



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 959 237 166
Organisasjonsform: Aksjeselskap
Foretaksnavn: TUBOSCOPE NORGE AS
Forretningsadresse: Gjertrudvegen 9A
5353 STRAUME

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: knut kloster
Dato for fastsettelse av årsregnskapet: 01.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 09.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	326 946 666	357 862 730
Annen driftsinntekt	3	-815 476	-263 472
Sum inntekter		326 131 190	357 599 258
Kostnader			
Varekostnad		114 150 751	84 162 221
Lønnskostnad	4,5	142 926 734	151 690 491
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	18 373 171	18 899 111
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6	7 601 845	
Annen driftskostnad	4	133 128 913	144 587 468
Sum kostnader		416 181 414	399 339 291
Driftsresultat		-90 050 224	-41 740 033
Finansinntekter og finanskostnader			
Annen renteinntekt	7	347 704	78 160
Annen finansinntekt	7	13 482 294	1 478 956
Sum finansinntekter		13 829 998	1 557 116
Rentekostnad til foretak i samme konsern	7	72 037	3 043 831
Annen rentekostnad	7	16 216 446	1 553 875
Annen finanskostnad	7	30 591 802	-783 350
Sum finanskostnader		46 880 285	3 814 356
Netto finans		-33 050 287	-2 257 240
Ordinært resultat før skattekostnad		-123 100 511	-43 997 273
Skattekostnad på ordinært resultat			92 921
Ordinært resultat etter skattekostnad		-123 100 511	-44 090 194
Årsresultat		-123 100 511	-44 090 194
Overføringer og disponeringer			
Udekket tap		123 100 511	44 090 194



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Sum overføringer og disponeringer		123 100 511	44 090 194



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	3 488 223	4 527 451
Maskiner og anlegg	6	23 160 038	25 076 458
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	82 396 073	96 830 824
Sum varige driftsmidler		109 044 334	126 434 733
Sum anleggsmidler		109 044 334	126 434 733
Omløpsmidler			
Varer			
Varer	11	31 220 238	28 484 773
Sum varer		31 220 238	28 484 773
Fordringer			
Kundefordringer	10	110 573 019	99 512 845
Andre fordringer	10	14 213 901	9 711 008
Sum fordringer		124 786 920	109 223 853
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	-1	0
Sum bankinnskudd, kontanter og lignende		-1	0
Sum omløpsmidler		156 007 157	137 708 626
SUM EIENDELER		265 051 491	264 143 359
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9,13	251 000	250 000



Balanse

Beløp i: NOK	Note	2023	2022
Annen innskutt egenkapital	9	404 905 771	96 041 571
Sum innskutt egenkapital		405 156 771	96 291 571
Opptjent egenkapital			
Annen egenkapital	9,17	-247 414 287	-124 313 775
Sum opptjent egenkapital		-247 414 287	-124 313 775
Sum egenkapital		157 742 484	-28 022 204
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	10	0	165 194 687
Øvrig langsiktig gjeld		4 027 838	3 175 848
Sum annen langsiktig gjeld		4 027 838	168 370 535
Sum langsiktig gjeld		4 027 838	168 370 535
Kortsiktig gjeld			
Leverandørgjeld	10	52 591 701	48 361 452
Skyldige offentlige avgifter		11 359 643	11 020 398
Kortsiktig konserngjeld	10	2 712 108	30 272 154
Annen kortsiktig gjeld	10	36 617 718	34 141 025
Sum kortsiktig gjeld		103 281 170	123 795 029
Sum gjeld		107 309 008	292 165 564
SUM EGENKAPITAL OG GJELD		265 051 492	264 143 360



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 04.10.2012	Vår dato 19.10.2012
Telefon 977 59 464	Deres referanse 79831223	Vår referanse 2012/775185

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Tuboscope Norge AS, org.nr. 959 237 166

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 Tuboscope Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering gitt Tuboscope Norge AS 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:

Tuboscope Norge AS er en ledende leverandør av tjenester innenfor inspeksjon og overflatebehandling av rør, samt kveilerør og trykkontroll utstyr til oljeindustrien. Selskapet er heleid datter av National Oilwell Varco (NOV) Norway AS, 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. Selskapets aksjonær er ett utenlandsk selskap, og all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk, herunder oversendes ett 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 Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se www.skatteetaten.no Org. nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
For elektronisk henvendelse se www.skatteetaten.no		



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.

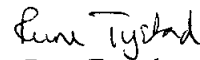
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

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 selskapets virksomhet er i en sektor der engelsk er det klart dominerende språket og at arbeidsspråket er engelsk. Videre er det vektlagt at selskapet indirekte 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



Statsautoriserte revisorer
Ernst & Young AS

Markens gate 13, 4611 Kristiansand
Postboks 184, 4662 Kristiansand

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Tuboscope Norge AS

Opinion

We have audited the financial statements of Tuboscope Norge AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and 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 in accordance with the requirements of the relevant laws and regulations in Norway and the 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is 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 board of directors' report contains the information required by legal requirements and 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, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and 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 management for the financial statements

Management is responsible for the preparation of the 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



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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 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 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.

We communicate with the board of directors 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.

Kristiansand, 01. July 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

Independent auditor's report - Tuboscope Norge AS 2023

A member firm of Ernst & Young Global Limited

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Fyllingen, Espen

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TUBOSCOPE NORGE AS

ANNUAL REPORT

2023

Org.nr. 959 237 166



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Tuboscope Norge AS
(Org.nr.: 959 237 166)

REPORT FROM THE BOARD OF DIRECTORS

General information about the Company, nature of business and location

Tuboscope Norge is a Subsidiary of National Oilwell Varco Norway AS. Ultimate parent company is National Oilwell Varco, Inc. National Oilwell Varco ("NOV") has its' headquarter in Houston, USA and is listed on the New York Stock Exchange, USA. The Company's office address is at Straume in Øygarden Community.

Tuboscope Norge AS is a leading supplier of inspection, hardbanding and recut services for drilling and production equipment and other equipment for the offshore industry.

The Company has operations in Stavanger, Mongstad, and Florø.

Report on financial statements

The financial statements have been prepared under the assumption of going concern in accordance with Norwegian Accounting Act§3-3a and it is confirmed that the financial statements have been prepared under the assumption of continued operations, and the assumption of continued operations have been met. The general manager does not know of any conditions that have occurred after accounting year that may be relevant to the assessment of the Company. The financial statement gives a true and fair view of the assets and liabilities, financial position and result.

The company had revenues of NOK 326 131 190 in 2023. The company's revenues in 2022 was, in comparison, NOK 357 599 258.

The Company reported a net operating loss in 2023 of NOK 90 050 224. The Company reported a net loss in 2022, in comparison, NOK 41 740 034. The increased operating loss was driven by diminishing gross margins, through higher operating costs without the increased sales and sales price. In addition our operation activity are in process of being consolidated in fewer locations.

The Company reported a net loss in 2023 NOK 123 100 511. The Company reported a net loss in 2022, in comparison, NOK 44 090 194. The increased loss is primarily driven by significant exchange rate movements on group liabilities. In addition the Company are in process of reducing number of facilities in operation. Additional charges related to this has been charged to the 2023 annual report.

The equity of the company is NOK 157 742 484 on 31.12.2023, (2022: NOK -28 022 205) and total assets in the balance sheet is NOK 265 051 491 (2022: NOK 264 143 359)

In 2023, the operating loss was NOK 90 050 224, and the cashflow from operating activities was NOK -108 377 839. The difference is mainly related to decrease in working capital.

The Company's total assets have increased to NOK 265 051 491, compared to 2022 NOK 264 143 359

The equity ratio in the company was in December 31,2023 60 % increased from 2022 which was -11 % due to the capital injection in 2023 less 2023 net loss. The parent company has provided capital injection in 2023.



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Report on health, safety and environment

NOV Tuboscope Norge AS is committed to conducting our business to safeguard people and the environment in which we operate. In line with this, the Company has implemented a Health, Safety and Environmental (HSE) Management System that aligns with the NOV Global HSE Management System Manual and Policy.

We will continue to actively work with sustainable development and the Company's HSE Management System shall reinforce a mature HSE culture that is continually developing and promoting a global company that is committed to economic, social and environmental liability. The Company will continue to develop products and services that contribute to improve HSE-performance of our clients, and we seek to reduce the company's environmental footprint.

Leaders will take charge and lead by example to support the ambition of zero accidents and no harm to people, environment, and equipment.

HSE performance

Safe operations remain the company's priority. The Company had an HSE performance in 2023 with a Total Recordable Incident Rate (TRIR) of 0.0, down from 0.63 in 2022. To further improve our safety efforts, we continue to improve our ability to identify hazards before they occur.

Reporting

The HSE reporting system is used to promote a good HSE culture and it is essential to ensure continuous development and improvement of HSE. All incidents and observations are registered and followed up in the HSE reporting system. We have focus on registering preventative measures such as stop work, safety inspections, meetings with actions, audits, management of change, lessons learned, risk assessment meetings, training and best management practice.

Investigations

The Company investigates all serious incidents and high risk near misses to learn from these and improve. Investigations revealed some shortcomings and mitigating measures are identified and initiated.

Risk

The Company will continuously identify risks related to Health, Environment and Safety and take necessary measures to make the risk as low as reasonably achievable. All hazardous operations in the Company are risk assessed continuously.

HSE audits

The company performs annual Internal HSE audits. Findings and improvement opportunities are mainly related to low reporting, 3rd. party contractors, supervisor responsibilities, and not following the Management of Change (MOC) procedure. We welcome audits by customers and third party to focus on learning and uncover possible shortcomings. Mitigating measures are identified and initiated continuously.

Equal opportunities

The objective of the Company is to be a workplace with equal opportunities and rights for women and men. The Company policy is based on well-established principles with focus on equal rights when it comes to recruitment, remuneration and promotion.

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There are 21 women out of the 149 employees in the Company. The Company’s Board of Directors consists of 2 men. The top management group consists of 5 men and 2 women. The employees can be categorized by employment and gender as follows:

Category of employment	Number of Women	Share of Women	Total number of employees	Difference in base salary (%)
Grand Total	23	15%	149	93,1%
02	6	14%	43	87,8%

As some categories contain less than five female and/or male employees, we will not disclose base salary differences. They are however included in the grand total numbers.

Categories:

1	2	3	4	5	6	7	8	9	10	11	12	13
Management Job Level Guide												
Supervisor			Manager			Director			Executive			
I		II		I		II		I		II		EX
Engineering Job Level Guide												
Engineer						Principal			Chief			
I		II		III		IV		V		VI		
Professional Job Level Guide												
Analyst						Advisor						
I		II		III		IV		V		VI		
Specialist Job Level Guide												
Specialist												
I		II		III								
Support Job Level Guide												
Clerk		Assistant				Coordinator						
Helper		Operator				Lead						
0		I		II		III		IV		V		

The working time arrangements of the Company are linked to the job function and are not dependent on gender. There are no part-time employees. More men than women work overtime: Men worked on average 98 hours overtime in 2023, while women worked on average 94,5 hours. Women represented 15% of the overtime worked. We also see that women’s base salary on an average, is 90,6 % of men’s base salary, and women’s annual total cash at target is 74,1 % of men’s. Regarding legally required cash payments and bonuses, we also see that men are on average paid more than women.

Action taken to avoid discrimination

The purpose of the Act of Discriminations is to enhance equal opportunities regardless of gender, secure equal rights and opportunities and prevent discrimination based on ethnic origin, color of skin, religion or disability. The Company works actively, goal oriented and systematically to facilitate the Act of Discrimination. The Company is working to meet the required activities under § 26 of “likestillings og diskrimineringsloven” (Act of discrimination and equal opportunities).

- In 2023, we introduced a Diversity and Inclusion topic to the Leading Self and Others Manager Development Program with a focus on Interrupting and Counteracting Bias. Topic is named ‘Diversity, Inclusion and Belonging: Counteracting Bias and Leading Inclusively’
- All new and existing employees are required to read and sign the code of conduct on a regular basis and go through online training. Code of conduct references fair treatment, discrimination and harassment.
- Continued participation in Energy Workforce & Technology Council “The Council” Inclusion & Diversity Programs
- Employee Resource Group: Empowering Women Together launched in NOV Norway in 2023, all employees from all genders are welcome to participate.
- Planned 2023 and beyond: After Empowering Women resource group launched, introduce Multicultural Professional Partnerships Resource Group to Norway.



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Please read the Global Diversity Statement NOV 2023 for more information regarding the status and actions taken to promote equality and avoid discrimination in the Company.

The NOV Group has several global policies, as NOV Equal Employment Opportunity Policy, and NOV Sexual Harassment Policy. These policies are guidelines for all employees of NOV globally. NOV regularly conduct global campaigns of these themes.

The Transparency Act

The Company have implemented procedures and activities ensuring compliance to the requirements. The 2023 disclosure will be made available on Jun 30 2024

<https://NOV.com/Norway>

Market risk

The oilfield products and services industry is highly competitive. The Company compete with national, regional, and foreign competitors. Certain of these competitors may have greater financial, technical, manufacturing and marketing resources than the company, and may be in a better competitive position. The following competitive factors can each affect our revenues and earnings:

- price changes
- new product and technology introductions
- improvements in availability and delivery

Operational risk

The following factors, in addition to others not listed, could reduce margins on these contracts, adversely impact completion of these contracts, adversely affect the Company's position in the market or subject us to contractual penalties:

- our failure to adequately estimate costs for our products
- our inability to deliver equipment that meets contracted technical requirements
- our inability to maintain our quality standards during the design and manufacturing process
- our inability to secure parts made by third party vendors at reasonable costs and within required timeframes
- unexpected increases in the costs of raw materials
- our inability to manage unexpected delays due to weather, labor shortages or other factors beyond our control

Interest risk

The Company is less exposed towards changes in interest rates as the interest-bearing debt contains a fixed rate.

Credit Risk

The Company grants credit to our customers, which operate primarily in the energy industry. The Company controls credit risk through credit evaluations, credit limits and monitoring procedures, as well as letter of credits. The Company performs periodic credit evaluations of our customers' financial condition and generally do not require collateral but may require letters of credit. Credit losses are provided for in the financial statements. Allowances for doubtful accounts are determined based on a continuous process of assessing the Company's portfolio on an individual customer basis considering current market conditions and trends. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, and financial condition of the Company's customers. Based on a review of these factors, the Company will establish or adjust allowances for specific customers.



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Liquidity Risk

The Company considers the cash flow of the Company to be weak, and currently working on plans to ensure improved cash flow and potential capital injection to mitigate the liquidity risk. The Company acknowledges the market situation can change rapidly as seen in current years, volatility of energy prices, the Covid-19 pandemic, and now the impact of Russia's invasion in Ukraine. Due to the rapidly changing conditions, the Company monitors our customer portfolio and their performance continuously, and taking measures to adjust to current market condition.

Report on factors that may affect the external environment

The Company has no substantial emission of pollution. Special waste is deposited into approved special landfills.

Business outlook

During 2020, the COVID-19 outbreak rapidly spread across the world, driving sharp demand destruction for crude oil as countries took measures that curtailed economic activity to slow the spread of the outbreak. Companies across the industry responded with severe capital spending budget cuts, curtailed production, cost reductions, personnel layoffs, facility closures and bankruptcy filings. Towards the end of 2020 and into 2021, commodity prices stabilized and began to recover resulting in improving industry activity levels in North America.

During 2021, greater availability of COVID-19 vaccines resulted in the gradual reopening of economies around the world. Pent-up consumer and industrial demand combined with government economic stimulus programs amplified the global recovery, improving economic activity, and driving higher demand for oil and gas. Oil and gas drilling activity levels began to increase in every major region of the world during 2021, reflecting this growing demand.

In early 2022, the war in Ukraine roiled energy markets, driving commodity prices to their highest levels in nearly a decade, and forcing many countries to reconsider their sources of energy supplies and the importance of energy security.

Despite a recent pullback in commodity prices, tightening government fiscal policies, concerns regarding a global recession, ongoing global supply chain disruptions and rising inflationary costs, management believes the industry is in the early stages of an extended recovery. Diminished global oil and gas inventories and productive capacity resulting from under-investment in the industry over the last seven years, along with rising energy security risks, and higher commodity prices should continue to spur increased oilfield activity and demand for the Company's equipment and technology.

The Company remains committed to improving organizational efficiencies while focusing on the development and commercialization of innovative products and services, including technologies to reduce environmental impact of oil and gas operations, and technologies to accelerate the energy transition that are responsive to the longer-term needs of our customers. We believe this strategy will further advance the Company's competitive position in all market conditions

Board liability insurance

§3-3a 11th paragraph. of the accounting act, states that "Information shall be provided if insurance has been taken out for the board members and the general manager for their possible liability to the company and third parties and in case of the insurance coverage."

The managing director and the board members in the company are covered by such insurance to protect them against claims to their execution of his or her job duties.



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Allocation of annual result

The Board proposes that the loss of the year of Tuboscope Norge AS, NOK 123 100 511 is allocated as follows:

Transfer from retained earnings	123 100 511
Total allocated	123 100 511

Straume, 28.06.2024

The board of Tuboscope Norge AS

DocuSigned by:

Trevor Martin

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Trevor Brian Martin
Chairman of the Board

DocuSigned by:

Kjell Kleppe

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Kjell Håkon Kleppe
Member of the Board



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Profit and Loss			
Tuboscope Norge AS			
Operating income and operating expenses	Note	2023	2022
Revenue	3	326 946 666	357 862 730
Other income	3	-815 476	-263 472
Total income	3	<u>326 131 190</u>	<u>357 599 258</u>
Raw materials and consumables used		114 150 751	84 162 221
Employee benefits expense	4, 5	142 926 734	151 690 491
Depreciation and amortisation expenses	6	18 373 171	18 899 111
Impairment loss	6	7 601 845	0
Other expenses	4	133 128 913	144 587 468
Total expenses		<u>416 181 414</u>	<u>399 339 291</u>
Operating profit		<u>-90 050 224</u>	<u>-41 740 034</u>
Financial income and expenses			
Other interest income	7	347 704	78 160
Other financial income	7	13 482 294	1 478 956
Interest expense to group companies	7	72 037	3 043 831
Other interest expenses	7	16 216 446	1 553 875
Other financial expenses	7	30 591 802	-783 351
Net financial items	7	<u>-33 050 287</u>	<u>-2 257 240</u>
Net profit before tax		-123 100 511	-43 997 274
Income tax expense	8	0	92 920
Net profit after tax		<u>-123 100 511</u>	<u>-44 090 194</u>
Net profit or loss		<u>-123 100 511</u>	<u>-44 090 194</u>
Attributable to			
Transferred from other equity		-123 100 511	-44 090 194
Total		<u>-123 100 511</u>	<u>-44 090 194</u>

Tuboscope Norge AS

Side 8

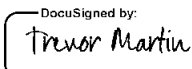
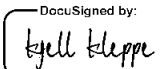


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Balance sheet			
Tuboscope Norge AS			
Assets	Note	2023	2022
Non-current assets			
Intangible assets			
Property, plant and equipment			
Buildings and land	6	3 488 223	4 527 451
Machinery and equipment	6	23 160 038	25 076 458
Equipment and other movables	6	82 396 073	96 830 824
Total property, plant and equipment	6	<u>109 044 333</u>	<u>126 434 732</u>
Total non-current assets		<u>109 044 333</u>	<u>126 434 732</u>
Current assets			
Inventories	11	31 220 238	28 484 773
Debtors			
Accounts receivables	10	110 573 019	99 512 845
Other short-term receivables	10	14 213 901	9 711 008
Total receivables		<u>124 786 920</u>	<u>109 223 854</u>
Investments			
Cash and cash equivalents	12	0	0
Total current assets		<u>156 007 158</u>	<u>137 708 627</u>
Total assets		<u>265 051 491</u>	<u>264 143 359</u>
Tuboscope Norge AS		Page 9	



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Balance sheet			
Tuboscope Norge AS			
Equity and liabilities	Note	2023	2022
Paid-in capital			
Share capital	9, 13	251 000	250 000
Other paid-up equity	9	404 905 771	96 041 571
Total paid-up equity		405 156 771	96 291 571
Retained earnings			
Other equity	9	-247 414 287	-124 313 775
Total retained earnings		-247 414 287	-124 313 775
Total equity	9	157 742 484	-28 022 205
Liabilities			
Provisions			
Other non-current liabilities			
Liabilities to group companies	10	0	165 194 687
Other non-current liabilities		4 027 838	3 175 848
Total non-current liabilities		4 027 838	168 370 536
Current liabilities			
Liabilities group , Cashpool	10	2 712 108	30 272 154
Trade payables	10	52 591 701	48 361 452
Public duties payable		11 359 643	11 020 398
Other current liabilities	10	36 617 718	34 141 025
Total current liabilities		103 281 170	123 795 029
Total liabilities		107 309 008	292 165 564
Total equity and liabilities		265 051 492	264 143 360
Straume, 28.06.2024			
The board of Tuboscope Norge AS			
DocuSigned by: 			
Trevor Brian Martin Chairman of the Board			
DocuSigned by: 			
Kjell Håkon Kleppe Member of the Board			
Tuboscope Norge AS		Page 10	



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Cash Flow Statement			
Tuboscope Norge AS			
	Note	2023	2022
Cash flows from operating activities			
		-123 100 511	-43 997 274
Operating result before tax			
+ Ordinary depreciation and amortization		18 373 171	18 899 111
+ Write-down assets/reversal of write down		7 601 845	-961 132
+/- Change in inventory		<u>-2 735 464</u>	<u>1 552 490</u>
+/- Change in trade debtors		<u>-11 060 174</u>	<u>-6 748 546</u>
+/- Change in trade creditors		<u>4 230 250</u>	<u>2 088 690</u>
+/- Changes in other accrued items		<u>-1 686 955</u>	<u>22 135 140</u>
= Net cash flow from operating activities		<u>-108 377 839</u>	<u>-7 031 520</u>
Cash flows from investment activities			
+ Proceeds from sale of fixed assets		1 843 013	783 351
- Payment for purchasing fixed assets		<u>9 575 639</u>	<u>9 863 273</u>
= Net cash flow from investment activities		<u>-7 732 626</u>	<u>-9 079 922</u>
Cash flows from financing activities			
+ Proceeds from issuing of long-term debt		0	3 324 226
Repayment of long-term liabilities		-165 194 687	884 199
Payment of shareholder contribution		<u>308 865 200</u>	<u>0</u>
= Net cash flow from financing activities		<u>143 670 513</u>	<u>4 208 425</u>
= Net change in cash, cash equivalents and bank overdraft		27 560 048	-11 903 017
+/- Net deposit in NOV cashpool 1/1		<u>-30 272 156</u>	<u>-18 369 139</u>
= Cash, cash equivalents and bank overdraft at end of year		<u>-2 712 108</u>	<u>-30 272 156</u>



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Note 1 - Accounting Principles

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Tuboscope Norge AS is 100% owned by Natinal Oilwell Varco Norway AS. The company is included in the group National Oilwell Varco Inc., which is listed in the U.S..

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 classification of current and non-current liabilities are the same criteria used.

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 the acquisition cost is higher than NOK 15 000. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated along with the asset.

Leased fixed assets are capitalized and depreciated if they are considered as financial leasing.

Inventories

Inventories of goods are valued at the lower of cost on a FIFO basis and net realizable value. It is made impairment for 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.

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.

Revenue

Revenue from sale of goods is recognized upon delivery. Services are recognized in accordance with the execution.

Accrued income, not yet invoiced and deposits from customers related to not finished projects is specified as accounts receivables and other short term liabilities in the balance sheet.

Project costs include direct material, subcontractor costs, and labour costs. Expected project costs include allowances for completion risk and guarantees that normally cannot be determined until the late stages of a project. Revisions of estimates during the period of a project are recognized in the accounting period in which the revised estimate is made. If expected total project costs exceed expected income, the full amount of the loss is recognized.

Costs

Costs are generally entered in the same period as the related revenue. In those cases where there is not a clear relationship between spending and revenue, the distribution is determined by discretionary criteria.

Use of estimates

The preparation of financial statements in accordance with NGAAP requires that management make estimates and assumptions that affect the amounts of assets and liabilities in the balance sheet and reported amounts of revenues and expenses during the financial year. The final values realized may differ from these estimates.



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Pension

The Company has defined contribution schemes, which are expensed in accordance with premium payments. Future pension contributions depend on number of years in participation, salaries and return on capital.

The Company also participates in a pension scheme (AFP) which gives most of the employees the opportunity to an early retirement. In accordance with NGAAP this pension scheme is booked as a defined benefit scheme.

Tax

Tax expense in the income statement for the period comprises current tax and changes in deferred tax. Deferred tax is calculated at 22% on the basis of temporary differences between accounting and tax values. Deferred tax assets and liabilities are presented net in the balance.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.



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Note 2 - Subsequent events

Hellenes AS, orgnr 984 030 630, a subsidiary of National Oilwell Varco Norway AS, will merge with Tuboscope AS effective of august 1, 2024.

Note 3 - Revenue by segment

Revenue by segment	2023	2022
Service revenue	313 057 163	342 651 525
Rental revenue	13 074 026	14 947 732
Total revenue by segment	326 131 190	357 599 258

Revenue by Country	Totals	Percentage
Norway	321 571 447	98,60 %
UK	3 356 718	1,03 %
USA	549 200	0,17 %
Singapore	408 038	0,13 %
Germany	138 378	0,04 %
Denmark	96 195	0,03 %
Other	11 214	0,00 %
Total	326 131 190	100 %

Transactions with related parties

Purchase of products and services	468 867 000
Sale of products and services	101 099 216
Management fee expenses	13 433 836
Interest Expenses	92 418
Interest Income	20 381
Insurance	497 538



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Note 4 - Salaries, allowances, loans to employees

Salaries	2023	2022
Wages	108 719 409	117 108 845
Employer tax	16 161 979	16 221 168
Pension	7 370 791	7 514 615
Other salary related expenses	10 674 555	10 845 864
Sum	142 926 734	151 690 491
Full time equivalent	180	168

Remuneration to executive personnel

The General manager has received a salary of NOK 1 386 828 and additional compensations of NOK 459 948. The general manager is part of the same pension plan as other employees of the company, and payments to this plan for the general manager during the year amounts to NOK 79 476.

There are no loans or guarantees to the senior management of the company.

Auditor

Audit fees expensed for 2023 amounts to NOK 1 061 735 for statutory audit exclusive VAT.



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Note 5 - Pension Liabilities

The Company has a defined contribution pension plan for all its employees. This is funded from operations. Pension payments of defined contribution plan was NOK 3 182 0886 in 2023.

The company's pension scheme satisfies the requirements of the law on mandatory service. Pension costs and pension liabilities are calculated based on the employees that are members of the scheme.

Note 6 - Fixed assets, leasing and rentals

	Inspection halls	Machinery and equipment	Vehicles	Other fixed assets	Total
Acquisition cost 01.01.2023	13 644 544	76 056 443	5 796 849	282 173 017	377 670 853
Additions	357 682	3 751 152	0	5 466 805	9 575 639
Disposals/ transfer/impairment	-3 749 329	-6 191 757	0	-878 883	-10 819 969
Acquisition cost 31.12.2023	10 252 897	73 615 838	5 796 849	286 760 939	376 426 523
Acc. depreciation 01.01.2023	9 117 094	50 979 985	5 546 895	185 592 147	251 236 121
Depreciation	498 496	5 922 508	217 896	11 734 271	18 373 171
Disposals/ transfer	-2 850 914	-6 446 692	32 058	7 038 448	-2 227 100
Acc. depreciations 31.12.2023	6 764 676	50 455 801	5 796 849	204 364 866	267 382 192
Book value 31.12.2023	3 488 221	23 160 037	0	82 396 073	109 044 331
Useful life	10-20 years	5-10 years	15-20 years	4-40 years	

Included in the numbers above are leased fixed assets with net book value of 5 251 865 NOK and the depreciation expense for these leased fixed assets are 1 625 972 NOK in 2023.

At year end the Company has entered into the following operational lease agreements:

	Annual Rent 2023	Lease Maturity	Commitment 2024	Commitment 2025	Commitment 2026<
Leasing of Buildings	44 176 659	2024-2038	23 364 980	18 828 487	140 338 699
Leasing of Equipment	2 542 323	-	0	0	0



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Note 7 - Financial Items

Other financial income	2023	2022
Foreign exchange gain	13 482 294	1 478 956
Interest income	347 704	78 160
Total other financial income	13 829 998	1 557 116
Other financial expenses	2023	2022
Interest expense to group entities	72 037	3 043 831
Other interest expense	16 216 446	1 553 875
Foreign exchange loss	30 591 802	0
Other financial expenses	0	-783 351
Total other financial expenses	46 880 285	3 814 356
Net Financial items	33 050 287	2 257 240



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Note 8 - Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	0	92 920
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	92 920

Taxable income:		
Ordinary result before tax	-123 100 511	-43 997 274
Permanent differences	122 462	-267 833
Changes in temporary differences	11 367 886	7 886 769
Cut interest deduction	15 936 857	4 513 608
Taxable income	-95 673 306	-31 864 730

Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

Calculation of effective tax rate		
Profit before tax	-123 100 511	-43 997 274
Calculated tax on profit before tax	-27 082 113	-9 679 400
Tax effect of permanent differences	26 942	-58 923
Not included in Defer calculation	27 055 171	9 645 403

Total	0	-92 920
Effective tax rate	0,0 %	0,2 %

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

	2023	2022	Difference
Tangible assets	65 897 985	76 849 245	10 951 260
Stock	-7 451 835	-7 239 562	212 274
Accounts receivable	-67 749	-45 050	22 699
Lease agreements brought to the balance	-299 121	-224 470	74 650
Profit and loss account	428 011	535 014	107 003
Total	58 507 291	69 875 177	11 367 886

Accumulated loss to be brought forward	-314 555 596	-218 882 291	95 673 306
Cut interest deduction	-26 769 947	-10 833 090	15 936 857
Not included in the deferred tax calculation	159 840 203	115 575 096	-44 265 107

Basis for deferred tax assets	-122 978 049	-44 265 107	78 712 942
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Tuboscope Norge AS

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Deferred tax assets (22 %)	0	0	0
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Note 9 - Equity capital

	Share capital	Other paid-up equity	Other equity	Tota
As at 31.12.2022	250 000	96 041 571	-124 313 775	-28 022 205
As at 01.01.2023	250 000	96 041 571	-124 313 775	-28 022 205
Capital increase	1 000	308 864 200	0	308 865 200
Loss of the year			-123 100 511	-123 100 511
Pr 31.12.2023	251 000	404 905 771	-247 414 287	157 742 484

* The capital injection disclosed on 01.16.2024.

Note 10 - Balances with group companies

Receivable	2023	2022
Accounts receivable	72 698 513	55 828 062
Loan to Group company	950 593	898 971

Liabilities	2023	2022
Trade creditors	30 690 207	54 985 710
Cash pool overdraft	2 712 108	30 272 154
Long term liabilities	0	165 194 687

The company is included in a cash pool owned by NOV Norway AS (owner), and most bank deposits are therefore presented as receivable from NOV Norway (under other receivables/payable above) as per ownership of the cash pool. The company has through this cash pool access to necessary funds included access to credit if needed to continue its operations.

All receivables and payables are due within 1 year after year after year-end.

Note 11 - Inventories

	2023	2022
Goods for resale	18 352 591	18 302 312
Materials for use in production	12 867 646	10 182 461
Sum	31 220 238	28 484 773



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Note 12 - Bank deposits and more

Deposit for payment of withheld personal income tax have been secured with a bank guarantee of 7 000 000 NOK.

Note 13 - Share capital and shareholder information

The share capital of NOK 251 000 consists of 250 shares at a nominal value of NOK 1 000. All shares are owned by National Oilwell Varco Norway AS, and is part of the National Oilwell Varco Inc group with headquarters in Houston, USA.