



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 993 277 983
Organisasjonsform: Aksjeselskap
Foretaksnavn: NAXYS AS
Forretningsadresse: Hegrenesveien 42
5042 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Nei

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: Robert Hirst
Dato for fastsettelse av årsregnskapet: 24.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 01.11.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Sales revenues	13	15 245 365	14 981 489
Other operating revenues		2 415 982	
Sum inntekter		17 661 347	14 981 489
Kostnader			
Cost of goods sold		5 471 548	9 842 015
Payroll and related costs	11	14 584 364	15 930 850
Depreciation	1, 2	2 223 388	3 201 409
Other operating expenses	12	8 171 272	7 934 168
Sum kostnader		30 450 572	36 908 442
Driftsresultat		-12 789 225	-21 926 953
Finansinntekter og finanskostnader			
Annen renteinntekt		1 735	2 889
Other financial income		2 732 058	1 844 356
Sum finansinntekter		2 733 793	1 847 245
Annen rentekostnad		590 149	360 080
Other financial expenses		19 192	2 757 612
Sum finanskostnader		609 341	3 117 692
Netto finans		2 124 452	-1 270 447
Ordinært resultat før skattekostnad		-10 664 773	-23 197 400
Income tax expense	10	-2 699 559	-5 469 733
Ordinært resultat etter skattekostnad		-7 965 214	-17 727 667
Årsresultat		-7 965 214	-17 727 667
Overføringer og disponeringer			
Transfer to accumulated other equity		-7 965 214	-17 727 667
Sum overføringer og disponeringer		-7 965 214	-17 727 667



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	1	26 632	46 636
Utsatt skattefordel			6 181 219
Sum immaterielle eiendeler		26 632	6 227 855
Varige driftsmidler			
Land, buildings and other property	2	581 352	1 415 377
Machinery and plant etc	2	2 481 159	8 693 487
Fixtures, fittings and tools	2		177 307
Sum varige driftsmidler		3 062 511	10 286 171
Sum anleggsmidler		3 089 143	16 514 026
Omløpsmidler			
Varer			
Inventories	9	251 659	981 915
Sum varer		251 659	981 915
Fordringer			
Accounts receivable	6	10 124 748	40 872 105
Other short-term receivables	5	43 648 983	1 678 001
Krav på innbetaling av selskapskapital		15 066 836	19 683 397
Sum fordringer		68 840 567	62 233 503
Cash and cash equivalents	7		
Sum omløpsmidler		69 092 226	63 215 418
SUM EIENDELER		72 181 369	79 729 444

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2018	2017
Share capital	3, 4	462 565	462 565
Overkurs	3, 4	2 025 377	2 025 377
Annen innskutt egenkapital	3, 4	73 223 828	41 682 360
Sum innskutt egenkapital		75 711 770	44 170 302
Opptjent egenkapital			
Other equity	3, 4	-46 315 557	-38 350 345
Sum opptjent egenkapital		-46 315 557	-38 350 345
Sum egenkapital		29 396 213	5 819 957
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	540 699	
Sum avsetninger for forpliktelser		540 699	
Annen langsiktig gjeld			
Sum langsiktig gjeld		540 699	0
Kortsiktig gjeld			
Leverandørgjeld	5	2 584 667	1 240 806
Public duties payables		1 717 839	1 244 993
Kortsiktig konserngjeld	5	32 372 618	65 051 778
Other current liabilities	5,6,8	3 210 627	4 019 675
Guarantees	8	2 358 706	2 352 235
Work in progress	6		
Sum kortsiktig gjeld		42 244 457	73 909 487
Sum gjeld		42 785 156	73 909 487
SUM EGENKAPITAL OG GJELD		72 181 369	79 729 444



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 29.09.2016	Vår dato 11.11.2016
Telefon 977 59 464	Deres referanse Geir Atle Carlsen	Vår referanse 2016/996601

GENERAL ELECTRIC INTERNATIONAL INC filial av
utenlandsk foretak
Postboks 4766 Nydalen
0421 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for selskaper i General Electric-gruppen

Vi viser til deres brev av 29. september 2016 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

GE Healthcare AS,	org.nr. 914 829 674
GE Healthcare Holding AS,	org.nr. 987 015 225
Amersham Health Norge AS,	org.nr. 979 306 946
GE Healthcare Holding Norge AS,	org.nr. 988 963 755
GEFH AS,	org.nr. 990 400 156
GE Healthcare Clinical Systems Norway AS,	org.nr. 988 963 690
GE Healthcare Norge AS,	org.nr. 926 293 621
GE Vingmed Ultrasound AS,	org.nr. 938 937 583
GE Healthcare Europe GmbH - Branch Norway,	org.nr. 968 146 092
GE Capital AS,	org.nr. 987 058 765
GECAS Aircraft Leasing Norway AS,	org.nr. 985 551 685
GECAS EX-IM Leasing Norway AS,	org.nr. 894 570 652
GE Lighting AS,	org.nr. 910 904 396
Nuovo Pignone SPA NUF,	org.nr. 974 230 666
Vetco Gray Scandinavia AS,	org.nr. 990 441 545
Vetco Gray AS,	org.nr. 913 147 758
Presens AS,	org.nr. 976 876 385
Naxys AS,	org.nr. 993 277 983
Advantec AS,	org.nr. 887 471 282
NTOS Holding AS,	org.nr. 912 101 231
NTOS AS,	org.nr. 983 923 518
PII Ltd Norway Branch,	org.nr. 980 716 856
Thermodyn SAS Norway branch,	org.nr. 982 455 626
GE Energy (Norway) AS,	org.nr. 980 862 860
GE Wind Energy (Norway) AS,	org.nr. 881 520 532
Granite Services International Inc Norway branch,	org.nr. 985 604 908
GE Power Norway AS,	org.nr. 980 402 274

Postadresse
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0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



GE Energy Connections AS,	org.nr. 937 025 440
GE Renewable Norway AS,	org.nr. 889 467 592
GE Energy Power Conversion France SAS Norway branch,	org.nr. 995 139 421
GE Energy Power Conversion Norway AS,	org.nr. 996 326 020
GE Energy Power Conversion UK Ltd Norway branch,	org.nr. 813 661 632
GE International Inc. NUF,	org.nr. 860 192 942

I tillegg søker dere om dispensasjon til å kunne utarbeide alle fremtidige selskapers årsregnskap og årsberetning på engelsk.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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.

Etter regnskapsloven § 3-4 tredje ledd kan det kun gis dispensasjon til navngitte regnskapspliktige, jf. definisjon av enkeltvedtak i forvaltningsloven § 2 første ledd bokstav b. Vi har derfor ikke hjemmel til å behandle søknaden knyttet til fremtidige selskaper. For å få dispensasjon for eventuelle fremtidige selskaper må dere søke konkret for de aktuelle selskapene.

Bakgrunn

Fra deres søknad gjengis:

General Electric Company er et børsnotert amerikansk konsern med virksomhet i mange land, herunder i Norge gjennom flere norske selskaper og filialer av utenlandske selskaper. Som et ledd i konsernets bestrebelser på å forenkle rapporteringer og informasjonsflyt, søkes det med dette om å få utarbeide årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2016 for de selskaper og filialer som er spesifisert i vedlegg til denne søknaden.

De norske selskapene er lokalisert ulike steder i Norge, herunder Oslo, Sandvika, Horten, Stavanger og Bergensområdet og omfatter ulike typer bransjer. General Electric har ikke etablert en spesifikk konsernstruktur med en enkelt konsernspiss i Norge, men hvor det finnes flere delkonsern og enkeltstående selskaper avhengig av bransje.

Virksomheten er fullt ut rettet mot produksjon og salg av varer og tjenester til andre selskaper i Norge og utlandet. Det selges ikke noe direkte til forbrukere i Norge. Innenfor energi og olje/gass er General Electric aktive både på sokkelen og på land. Alle sentrale aktører og samarbeidspartnere er av internasjonal karakter, og innenfor bransjen beherskes og benyttes engelsk.



Innenfor helseområdet produseres det kontrastvæskemidler og ultralydmaskiner. Alt salg går til offentlige og private sykehus, leger og helseinstitusjoner. Det er i det alt vesentlige eksportrettet, med en liten andel salg og service i Norge, men ikke direkte mot forbrukermarkedet. Teknisk dokumentasjon, søknader om godkjenning i ulike land mv utarbeides på engelsk, og alle sentrale aktører innenfor bransjen benytter engelsk som arbeidsspråk.

Utover dette har man noen mindre virksomheter som blant annet forestår leasing av fly til utenlandske flyselskaper, salg av lysmateriell til grossister i Norge, samt utøver interne støttefunksjoner til norske og utenlandske konsernselskaper.

Selskapenes arbeidsspråk er engelsk, da man har tildels utstrakt samarbeid med andre konsernselskaper i utlandet. Dette forenkler og effektiviserer informasjonsflyt, analyser og rapporteringer, samt reduserer kostnader. Selskapene opererer i sektorer hvor engelsk er det klart dominerende språket. Morselskapets aksjonærer er utenlandske personer eller selskaper.

I flere av selskapene sitter det både norske og utenlandske styremedlemmer. Dette medfører at det i dag må utarbeides både norske og engelske versjoner av årsregnskaper og årsberetninger. Det er ressurskrevende, og kan også av og til gi opphav til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon, og dermed unødvendige misforståelser.

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, 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 kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene og filialene inngår i et utenlandsk konsern og at selskapenes arbeidsspråk er engelsk. Videre er det vektlagt at selskapene opererer i sektorer hvor engelsk er det klart dominerende språket.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Naxys AS

Financial statements 2018

Profit and Loss Account

	Note	2018	2017
Revenues	13	15 245 365	14 981 489
Other income		2 415 982	0
Total operating income		17 661 347	14 981 489
Cost of goods sold		5 471 548	9 842 015
Payroll expenses	11	14 584 364	15 930 850
Depreciations	1, 2	2 223 388	3 201 409
Writedowns	1	0	0
Other operating expenses	12	8 171 271	7 934 169
Total operating expenses		30 450 570	36 908 442
Operating result		-12 789 223	-21 926 953
Interest received from group companies		0	0
Other interest income		1 735	2 889
Other financial income		2 732 058	1 844 356
Other interest expenses		590 149	360 080
Other financial expenses		19 192	2 757 612
Net finance items		2 124 451	-1 270 447
Profit/(Loss) before tax		-10 664 772	-23 197 400
Tax	10	-2 699 559	-5 469 733
Net Profit/(Loss) for the year		-7 965 212	-17 727 667
Distributions			
Retained earnings		-7 965 212	-17 727 667
Total distributed		-7 965 212	-17 727 667



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Financial statements 2018

Balance sheet

	Note	31.12.2018	31.12.2017
Assets			
Fixed assets			
Intangible assets			
Research and development	1	26 632	46 636
Deferred tax asset	10	0	6 181 219
Total intangible fixed assets		26 632	6 227 855
Tangible fixed assets			
Land, buildings and other property	2	581 352	1 415 377
Machinery and constructions	2	2 481 159	8 693 488
Fixtures, fittings and tools	2	0	177 307
Total tangible fixed assets		3 062 511	10 286 171
Total fixed assets		3 089 143	16 514 026
Current assets			
Inventories	9	251 659	981 915
Total inventories		251 659	981 915
Receivables			
Trade receivables	5	10 124 748	40 872 105
Work in progress	6	15 066 837	19 683 397
Other receivables	5	43 648 983	1 678 001
Total receivables		68 840 567	62 233 502
Cash and cash equivalents	7	0	0
Total current assets		69 092 226	63 215 418
Total assets		72 181 369	79 729 444



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Financial statements 2018

Balance sheet

	Note	31.12.2018	31.12.2017
Equity and liabilities			
Paid in equity			
Share capital	3, 4	462 565	462 565
Share premium	3, 4	2 025 377	2 025 377
Other paid in equity	3, 4	73 223 828	41 682 360
Total paid in equity		75 711 770	44 170 302
Retained earnings			
Retained earnings	3, 4	-46 315 557	-38 350 345
Total retained earnings		-46 315 557	-38 350 345
Total equity		29 396 213	5 819 958
Liabilities			
Accrual for long-term liabilities			
Deferred tax liabilities	10	540 699	0
Total accrual for long-term liabilities		540 699	0
Current liabilities			
Trade payables	5	2 584 667	1 240 805
Public duties payables		1 717 838	1 244 994
Guarantees	8	2 358 706	2 352 235
Work in progress	6	0	0
Liabilities to group companies	5	32 372 618	65 051 778
Other current liabilities		3 210 626	4 019 674
Total current liabilities		42 244 456	73 909 486
Total liabilities		42 785 156	73 909 486
Total equity and liabilities		72 181 369	79 729 444

Bergen, 24th June 2019

Diarmaid Patrick Molholland
Chairman of the board
(sign.)

Graham Michael Dawber
Board member
(sign.)

Rohan James Daniels
Board member
(sign.)

Jens Abrahamsen
Managing director
(sign.)



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Notes to the statutory financial statements 2018

Accounting principles

The annual accounts have been set up according to the Norwegian Accounting Act and best accounting principles for small businesses. All numbers are given in whole kroner (NOK) unless stated otherwise.

Use of estimates

Preparation of accounting information requires the company management to use estimates and assumptions affecting the value of assets, liabilities and note information. Such estimates and assumptions may have a significant impact on the reported revenues and costs for a given period. The actual values may vary from the estimates. Probable and quantifiable contingent losses are booked as occurred.

Main rule for assessment and classification of assets and liabilities

Current assets and liabilities includes records due for payment within a year after the acquisition date, as well as records related to cost of goods. Other records are classified as fixed assets/long term liabilities. Current assets are assessed to the lower of cost at acquisition and real value. Current liabilities are recorded at nominal value at time of acquisition.

Fixed assets are assessed at cost of acquisition, but are written down to real value when the decrease in value is considered not to be temporary. Long term liabilities is recorded at nominal value at time of entering in to the agreement.

Non-current assets

Non-current assets are booked to the balance sheet and depreciated over the expected life time of the asset. Direct maintenance of assets are booked as cost under operating expenses, while improvements are added to the asset and depreciated to the value of accordingly.

Leased assets are booked to the balance sheet as an asset if the lease contract is considered to be financial. If the lease contract is considered to be operational, the costs are expensed.

Costs for research and development, including public grants

Costs related to research and development, net after received public grants, are booked as occurred when there is no grounds for recording it on the balance sheet as an intangible asset. For tax purposes, the costs are being capitalized and amortized.

Receivables

Receivables are recorded on the balance sheet at par value net of accruing for expected losses. Receivables are being made based on individual assessments of the receivables.

Work In Progress

Costs related to construction contracts are booked as occurred. If the result of a construction contract can not be reliably measured, the revenue related to the construction contract is set equal to the cost if the costs are reimbursable according to the contract. If the profits of the construction contract can be reliably measured, the revenue and costs are booked in the contract period. If it is probable that the costs in a specific construction contract is going to exceed the revenue on the contract, the expected loss is immediately expensed.

The company uses percentage of completion to calculate revenues for a given period. The completion percentage is estimated discretionary by assessing if the delivery is on schedule, by an assessment of occurred cost of goods, payroll cost and estimated project period.



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Notes to the statutory financial statements 2018

Occured cost and revenues for all construction contracts in progress, where occurred costs and recorded recorded losses) exceed value invoiced to customers, is recorded as an asset. Invoiced values not paid or profits (net of withheld from customer is included in Trade receivables. For construction contracts in occurred cost and recorded profits net of loss, this is recorded as pre payment from customer under Work in progress where invoiced values exceed progress.

Cash and deposits

Cash and deposits includes cash, bank deposits and other means of payment with original due date three months or less from the acquisition date. The company participates in the GE cash pool arrangement and can draw on this for cash needs.

Warranties

The company accrues for warranty in projects based on best estimate at completed contracts, based on the contractual value.

Currency

Cash and bank deposits, current assets and current liabilities in foreign currency is calculated based on the currency rate on the actual balance date. Realised and non-realised currency gains and losses related to assets and liabilities in other currency than NOK is booked as occurred.

Taxes

Deferred tax / deferred tax asset is calculated based on temporary differences between accounting and tax values, and losses carried forward at the end of the fiscal year. Tax reducing temporary differences and losses carried forward are netted against tax increasing differences to be reversed in the same period. Tax cost consists of payable tax (of the current year sales) and changes in net deferred tax.

Pensions

The company has a defined contribution pension scheme for its employees. The cost is booked as occurred.



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Notes to the statutory financial statements 2018

Note 1 - Intangible assets

	Research and development	Total
Acquisition cost as of 1.1.	8 514 175	8 514 175
Disposals	0	0
Acquisition cost as of 31.12.	8 514 175	8 514 175
Accumulated amortisations as of 1.1.	8 467 538	8 467 538
Accumulated amortisations disposals	0	0
This years amortisation and write-down	20 004	20 004
Accumulated amortisation as of 31.12.	8 487 542	8 487 542
Book value as of 31.12.	26 632	26 632

Amortisation schedule 0 - 10 %

Note 2 - Fixed assets

	Land, buildings and other property	Machinery and constructions	Fixtures, fittings and tools	Total
Acquisition cost as of 1.1.	7 470 511	17 734 110	3 308 540	28 513 162
Disposals	0	-7 902 531	0	-7 902 531
Acquisition cost as of 31.12.	7 470 511	9 831 579	3 308 540	20 610 631
Accumulated depreciations as of 1.1.	6 055 135	9 040 623	3 131 232	18 226 990
Accumulated depreciation disposals	0	-2 882 254	0	-2 882 254
This years depreciation and write-down	834 025	1 192 052	177 307	2 203 384
Accumulated depreciation as of 31.12.	6 889 160	7 350 420	3 308 540	17 548 120
Book value as of 31.12.	581 352	2 481 159	0	3 062 511

Depreciation schedule 20 - 33 % 10 - 33 % 20 - 33 %

Note 3 - Equity

	Share Capital	Share Premium	Other paid in equity	Retained Earnings	Total
Equity 1.1.	462 565	2 025 377	41 682 360	-38 350 345	5 819 958
Current year result				-7 965 212	-7 965 212
Group contribution			31 541 468	0	31 541 468
Equity 31.12.	462 565	2 025 377	73 223 828	-46 315 557	29 396 213

Note 4 - Stocks, stockholders etc.

Share capital	Number	Par value	Book value
A-stock	462 565	1	462 565
	Total stock	Share	Voting share
Vetco Gray Scandinavia AS	462 565	100 %	100 %



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Notes to the statutory financial statements 2018

Note 5 - Receivables and payables

	2018	2017
Intercompany trade receivables	21 044 876	55 391 747
Group contribution receivable	40 962 945	0
Intercompany trade payables	529 150	31 721
Intercompany cash pool liability	32 557 307	32 402 683
Group contribution liability	11 191	32 693 556

The company does not have receivables due more than one year later than the balance sheet date.

Group contribution liability is to Presens and Vetco Gray AS. The company does not have payables due more than five years after the balance date.

Note 6 - Trade receivables and work in progress

	2018	2017
Invoiced revenues	-44 349 300	-45 480 047
Costs booked	59 047 952	61 385 277
Accrued profit	368 185	3 778 166
Balance sheet value 31.12.	15 066 837	19 683 397
Of which due from customers (asset)	15 066 837	19 683 397
Of which due to customers (liability)	0	0
Balance sheet value 31.12.	15 066 837	19 683 397

In the receivable balance of NOK 15 066 837, it is included NOK 15 066 837 as intercompany receivables (2017: NOK 15 367 749).

Work performed on construction contracts where value exceeds invoicing to customers, is booked as an asset on the balance sheet. Where invoiced value exceeds value of work performed, this is booked as current liability.

Note 7 - Restricted funds

The company has a withheld tax bank guarantee to replace withheld tax cash account.

Note 8 - Guarantees

	2018	2017
Accrual for warranty	2 358 706	2 352 235

Note 9 - Inventories

	2018	2017
Inventory	251 659	981 915

Inventory consists of raw material and is assessed at fair value. The reduction in inventories from 2017 to 2018 can be explained by the ongoing transfer of work activities and the decision to move production from Norway to Ireland. This has led to selling of large parts of the inventory to GE Sensing EMEA in Ireland. Due to the decline in the oil & gas industry, the company has also restructured its product portfolio, and inventory related to discontinued products has been removed or obsoleted.



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Notes to the statutory financial statements 2018

Note 10 - Tax

Other tax expense consists of:	2018	2017
Payable tax on current year result	0	0
Change in deferred tax/deferred tax asset	-2 674 982	-5 738 482
Change in deferred tax/deferred tax asset - change in rate	-24 577	268 749
Total tax cost	-2 699 559	-5 469 733

Calculation of current year basis for tax:	2017	2016
Profit/(loss) before tax	-10 664 772	-23 197 400
Permanent differences	20 703	15 510
Research and Development (SkatteFUNN)	-986 291	-728 450
Change in temporary differences	238 214	-5 660 459
Total taxable income current year result	-11 392 146	-29 570 799
Group contribution received/ paid	40 962 945	0
Utilisation of losses carried forward	-29 570 799	0
Basis for payable tax	0	-29 570 799

Payable tax on the balance sheet	0	0
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Explanation to why current year tax cost does not consist of 23 % (24 %) of profit before tax:

	2018	2017
23 % (24%) tax on profit/(loss) before tax	-2 452 897	-5 567 376
23 % (24%) tax on permanent differences	4 762	3 722
23% (24%) tax on R&D	-226 847	-174 828
23% (24%) tax on group contribution received		0
Change in future tax rate	-24 577	268 749
Calculated tax cost	-2 699 560	-5 469 733

Deferred tax relates to:	Change	2018	2017
Fixed assets	-1 976 973	581 524	2 558 497
Construction contracts	-3 195 724	0	3 195 724
Inventory	322 767	-253 904	-576 671
Accruals	1 020 677	-2 358 706	-3 379 383
Gain and loss account	2 840 871	2 840 871	0
Financial instruments	750 168	1 647 937	897 769
Losses carried forward	29 570 799	0	-29 570 799
Total temporary differences	29 332 585	2 457 722	-26 874 863

Total deferred tax asset/deferred tax	-6 721 917	540 699	-6 181 219
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According to accounting principles, temporary differences are netted if they have approximately the same timing for reversal. In case of different timing, deferred tax is grossed.



Naxys AS

Notes to the statutory financial statements 2018

Note 11 - Payroll expenses and remuneration to general manager

	2018	2017
Salaries	11 578 465	13 173 279
Employers' national insurance contribution	2 040 117	1 671 082
Pension costs	752 091	774 845
Other payroll related benefits	213 692	311 645
Total	14 584 364	15 930 850

Average number of employees 15,5 18,8

The company has a defined contribution pension plan. The pension costs above relates to this arrangement. The company pension arrangement fulfills the requirements in the mandatory occupational pensions act.

Restructuring expenses have not been accrued for in the year (2017: 1 027 148).

Remuneration for general manager

	2018	2017
Salary	1 557 581	1 452 634
Pension expenses	100 855	101 370
Other benefits	10 963	11 340

The general manager has an agreement of six months pay if the company terminates his employment. The board members do not receive any payments for their position on the Naxys board.

Note 12 - Other operating expenses and remuneration for auditor

Other operating expenses

	2018	2017
Leased facilities	2 320 008	2 315 384
Services/contractors	2 543 962	3 868 253
Assessments (corporate services)	1 970 587	-370 314
Other operating costs	1 336 714	2 120 846
Total other operating expenses	8 171 271	7 934 169

Auditor

Audit fees are booked as part of services. The audit fee consists of (amounts without VAT):

- statutory audit	228 344	199 000
Total audit fees	228 344	199 000

Note 13 - Geographical split revenues

	2018	2017
Norway	12 057 860	9 814 722
Brazil	-665 244	-606 873
UK/Ireland	5 530 280	4 511 277
Canada/US	191 866	1 142 629
Others	546 585	119 733
Total revenues	17 661 347	14 981 489



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To the General Meeting of Naxys AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Naxys AS showing a loss of NOK 7 965 212. The financial statements comprise the balance sheet as at 31 December 2018, the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, 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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

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

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

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.

Offices in

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Støttautsøkte medlemmer - medlemmer av Det Norske Revisjonsforbund

Oslo	Floren	Mo i Rana	Stord
Ålesund	Haugesund	Steinkjer	Strømsund
Bergen	Kristiansund	Sandnessjøen	Trondheim
Budapest	København	Stavanger	Tvedestrand
Drummen	Kyiv		Ålesund



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 in accordance with law and regulations, including 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. The financial statements use 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted 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. We 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.



Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Oslo, 28 June 2019
KPMG AS

Gunnar Sotnakk
State Authorised Public Accountant



The Board of Directors report 2018 for NAXYS AS (reg no 993 277 983)

Operations and location

Naxys AS was established in 2008 and has its main activities within acoustic monitoring of subsea installations, delivery of products and services related to acoustic monitoring, and other activities related to monitoring of subsea equipment and installations. The company mainly operates in the oil & gas industry.

The company's business address is in Bergen, Norway, and it is run from leased facilities. Naxys is fully owned by Vetco Gray Scandinavia AS, a subsidiary of Baker Hughes – a GE Company ("BHGE"). Naxys belongs to the BHGE Measurement & Controls business area that collects large parts of BHGE's instrumentation products.

The company has in 2017 started to transfer its non-core business related to subsea hoses and connection boxes, as well as the A5 production to a BHGE company in Ireland. This enables Naxys to focus on the core offering related to leak detection and condition monitoring. The transfer was concluded in 2018.

The subsea oil and gas industry show an improvement compared to previous years. The company still expects the market to be challenging going forward, but believe the situation will improve, however not back to the historical high levels. The company sees an increase in the level of subsea projects being awarded, but do not expect the full effect of this to come before 2019 – beginning 2020.

Naxys continued in 2018 to expand the product portfolio. In order to save costs, Naxys customers are now asking for more standardized products. To meet this situation Naxys has over the last years moved from selling customized offerings with long lead times (over 1 year from book to ship) to standardized products with shorter lead times (6-12 months). The main product meeting this demand is the new A5 sensor. The A5 development started in 2017 and we had convertible orders in 2018. A5 product has significantly strengthen the future market position.

Going concern

In accordance with the Accounting Act § 3-3, we confirm that the financial statements have been prepared under the assumption of going concern.

Annual Accounts

It is the Board of Directors view that the financial statements provide a correct view of the operations and year end status.

The company experienced revenue increase from 2017 to 2018 (from 14.9 MNOK to 15,3 MNOK), and the financial statements show a loss after tax of 7.9 MNOK for 2018 compared to a loss of 17.7MNOK in 2017. As per 31.12.2018 the equity was 29.4 MNOK and total liabilities was 43 MNOK of which 32 MNOK was liabilities to BHGE companies. Naxys has access to funding and working capital through the BHGE ownership.

Naxys expensed 5,5 MNOK in research and development costs for 2018 to improve the product portfolio of the company, mainly related to the new A5 sensor. This has partly been funded by the Skattefynn arrangement. New products are planned for development in 2019.

Naxys is 100% owned by BHGE. The ownership is expected to continue to strengthen the industrial and financial future position of the company.

Continued operation

The Board of Directors does not know of any circumstances that have occurred after the end of the financial year that are of appreciable importance in the evaluation of the accounts.



Financial risk

Naxys is part of BHGE processes for managing financial risk.

Credit risk: The company has sales to leading players in the industry and the credit risk (settlement of account receivables) is considered low. Customers and suppliers must go through credit check prior to entering contracts

Foreign exchange risk: Most of the revenue is in NOK. For costs in foreign currency hedging is done in cooperation with BHGE Treasury.

Liquidity risk: Naxys is part of BHGE cash pool arrangement and access to capital is considered solid.

Environment, health and safety

Safety assessments are conducted in all processes and focus on safety has spread safety culture at all levels of the organization. Naxys AS had no recordable injuries. Preventive measures such as safety inspections, training in HSE and escape drills are done as a part of the HSE work.

BHGE and Naxys AS places great emphasis on its ethics and compliance program, the GE "Spirit and the Letter" establishes the policies and standards that all GE employees must commit to follow: it identifies key areas of risk for employees and for the company and reminds all our employees of the importance of doing things the right way – with integrity.

The company's ambition is to exercise full gender equality and has incorporated a policy aiming to avoid any discrimination.

The working environment is considered to be good. The company had an average of 15 employees in 2018, Out of these, there was 1 woman. The Board of Directors consists of 3 men.

	Naxys
Average no of employees ("årsverk")	15
No of employees per year end	14
No of women	0
Sick leave of total hours	0,36%
Sick leave adjusted for long term sick leaves	0,36%
Injuries	0

With regards to the environment, there has not been reported any violations of the limits for pollution to air, water or other parts of the environment. No fines for violations has been paid.

June 24, 2019

Diarmaid P. Mulholland
Chairman
(sign.)

Graham M. Dawber
Board member
(sign.)

Johan J. Daniels
Board member
(sign.)

Jens Abrahamsen
Managing Director
(sign.)