



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 936 612 741
Organisasjonsform: Aksjeselskap
Foretaksnavn: KLINGER WESTAD AS
Forretningsadresse: Heggenveien 530
3360 GEITHUS

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jørn-Inge Throndsen
Dato for fastsettelse av årsregnskapet: 15.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 22.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		242 445 569	424 936 814
Sum inntekter	12, 18	242 445 569	424 936 814
Kostnader			
Raw materials and consumables used	6	98 075 744	209 136 560
Employee benefits expense	13	66 039 160	78 528 109
Depreciation and amortisation expenses	4	10 030 525	10 809 117
Other expenses	3, 7, 13, 18	45 434 684	73 540 362
Sum kostnader		219 580 113	372 014 148
Driftsresultat		22 865 456	52 922 666
Finansinntekter og finanskostnader			
Annen renteinntekt		34 871	128 958
Other financial income		5 627 448	18 324 716
Sum finansinntekter		5 662 319	18 453 674
Rentekostnad til foretak i samme konsern	18		230 815
Annen rentekostnad		7 371	22 916
Other financial expenses		10 202 096	12 790 753
Sum finanskostnader		10 209 467	13 044 484
Netto finans		-4 547 148	5 409 190
Ordinært resultat før skattekostnad		18 318 308	58 331 856
Income tax expense	15	3 729 631	13 084 122
Ordinært resultat etter skattekostnad		14 588 677	45 247 734
Årsresultat		14 588 677	45 247 734
Årsresultat etter minoritetsinteresser		14 588 677	45 247 734
Totalresultat		14 588 677	45 247 734



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Ordinært utbytte		30 000 000	20 000 000
Other equity		-15 411 323	25 247 734
Sum overføringer og disponeringer	9	14 588 677	45 247 734



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	15	1 996 405	1 918 243
Sum immaterielle eiendeler		1 996 405	1 918 243
Varige driftsmidler			
Buildings and land	4, 11	30 752 315	29 958 048
Machinery and equipment	4, 11	11 205 544	16 424 874
Equipment and other movables	4, 11	13 852 824	15 088 511
Sum varige driftsmidler		55 810 682	61 471 433
Finansielle anleggsmidler			
Investering i datterselskap	5	30 000	30 000
Lån til foretak i samme konsern	5	500 000	500 000
Investments in shares	5	249 950	249 950
Sum finansielle anleggsmidler		779 950	779 950
Sum anleggsmidler		58 587 037	64 169 626
Omløpsmidler			
Varer			
Inventories	6, 11	86 015 176	51 311 099
Sum varer		86 015 176	51 311 099
Fordringer			
Accounts receivables	7, 11	43 465 461	65 405 004
Other short-term receivables	2	8 275 597	5 851 980
Sum fordringer		51 741 058	71 256 984
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	61 221 542	65 174 469
Sum bankinnskudd, kontanter og lignende		61 221 542	65 174 469
Sum omløpsmidler		198 977 776	187 742 552



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		257 564 813	251 912 178

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	10	11 000 000	11 000 000
Overkurs		90 335	90 335
Annen innskutt egenkapital		22 245 565	22 245 565
Sum innskutt egenkapital		33 335 900	33 335 900

Opptjent egenkapital

Other equity		92 178 041	107 589 364
Sum opptjent egenkapital		92 178 041	107 589 364

Sum egenkapital	9	125 513 941	140 925 264
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Gjeld

Langsiktig gjeld

Utsatt skatt	15		
Other provisions			83 139
Sum avsetninger for forpliktelser			83 139

Annen langsiktig gjeld

Other non-current liabilities	3	11 141 693	14 919 522
Sum annen langsiktig gjeld		11 141 693	14 919 522

Sum langsiktig gjeld		11 141 693	15 002 661
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Kortsiktig gjeld

Liabilities to financial institutions	11		154 701
Leverandørgjeld	18	59 277 808	21 545 465
Tax payable	15	2 487 099	12 234 283
Public duties payable		6 018 336	5 322 878
Utbytte	9	30 000 000	20 000 000
Other current liabilities	16, 17, 18	23 125 936	36 726 926

Sum kortsiktig gjeld		120 909 179	95 984 253
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Balanse

Beløp i: NOK	Note	2021	2020
Sum gjeld		132 050 872	110 986 914
SUM EGENKAPITAL OG GJELD		257 564 813	251 912 178



**ANNUAL REPORT 2021
KLINGER WESTAD AS**

Place and nature of business

Klinger Westad AS is 100% owned by the Austrian company Klinger Holding GmbH. The company is located at Geithus in Viken County and develops, manufactures, and sells butterfly valves for the marine and offshore industry.

Market and financial review 2021

The order intake started with a strong month, including two LNG Cargo orders, in 2021. The following months showed the same weak trend we experienced from Q2 2020 before turning from the month of May. For the rest of the year Klinger Westad received orders of a total of 429 MNOK, peaking in December with 118 MNOK, resulting in a total order intake for 2021 at 509 MNOK. This resulted in a development in the backlog balance from the opening 111 MNOK to 379 MNOK at the end of the year.

The 2021 revenue ended at 242.4 MNOK, which is 182.5 MNOK down from 2020. However, a bright spot is that the actual revenue ended 42.4 MNOK above budget. Also, the important Aftermarket segment followed up the strong output from 2020, ending just a 150K NOK behind the all-time high revenue in 2020.

Although the revenue was weaker than last year, Klinger Westad managed to deliver a good EBIT. We had good operational control, which in turn led to low extraordinary costs, especially related to air freight. In addition, temporary leaves were used from Q2 to reduce wages and salaries in a time of very low activity. The aftermarket also delivered another good year, which contributed well to the EBIT which ended at 22.9 MNOK against the budgeted 10.0 MNOK.

The profit before tax for 2021 was 18.3 MNOK and the net result after tax was 14.6 MNOK.

The financial statements have been prepared based on continued operations.

The portfolio of liquidities was 61.2 MNOK per 31.12.2021, a decrease from 65.2 MNOK per 31.12.2020. The balance sheets show total assets of 257.6 MNOK, up from 251.9 MNOK in 2020. The company is in a solid financial position. The balance sheet shows a decrease in the working capital from 95.2 MNOK in 2020 to 70.2 MNOK in 2021. Trade receivables decreased from 65.4 MNOK in 2020 to 43.5 MNOK in 2021. The decrease relates mainly to the differences in revenue between Q4 in 2020, 108.2 MNOK, and Q4 2021, 60.6 MNOK. The inventory increased from 51.3 MNOK to 86.0 MNOK, and reflects the higher activity Klinger Westad is facing in 2022.

The board of directors confirm that the financial statements for the year 2021, to the best of our knowledge, gives a true and fair view of the company's consolidated assets, liabilities, financial position and result of operations. Nor has it occurred events after the fiscal year that changes this.



Financial risk

Overall objectives and strategy

Westad is exposed for various financial risks, especially related to foreign currency. The overall objective for Westad is to mitigate financial risk.

Exchange rate and interest risk

The company is exposed for exchange rates of foreign currencies, especially USD and EUR. All material purchases of raw materials and about 50% of the income is in foreign currencies. The company has entered into forward contracts related to both sales and purchases to reduce the currency exposure of the company and thereby operational related market risk. The company is also exposed against NIBOR on leasing agreements with DnB on machinery.

Credit risk

The overall credit risk is considered low, with historical low losses on receivables. Larger projects require letter of credit and prepayment is a requirement for new clients in the aftermarket.

Liquidity risk

The assessment of the liquidity situation is reflected by the last years good results. After paying a dividend of 20 MNOK in 2021, the liquidity portfolio is almost unchanged from 2020. The company's current liquidity situation is solid.

Working environment and personnel

The company had 91 employees at the end of 2021, a 1% decrease compared to year-end 2020.

During 2021, the company had one unwanted incident which did not result in sick leave. The company is working systematically on HSE to eliminate all incidents. The total sick leave in 2021 was 3.8%, up from 2.37% the previous year.

Westad is a part of the Norwegian IA cooperation and worked together with the Norwegian Social Service (NAV) and the local industrial health service organization on measures to reduce sick leave. The cooperation with the employee's representatives has been constructive and had a positive impact on the operation in 2021.

The company also adapted strict measures very early in the pandemic in order to mitigate risks associated with Covid-19. This has also had a positive effect on sick leave.

Equality and anti-discrimination work

The overall objective of the company is complete equality between men and women. The current distribution between men and woman is 18% woman and 82% men. The company does not treat men and woman differently in cases related to salary, recruitment, and promotions. Westad has employees of various nationalities, ethnical and religious backgrounds and it has a clear policy against any discrimination based on sex, age, religion, sexual orientation, identity, or nationality. The company further has a zero tolerance for all types of discrimination, including sexual harassment at the workplace. However, no specific measures were implemented in 2021.



Environmental reporting

All emissions from the factory, including dangerous substances, are within the requirements set by the government. No discharging of process water takes place. A vaporization plant reduces the hazardous waste by 85-90%. All waste is delivered to approved facilities for recycling or a landfill.

Westad has the ISO 14001 certificate. The environmental focus on the company is based on the procedures described by ISO 14001 that is the national standard for environmental management.

Director's and Officer's Liability insurance

The Directors and officers are insured through Klinger Holding GmbH Master insurance policy with Zurich Insurance Company Ltd. This policy covers Directors and Officers of Klinger Holding GmbH in Austria and its subsidiaries worldwide, including Klinger Westad AS.

Annual results and disposals

A dividend of 30 million NOK is allocated to the shareholder. The annual result is booked to other equity.

2021 changes of equity

	Share capital	Premium	Invested equity	Other equity	Sum equity
Pr. 01.01.2021	11 000 000	90 335	22 245 565	107 589 364	140 925 264
Dividend				-30 000 000	-30 000 000
Net result				14 588 677	14 588 677
Pr. 31.12.2021	11 000 000	90 335	22 245 565	92 178 041	125 513 941

Outlook for 2022

The overall order intake of 2021 ended at 509 MNOK, up from only 187 MNOK in 2020. Current outlook for 2022 indicates that the company will outperform the budgeted revenue of 327 MNOK significantly, likely landing revenue in 2022 north of 400 MNOK.

Supported by an anticipated strong Aftermarket during the year, it is expected that Klinger Westad will outperform the budgeted 28 MNOK in EBIT as well.

However, there are significant uncertainties in the world at the time of writing this. The pandemic has resulted in a price pressure on raw material due to economic stimulus by governments around the world, particularly within infrastructure. Re-opening of societies have also released high activity in global manufacturing, further driving up the raw material prices.

Additionally, the Suez channel incident in March 2021 amplified the tendencies of a congestion in logistics around the work, and this has continued to escalate since then. Transportation prices are also significantly higher than normal levels.



The final addition to the burden is now the ongoing war in Ukraine, which further adds to uncertainties and unpredictable future raw material- and transportation price levels.

Klinger Westad has been forced to absorb some of the price increases from suppliers but have also succeeded in regaining some of the margins by raising prices customer pays for the valves supplied by Klinger Westad.

The Westad board of directors are therefore confident that Klinger Westad through strong management of the current situation will be in position to deliver a satisfying year during difficult circumstances.

Klinger Westad AS, 15. March 2022

Daniel Schibli
Chairman

Christoph Klinger-Lohr
Director

Vørn-Inge Thrønsen
Director / MD Westad

Øyvind Berget
Director

Sigurd Woie
Employee rep.



Financial statement 2021 Klinger Westad AS

Organization number: 936 612 741



Income statement

Klinger Westad AS

Operating income and operating expenses	Note	2021	2020
Revenue		242 445 569	424 936 814
Total income	12, 18	242 445 569	424 936 814
Raw materials and consumables used	6	98 075 744	209 136 560
Employee benefits expense	13	66 039 160	78 528 109
Depreciation and amortisation expenses	4	10 030 525	10 809 117
Other expenses	3, 7, 13, 18	45 434 684	73 540 362
Total expenses		219 580 113	372 014 148
Operating profit		22 865 456	52 922 666
Financial income and expenses			
Other interest income		34 871	128 958
Other financial income		5 627 448	18 324 716
Interest expense to group companies	18	0	230 815
Other interest expenses		7 371	22 916
Other financial expenses		10 202 096	12 790 753
Net financial items		-4 547 148	5 409 190
Net profit before tax		18 318 308	58 331 856
Income tax expense	15	3 729 631	13 084 122
Net profit or loss		14 588 677	45 247 734
Attributable to			
Ordinary dividend		30 000 000	20 000 000
Other equity		-15 411 323	25 247 734
Total	9	14 588 677	45 247 734

**Balance sheet****Klinger Westad AS**

Assets	Note	2021	2020
Non-current assets			
<i>Intangible assets</i>			
Deferred tax assets	15	1 996 405	1 918 243
Total intangible assets		1 996 405	1 918 243
<i>Property, plant and equipment</i>			
Buildings and land	4, 11	30 752 315	29 958 048
Machinery and equipment	4, 11	11 205 544	16 424 874
Equipment and other movables	4, 11	13 852 824	15 088 511
Total property, plant and equipment		55 810 682	61 471 433
<i>Non-current financial assets</i>			
Investments in subsidiaries	5	30 000	30 000
Loan to group companies	5	500 000	500 000
Investments in shares	5	249 950	249 950
Total non-current financial assets		779 950	779 950
Total non-current assets		58 587 037	64 169 626
Current assets			
<i>Inventories</i>			
Inventories	6, 11	86 015 176	51 311 099
Total Inventories		86 015 176	51 311 099
<i>Debtors</i>			
Accounts receivables	7, 11	43 465 461	65 405 004
Other short-term receivables	2	8 275 597	5 851 980
Total receivables		51 741 058	71 256 984
<i>Cash and bank deposits</i>			
Cash and cash equivalents	8	61 221 542	65 174 469
Total cash and bank deposits		61 221 542	65 174 469
Total current assets		198 977 776	187 742 552
Total assets		257 564 813	251 912 178



Balance sheet

Klinger Westad AS

Equity and liabilities	Note	2021	2020
Equity			
<i>Paid-in capital</i>			
Share capital	10	11 000 000	11 000 000
Share premium reserve		90 335	90 335
Other paid-up equity		22 245 565	22 245 565
Total paid-up equity		33 335 900	33 335 900
<i>Retained earnings</i>			
Other equity		92 178 041	107 589 364
Total retained earnings		92 178 041	107 589 364
Total equity	9	125 513 941	140 925 264
Liabilities			
Other provisions		0	83 139
Total provisions		0	83 139
<i>Other non-current liabilities</i>			
Other non-current liabilities	3	11 141 693	14 919 522
Total non-current liabilities		11 141 693	14 919 522
<i>Current liabilities</i>			
Liabilities to financial institutions	11	0	154 701
Trade payables	18	59 277 808	21 545 465
Tax payable	15	2 487 099	12 234 283
Public duties payable		6 018 336	5 322 878
Dividends	9	30 000 000	20 000 000
Other current liabilities	16, 17, 18	23 125 936	36 726 926
Total current liabilities		120 909 179	95 984 253
Total liabilities		132 050 872	110 986 914
Total equity and liabilities		257 564 813	251 912 178



Balance sheet

Klinger Westad AS

Geithus, 15.03.2022

The board of Klinger Westad AS

Daniel Schibli
chairman of the board

Christoph Klinger-Lohr
member of the board

Sigurd Woie
member of the board

Jørn-Inge Thronsen
member of the board/General Manager

Øyvind Berget
member of the board



Notes to the financial statement 2021

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Income from sale of goods is recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted. From the income year 2019, the tax rate for companies has been reduced. This affected the size of the deferred tax / tax benefit and was in 2018 treated as an estimate change with accounting for the result.

Classification and assessment of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year of the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Research and development

Research and development expenses are capitalized to the extent that a future economic benefit associated with the development of an identifiable intangible asset can be identified. Otherwise, such expenses are expensed on an ongoing basis. Capitalized research and development is depreciated on a straight-line basis over the useful lives.

Leasing

Leases considered as finance leases are treated as other tangible fixed assets. Historical cost is the value of the consideration in the agreement, calculated as a present value of the lease payments.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Inventory

The inventory of purchased goods is valued at the lower of cost according to the FIFO principle and net realisable value. Finished goods of own production and work in progress are valued at variable cost of production.

Currencies

Receivables and liabilities in foreign currency, which are not hedged using forward contracts, are valued at the exchange rate at the end of the financial year. Exchange gains and losses associated with sales of goods and goods purchases in foreign currency are recorded as operating income and raw materials and consumables used.

Pensions

With a defined contribution plan the company pays contributions to an insurance company. The contribution is recognised as payroll expenses in the period to which the contribution relates to. Pension



Notes to the financial statement 2021

obligations relating to the AFP scheme for the company's employees are not capitalised. Liabilities or assets related to collective pension plans are not capitalised.

Warranties, service and complaints

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

Note 2 Other non-capitalized liabilities

In connection with sales and purchase contracts in foreign currency, the company has entered into contracts for currency sales and currency purchases. These are considered cash flow hedges and an accounting has been chosen for which realized and unrealized gains and losses on the hedging instrument are not recognized in the income statement before the underlying hedging item affects the profit and loss account. Income that are hedged are thus booked in the accounts at the hedging price.

The value of forward contracts in 2021 in relation to the exchange rate at the balance sheet date amounts to net loss/liability NOK 310 243. The corresponding net gain/profit amount in 2020 was NOK 3 500 707. The company's hedged instruments has expiration dates from 14.01.2022 to 12.09.2023.

When the individual futures contract expires and the underlying sale/purchase contract is not terminated at the same time, the futures contract is rolled with a new settlement on the expected delivery date of the underlying sale/purchase contract. Differences between agreed forward rates must be settled at the time of the rolling and are recognized as other short-term receivables. As at 31.12.21, this amounts to NOK 0 and corresponding figures per. 31.12.20 was NOK -107 891.

Note 3 Leases

Specification of the year's capitalised leases	2021	2020
Machinery	4 052 785	4 468 103

Overview future minimum lease:	2021	2020
Next year	2 908 904	3 988 824
Year 2-5	8 232 789	10 930 696
Total future minimum lease	11 141 693	14 919 520

Fixed assets treated as finance leases are included in the Tangible fixed assets note (note 4) as Machinery. At the end of the lease term, the company can either buy out the asset or continue with an extension lease.



Notes to the financial statement 2021

Note 4 Tangible fixed assets

Tangible fixed assets are valued at acquisition cost less depreciation. Depreciation is calculated on the basis of cost and distributed linearly over estimated useful lives.

	Buildings and land	Plant & Machinery	Equipment and other movables	Total
Acquisition cost 01.01	42 513 310	49 655 788	70 779 631	162 948 729
Additions	1 938 078	907 630	1 524 065	4 369 773
Disposals				0
Acquisition cost 31.12	44 451 388	50 563 418	72 303 696	167 318 502
Acc. depreciation/impairment	-13 699 073	-39 048 863	-58 759 884	-111 507 820
Book value 31.12	30 752 315	11 514 555	13 543 812	55 810 682
Depreciation in the year	1 143 811	5 817 949	3 068 764	10 030 524
Depreciation rate (%)	0 - 4 %	10 - 33 %	10 - 33 %	
Depreciation plan	Linear	Linear	Linear	
Economic useful life	25-30 year	3 - 10 year	3 - 10 year	
Change in depreciation plan	No	No	No	

Plant & Machinery include capitalized leasing agreements with NOK 10 213 281. Depreciation for the year on capitalized leases amounts to NOK 3 223 476.

Note 5 Shares in and receivables from subsidiaries and other companies

Shares in subsidiaries are listed for historical cost.

Name of the subsidiary:	Westad China Holding AS
Business Office:	Geithus
Ownership	100%
Equity pr. 01.01.	-46 831
Annual net profit:	-33 500
Equity pr. 31.12.	-80 331

Group accounts have not been prepared in accordance with section 3-8 of the Norwegian Accounting Act, as it does not affect the understanding of the Group's position and results.

A long-term loan to the subsidiary of NOK 2 500 000 had been granted, this loan is written down to NOK 500 000. Interest is not calculated and 50% of the loan shall be repaid by 18.10.2023 and the rest by 30.04.2024.

The company also has a stake in a company in Japan:

Company	Stake	Capitalized value	Market value
LGE Japan Ltd	12,5%	249 950	249 950



Notes to the financial statement 2021

Note 6 Inventories

	2021	2020
Raw materials and purchased semi-finished products	33 139 920	25 592 961
Work in progress	7 034 570	6 732 889
Finished goods of own production	43 214 726	16 115 350
Purchased finished goods	2 625 960	2 869 899
Total	86 015 176	51 311 099
Inventories valued at purchased cost	93 232 674	58 546 613
Inventories valued at net realisable value	86 015 176	51 311 099
Write-down for obsolescence	7 217 498	7 092 554

The Group Management has made an estimate change in relation to the standard write-down for obsolescence that applies to all companies in the Group in 2018. The change has resulted in a lower provision for obsolescence than before.

Note 7 Accounts receivables

Trade receivables are entered at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the individual receivables. In addition, for other accounts receivable, an unspecified provision is made to cover expected losses.

Customer receivables in the balance are as follows:	2021	2020
Customer receivables at par value	44 743 293	66 532 660
Provision for losses on receivables 31.12	-1 277 832	-1 127 656
Book value of customer receivables	43 465 461	65 405 004

Losses on receivables in the income statement are as follows:	2021	2020
Provisions for losses on receivables 01.01.	-1 127 656	-1 136 390
Provisions for losses on receivables 31.12.	1 277 832	1 127 656
Realised losses during the period	0	61 780
Received from previously written off receivables	0	0
Total losses on receivables posted against the result	150 176	53 046

Note 8 Restricted bank deposits, cash in hands etc.

	2021	2020
Restricted funds deposited in the tax deduction account	2 745 800	2 739 482

Duty tax deductions per. 31.12. amounts to NOK 2 689 611.

Note 9 Equity

	Share capital	Share premium reserve	Other paid-in equity	Other equity	Total equity
Equity. 01.01	11 000 000	90 335	22 245 565	107 589 364	140 925 264
Annual net profit				14 588 677	14 588 677
Suggested dividend				-30 000 000	-30 000 000
Equity 31.12	11 000 000	90 335	22 245 565	92 178 041	125 513 941



Notes to the financial statement 2021

Note 10 Share capital and shareholder information

Share capital	Number	Nominal value	Book value
Ordinary shares	100 000	110	11 000 000

The share capital is owned by the following shareholders:

Shareholders:	Number of shares	Ownership
Klinger Holding GmbH	100 000	100 %

The company has one class of shares and all shares come with full voting rights.

The parent company Klinger Holding GmbH has office address in Gumpoldskirchen in Østerrike and prepares a consolidated financial statement in which Klinger Westad AS is included. A copy of the complete consolidated financial statements can be obtained at the company's office in Am Kanal 8-10 , Gumpoldskirchen.

Note 11 Debtors, liabilities, pledged assets and guarantees etc.

	2021	2020
Long-term debtors which fall due later than five years after the expiry of the financial year	0	0
Liabilities secured by mortgage		
Liabilities to financial institutions	0	- 154 701
Balance sheet value of assets placed as security:		
Inventories	86 015 176	51 311 099
Accounts receivables	43 465 461	65 405 004
Real Estate (limited up to NOK 30 000 000)	0	0
Machinery	1 202 574	1 523 336
Equipment and other movables	13 852 824	15 088 511
Total	144 536 035	133 327 950
Unused bank overdraft	10 995 986	5 995 987
Non-booked guarantee commitments	4 004 014	9 004 013

The company has also leased assets and the leasing company has a mortgage in these.

Note 12 Revenue

Geographical distribution	2021	2020
Norway	51 733 196	63 052 488
Korea	81 740 330	247 659 434
United Kingdom	48 060 920	52 154 926
China	3 271 658	19 532 199
Japan	5 167 796	6 967 204
Other	52 471 669	35 570 563
Total	242 445 569	424 936 814



Notes to the financial statement 2021

Note 13 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2021	2020
Salaries/wages	52 211 952	63 413 042
Social security fees	8 266 042	8 994 851
Pension expenses	3 362 307	3 896 367
Other remuneration	2 198 858	2 223 849
Total	66 039 160	78 528 109

Average number of employees during the financial year	85	107
---	----	-----

Benefits to senior executives or members of the board:	CEO	Board	Corporate assembly
Salaries/wages	2 207 770	1 805 176	
Pension expenses			
Other remuneration	965 295	425 941	
Total	3 173 065	2 231 117	0

The CEO has an agreement on early retirement for nine months after the expiration of the normal notice period.

Management is included in the general bonus agreement that applies to all company employees. With the achievement of certain performance targets at company level, the CEO can receive bonuses limited to 30% of annual salary.

No loans/sureties have been granted to the General Manager, Chairman of the Board or other related parties.

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirement of this law.

Expensed audit fee

Expenses paid to the auditor for 2021 amounts to NOK 435 001- excl.mva.

Statutory audit fee	300 000
Technical assistance with financial statement	51 500
Other assistance	83 501
Total audit fee	435 001

Note 14 Government grants

Klinger Westad AS, together with several companies, is part of a development project related to the extension of the lifetime of offshore components. The project runs until 2021 and has a total grant of NOK 9 000 000. The individual participating companies cover their own costs in the project. As a project owner, Klinger Westad AS has received the grant from the Research Council and this has been accrued and recognized in the income statement against the project's costs for external purchasing of research services.



Notes to the financial statement 2021

Note 15 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	3 807 793	13 234 626
Changes in deferred tax assets	-78 162	-150 504
Tax expense on ordinary profit/loss	3 729 631	13 084 122
Taxable income:		
Ordinary result before tax	18 318 308	58 331 856
Permanent differences	-1 282 297	1 141 423
Changes in temporary differences	272 141	684 112
Taxable income	17 308 152	60 157 391
Payable tax in the balance:		
Payable tax on this year's result	2 487 099	12 234 283
Total payable tax in the balance	2 487 099	12 234 283
Calculation of effective tax rate		
Profit before tax	18 318 308	58 331 856
Calculated tax on profit before tax	4 030 028	12 833 008
Tax effect of permanent differences	-282 105	251 113
Total	3 747 922	13 084 121
Effective tax rate	20,5 %	22,4 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2021	2020	Difference
Tangible assets	1 618 559	1 722 108	103 549
Stock	-7 217 498	-7 235 514	-18 016
Accounts receivable	-1 261 264	-1 109 134	152 130
Lease agreements brought to the balance	-926 864	-411 247	515 617
Allocations and more	-1 287 500	-1 768 639	-481 139
Total	-9 074 568	-8 802 427	272 141
Not included in the deferred tax calculation	0	83 139	83 139
Basis for deferred tax assets	-9 074 568	-8 719 288	355 280
Deferred tax assets (22 %)	-1 996 405	-1 918 243	78 162

Note 16 Provisions for liabilities

	2021	2020
Warranty provisions included in other short term liabilities	1 287 500	1 685 500



Notes to the financial statement 2021

Note 17 Advance payments from customers

	2021	2020
Advance payments from customers included in other short term liabilities	870 395	489 573

Note 18 Transactions with related parties

The company has paid management fees to consortium with NOK 891 999 in 2021 and NOK 1 115 426 in 2020. Other expenses charged by group companies were NOK 265 459 in 2021 and NOK 409 894 in 2020. Further the company has had various income from group companies of NOK 7 860 in 2021 and NOK 65 690 in 2020. The company has accounts payable to group companies of NOK -351 172 in 2021 and NOK 557 172 in 2020.

The company has per. 31.12.2021 no debt/loans to group companies.



BDO AS
Bragernes Torg 2A
3017 Drammen

Independent Auditor's Report

To the General Meeting in Klinger Westad AS

Opinion

We have audited the financial statements of Klinger Westad AS.

The financial statements comprise:

- The balance sheet as at 31 December 2021
- The income statement for 2021
- Statement of cash flows for the year that ended 31 December 2021
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view 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 insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Anders Nordahl
State Authorised Public Accountant
(This document is signed electronically)



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Anders Nordahl

Partner

På vegne av: BDO AS

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Skatteetaten

Vår dato
21.06.2021

Din/Deres dato
21.06.2021

Saksbehandler
Torstein Kinden Helleland

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
22078139

Org.nr
974761076

Vår referanse
2021/6026864

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off.

KLINGER WESTAD AS
Heggveien 530
3360 GEITHUS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Klinger Westad AS, org.nr. 936 612 741

Vi viser til deres henvendelse av 21. juni 2021 der det opplyses at organisasjonsnummeret i vedtak av 8. desember 2017, ref.: 2017/1281497, er feil. Det er også opplyst at selskapet har endret navn fra Westad Industri AS til Klinger Westad AS.

Selskapet ble 8. desember 2017 innvilget dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. I vedtaket ble samme organisasjonsnummer som oppgitt i søknaden benyttet. Det viser seg at det var feil.

Skattedirektoratet legger til grunn at forutsetningen som ble lagt til grunn ved vedtaket i 2017 ikke er endret og kan fortsatt legges til grunn. Skattedirektoratet gir på denne bakgrunn Klinger Westad AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Tor Willumsen
seniorskattejurist
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Klinger Westad AS

Kontantstrømoppstilling

	2021	2020
Kontantstrømmer fra operasjonelle aktiviteter		
+/- Resultat før skattekostnad	18 318 277	58 331 856
- Periodens betalte skatt	-12 234 283	-7 571 345
+ Ordinære avskrivninger	10 030 525	10 809 117
- Gevinst ved salg av varige driftsmidler	0	0
+/- Endring varelager	-34 704 077	30 477 358
+/- Endring kundefordringer	21 939 543	33 149 880
+/- Endring leverandørgjeld	37 732 343	-45 697 553
+/- Endring pensjonsforpliktelse	0	0
+/- Endring i andre tidsavgrensingsposter	-14 611 102	5 120 001
= Netto kontantstrøm fra operasjonelle aktiviteter	<u>26 471 226</u>	<u>84 619 314</u>
Kontantstrømmer fra investeringsaktiviteter		
+ Innbetalinger ved salg av varige driftsmidler	0	0
- Utbetalinger ved kjøp av varige driftsmidler	-4 369 774	-16 391 431
= Netto kontantstrøm fra investeringsaktiviteter	<u>-4 369 774</u>	<u>-16 391 431</u>
Kontantstrømmer fra finansieringsaktiviteter		
+ Netto innbetaling ved opptak av langsiktig gjeld	0	0
- Netto utbetalinger ved nedbetaling av langsiktig gjeld	-3 777 829	-13 392 858
+/- Netto endring i kassekreditt	-2 276 550	-7 721 971
+/- Netto endring finanskonto factoring	0	0
- Utbetaling av utbytte	-20 000 000	0
= Netto kontantstrøm fra finansieringsaktiviteter	<u>-26 054 379</u>	<u>-21 114 829</u>
= Netto endring i kontanter og kontantekvivalenter	-3 952 927	47 113 054
+ Beholdning av kontanter og kontantekvivalenter 1.1.	<u>65 174 469</u>	<u>18 061 416</u>
= Beholdning av kontanter og kontantekvivalenter 31.12.	<u>61 221 542</u>	<u>65 174 469</u>