



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 627 278
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	NATIONAL OILWELL VARCO FLUIDCONTROL NORWAY
Forretningsadresse:	Lagerveien 20 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2019 - 31.12.2019
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jon-André Johansen
Dato for fastsettelse av årsregnskapet:	31.08.2020

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 10.10.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Revenue		70 178 493	50 450 099
Other operating income			188 605
Sum inntekter		70 178 493	50 638 704
Kostnader			
Cost of materials		31 521 792	18 279 671
Personnel expenses	2	14 839 339	14 686 163
Depreciation of operating and intangible assets	3	758 507	169 420
Other operating expenses		6 314 922	6 586 020
Sum kostnader		53 434 560	39 721 273
Driftsresultat		16 743 933	10 917 431
Finansinntekter og finanskostnader			
Annen renteinntekt		196 834	
Other financial income		755 092	3 344 404
Sum finansinntekter		951 926	3 344 404
Other financial expenses		617 740	2 732 132
Sum finanskostnader		617 740	2 732 132
Netto finans		334 186	612 272
Ordinært resultat før skattekostnad		17 078 118	11 529 703
Ordinært resultat etter skattekostnad		17 078 118	11 529 703
Årsresultat		17 078 118	11 529 703
Årsresultat etter minoritetsinteresser		17 078 118	11 529 703
Totalresultat		17 078 118	11 529 703
Overføringer og disponeringer			
Allocated to other equity		17 078 118	11 529 703



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Sum overføringer og disponeringer		17 078 118	11 529 703



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Equipment and other movables	3	1 846 880	2 485 386
Sum varige driftsmidler		1 846 880	2 485 386
Sum anleggsmidler		1 846 880	2 485 386
Omløpsmidler			
Varer			
Inventories	9	7 152 623	6 531 300
Sum varer		7 152 623	6 531 300
Fordringer			
Accounts receivables	4	12 593 458	8 097 480
Other short-term receivables	4	85 152	183 321
Sum fordringer		12 678 609	8 280 802
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	8	13 539 262	30 246 723
Sum bankinnskudd, kontanter og lignende		13 539 262	30 246 723
Sum omløpsmidler		33 370 494	45 058 825
SUM EIENDELER		35 217 374	47 544 211
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Other equity	5	15 668 784	36 026 970



Balanse

Beløp i: NOK	Note	2019	2018
Sum opptjent egenkapital		15 668 784	36 026 970
Sum egenkapital		15 668 784	36 026 970
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	4	14 456 461	5 510 078
Public duties payable		1 157 763	1 273 419
Other current debt		3 934 365	4 733 743
Sum kortsiktig gjeld		19 548 590	11 517 241
Sum gjeld		19 548 590	11 517 241
SUM EGENKAPITAL OG GJELD		35 217 374	47 544 211



Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the management of National Oilwell Varco Fluidcontrol Norway NUF

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Oilwell Varco Fluidcontrol Norway NUF, which comprise the balance sheet as at 31 December 2019, the income statement 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 as at 31 December 2019 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company 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.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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



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- 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.

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.

Report on other legal and regulatory requirements

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.

Stavanger, 1 September 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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"By my signature I confirm all dates and content in this document."

Stig Tore Strand

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5998-4-756562

IP: 92.221.xxx.xxx

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NOV FluidControl Norway NUF
(NO 991 627 278 MVA)

ANNUAL REPORT

2019



Profit and Loss Statement

National Oilwell Varco Fluidcontrol Norway NUF

Operating income and operating expenses	Note	2019	2018
Revenue		70,178,493	50,450,099
Other operating income		0	188,605
Total operating income		<u>70,178,493</u>	<u>50,638,704</u>
Cost of materials		31,521,792	18,279,671
Personnel expenses	2	14,839,339	14,686,163
Depreciation of operating and intangible assets	3	758,507	169,420
Other operating expenses		6,314,922	6,586,020
Total operating expenses		<u>53,434,560</u>	<u>39,721,273</u>
Operating profit		<u>16,743,933</u>	<u>10,917,431</u>
Financial income and expenses			
Other interest income		196,834	0
Other financial income		755,092	3,344,404
Other financial expenses		617,740	2,732,132
Net financial items		<u>334,186</u>	<u>612,272</u>
Operating result before tax		<u>17,078,118</u>	<u>11,529,703</u>
Ordinary result after tax		<u>17,078,118</u>	<u>11,529,703</u>
Annual net profit		<u>17,078,118</u>	<u>11,529,703</u>
Brought forward			
Allocated to other equity		17,078,118	11,529,703
Net brought forward		<u>17,078,118</u>	<u>11,529,703</u>



Balance sheet			
National Oilwell Varco Fluidcontrol Norway NUF			
Assets	Note	2019	2018
Fixed assets			
Tangible assets			
Equipment and other movables	3	<u>1,846,880</u>	<u>2,485,386</u>
Total tangible assets		<u>1,846,880</u>	<u>2,485,386</u>
Total fixed assets		<u>1,846,880</u>	<u>2,485,386</u>
Current assets			
Inventories	9	7,152,623	6,531,300
Debtors			
Accounts receivables	4	12,593,458	8,097,480
Other short-term receivables	4	<u>85,152</u>	<u>183,321</u>
Total receivables		<u>12,678,609</u>	<u>8,280,802</u>
Cash and bank deposits	8	13,539,262	30,246,723
Total current assets		<u>33,370,494</u>	<u>45,058,825</u>
Total assets		<u>35,217,374</u>	<u>47,544,211</u>
National Oilwell Varco Fluidcontrol Norway NUF		Page 2	

**Balance sheet**

National Oilwell Varco Fluidcontrol Norway NUF

Equity and liabilities	Note	2019	2018
Retained earnings			
Other equity	5	15,668,784	36,026,970
Total retained earnings		<u>15,668,784</u>	<u>36,026,970</u>
Total equity		<u>15,668,784</u>	<u>36,026,970</u>
Liabilities			
Current debt			
Trade creditors	4	14,456,461	5,510,078
Public duties payable		1,157,763	1,273,419
Other current debt		3,934,365	4,733,743
Total current debt		<u>19,548,590</u>	<u>11,517,241</u>
Total liabilities		<u>19,548,590</u>	<u>11,517,241</u>
Total equity and liabilities		<u>35,217,374</u>	<u>47,544,211</u>

Stavanger, 31.08.2020
for National Oilwell Varco Fluidcontrol Norway NUF

Jon-André Johansen



Note 1 - Accounting Principles

The entity is registered as a Norwegian Registered Foreign Company. The entity is a branch of National Oilwell Varco L.P, Houston, USA. The financial statement has been prepared in accordance with the Accounting Act and generally accepted accounting principles for small companies.

Principles for assessment and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The same criteria are used in the classification of current and non-current liabilities.

Assets are recorded at cost and are written down to fair value if impairment is not expected to be temporary. Fixed assets with a limited useful life are depreciated. Current assets are valued at the lower of cost and net realizable value. Other non-current and current liabilities are valued at nominal. Some items are valued by other principles, as explained below.

Fixed assets

Fixed assets are capitalized and depreciated over the useful life if this is longer than 3 years and has a cost higher than 15 000 NOK. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated along with the asset.

Inventories

Inventories of goods are valued at the lower of cost on a FIFO basis and net realizable value. Depreciation is made of estimated obsolescence.

Receivables

Trade and other receivables are recorded at nominal value less a provision for doubtful debts. Provision is based on an individual assessment of each receivable. In addition, for other receivables, a general provision is made to cover expected losses.

Currency

Monetary items denominated in foreign currencies are calculated at exchange rates at the balance sheet date. Transactions in foreign currencies are generally calculated at the exchange rate in the current period.

Pensions

The company has defined contribution schemes, which are expensed in accordance with premium payments.

Revenue

Revenue from sale of goods is recognized upon delivery. For projects the company uses the completed contract method and recognize revenue and related cost in the period where NOV completes its obligations to its customers according to generally accepted accounting principles for small companies.

Financial market risk

The entity is exposed to currency fluctuations in that part of the sales revenue and cost of goods are denominated in foreign currency (mainly USD). The entity has in 2019 not used hedging instruments.



Note 2 - Salaries, number of employees, allowances, loans to employees

Wage costs:	2019	2018
Salary	11,743,128	11,775,792
Social security expenses	1,789,882	1,825,240
Pension	791,472	786,449
Other benefits	514,858	298,682
Sum wage costs	14,839,339	14,686,163

Full time equivalent	15	15
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Allowances

There is no paid wages or other remuneration to the General Manager from this company. He is employed by another company within the NOV Group.

Auditor

Audit fees for 2019 amounts to NOK 263 131 exclusive vat.

Note 3 - Fixed assets

	Machinery and equipment
Cost 01.01.2019	25,476,767
Additions during the year	120,000
Disposals this year	-3,729,752
Cost 31.12.2019	21,867,015

Acc. depreciation 01.01.2019	22,991,381
Ordinary depreciation	758,507
Disposals this year	-3,729,753
Acc. depreciation 31.12.2019	20,020,135

Book value 31.12.2019	1,846,880
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3-10 years

Note 4 - Balances with group companies

	2019	2018
Receivables		
Trade receivables	2,213,927	1,312,498
Liabilities		
Accounts payable	10,819,852	7,260,610



Note 5 - Equity

	Other equity
Equity pr. 31.12.2018	36,026,970
Distributions to owners	-37,436,304
Net profit	17,078,118
Equity pr. 31.12.2019	<u>15,668,784</u>

Note 6 - Entity structure and taxation

The entity is a Norwegian Registered Foreign Company and a branch of a Limited Partners company (LP) with the following 2 partners:

- NOV TV2 LLC (99,99 %)
- NOW Oilfield Services LLC (0,01 %)

Therefore the company's profit will be taxed as part of the tax treatment of each of the participating companies. The taxable income of the entity is 0 NOK.

Note 7 Pension Liabilities

The entity has an arrangement for occupational pension that meets the requirements of the Norwegian Accounting Act § 7-30a.

Note - 8 Bank deposits

There are no restrictions on bank deposits. Withheld tax are secured by a bank guarantee of NOK 1 300 000.

Note - 9 Inventory

	2019	2018
Finished goods for resale	5,586,673	7,390,660
Work in progress/ purch. to be rebilled	2,297,274	1,273,029
Inventory reserve	-731,324	-2,132,390
Total inventory	7,152,623	6,531,300

The inventory reserve is calculated based on aging of the finished goods the company has for resale.

Work in progress is added to the inventory amount with the above mentioned amounts. In the financial statements for earlier years this was classified as a reduction of other short term liabilities. The balance for previous year have been changed in order to make the numbers comparable.



10 Subsequent Events

Subsequent to 31 December 2019, Covid-19 has spread rapidly and has impacted many local economies around the globe. In many countries, business operations are being limited or forced to cease for indefinite periods of time, and governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The impact on the Company's financial position and performance following the Covid-19 outbreak is uncertain, and both the Company's business activities and the value of the Company's subsidiaries could potentially be impacted.

The Company has determined that the Covid-19 events are non-adjusting. The duration and impact of Covid-19, as well as the effectiveness of government and central bank responses, remain unclear at this time. The financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	04.10.2012	19.10.2012
Telefon	Deres referanse	Vår referanse
977 59 464	79831556	2012/774996

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for National Oilwell Varco Fluidcontrol Norway, org.nr. 991 627 278

Vi viser til deres brev av 4. oktober 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for National Oilwell Varco Fluidcontrol Norway.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering gitt National Oilwell Varco Fluidcontrol Norway dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

National Oilwell Varco Fluidcontrol Norway leverer produkter innenfor borevæsker og tekniske løsninger innenfor olje- og gass industrien. Selskapet er en norsk avdeling av National Oilwell Varco LP lokalisert i Houston Texas, USA, og inngår i NOV konsernet som er notert på børsen i New York i USA.

Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. Den norske avdelingens eier er et utenlandsk selskap, og all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk, herunder oversendes et oversatt engelsk regnskap til disse.

Skattedirektoratets vurdering

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

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

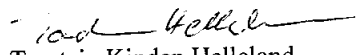
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

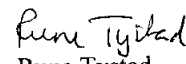
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at avdelingens virksomhet er i en sektor der engelsk er det klart dominerende språket og at arbeidsspråket er engelsk. Videre er det vektlagt at avdelingen eies av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad