Shareholder | # shares | % |
|---------------------------------|---------------------|----------------|
| TECO GROUP AS | 5 204 143 | 43,37 % |
| CITIBANK, N.A. | 896 364 | 7,47 % |
| SIX SIS AG | 805 943 | 6,72 % |
| HANSEN EIENDOM OG KONSULT AS | 732 670 | 6,11 % |
| CLEARSTREAM BANKING S.A. | 591 801 | 4,93 % |
| JAKOB HATTELAND HOLDING AS | 390 732 | 3,26 % |
| CANICA AS | 375 000 | 3,13 % |
| TECO MARITIME GROUP AS | 288 525 | 2,40 % |
| SOLVIK HOLDING AS | 280 010 | 2,33 % |
| EQUITOR AS | 264 514 | 2,20 % |
| JAHATT AS | 244 322 | 2,04 % |
| TECO TECH HOLDING AS | 172 469 | 1,44 % |
| MICHAEL NYGAARD RASMUSSEN | 139 800 | 1,17 % |
| MEDIKOM AS | 133 786 | 1,11 % |
| STAVERN HELSE OG FORVALTNING AS | 125 628 | 1,05 % |
| NORDNET LIVSFORSIKRING AS | 107 359 | 0,89 % |
| PCJ INVEST AS | 86 087 | 0,72 % |
| ASTRUP FEARNLEY AS | 70 000 | 0,58 % |
| HØGÅSEN HOLDING AS | 69 900 | 0,58 % |
| BLOMS OPPMÅLING AS | 61 000 | 0,51 % |
| 20 largest shareholders | 11 040 053,0 | 92,00 % |
| Others | 959 947 | 8,00 % |
| Total shareholders | 12 000 000 | 100 % |



Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to holders of ordinary equity by the weighted average number of ordinary shares outstanding during the year.

ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of

The following table reflects the income and share data used in the EPS calculations:

| Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Profit attributable to ordinary equity holders - for basic EPS | -27 228 697 | -2 621 522 |
| Profit attributable to ordinary equity holders adjusted for the effect of dilution | -27 228 697 | -2 621 522 |
| Weighted average number of ordinary shares - for basic EPS | 4 821 768 | 1 111 111 |
| Weighted average number of ordinary shares adjusted for the effect of dilution | 4 821 768 | 1 111 111 |
| Basic EPS, profit for the year | -5,65 | -2,36 |
| Diluted EPS, profit for the year | -5,65 | -2,36 |

The share options and RSUs once issued will have a potential dilutive effect on earnings per share.

per share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. Hence, no dilutive effect has yet been recognized.

Share options and RSUs shall be treated as dilutive only if their conversion to ordinary shares would decrease earnings

4.7 – Cash and cash equivalents

For the purpose of presentation in the Group financial

statements, cash and cash equivalents includes cash and bank deposits.

| Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|-------------------|-------------------|
| Cash and cash equivalents | 31.12.2020 | 31.12.2019 |
| Bank deposits | 43 717 208 | 3 689 963 |
| Total cash and cash equivalents | 43 717 208 | 3 689 963 |
| Restricted cash included in the deposits above: | 1 522 059 | - |
| Withheld tax in relation to employee benefits | 1 522 059 | - |
| Other | - | - |



4.8 – Financial income and expenses

The Group's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

| Finance income and finance costs Amounts in NOK | Class of financial instrument | 01.01.2020 – 31.12.2020 | 30.09.2019 – 31.12.2019 |
|--|-------------------------------|----------------------------|----------------------------|
| Finance income | | | |
| Interest income | Cash and cash equivalents | 1 890 | 319 |
| Interest income - related party | Loan to related parties | 65 035 | 13 767 |
| Loan forgiven | Other financial liabilities | 349 835 | - |
| Foreign exchange gain | Liabilities and receivables | 266 308 | - |
| Total finance income | | 683 068 | 14 086 |
| Finance costs | | | |
| Interest expenses - related party | Interest-bearing liabilities | 100 816,66 | - |
| Interest expenses | Other financial liabilities | 72 125,64 | - |
| Fair value adjustment - conversion rights | Convertible bond loan | 449 731 | - |
| Foreign exchange loss | Liabilities and receivables | 675 550 | - |
| Other financial expenses | Other financial liabilities | 36 530 | - |
| Total finance costs | | 1 334 753 | - |
| Net financial income (expense) | | -651 685 | 14 086 |

5 – Tax

5.1 – Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised

in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit



or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right

exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

| Income tax expense Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--------------------------------------|--------------|------------|
| Current income tax expense | 7 439 | - |
| Deferred income tax expense | - | - |
| Total income tax expense | 7 439 | - |

| Current tax Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|---------------|------------|
| Profit before taxes | -27 221 258 | -2 621 522 |
| Permanent differences | 421 695 | -10 |
| Change in temporary differences | 26 834 988 | 2 621 532 |
| Tax basis 31.12 | 35 425 | - |
| Current tax 22% (21% Inc) | 7 439 | - |
| Current tax in the financial position | 7 439 | - |

| Temporary differences Amounts in NOK | 31.12.2020 | 31.12.2019 |
|---|--------------------|-------------------|
| Property, plant and equipment | 42 767 | 32 982 |
| Intangible assets | 2 222 370 | 325 770 |
| Accumulated loss carried forward | -31 638 821 | -2 980 284 |
| Basis for deferred tax liabilities (assets) | -29 373 684 | -2 621 532 |
| Not included in the calculation of deferred tax* | 29 373 684 | 2 621 532 |
| Deferred tax liabilities(assets) recognised in balance sheet | - | - |

* Until commencement of sale/agreement has reached a profitable level, the group will not record any deferred tax asset related to its tax loss carried forward and other

temporary differences There are no time limitation in Norway for utilization of historical tax losses.

| Reconciliation of income tax expense Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|--------------|------------|
| Profit (losses) before taxes | -27 221 258 | -2 621 522 |
| 22% of profit before tax | -5 970 807 | -576 735 |
| 22% of permanent differences | 92 773 | -2 |
| Not included in the calculation of deferred tax* | 5 885 473 | 576 737 |
| Not included in the calculation of deferred tax | 7 439 | - |
| Recognised income tax expense | 7 439 | - |



6 – Other disclosures

6.1 – Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation, and are not disclosed in this note.

| Remuneration to key management | Salary | Pension expense | Other expensed benefits | Total |
|---|------------------|-----------------|-------------------------|------------------|
| Tore Enger (CEO) ¹⁾ | 1 641 667 | 33 200 | 119 388 | 1 794 255 |
| Pål Christian Johnsen (CFO) ¹⁾ | 547 333 | 29 000 | 9 993 | 586 326 |
| Bettina Nowak (CEO, USA) ¹⁾ | 878 174 | 37 722 | 12 734 | 928 631 |
| Tor-Erik Hoftun (BDO) ¹⁾ | 562 499 | 33 200 | 9 993 | 605 692 |
| Arild Eiken (CTO) ²⁾ | 116 667 | 7 000 | 831 | 124 498 |
| Total other operating expenses | 3 746 340 | 140 122 | 152 939 | 4 039 402 |

¹⁾ Tore Enger, Pål Christian Johnsen, Bettina Nowak, Tor-Erik Hoftun are part of the Group from 1. August 2020.

Remuneration to the board of directors in the parent company was NOK 687 500 in 2020.

²⁾ Arild Eiken was employed on 1. December.

Tore Enger has a six month notice period.

| Number of shares held by the key management and the Board of Directors | 2020 Shares | 2019 Shares |
|--|-------------|-------------|
| Tore Enger (CEO) ¹⁾ | 4 392 633 | - |
| Pål Christian Johnsen (CFO) ²⁾ | 86 087 | - |
| Bettina Nowak (CEO, USA) ³⁾ | 800 743 | - |
| Tor-Erik Hoftun (BDO) ⁴⁾ | 264 514 | - |
| Arild Eiken (CTO) | 1 425 | - |
| Sigurd G. Lange (Chairman) ⁵⁾ | 329 447 | - |
| Pia Meling (board member) | 322 | - |
| Bigit Marie Liødden (board member) | 200 | - |
| Marit Elise Kirkhusmo (board member) | - | - |
| John Herman Marcussen (Board member) ⁶⁾ | 49 441 | - |

¹⁾ Tore Enger controls, via his 100 % owned company TECO Holding AS, approx. 80 % of TECO Group. TECO Group is in control of 5 204 143 share sin TECO 2030 ASA, approx. 206 278 shares through TECO Group's ownership of approx. 71.5 % in TECO Maritime Group AS and approx. 80 370 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.

²⁾ Pål Christian Johnsen is in control of 86 087 shares through his fully owned company PCJ Invest AS

³⁾ Bettina Nowak is in control of 800 743 shares via her nominee account in SIX SIS AG in Switzerland



⁴⁾ Tor-Erik Hoftun is in control of 264 514 shares through his fully owned company Equitor AS

of approx. 71.5 % in TECO Maritime Group AS and approx. 80 370 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.

⁵⁾ Sigurd G. Lange controls, via his 100 % owned company, Lange Industries AS, approx. 6 % of TECO Group. TECO Group is in control of 5 204 143 share sin TECO 2030 ASA, approx. 206 278 shares through TECO Group's ownership

⁶⁾ John Herman Marcussen is in control of 49 441 shares though his fully owned company Marcussen Shipping AS.

Profit or loss items

| Related party Amounts in NOK | Type of service | 01.01.2020 – 31.12.2020 | 30.09.2019 – 31.12.2019 |
|--------------------------------------|-------------------------------|----------------------------|----------------------------|
| Blom Maritime AS ¹⁾ | Advisory services | -23 699 | - |
| BLOM Maritime Inc ¹⁾ | Consultancy, facilities | 163 410 | - |
| Nordic Made Inc ¹⁾ | Personnel related | 37 425 | - |
| Rubber innovation AS ¹⁾ | Personnel related | 22 456 | - |
| TECO Maritime Group AS ¹⁾ | Advisory services | -115 000 | - |
| TECO Maritime Group AS | Personnel | -142 246 | - |
| TECO Maritime Inc ¹⁾ | Consultancy, facilities | 741 326 | - |
| TECO Tech Holding AS ²⁾ | Interest cost | -77 684 | - |
| TECO Tech Holding AS | Marketing cost | -11 968 | - |
| TECO Technologies AS ²⁾ | Management fee | -5 576 176 | -3 972 817 |
| TECO Technologies AS | Personnel and facilities cost | -1 000 080 | - |
| TECO Technologies AS | Interest cost | -23 132 | - |
| TECO Technologies AS | Interest income | 65 035 | 13 767 |
| Tore Enger | Rent of facilities | -115 000 | - |
| Total | | -6 055 334 | -3 959 050 |

Balance sheet items

| Related party - Assets Amounts in NOK | Balance type | 31.12.2020 | 31.12.2019 |
|--|-----------------------------|------------------|------------|
| BLOM Maritime Inc | Trade and other receivables | 495 948 | - |
| Nordic Made Inc | Trade and other receivables | 35 187 | - |
| TECO Maritime Inc | Trade and other receivables | 1 308 600 | - |
| TECO Technologies AS | Interest-bearing loan | 2 893 457 | 4 646 078 |
| Total | | 1 839 734 | - |



| Related party - Liabilities Amounts in NOK | Balance type | 31.12.2020 | 31.12.2019 |
|---|---------------------------------------|------------------|------------------|
| BLOM Maritime Inc | Trade and other Payables | 3 420 | - |
| BLOM Maritime AS | Trade and other Payables | 23 699 | - |
| Nordic Made Inc | Trade and other Payables | 79 479 | - |
| TECO Maritime Group AS | Trade and other Payables | 93 298 | - |
| TECO Maritime Inc | Trade and other Payables | 44 516 | - |
| TECO Technologies AS | Interest-bearing loans and borrowings | - | 4 722 251 |
| TECO Tech Holding AS | Interest-bearing loans and borrowings | 1 623 029 | - |
| TECO Technologies AS | Trade and other Payables | 609 745 | - |
| TECO Technologies AS | Trade and other Payables | 87 169 | - |
| Total | | 2 564 354 | 4 722 251 |

¹⁾ CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Maritime Group AS, Blom Maritime AS, Blom Maritime Inc, TECO Maritime INC and Nordic Made INC, all parts of the TECO Maritime Group.

²⁾ CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Tech Holding AS and its two fully owned subsidiaries TECO Technologies AS and Rubber Innovation AS

The interest rate associated with the loan and receivable is four per cent annually. The Group was charged with management fees from TECO Technologies AS with NOK 4 million in 2019 where a total of NOK 1.9 million was capitalised as development in the same year. In 2020 the Group has been charged with NOK 7,9 million in management fees where a total of 2,3 million has been capitalised as development in 2020.

The Group entered agreements that were finalized in August 2020 with related parties described in note 6.3.

6.2 – Events after the reporting period

As described in note 4.3, bondholders representing the full NOK 10 million convertible loan outstanding as of 31 December 2020 have given notice that they exercise the right to conversion of the bonds. The conversion period was from 31 October 2020 until 30 June 2021 and notice of conversion was received in late December 2020 and early

January 2021. The conversion will lead to the issuance of a total of 400,000 new shares at a conversion price of NOK 25 per share.

The bonds were converted in January 2021 and after this transaction, the total number of outstanding shares of TECO 2030 ASA will be 12,400,000 shares, each with a nominal value of NOK 0.10. The new shares are listed on Euronext Growth (Oslo) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.

6.3 – Business combinations

Acquisitions in 2020

Agreement with TECO Tech Holding AS (related party and former parent company)

On 5 August 2020 the Company acquired 100 % of the voting shares of TECO 2030 Inc., and TECO 2030 Pte Ltd., in addition to one strategic cooperation agreement and one distribution agreement. As part of the agreement, the subsidiary TECO 2030 AS acquired part of the business performed in TECO Technologies AS (a subsidiary of TECO Tech Holding), these transactions together referred to as the business combination. The business acquired performs sales and marketing activities of ballast water treatment systems, scrubber and maritime COVID-19 disinfection



products, the business acquired also have strategic geographic locations in Singapore and Miami.

The transaction is recorded as a business combination in accordance with IFRS 3. The transaction was closed 7 August.

The business acquired, their assets, technology and employees' technical capabilities fit the business model of the Company and the acquired synergies are expected to leverage the combined entity's position in providing products to the market.

The acquisition-date fair value of the total consideration transferred was NOK 6.1 million in form of a sellers credit.

Transaction costs estimated to NOK 100 thousand will be expensed and included in other operating expenses.

If the acquisition date for the business combination had occurred at the 1 January 2020, the combined entity

would have total revenues of NOK 6,2 million in the current reporting period, and a loss of NOK 35,7 million.

The following intangible assets outside of goodwill was identified in the business combination, including management's preliminary expectation of economic useful life:

- Sales and distribution agreements (5 years)

No liability nor any deferred tax was identified in the business combination:

The preliminary valuation as outlined below is based on currently available information about fair value of the acquisition date. If new information becomes available within 12 months after the acquisition date, the Group might change the fair value assessment in the PPA in accordance with the guidance in IFRS 3.

The fair values of identifiable assets and liabilities at the acquisition date are presented below:



| Amounts in NOK | Fair value recognised on acquisition |
|--|--------------------------------------|
| ASSETS | |
| Non-current assets | |
| Property, plant and equipment | 12 282 |
| Sales and distribution agreements | 3 750 000 |
| Other long term receivable | 383 756 |
| Total non-current assets | 4 146 038 |
| Current assets | |
| Trade and other receivables | 4 165 386 |
| Cash and cash equivalents | 409 064 |
| Total non-current assets | 4 574 450 |
| Total assets | 8 720 488 |
| Non-current liabilities | |
| Non-current provisions and other liabilities | 1 638 146 |
| Total non-current liabilities | 1 638 146 |
| Current liabilities | |
| Trade and other payables | 1 565 914 |
| Current provisions and other liabilities | 1 865 333 |
| Total current liabilities | 3 431 247 |
| Total liabilities | 5 069 393 |
| Total identifiable net assets at fair value | 3 651 095 |
| Purchase consideration | 6 133 756 |
| Goodwill arising on acquisition | 2 482 661 |

The fair value of the trade receivables is equal to its gross amount as none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The tax value of assets acquired equals to the book value of assets acquired, accordingly no deferred tax liability is identified.

The entire purchase consideration was in a form of a sellers credit which was paid in full in October 2020.



Amounts in NOK

| | |
|---|------------------|
| Goodwill related to synergies & employees - residual goodwill | 2 482 661 |
| Net goodwill from acquisition | 2 482 661 |

The tax base is considered to be equal to the fair value of the acquired assets and assumed liabilities, accordingly, no deferred tax liability is identified as part of this transaction. Further, of the Goodwill, NOK 1 million is expected to be tax deductible in the future. The goodwill of NOK 2.48 million comprises the value of expected synergies arising from the acquisition and assembled workforce. Assembled workforce includes the technical skillset of the employees and their

ability to generate future excess returns, which is not separately recognised.

There are no transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with IFRS 3.B51 and IFRS 3.B64 (I).

Analysis of cash flows on acquisition

Amounts in NOK

| | |
|--|-------------------|
| Net cash acquired (included in the cash flows from operating activities) | 409 064 |
| Cash paid (included in the cash flows from investing activities) | 6 133 756 |
| Net cash flow from acquisition | -5 724 692 |

6.4 – Investments in subsidiaries

| Name of entity | Year of acquisition | Place of incorporation | Portion of ownership |
|---------------------------------|---------------------|------------------------|----------------------|
| TECO 2030 AS ¹⁾ | 2020 | Norway | 100 % |
| TECO Fuel Cell AS ²⁾ | 2020 | Norway | 100 % |
| TECO 2030 INC ³⁾ | 2020 | USA | 100 % |
| TECO 2030 PTE LTD ³⁾ | 2020 | Singapore | 100 % |

¹⁾ The shares in TECO 2030 AS was acquired in July 2020, the company named Athomstart Invest at the time of the transaction was a dormant company.

²⁾ Teco Fuel Cell AS was founded in November with an equity of NOK 1 million.

³⁾ Shares in TECO 2030 INC and TECO 2030 PTE LTD was acquired by TECO 2030 ASA in August 2020 as described in note 6.3. At 1 December the shares were transferred to TECO 2030 AS.



TECO 2030 ASA

Statement of comprehensive income

| TECO 2030 ASA Amounts in NOK | Notes | 01.01.2020- 31.12.2020 | 30.09.2019- 31.12.2019* |
|--|---------|---------------------------|----------------------------|
| Total revenue | | - | - |
| Personnel expenses | 2.1 | -2 221 835 | - |
| Other operating expenses | 2.2 | -12 025 124 | -2 635 608 |
| Depreciation and amortisation | 3.1,3.2 | -1 499 855 | - |
| Total operating expenses | | -15 746 814 | -2 635 608 |
| Operating profit (loss) | | -15 746 814 | -2 635 608 |
| Finance income | 4.8 | 479 936 | 14 086 |
| Finance cost | 4.6,4.8 | -1 090 285 | - |
| Net financial income (expense) | | -610 350 | 14 086 |
| Profit before tax | | -16 357 164 | -2 621 522 |
| Profit (loss) for the year | | -16 357 164 | -2 621 522 |
| Comprehensive income for the year | | -16 357 164 | -2 621 522 |
| Earnings per share | | | |
| Basic EPS, profit for the year attributable to ordinary equity holders | 4.6 | -3,39 | -2,36 |
| Diluted EPS, profit for the year attributable to ordinary equity holders | 4.6 | -3,39 | -2,36 |

* The company was incorporated on 30 September 2019



TECO 2030 ASA

Statement of financial position

| TECO 2030 ASA Amounts in NOK | Notes | 31.12.2020 | 31.12.2019 |
|----------------------------------|---------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3.1 | 193 160 | 164 909 |
| Intangible assets | 3.2 | 15 127 536 | 3 909 237 |
| Shares in subsidiaries | 6.3 | 1 060 000 | - |
| Total non-current assets | | 16 380 696 | 4 074 146 |
| Current assets | | | |
| Other receivables | 2.3,6.1 | 3 964 940 | 4 646 078 |
| Inventories | | 6 084 475 | - |
| Other current assets intra group | 6.1 | 21 214 367 | |
| Other current assets | | 300 392 | |
| Cash and cash equivalents | 4.7 | 40 475 846 | 3 689 963 |
| Total current assets | | 72 040 020 | 8 336 041 |
| TOTAL ASSETS | | 88 420 716 | 12 410 187 |



| TECO 2030 ASA Amounts in NOK | Notes | 31.12.2020 | 31.12.2019 |
|--|-------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 4.6 | 1 200 000 | 111 111 |
| Share premium | | 83 805 377 | 9 988 879 |
| Other reserves | 4.3 | 449 731 | - |
| Retained earnings | | -18 978 685 | -2 621 522 |
| Total equity | | 66 476 423 | 7 478 468 |
| Non-current liabilities | | | |
| Non-current liabilities to group companies | 6.1 | 67 338 | - |
| Total non-current liabilities | | 67 338 | |
| Current liabilities | | | |
| Current Liabilities to group companies | 6.1 | 23 827 | - |
| Interest-bearing loans and borrowings | 6.1 | 1 623 029 | 4 722 251 |
| Trade and other payables | 2.5 | 8 376 024 | 209 468 |
| Convertible bonds | 4.3 | 10 000 000 | - |
| Other current liabilities | 2.6 | 1 854 075 | - |
| Total current liabilities | | 21 876 955 | 4 931 719 |
| Total liabilities | | 21 944 293 | 4 931 719 |
| TOTAL EQUITY AND LIABILITIES | | 88 420 716 | 12 410 187 |

Lysaker, 28 January 2021

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Marit Kirkhusmo
Member of the Board

Birgit Liodden
Member of the Board

Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



TECO 2030 ASA

Statement of changes in equity

| TECO 2030 ASA Amounts in NOK | Notes | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|-------|------------------|------------------|-------------------|----------------------|------------------|
| Balance at 30 September 2019 (date of incorporation) | | - | - | - | - | - |
| Issuance of share capital at inception | | 100 000 | - | - | - | 100 000 |
| Issuance of share capital | | 11 111 | 9 988 879 | - | - | 9 999 990 |
| Profit (loss) for the period | 5.1 | - | - | - | -2 621 522 | -2 621 522 |
| Other comprehensive income | | - | - | - | - | - |
| Balance as of 31 December 2019 | | 111 111 | 9 988 879 | - | -2 621 522 | 7 478 468 |

| TECO 2030 ASA Amounts in NOK | Notes | Share capital | Share premium | Other r eserves | Retained earnings | Total equity |
|---------------------------------------|-------|------------------|-------------------|--------------------|----------------------|-------------------|
| Balance at 1 January 2020 | | 111 111 | 9 988 879 | - | -2 621 522 | 7 478 468 |
| Issuance of shares 19.08.2020 | | 888 889 | -888 889 | - | - | - |
| Issuance of shares 09.10.2020 | | 200 000 | 79 800 000 | - | - | 80 000 000 |
| Transaction costs on share issue | | - | -5 094 613 | - | - | -5 094 613 |
| Conversion rights | | - | - | 449 731 | - | 449 731 |
| Profit (loss) for the year | 5.1 | - | - | - | -16 357 164 | -16 357 164 |
| Balance as of 31 December 2020 | | 1 200 000 | 83 805 377 | 449 731 | -18 978 686 | 66 476 423 |



TECO 2030 ASA

Statement of cash flows

| TECO 2030 ASA Amounts in NOK | Notes | 01.01.2020- 31.12.2020 | 30.09.2019- 31.12.2019* |
|--|---------|---------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Profit or loss before tax | | -16 357 164 | -2 621 522 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | | |
| Net financial income/expense | | 319 272 | -14 086 |
| Conversion right | 4.3 | 449 731 | |
| Depreciation, amortisation and impairment | 3.1,3.2 | 1 499 855 | - |
| <i>Changes in working capital:</i> | | | |
| Changes in trade receivables and other receivables | 2.4 | -20 411 538 | -4 646 078 |
| Changes in trade and other payables | 2.5 | 7 012 575 | 4 931 718 |
| Change in inventories | | -6 084 475 | - |
| Net cash flows from operating activities | | -33 571 744 | -2 349 968 |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | 3.1 | -109 969 | -164 909 |
| Development expenditures | 3.2 | -8 836 037 | -3 909 237 |
| Transaction cost acquisition of shares | | -100 000 | - |
| Purchase and acquisition of intangible assets | 3.2 | -3 800 400 | - |
| Purchase of shares and investments in other companies | 6.3 | -1 060 000 | - |
| Interest received | 4.8 | 241 924 | 14 086 |
| Net cash flows from investing activities | | -13 664 482 | -4 060 060 |
| Cash flow from financing activities | | | |
| Net proceeds from issuance of equity | | 74 905 387 | 10 099 990 |
| Proceeds from convertible debt | 4.3 | 10 000 000 | - |
| Repayment of principal | | -6 933 765 | |
| Repayment of interest | | -83 270 | |
| New borrowings | | 6 133 756 | |
| Net cash flows from financing activities | | 84 022 108 | 10 099 990 |
| Net increase/(decrease) in cash and cash equivalents | | 36 785 882 | 3 689 963 |
| Cash and cash equivalents at beginning of the year/period | 4.7 | 3 689 963 | - |
| Cash and cash equivalents, end of year | | 40 475 846 | 3 689 963 |

The statement of cash flows are prepared using the indirect method.

* The company was incorporated on 30. September 2019



TECO 2030 ASA

Notes to the financial statements

1 – Overview

1.1 – Corporate information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on the 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. TECO 2030 ASA shares are traded on Euronext Growth (Oslo, Norway). The registered office address of TECO 2030 is Lysaker torg 12, 1366 LYSAKER, Norway.

"The financial statements for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the Board on the 28 January 2021. Until this date the Board of Directors has the authority to amend the financial statements."

1.2 – Basis of preparation

The financial statements of TECO 2030 comprise of statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

The financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK).

1.3 – Estimates, judgements and assumptions

The preparation of the financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the 's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the



significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

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 utilized. Reference is made to note 5.1 for information on recognized and unrecognized deferred tax assets.

Going concern

As a result of the proceeds from the offering in September and the current liquidity situation, the Company's Directors expect that the Company has available financial resources sufficient for all planned activities, at least but not limited to 31 December 2021. The Company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.4 – Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are described in the respective note, or if not, set out below.

Foreign currency translation

Items included in the Company's financial statements are measured using the functional currency. The Company's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in the statement of profit or

loss on a net basis within other gains/(losses).

Current/non-current classification

An asset is classified as current when it is expected to be realized, or is intended for sale or consumption, in the Company's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realized or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Subsidiaries

Investments in subsidiaries are recognised at acquisition cost.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits.

Trade receivables

The Company initially recognises trade receivables at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the



estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs. The inventory consist of two 10 MW scrubbers.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognized as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in the statement of comprehensive income over the useful life of a depreciable asset as a reduced depreciation expense.

Statement of cash flows

The statement of cash flows of the is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

Distribution to shareholders

TECO 2030 ASA recognises a liability to make distributions to its shareholder when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity, net of current income tax.

Employee benefits, guarantees and remuneration to management, board of directors and shareholders.

The Company have a defined occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon") which is described in Note 2.2. Any details of loans or issued guarantees to board members, the CEO, shareholders or other related parties along with the board and the CEO remuneration has been disclosed in note 6.1.

1.5 – New standards and amendments

Please refer to note 1.5 in the Group's consolidated financial statements.

2 – Operating performance

2.1 – Employee benefit expenses

The average number of employees were 3 in 2020. The company did not have any employees prior to November 2020. In November the employment agreements for the Group CEO, CFO and BDO were transferred from TECO 2030 AS to the Company.

Capitalized personnel expense

Personal expenses of NOK 123 821 has been capitalized as development.

Pensions

The company is obligated to follow the stipulations in the Norwegian mandatory occupational pensions act, the company pension scheme adheres to the requirements as set in the act. The Company has a defined contribution plan.

Share-based payments

The Board of Directors has resolved to implement a share incentive scheme for employees and board members of the Company for the period 2020 - 2022. The Board of Directors intend to grant options on an annual basis. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options. No options have been issued by the end of 2020.



| Employee benefit expense Amount in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|---|-----------------------|-----------------------|
| Salaries and wages | 1 322 347 | - |
| Social security tax | 293 095 | - |
| Pension | 41 000 | - |
| Other personnel costs | 441 573 | - |
| Capitalized personnel expenses | -123 821 | - |
| Total employee benefit expenses | 2 221 835 | - |

2.2 – Other operating expenses

| Other operating expenses Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Management fees ¹⁾ | 5 576 176 | 2 046 674 |
| Legal, audit and professional fees | 4 440 753 | - |
| Other operating expenses | 2 008 195 | 588 934 |
| Total other operating expenses | 12 025 124 | 2 635 608 |

¹⁾ Management fees in 2020 reflects the costs from Teco Technologies AS January - August 2020. In addition NOK 2.3 million was capitalized and is recognised in the intangible assets.

| Auditor fees Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Statutory audit (excl. VAT) | 461 200 | - |
| Audit related services and attestation (excl. VAT) | 393 000 | - |
| Tax compliance (excl. VAT) | 93 826 | - |
| Other services (excl. VAT) | 447 649 | - |
| Total remuneration to the auditor | 1 395 675 | - |

2.3 – Other receivables

| Other receivables Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|------------------|------------------|
| VAT receivable | 1 071 483 | - |
| Interest bearing loans related parties ¹⁾ | 2 893 457 | 4 646 078 |
| Total trade and other receivables | 3 964 940 | 4 646 078 |

¹⁾ See note 6.1 for additional information
No impairment has been made to trade other receivables.



2.4 – Trade and other payables

| Trade and other payables Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|------------------|----------------|
| Trade payables | 7 730 088 | 209 468 |
| Public duties payable | 645 936 | - |
| Total trade and other payables | 8 376 024 | 209 468 |

2.5 – Other current liabilities

| Other current liabilities Amounts in NOK | 31.12.2020 | 31.12.2019 |
|---|------------------|------------|
| Payable salary and board remuneration | 877 225 | - |
| Other accrued expenses | 976 851 | - |
| Total other current liabilities | 1 854 075 | - |

3 – Asset Base

3.1 – Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.



| Acquisition cost Amounts in NOK | Equipment and movables | Total |
|---|------------------------|----------------|
| Acquisition cost 30.09.2019 | - | - |
| Additions | 164 909 | 164 909 |
| Disposals | - | - |
| Reclassifications | - | - |
| Acquisition cost 31.12.2019 | 164 909 | 164 909 |
| Accumulated depreciation & impairment 30.09.2019 | - | - |
| Depreciation for the year | - | - |
| Disposals | - | - |
| Impairment | - | - |
| Reclassifications | - | - |
| Accumulated depreciation & impairment 31.12.2019 | - | - |
| Carrying amount 31.12.2019 | 164 909 | 164 909 |

| Acquisition cost Amounts in NOK | Equipment and movables | Total |
|---|------------------------|----------------|
| Acquisition cost 31.12.2019 | 164 909 | 164 909 |
| Additions | 109 969 | 109 969 |
| Disposals | - | - |
| Reclassifications | - | - |
| Acquisition cost 31.12.2020 | 274 878 | 274 878 |
| Accumulated depreciation & impairment 31.12.2019 | - | - |
| Depreciation for the year | -81 718 | -81 718 |
| Disposals | - | - |
| Impairment | - | - |
| Reclassifications | - | - |
| Accumulated depreciation & impairment 31.12.2020 | -81 718 | -81 718 |
| Carrying amount 31.12.2020 | 193 160 | 193 160 |
| Economic life (years) | 3-5 | |
| Depreciation plan | Straight-line method | |



3.2 – Intangible assets

Nature of the Company's intangible assets

The Company has recognised intangible assets comprising internal development projects related to the Company's solutions:

- TECO 2030 Future Funnel - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements
- TECO 2030 Marine Fuel Cell

ACCOUNTING POLICIES

Intangible assets acquired in a business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalized no amortization is recorded and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortized by the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- its ability to use or sell the intangible asset

Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit. The company concluded that the Smart Scrubber was available for use from 1 April 2020, hence it is amortised. No indicators for impairment of intangible assets were identified in the current or prior period.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.



| Amounts in NOK | Development | Completed development | Sales and distribution agreements 1) | Website | Total |
|--|-------------|-----------------------|--------------------------------------|---------|-----------|
| Acquisition cost 30.09.2019 | - | - | - | - | - |
| Additions | 3 909 237 | - | - | - | 3 909 237 |
| Disposals | - | - | - | - | - |
| Reclassifications | - | - | - | - | - |
| Acquisition cost 31.12.2019 | 3 909 237 | - | - | - | 3 909 237 |
| Accumulated depreciation & impairment 30.09.2019 | - | - | - | - | - |
| Amortisation for the year | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Reclassifications | - | - | - | - | - |
| Accumulated depreciation & impairment 31.12.2019 | - | - | - | - | - |
| Carrying amount 31.12.2019 | 3 909 237 | - | - | - | 3 909 237 |



| Amounts in NOK | Development | Completed development | Sales and distribution agreements ¹⁾ | Website | Total |
|--|-------------|-----------------------|---|----------------------|----------------------|
| Acquisition cost 01.01.2020 | 3 909 237 | - | - | - | 3 909 237 |
| Additions | 745 817 | 8 090 220 | 3 750 000 | 50 400 | 12 636 437 |
| Disposals | - | - | - | - | - |
| Reclassifications | -3 909 237 | 3 909 237 | - | - | - |
| Currency translation effects | - | - | - | - | - |
| Acquisition cost 31.12.2020 | 745 817 | 11 999 457 | 3 750 000 | 50 400 | 16 545 674 |
| Accumulated depreciation & impairment 01.01.2020 | - | - | - | - | - |
| Amortisation for the year ¹⁾ | - | -1 103 958 | -312 500 | -1 680 | -1 418 138 |
| Accumulated depreciation & impairment 31.12.2020 | - | -1 103 958 | -312 500 | -1 680 | -1 418 138 |
| Carrying amount 31.12.2020 | 745 817 | 10 895 499 | 3 437 500 | 48 720 | 15 127 536 |
| Economic life (years) | | 7 | 5 | 5 | 5 |
| Amortisation plan | | Straight-line method | Straight-line method | Straight-line method | Straight-line method |

¹⁾Amortization for completed 10 MW Future Funnel development from 1. April. Distribution Agreement and Strategic Cooperation Agreement from 1. August.

Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalized are included in the statement of comprehensive income as other operating expenses and specified in note 2.3.

Intangible assets with indefinite useful lives - Impairment considerations

Intangible assets

Intangible assets include capitalized development costs and sales and distribution agreement as well as a strategic cooperation agreement with the Company's major development partner.



Future Funnel

The Company has, by the end of 2020, capitalized a total of approx. NOK 12 million of development expenses for the 10 MW Future Funnel-project. These include internal as well as external development expenses. This product was considered ready for sale from Q2 2020. Despite the lack of sales in 2020, the capitalized amount is considered to be low compared to the value of the product and its anticipated future potential for generating revenues and positive cash flows. The Covid-19 pandemic, with its implications on various factors such as oil prices, is considered to be the main reason for the lack of sale of Future Funnels in 2020.

Fuel Cell

The Company has capitalized some internal and external development costs related to the TECO Fuel Cells during 2020, although these expenses are still considered to be a cautious beginning of the total development project. The BoD and management have a strong believe in the hydrogen and Fuel Cell technology and its future possibilities and considers this to be a major step towards an emission free maritime sector with the potential to be a major contributor to the Company's future revenues and cash flow.

Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Company's major development partner. As such, this agreement is considered to be vital in the future development of the Company and its product portfolio.

The Sales and Distribution Agreement is necessary for the Company to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2023/24. The subsidiary TECO 2030 INC sold during 2020, on a 12 month basis, such systems for approx. NOK 3.2 million despite the Covid-19 pandemic and its impact on ship owners significant investment decisions.

4 – Financial instruments, risk and equity

4.1 – Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company measures its financial assets at amortised cost. At initial recognition, the financial asset are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from

these financial assets is included in finance income using the effective interest rate method.

The Company's financial instruments are grouped in the following categories:

Financial assets measured at amortised cost:

- Includes mainly trade receivables, cash and cash equivalent and loans to related parties.

Financial liabilities measured at amortised cost:

- Represent the Company's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables

Financial liabilities measured at fair value:

- Represent the conversion right in the convertible bond, referring to note 4.3



All of the Company's financial assets are part of the Company's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Company's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Company does not buy or sell or hold any derivative financial instruments.

Initial recognition and subsequent measurement

The Company's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Company bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

The carrying amount of the Company's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

| 31.12.2020 Amounts in NOK | Note | Financial instruments at amortised cost | Total |
|---|------|---|-------------------|
| Assets | | | |
| Loan to related parties | 6.1 | 2 893 457 | 2 893 457 |
| Cash and cash equivalents | 4.7 | 40 475 846 | 40 475 846 |
| Total financial assets | | 43 369 303 | 43 369 303 |
| Liabilities | | | |
| Current interest bearing liabilities to related parties | 4.2 | 1 623 029 | 1 623 029 |
| Convertible bond loan | 4.3 | 10 000 000 | 10 000 000 |
| Trade and other payables | 2.4 | 8 376 024 | 8 376 024 |
| Total financial liabilities | | 19 999 053 | 19 999 053 |



| 31.12.2019 Amounts in NOK | Note | Financial instruments at amortised cost | Total |
|---|------|---|------------------|
| Assets | | | |
| Receivables related parties | 6.1 | 4 646 078 | 4 646 078 |
| Cash and cash equivalents | 4.6 | 3 689 963 | 3 689 963 |
| Total financial assets | | 8 336 041 | 8 336 041 |
| Liabilities | | | |
| <i>Interest-bearing loans and borrowings</i> | | | |
| Current interest bearing liabilities to related parties | 4.2 | 4 722 251 | 4 722 251 |
| <i>Other financial liabilities</i> | | | |
| Trade payables | 2.4 | 209 468 | 209 468 |
| Total financial liabilities | | 4 931 719 | 4 931 719 |

4.2 – Interest-bearing loans and borrowings

| Amounts in NOK | | |
|--|-------------------|------------------|
| | 31.12.2020 | 31.12.2019 |
| Non-current interest bearing loans and borrowings | | |
| Borrowings from related parties | | - |
| Total non-current interest bearing loans and borrowings | | - |
| Current interest bearing loans and borrowings | | |
| Borrowings from related parties | 1 623 029 | 4 722 251 |
| Convertible bond loan | 10 000 000 | - |
| Net total current interest bearing loans and borrowings | 11 623 029 | 4 722 251 |

The convertible bond loan carries a fixed interest rate of 10 % per annum and is further described in note 4.3.

The Company did not provide any guarantees to or on behalf of third parties as of 31 December 2020, or as of 31 December 2019. The Company does not have significant commitments.

The Company has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.



| 31.12.2020 Amounts in NOK | Loans and borrowing | Borrowings related parties | Total |
|--|------------------------|-------------------------------|------------|
| Balance at 01.01.2019 | - | - | - |
| Changes from financing cash flows | - | - | - |
| Repayment of borrowings | - | - | - |
| New borrowings from related parties | | 4 722 251 | 4 722 251 |
| Interest paid | | - | - |
| Total changes from financing cash flows | - | 4 722 251 | 4 722 251 |
| Non-cash changes | | | |
| Interest expense using effective interest method | - | - | - |
| Effect of changes in foreign exchange rates | - | - | - |
| Total non-cash changes | - | - | - |
| Balance 01.01.2020 | - | 4 722 251 | 4 722 251 |
| Changes from financing cash flows | | | - |
| Repayment of principal | - | -6 933 765 | -6 933 765 |
| Repayment of interest | - | -54 852 | -54 852 |
| New borrowings from related parties | - | 6 133 756 | 6 133 756 |
| Proceed from borrowings | 10 000 000 | - | 10 000 000 |
| Total changes from financing cash flows | 10 000 000 | -854 861 | 9 145 139 |
| Non-cash changes | | | |
| Reclassification assets against liabilities | - | -2 497 768 | -2 497 768 |
| Other non-cash | - | 253 398 | 253 398 |
| Finance expense (convertible right) | 449 731 | - | 449 731 |
| Derivative conversion liability transferred to equity | -449 731 | - | -449 731 |
| Accrued interest convertible bonds | 684 595 | - | 684 595 |
| Reversal of accrued interest convertible bonds upon notification of conversion | -684 595 | - | -684 595 |
| Total non-cash changes | - | -2 244 370 | -2 244 370 |
| Balance 31.12.2020 | 10 000 000 | 1 623 020 | 11 623 020 |



4.3 – Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loans in July 2021. Each bondholder can give notification and convert the loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The fair value of the convertible bonds at initial recognition reflects the fair value of the liability ("the loan") and the fair value of the conversion rights. At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The full fair value was measured using an option pricing model. The conversion right liability was recognized at a total fair value of NOK 5,8 million and NOK 5,4 million loss is presented in the P&L as a financial item. The NOK 5,8 million liability was reclassified against equity at the time of the IPO when the conversion share price of NOK 25 was fixed. No subsequent remeasurement is required for the conversion rights following the recognition against equity at the date of the IPO. The convertible bond loan is subsequently measured at amortised cost.

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bonds

as of 31 December 2020 is NOK 10 million.

Conversion of the bonds and the new share issuance will occur in January 2021. Please see note 6.2 Events after the reporting period for additional information.

4.4 – Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowings from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

4.5 – Financial risk management

The Company is exposed to market risk, financial risk, credit risk and liquidity risk. Risk management is carried out by the Company's management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

The market outlook for solutions that significantly reduce the ecological impact of maritime pollution and solutions for a cleaner global environment are good. However, the Company is still exposed to external factors such as industry regulations and commodity prices. The very low oil prices during most of 2020 lead, amongst others, to an increased timespan for ship owners return on investment for scrubber installations and other low-emission technologies which again lead to a drop in the sales of such systems world wide.

Currency risk

The Company's functional currencies is NOK. At 31 December 2020 the exposure to exchange rate risk is mainly due to development - and construction costs in EUR while the Company's funding has been made in NOK. The Company does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

For 2021 it is expected that the majority of sales will be in done through the Company's subsidiaries. Any sales made

from the Company will, together with the majority of the corresponding production costs, will most likely be made in Euro. Some of the production costs will, however, be in NOK together with a large part of the Company's overhead expenses and, as such, lead to a possible exposure between Euro and NOK. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As per end of 2020, TECO 2030 is to a limited extent exposed to interest risk. The Company had per 31 December 2020 one convertible bond loan of NOK 10 million bearing a fixed interest rate of 10 percent which falls due in July 2021. The conversion period ends on 30 June 2021 but a few days into 2021, all bondholders have announced a request to convert, and the loan is, as per the date of signing the Annual financial statements, fully converted into 400 000 new shares.

Liquidity risk

The Company is managed with the objective to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The Company successfully raised NOK 80 million in a share issue prior to the listing in October 2020. The cash from the share issue secures the Company's liquidity needs for 2021.

The table on the following page summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:



| As at 31 December 2020 Amounts in NOK | > 1 year | 1 to 5 years | > 5 years | Total |
|--|-------------------|--------------|-----------|-------------------|
| Borrowings from related parties (Note 4.2) | 1 623 029 | - | - | 1 623 029 |
| Trade payables (Note 2.5) | 7 730 088 | - | - | 7 730 088 |
| Convertible loan 1) | 10 000 000 | - | - | 10 000 000 |
| Total contractual undiscounted payments | 19 353 116 | - | - | 19 353 116 |

1) See note 4.3

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is considered limited as TECO 2030 ASA has a limited number of customers. Any contracts for Ballast Water Treatment Systems sold by the Company ensures partial payments from customers prior to the corresponding payments to the supplier and thus avoids major credit risk. The Company recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Company expects to receive. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

By year-end, the Company had a total cash balance of NOK 40 million, of which approx. NOK 0.4 million was restricted cash related to employees tax funds in the Norwegian companies. The company's cash balance is placed in high credit-rated Norwegian banks and in secure deposit accounts. The Company focuses on an active cash management but the security of cash deposits is considered most important. The Company is not subject to any external requirements in terms of financial covenants related to cash and cash management.

Covid-19

The Covid-19 pandemic hit most of the world just at the time when TECO 2030 was about to launch its first 10 MW Future Funnel to the market. The pandemic had a strong negative effect on the world economy in general, and the maritime industry was no exception. A strong fall in global oil prices reduced ship owners incentives to invest in exhaust gas cleaning systems as the payback time for such installment increased compared to the situation before the pandemic as the price spread between compliant very low sulphur fuel oil (VLSFO) and high sulphur fuel oil (HFO) decreased significantly. These effects are considered to have had a negative impact on the market for Future Funnels during 2020 and the lack of sales forced the Company's to slow down some of its operations and activities in March and April 2020.

As per December 31 2020, the pandemic is still considered a potential major threat to the world economy and it is unsure when oil prices and other commodities will return to pre-pandemic levels. The price gap between VLSFO and HFO has, nevertheless, slowly increased during late 2020 and the beginning of 2021 thus contributing with some optimism to the Future Funnel-market into 2021. There is, nevertheless, a risk that the pandemic continues throughout a substantial part of 2021 and thereby continues the trend from 2020 proving it challenging to sell Future Funnels to ship owners.

The pandemic did not have any significant negative impact on the Company's various development programs in 2020. The Company expects this situation to continue on in 2021 despite the uncertainty towards the Covid-19 pandemic.



4.6 – Equity and shareholders

| Date Amounts in NOK | Number of shares authorised and fully paid | Par value per share (NOK) | Carrying amount |
|------------------------------------|--|------------------------------|-----------------|
| At incorporation 30 September 2019 | 1 000 000 | 0,1 | 100 000 |
| Equity issue 26. November 2019 | 11 111 | 0,1 | 1 111 |
| At 31 December 2019 | 1 111 111 | 0,1 | 111 111 |
| Equity issue 19. Aug 2020 | 8 888 889 | 0,1 | 888 889 |
| Equity issue 9. October 2020 | 2 000 000 | 0,1 | 200 000 |
| At 31 December 2020 | 12 000 000 | 0,1 | 1 200 000 |

In the annual general meeting on 5 August 2020, the Board of Directors was granted with an authorization to increase the share capital of the Company in connection with the issuing of the Offer Shares, up to NOK 500,000. The authorization is valid until 30 June 2022.

The convertible loan as described in note 4.3 gives the bondholders an option to convert the loan to equity from 31 October 2020 to 30 June 2021. At conversion, a total of 400 000 shares will be issued. See note 6.2.

The Company's 20 largest shareholders as of 31 December 2020 are shown in the table below.



| Shareholder | # shares | % |
|---------------------------------|-------------------|----------------|
| TECO GROUP AS | 5 204 143 | 43,37 % |
| CITIBANK, N.A. | 896 364 | 7,47 % |
| SIX SIS AG | 805 943 | 6,72 % |
| HANSEN EIENDOM OG KONSULT AS | 732 670 | 6,11 % |
| CLEARSTREAM BANKING S.A. | 591 801 | 4,93 % |
| JAKOB HATTELAND HOLDING AS | 390 732 | 3,26 % |
| CANICA AS | 375 000 | 3,13 % |
| TECO MARITIME GROUP AS | 288 525 | 2,40 % |
| SOLVIK HOLDING AS | 280 010 | 2,33 % |
| EQUITOR AS | 264 514 | 2,20 % |
| JAHATT AS | 244 322 | 2,04 % |
| TECO TECH HOLDING AS | 172 469 | 1,44 % |
| MICHAEL NYGAARD RASMUSSEN | 139 800 | 1,17 % |
| MEDIKOM AS | 133 786 | 1,11 % |
| STAVERN HELSE OG FORVALTNING AS | 125 628 | 1,05 % |
| NORDNET LIVSFORSIKRING AS | 107 359 | 0,89 % |
| PCJ INVEST AS | 86 087 | 0,72 % |
| ASTRUP FEARNLEY AS | 70 000 | 0,58 % |
| HØGÅSEN HOLDING AS | 69 900 | 0,58 % |
| BLOMS OPPMÅLING AS | 61 000 | 0,51 % |
| 20 largest shareholders | 11 040 053 | 92,00 % |
| Others | 959 947 | 8,00 % |
| Total shareholders | 12 000 000 | 100 % |



Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to holders of ordinary equity by the weighted average number of ordinary shares outstanding during the year.

ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of

The following table reflects the income and share data used in the EPS calculations:

| Amounts in NOK | 01.01.2020-31.12.2020 | 30.09.2019-31.12.2019 |
|--|-----------------------|-----------------------|
| Profit attributable to ordinary equity holders - for basic EPS | -16 357 164 | -2 621 522 |
| Profit attributable to ordinary equity holders adjusted for the effect of dilution | -16 357 164 | -2 621 522 |
| Weighted average number of ordinary shares - for basic EPS | 4 821 768 | 1 111 111 |
| Weighted average number of ordinary shares adjusted for the effect of dilution | 4 821 768 | 1 111 111 |
| Basic ESP, profit for the year | -3,39 | -2,36 |
| Diluted EPS, profit for the year | -3,39 | -2,36 |

The share options and RSUs once issued will have a potential dilutive effect on earnings per share.

per share or increase loss per share from continuing operations. As the Company is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. Hence, no dilutive effect has yet been recognized.

Share options and RSUs shall be treated as dilutive only if their conversion to ordinary shares would decrease earnings

4.7 – Cash and cash equivalents

For the purpose of presentation in the Company financial

statements, cash and cash equivalents includes cash and bank deposits.

| Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|-------------------|-------------------|
| Cash and cash equivalents | 31.12.2020 | 31.12.2019 |
| Bank deposits | 40 475 846 | 3 689 963 |
| Total cash and cash equivalents | 40 475 846 | 3 689 963 |

Restricted cash included in the deposits above:

| | | |
|---|---------|---|
| Withheld tax in relation to employee benefits | 352 842 | - |
| Other | - | - |



4.8 – Financial income and expenses

The Company's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

| Finance income and finance costs Amounts in NOK | Class of financial instrument | 01.01.2020 – 31.12.2020 | 30.09.2019 – 31.12.2019 |
|--|-------------------------------|----------------------------|----------------------------|
| Finance income | | | |
| Interest income | Cash and cash equivalents | 65 218 | 319 |
| Interest income - related party | Loan to related parties | 176 706 | 13 767 |
| Foreign exchange gain | Liabilities and receivables | 162 806 | - |
| Other financial gain | Non-current assets | 75 206 | - |
| Total finance income | | 479 936 | 14 086 |
| Finance costs | | | |
| Interest expenses - related party | Interest-bearing liabilities | 77 684 | - |
| Fair value adjustment - conversion rights | Convertible bond loan | 449 731 | - |
| Interest expenses | Other financial liabilities | 5 586 | - |
| Foreign exchange loss | Other financial liabilities | 557 284 | - |
| Total finance costs | | 1 090 285 | - |
| Net financial income (expense) | | -610 350 | 14 086 |

5 – Tax

5.1 – Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised

in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit



or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right

exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

| Income tax expense Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--------------------------------------|------------|------------|
| Current income tax expense | - | - |
| Deferred income tax expense | - | - |
| Total income tax expense | - | - |

| Current tax Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|-------------|------------|
| Profit before taxes | -16 357 164 | -2 621 522 |
| Permanent differences | 414 886 | -10 |
| Change in temporary differences | 15 942 278 | 2 621 532 |
| Tax basis 31.12 | - | - |
| Current tax 22% | - | - |
| Current tax in the financial position | - | - |

| Temporary differences Amounts in NOK | 31.12.2020 | 31.12.2019 |
|---|--------------------|-------------------|
| Property, plant and equipment | -357 | 32 982 |
| Intangible assets | 2 126 537 | 325 770 |
| Accumulated loss carried forward | -20 689 990 | -2 980 284 |
| Basis for deferred tax liabilities (assets) | -18 563 810 | -2 621 532 |
| Not included in the calculation of deferred tax* | 18 563 810 | 2 621 532 |
| Deferred tax liabilities recognised in balance sheet | - | - |

* Until commencement of sale/agreement has reached a profitable level, the Company will not record any deferred tax asset related to its tax loss carried forward and other

temporary differences There are no time limitation in Norway for utilization of historical tax losses.

| Reconciliation of income tax expense Amounts in NOK | 31.12.2020 | 31.12.2019 |
|--|-------------|------------|
| Profit before taxes | -16 357 164 | -2 621 522 |
| 22% of profit before tax | -3 598 576 | -576 735 |
| 22% of permanent differences | 91 275 | -2 |
| Not included in the calculation of deferred tax* | 3 507 301 | 576 737 |
| Not included in the calculation of deferred tax | 0 | - |
| Recognised income tax expense | - | - |



6 – Other disclosures

6.1 – Related party transactions

| Remuneration to key management | Salary | Pension expense | Other expensed benefits | Total |
|---|------------------|-----------------|-------------------------|------------------|
| Tore Enger (CEO) ¹⁾ | 683 333 | 14 100 | 52 119 | 749 552 |
| Pål Christian Johnsen (CFO) ¹⁾ | 255 666 | 12 800 | 8 361 | 276 827 |
| Tor-Erik Hoftun (BDO) ¹⁾ | 241 666 | 14 100 | 8 361 | 264 127 |
| Total other operating expenses | 1 180 665 | 41 000 | 68 841 | 1 290 506 |

¹⁾The employment agreements for Tore Enger, Pål Christian Johnsen and Tor-Erik Hoftun were transferred from the subsidiary TECO 2030 AS to the Company in November 2020. Tore Enger has a six month notice period.

There were no employees in the Company prior to this. Remuneration to the board of directors in the Company was NOK 687 500 in 2020.

Profit or loss items

| Related parties Amounts in NOK | Type of service | 01.01.2020 – 31.12.2020 | 30.09.2019 – 31.12.2019 |
|------------------------------------|---|----------------------------|----------------------------|
| TECO Technologies AS ¹⁾ | Management services (Jan-July) and some shared admin./office services | -5 576 176 | - |
| TECO Technologies AS | Interest income | 48 734 | 13 767 |
| TECO Tech Holding AS ¹⁾ | Interest cost | -77 684 | - |
| Total | | -5 605 126 | 13 767 |

Balance sheet items

| Related party - Assets Amounts in NOK | Balance type | 31.12.2020 | 31.12.2019 |
|--|-----------------------|------------------|------------|
| TECO Technologies AS | Interest-bearing loan | 1 623 029 | - |
| Total | | 1 623 029 | - |

| Related party - Liabilities Amounts in NOK | Balance type | 31.12.2020 | 31.12.2019 |
|---|---------------------------------------|------------------|------------|
| TECO Tech Holding AS | Interest-bearing loans and borrowings | 1 623 029 | - |
| Total | | 1 623 029 | - |

¹⁾CEO in TECO 2030 ASA Tore Enger is the chairman of the board in TECO Technologies AS.



The interest rate associated with the loan and receivable is four per cent annually. The company was charged with management fees from TECO Technologies AS with NOK 4 million in 2019 where a total of NOK 1.9 million was capitalised as development in the same year. In 2020 the Company has been charged with NOK 5.7 million in management fees where a total of 2.3 million has been capitalised as development in 2020.

The Company entered agreements that were finalized in August 2020 with related parties described in note 6.3.

6.2 – Events after the reporting period

As described in note 4.3, bondholders representing the full NOK 10 million convertible loan outstanding as of 31 December 2020 have given notice that they exercise the

right to conversion of the bonds. The conversion period was from 31 October 2020 until 30 June 2021 and notice of conversion was received in late December 2020 and early January 2021. The conversion will lead to the issuance of a total of 400,000 new shares at a conversion price of NOK 25 per share.

The bonds were converted in January 2021 and after this transaction, the total number of outstanding shares of TECO 2030 ASA will be 12,400,000 shares, each with a nominal value of NOK 0.10. The new shares are listed on Euronext Growth (Oslo, Norway) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.

6.3 – Investments in subsidiaries

| Subsidiaries | Year of acquisition / incorporation | Place of incorporation | Portion of ownership |
|---------------------------------|-------------------------------------|------------------------|----------------------|
| TECO 2030 AS ¹⁾ | 2020 | Norway | 100 % |
| TECO Fuel Cell AS ²⁾ | 2020 | Norway | 100 % |

Subsidiaries held by subsidiaries

| Teco 2030 AS | Year of acquisition / incorporation | Place of incorporation | Portion of ownership |
|-------------------|-------------------------------------|------------------------|----------------------|
| TECO 2030 INC | 2020 | USA | 100 % |
| TECO 2030 PTE LTD | 2020 | Singapore | 100 % |

¹⁾ The shares in TECO 2030 AS was acquired in July 2020, the company named Athomstart Invest at the time of the transaction was a dormant company.

²⁾ TECO Fuel Cell AS was founded in November with an equity of NOK 1 million.

³⁾ Shares in TECO 2030 INC and TECO 2030 PTE LTD was acquired by TECO 2030 ASA in august 2020. At 1 December the shares were transferred to TECO 2030 AS.



Responsibility statement

We confirm, to the best of our knowledge, that:

- the financial statements for 2020 have been prepared in accordance with IFRS as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act.
- the financial statements for 2020 give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2020 for the parent company and the group as a whole.
- the report from the Board of Directors gives a true and fair view of the development, performance and financial position of the parent company and the group as a whole and includes a description of the principal risks and uncertainties.

Lysaker, 28 January 2021

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Marit Kirkhusmo
Member of the Board

Birgit Liodden
Member of the Board

Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TECO 2030 ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TECO 2030 ASA, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statements of financial positions as at 31 December 2020, statements of comprehensive income, the statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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 management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's 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.

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Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

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 and in the statements on corporate governance and corporate social responsibility concerning the financial statements, and the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Independent auditor's report - TECO 2030 ASA

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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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 28 January 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Penneo Dokumentnr: MP7BQ-1JGQ/-KY2L-Q602E-K1T5U-1J5D6

Independent auditor's report - TECO 2030 ASA

A member firm of Ernst & Young Global Limited



Corporate governance

1 – Report on corporate governance

In order to secure sound and sustainable corporate governance, it is important that the Company ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with applicable legislation and regulations across the Group structure.

This review is based on the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "Code"), which is available here: www.nues.no. In accordance with the Code and the Accounting Act, the Company will annually report on its compliance with corporate governance requirements and recommendations.

The Code is based on a "comply or explain principle", meaning that listed companies must comply with the Code or explain why they have chosen to deviate from the recommendations set out in the Code. While the Company is listed on Euronext Growth Oslo, the company is obliged to report according to the Norwegian Code of Practice for Corporate Governance to strengthen confidence in listed companies and thereby promote value creation over time for the benefit of stakeholders.

Furthermore, a description of the most important corporate governance principles of the Company shall be made available on the Company's website. By publishing an overview of all aspects of the Company's corporate governance policy, shareholders, employees, and other stakeholders are better equipped to evaluate the extent to which the Company follows principles of good corporate governance.

2 – Business

The Company's operations shall comply with the business objectives set forth in the Company's articles of association, which together with other core objectives and strategies of the Group. The board of directors has defined objectives, strategies and risk profiles for the Company's business activities as an effort to create value for its shareholders.

These objectives, strategies and risk profiles shall be evaluated annually. The Company's business objective reads as follows: "To develop, sell and distribute technology and products which is intended to reduce energy use and negative effect on the environment, including to participate in companies with the same objectives."

3 – Equity and dividends

The company's registered share capital as of 31 December 2020 consisted of 12 000 000 shares with a par value of NOK 0.10 per share.

The Company will strive to follow a dividend policy favorable to the shareholders. The amount of any dividend to be distributed will depend on, inter alia, the Company's investment requirements and rate of growth. As per end of 2020, the Company is in a growth phase and will most likely not be in a position to pay dividends in the foreseeable future.

4 – Equal treatment of shareholders and transactions with close associates

The company has one class of shares. Each share in the Company carries one vote and all shares carry equal rights, including the right to participate in general meetings and the right to dividend. All shareholders shall be treated on an equal basis.

Transactions between the Company and its shareholders, a shareholder's parent company, members of the board of directors, executive management or close associates to any such party that are deemed material under the Norwegian Public Limited Liability Companies Act, are subject to approval by the general meeting. Furthermore, the board of directors is required to arrange for an independent auditor valuation of the transaction. Pursuant to the Code, independent third party valuations shall also be procured for (i) transactions with shareholders and other close associates that are deemed non-immaterial to either party

involved (i.e. transactions that are below the materiality threshold set out in the Norwegian Public Limited Liability Companies Act, but still not deemed immaterial), and (ii) transactions between companies within the Group if any of the companies involved have minority shareholders. In such cases, the third party does not necessarily have to be an independent auditor.

All material transactions with shareholders and other close associates, as described in the paragraph above, shall be publicly announced without delay after conclusion of the agreement.

5 – Shares and negotiability

The shares of the Company are freely transferable and there are no limitations on any party's ability to own or vote for shares in the Company.

6 – General meetings

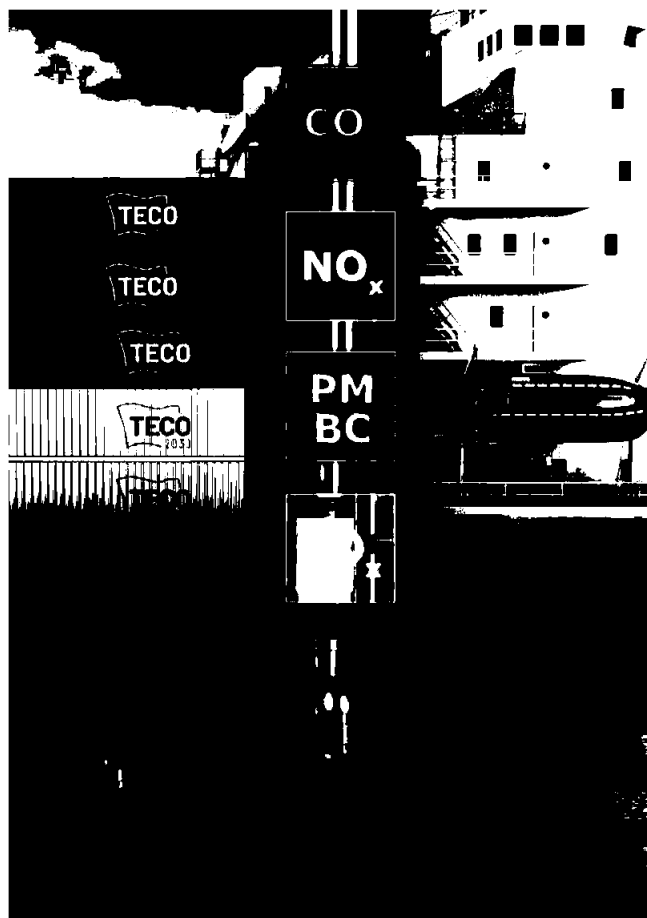
Shareholders can exercise their rights at general meetings, and the company wants general meetings to be a meeting place for shareholders and the board of directors. The company will seek to enable as many shareholders as possible to participate in general meetings. Meeting documents will be published on the company's website no later than 21 days before a general meeting. The company endeavors to ensure that meeting documents are sufficiently detailed to enable shareholders to take a view on all matters to be considered. The deadline for notifying attendance at a general meeting is set as close to the meeting as possible.

Shareholders who are unable to participate themselves may vote by proxy. The proxy form will be designed so that it can be used to vote on all matters up for consideration, and on candidates for election.

The company will encourage board members and nomination committee to attend general meetings.

The external auditors are also invited to attend.

In accordance with the articles of association, general meetings are chaired by the board chair if no-one else is elected to do so. Minutes of general meetings are published in the form of stock exchange notifications and on the company's website.





7 – Nomination Committee

The Company shall have a nomination committee, cf. the Company's articles of association section 8. The general meeting elects the members, including the chair, of the nomination committee and determines their remuneration.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Company, which are described in the Company's "Instructions for the Nomination Committee" adopted by the extraordinary general meeting in September 2020. The Company shall ensure that shareholders have information about the composition of the nomination committee and deadlines for submitting proposals to the nomination committee.

Nomination committee members are elected for a one-year term. At an extraordinary general meeting in September 2020 the following persons were elected to the nomination committee and serve until the 2021 annual general meeting:

- Marius Blom, chair
- Birgit Liodden, member

The nomination committee shall be independent from the Company's board of directors and executive management. No more than one member of the nomination committee shall also be a member of the board of directors, and any such member should not offer him- or herself for re-election to the board of directors. Neither the CEO, nor any other member of the executive management, shall also be members of the nomination committee.

8 – Board of Directors: composition and independence

The composition of the board of directors should ensure that the board of directors has the expertise, capacity and diversity needed to achieve the Company's goals, handle its main challenges and promote the common interests of all shareholders.

Each board member should have sufficient time available to devote to his or her appointment as a board member.

The number of board members should be decided on this basis, but the board of directors must in any event consist of minimum three board members. The members of the board of directors shall be willing and able to work as a team, thereby enabling the board of directors to work efficiently as a collegiate body.

All members of the board of directors, including whom shall be positioned as the chair, shall be elected by the Company's general meeting. The term of office for the respective board members shall not be longer than two years at a time. Members of the board of directors may be re-elected. The re-election of the members of the board of directors should be phased, to prevent that the entire board of directors is replaced at once.

At the extraordinary general meeting in September 2020 the following members for the Board of Directors were elected:

- Sigurd Lange, chair (Elected September 2020)
- Pia Meling, member (Elected September 2020)
- Birgit Liodden, member (Elected September 2020)
- Marit Kirkhusmo, member (Elected September 2020)
- Herman Marcussen, member (Elected September 2020)

The shareholdings of directors and senior management are outlined in note 4.6.

Neither the CEO, nor any member of the Company's executive management, shall also be a member of the board of directors.

9 – The work of the Board of Directors

The board of directors shall produce an annual plan for its own work, with particular focus on objectives, strategy and implementation. The board of directors shall implement instructions for its own work and the work of the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the board of directors and the CEO shall be in compliance with rules and standards applicable to the Company, which are described in the Company's "Instructions for the Board of Directors".



Members of the board of directors and executive management cannot consider matters in which they have a special and prominent interest. Each board member shall ensure that the board of directors and executive management are aware of any material interests that they may have in matters to be considered by the board of directors, so that these can be considered on an unbiased and satisfactory manner.

10 – Risk management and internal controls

The board of directors shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed.

Risk management and internal controls are important to TECO 2030. They enable the company to achieve its strategic objectives, and are an integral part of management decision-making processes, the organizational structure, and internal procedures and systems. Board meetings shall be held frequently, and management reports shall be provided to the board of directors as a minimum on a monthly basis. Financial performance shall be reported on a quarterly basis.

11 – Remuneration of the Board of Directors

The remuneration of the board of directors is determined by the shareholders at the Company's annual general meeting based on the proposal from the nomination committee.

The remuneration of the board of directors shall reflect:

- the board of directors' responsibility and expertise;
- the complexity of the Company and its business; and
- the time spent and the level of activity performed in the board of directors and any board committee that members of the board of directors participate in.

The remuneration and share options to the board of directors shall not be linked to the Company's performance. The remuneration to the board of directors shall be such that their independence is protected.

Members of the board of directors, or companies associated with a board member, shall not engage in specific assignments for the Company in addition to their appointment as members of the board of directors. If a board member nonetheless takes on any such assignment, the entire board of directors must be informed, and the fees shall be approved by the board of directors.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the board of directors. This includes a specification of any consideration paid to members of the board of directors in addition to their ordinary board remuneration.

12 – Remuneration of executive personnel

The Company's guidelines for determining remunerations to the CEO and other member of the executive management as set out in the "Instructions for the Remuneration Committee" should at all times support prevailing strategy and values in the Company. These guidelines shall be communicated to the annual general meeting and include the main principles for the Company's remuneration policy as well as contribute to align the interests of the shareholders and executive management.

The salary and remuneration of the CEO is determined by the board of directors in a board meeting. Based on the guidelines communicated to the annual general meeting and the recommendations of the remuneration committee, the board of directors shall produce a statement in the Company's report on corporate governance on how the salary and remuneration of the Company's CEO is determined in addition to the remuneration strategy for the executive management, as well as provide an account of the Company's remuneration policy the previous financial year. This statement shall be considered by the Company's



annual general meeting before a final resolution regarding remuneration is made by the board of directors.

13 – Information and communication

The board of directors shall establish guidelines for its reporting of financial and other information based on transparency and taking into account the rules on good stock exchange practice and the general requirement of equal treatment in the securities market. The Company is obliged to continually provide its shareholders, Oslo Børs and the securities and financial market in general with timely and precise information about the Company and its operations. This information shall be published in accordance with Oslo Børs' information system.

Relevant information will be given in the form of annual reports, half-year reports, quarterly reports, press releases, notices to the stock exchange and through published

investor presentations in accordance with what is deemed appropriate and required at any given time. Such information shall be published through Oslo Børs' information system and/or be published on the Company's website.

The insider lists are maintained by the CFO, and separate guidelines have been drawn up for handling of inside information.

In addition to the board of directors' dialogue with the Company's shareholders at the general meetings, the board of directors shall make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the board of directors to develop an understanding of which matters regarding the Company that are of a particular concern or interest to its shareholders. Communication with the shareholders shall always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of shareholders.





14 – Take-overs

The board of directors shall have established the main principles for its actions in the event of a takeover offer. In a takeover process, the board of directors and the executive management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The board of directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

15 – Auditor

The Company's auditor shall annually present the main features of the plan for the audit of the Company to the board of directors. The auditor shall participate in meeting(s) of the board of directors where any of the following topics are on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and other matters of importance where there have been disagreement between the auditor and the Company's executive management. The auditor shall at least once a year present to the board of directors a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The board of directors shall specify the executive management's right to use the auditor for other purposes than auditing.





Sustainability

Shipping accounts for 90% of global trade and roughly 2.5% of global greenhouse gas emissions. Global shipping volumes are expected to continue to grow. At the same time, we urgently need to reduce emissions and other environmental impacts.

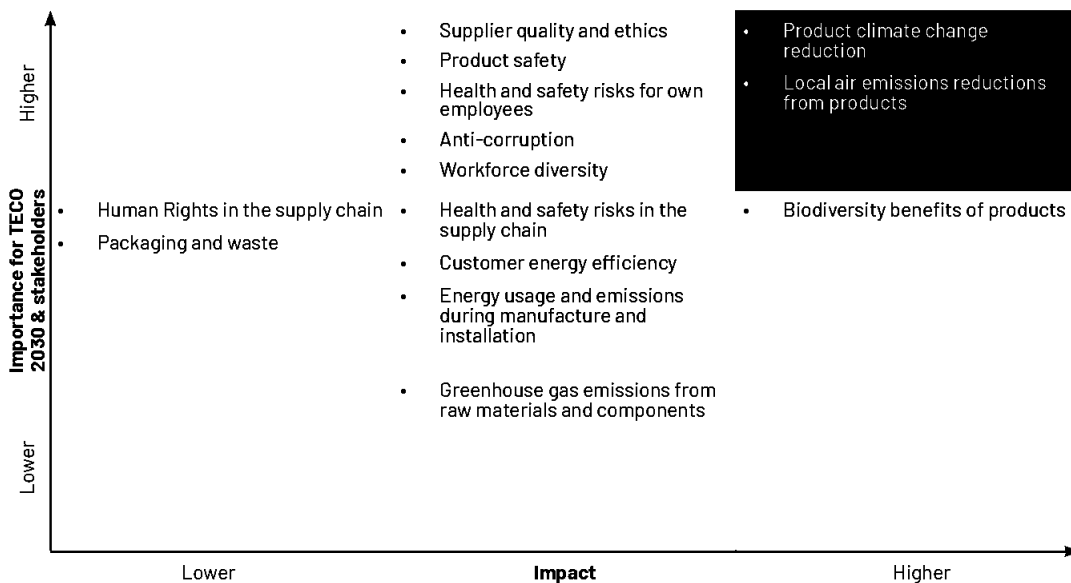
In order to achieve this, TECO 2030 need a two-step strategy. First, we will continually improve current technology to significantly reduce emissions from combustion engines. According to the American Bureau of Shipping, in 2050 there will still be approximately 40% fossil fuels in the energy mix. The next step is introducing renewable energy and zero emission solutions, based on fuel cells powered by hydrogen. Hydrogen is the best zero emission technology for heavy-duty maritime applications and will be TECO 2030's main focus moving forward.

TECO 2030 has introduced a set of corporate values and ethical guidelines and is aiming to implement sustainability reporting based on the recommendation from Oslo Stock

Exchange. This reporting process is influenced by the guidance of the GRI Sustainability Reporting Standards. The guidance also builds on other international standards such as the UN Guiding Principles on Business and Human rights, the UN Global Compact, and the OECD's Guidelines for Multinational Enterprises. TECO 2030 intends to release its first full GRI Report in the first quarter of 2022.

Results of Materiality Assessment

The materiality assessment is a process of identifying, refining, and assessing numerous potential environmental, social and governance issues that could affect the business, and/or our stakeholders, and condensing them into a short-list of topics that inform company strategy, targets, and reporting. The assessment is inspired by the GRI initiative and illustrates the importance of the different Environmental, Social and Governance risks and opportunities for TECO 2030. The materiality assessment





below illustrates the importance of the different ESG risks and opportunities which have been identified in this assessment. The matrix evaluates how important the different topics are for TECO 2030 as a company compared to the impact they have.

TECO 2030 aims to provide leading environmental technologies to reduce the negative impact from the marine industry. TECO 2030 is focused on maintaining a sustainable business operation through all steps of the value chain.

United Nations Sustainable Development Goals

TECO 2030 has assessed the various United Nations Sustainable Development Goals (SDG) and have decided on which SDG TECO 2030 can impact the most. TECO 2030 is excited to collaborate with industry partners and other public and private bodies to make the world a better place in year 2030, the target year for the SDGs. TECO 2030 has assessed the main SDGs that we can impact in our business operations. We have narrowed the list of SDGs that TECO 2030 has the highest chance of impacting:

SDG 3 Good Health and Well-Being

TECO 2030's underlying ambition is reflected in SDG number

3.9, to contribute to substantially reducing the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. TECO 2030 will provide shipowners with emission reduction systems, and opportunities for emission free propulsion. Through these initiatives TECO 2030 will contribute towards less pollutants in air, water and soil around the globe.

SDG 9 Industry, Innovation and Infrastructure

TECO 2030 aims to contribute towards target 9.4 with upgrades of infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities. The maritime transport sector is a major polluter, and with TECO 2030's solutions we can engage shipowners to reduce their operational environmental impact.

SDG 13 Climate Action

TECO 2030 wants to contribute positively towards climate measures, and strengthen resilience and adaptive capacity to climate-related hazards and natural disasters globally. TECO 2030 has a goal of contributing towards a positive climate development in a world with continually increasing freight volumes.





EU taxonomy

The EU taxonomy is a tool to help investors, companies, issuers, and project promoters navigate the transition to a low carbon, resilient and resource efficient economy. It is a classification system, establishing a list of environmentally sustainable economic activities. The EU taxonomy is an important enabler to scale up sustainable investment and to implement the European Green Deal. Notably, by providing appropriate definitions to companies, investors and policymakers on which economic activities can be considered environmentally sustainable, it is expected to create security for investors, protect private investors from greenwashing, help companies to plan the transition, mitigate market fragmentation and eventually help shift investments where they are most needed.

TECO 2030 intends to implement the EU Taxonomy guidance's in its business operations. The EU Taxonomy Report will be reviewed annually and reported accordingly. TECO 2030 will under the Non-Binding Guidelines for Non-Financial Reporting disclose in line with the Taxonomy. All environmental impacts of scale will be disclosed annually by TECO 2030 to further guide investors on the company's environmental footprint. The goal of the Taxonomy is to guide stakeholders in TECO 2030 of the company's environmental objective with its investments and business activities.



Members of the Board



Sigurd Gaarder Lange

Chairman

Sigurd Gaarder Lange (born 1975) joined the TECO Group of Companies in 2000 and became a partner of TECO Group from 2005. Mr. Lange has held various positions, such as CEO, CFO and board member, for TECO Group controlled companies, among these several listed companies in Norway and Canada, such as Davie Shipyard Inc and Scanship Holding ASA (Vow ASA today). He also served as CFO and Director of CASK/Moestue, a major Nordic importer and producer of alcoholic beverages in Norway, Sweden and Finland. He has from 2018 held the position as TECO Group CDO, and from July 2019 the position as Group CEO for the marine solution provider TECO Maritime Group AS. He joined the board of TECO 2030 when the company was incorporated in September 2019 and assumed the role of Chairman of the Board in August 2020. Mr. Lange holds a business degree from BI Norwegian Business School, Oslo. As of 31 December 2020, Mr. Lange had an indirect ownership interest in a total of 5 665 137 shares of TECO 2030 through various companies related to TECO Group (see note 4.6 for details).



Pia Meling

Board Member

Pia Meling (born 1975) joined TECO 2030 as member of the Board of Directors in September 2020. Ms. Meling has broad management experience from the shipping and maritime industry, within chartering and commercial management of vessels at the dry bulk operator Klaveness. Furthermore, her experience includes positions as the General Manager of Nav/Com service provider Radio Holland, Marketing & Communications Manager for scrubber manufacturer Clean Marine and as Area Sales Director for Marine Products at Wilhelmsen Ships Service. Ms. Meling is currently the Vice President of Massterly, a Kongsberg and Wilhelmsen joint venture which started operations in 2018, offering services for the entire value chain for zero/low emission, autonomous ships; from vessel design and approval from relevant authorities, to control systems, logistics services, vessel operations, insurance and financing. She is also the President of WISTA (Women's International Shipping & Trading Association) Norway, Board member of Westport AS, and a member of the Ocean portfolio board of The Research Council of Norway. Meling holds an MBA from the Norwegian School of Economics. As of 31 December 2020, Ms. Meling held 332 shares of TECO 2030.



Birgit Marie Liodden

Board Member

Birgit Marie Liodden (born 1982) joined the Company as member of the Board of Directors in September 2020. For the past 15 years, Ms. Liodden has promoted the next generation, diversity, sustainability and the need for change across the maritime industry. Liodden is one of the most profiled young shipping female executives globally. She holds executive board roles in The Norwegian Society for Sea Rescue, The Factory, Greenstat and Bellona Foundation. She is the Founder & CEO of The Ocean Opportunity Lab. Her maritime

background involves five years in Wilh. Wilhelmsen head office, Project Manager Global Systems & Processes, 4.5 years as an entrepreneur working with Nor-Shipping, OECD, Wilh. Maritime and Sea Trucks Nigeria. This includes Director of Nor-Shipping, Founder and SG of YoungShip International, Director of Sustainability, Ocean Industries and Communication at Oslo Business Region, and Project Manager for Oslo European Green Capital's cross-industry business program. She has received a number of awards and rankings for her leadership in Norway and abroad. In 2012 Liodden was awarded Shipping Name of The Year in Norway and she was a finalist for World Economic Forum's Young Global Leaders in 2018. As of 31 December 2020, Ms. Liodden held 200 shares of TECO 2030.



Marit Kirkhusmo
Board Member

Marit Kirkhusmo (born 1970) joined TECO 2030 as member of the Board of Directors in September 2020. Ms. Kirkhusmo is a shipping, offshore and finance lawyer with approximately 25 years of experience from major law firms in Oslo and London in addition to management positions from the international shipping industry. She is Master of Law from the University of Oslo and currently partner in the Energy, Shipping and Offshore department of SANDS Law firm DA. She has many years of practice as General Counsel of a large international shipping group consisting of several stock listed companies which a diversified fleet and bulk vessels, chemical tankers, gas vessels as well as ship supply services and technical management of vessels. Ms. Kirkhusmo has extensive experience as a board member of private and public companies, including the Board of Directors of GIEK - the Norwegian Export Credit Agency. As of 31 December 2020, Ms. Kirkhusmo held 0 shares of TECO 2030.



John Herman Marcussen
Board Member

John Herman Marcussen (born 1965) joined TECO 2030 as member of the Board of Directors in September 2020. Mr. Marcussen has more than 30 years' experience in the shipping industry and is presently working with SeaLeague AS, where he is a partner and member of the board. Mr. Marcussen has a wide experience from shipping finance, secondhand and newbuilding transactions as well as corporate transactions. He has previously been a partner and board member with P.F. Bassoe and Pareto for several years. Furthermore, Mr. Marcussen has been a board member of Scanship ASA (Vow ASA today). Mr. Marcussen has a business degree from Oslo Business School/BI. As of 31 December 2020, Mr. Marcussen held 49 441 shares of TECO 2030 through his wholly-owned company Marcussen Shipping AS.

Management

**Tore Enger**

Chief Executive Officer

Tore Enger, born in 1963, founded TECO Group in 1994. Mr. Enger is a true entrepreneur and has initiated a number of products and services for the maritime industry throughout the past 25 years. He has an extensive network in the industry and is thus crucial for TECO 2030's access to shipowners. Mr. Enger was also the Chairman and major shareholder of Scanship Holding ASA (now Vow ASA), which is listed on the Oslo Stock Exchange, for approximately 10 years (2008 - 2017).

**Pål Christian Johnsen**

Chief Financial Officer

Pål Christian Johnsen holds a Master of Finance and Accounting from The Flinders University of South Australia. He has previously worked for TECO Group in various projects from 2006 to 2010 in addition to, amongst others, Økokrim (Special Investigator) and AS Naturbetong (CFO), before rejoining TECO Group in October 2018.

**Bettina Nowak**

Chief Executive Officer, USA

Bettina Nowak is an Austrian citizen who has lived in the US since 2000. She holds a Degree in Hotel Management from Austria and has been working in the hospitality industry in Europe and the US until 2004, when she started working in the cruise industry. In 2007, Ms. Nowak entered the position as Managing Director for Scanship Americas, a position she held for 11 years until she joined TECO as CEO of TECO 2030 Inc. in Miami in 2018.




Tor-Erik Hoftun
Business Development Officer

Tor-Erik Hoftun holds a Bachelor's degree in Nautical Studies from Vestfold University College, Arctic Specialization University of Norway (UIT) and The University Centre Svalbard (UNIS). He worked as Project Engineer and Project Development Manager at Scanship AS with focus on waste handling and water purification. Mr. Hoftun joined TECO Group in March 2018 and has been an important part of the development team of TECO 2030.



Arild Eiken
Chief Technology & Project Officer

Arild Eiken is educated as a Naval Architect from NTNU Norwegian University of Science and Technology. Prior to joining TECO Mr. Eiken has over the past four years been instrumental in the development of hydrogen and fuel cell systems for maritime and offshore applications. He has more than 20 years of experience within the maritime and offshore oil and gas industries and has held various leading technical and management positions. Mr. Eiken joined TECO 2030 in December 2020.



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