



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	963 878 249
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SHAWCOR NORWAY AS
Forretningsadresse:	Grønøra Industriområde 7300 ORKANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	luis jensen
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 03.08.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	532 940 301	543 493 872
Sum inntekter		532 940 301	543 493 872
Kostnader			
Varekostnad		217 021 076	203 321 526
Lønnskostnad	4	145 817 603	163 078 809
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	11 612 184	10 257 375
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8	5 410 607	6 007 238
Annen driftskostnad	10	81 315 410	65 387 617
Sum kostnader		461 176 880	448 052 565
Driftsresultat		71 763 421	95 441 307
Finansinntekter og finanskostnader			
Inntekt på andre investeringer	11	1 487 889	282 810
Annen finansinntekt	11	4 371 430	5 926 947
Sum finansinntekter		5 859 319	6 209 757
Annen finanskostnad	11 8	426 423	218 041
Sum finanskostnader		426 423	218 041
Netto finans		5 432 896	5 991 716
Ordinært resultat før skattekostnad		77 196 317	101 433 023
Skattekostnad på ordinært resultat	9	16 450 569	-12 128 943
Ordinært resultat etter skattekostnad		60 745 748	113 561 966
Årsresultat		60 745 748	113 561 966
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	12	60 745 748	113 561 966
Sum overføringer og disponeringer		60 745 748	113 561 966



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	0	12 079 792
Sum immaterielle eiendeler		0	12 079 792
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	7	13 651 954	14 449 113
Maskiner og anlegg	7,8	56 463 825	54 244 685
Sum varige driftsmidler		70 115 779	68 693 798
Sum anleggsmidler		70 115 779	80 773 590
Omløpsmidler			
Varer			
Varer	2	56 263 124	32 997 517
Sum varer		56 263 124	32 997 517
Fordringer			
Kundefordringer	6	155 775 674	148 029 929
Andre fordringer	6	2 519 385	2 070 961
Konsernfordringer	6		80 206 079
Sum fordringer		158 295 059	230 306 969
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	39 150 814	22 234 926
Sum bankinnskudd, kontanter og lignende		39 150 814	22 234 926
Sum omløpsmidler		253 708 997	285 539 412
SUM EIENDELER		323 824 776	366 313 002

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Innskutt egenkapital			
Selskapskapital	12	45 999 336	45 999 336
Annen innskutt egenkapital	12	31 170 982	50 542 482
Sum innskutt egenkapital		77 170 318	96 541 818
Opptjent egenkapital			
Annen egenkapital	12	65 519 677	130 194 862
Sum opptjent egenkapital		65 519 677	130 194 862
Sum egenkapital		142 689 995	226 736 680
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	5	9 476 218	11 136 558
Utsatt skatt	9	4 178 817	
Sum avsetninger for forpliktelser		13 655 035	11 136 558
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	8	10 714 246	15 494 003
Sum annen langsiktig gjeld		10 714 246	15 494 003
Sum langsiktig gjeld		24 369 281	26 630 561
Kortsiktig gjeld			
Leverandørgjeld	6	44 442 981	22 761 617
Skyldige offentlige avgifter		8 865 892	10 030 151
Annen kortsiktig gjeld	6,8	103 456 627	80 153 993
Sum kortsiktig gjeld		156 765 500	112 945 761
Sum gjeld		181 134 781	139 576 322
SUM EGENKAPITAL OG GJELD		323 824 776	366 313 002



Shawcor Norway AS

Årsrapport 2022

Styrets årsberetning

Årsregnskap



Shawcor Norway AS

Årsberetning for 2022

Virksomhetens art og hvor den drives

Shawcor Norway AS omfatter et produksjonsanlegg i Orkanger. Selskapet har spesialisert seg innen varmeisolering og korrosjonsbeskyttelse, for olje- og gassindustrien. Shawcor Norway AS er en del av Pipeline Performance divisjonen av Shawcor group.

Pipeline Performance er verdensledende innen belegning av stålrør og vektbelegg.

Shawcor Norway AS hadde et tilsvarende aktivitetsnivå i 2022 som i 2021.

Selskapet har pågående FoU prosjekter av begrenset omfang med utvikling av forbedring innenfor varmeisolering og korrosjons beskyttelse belegning av stålrør.

Fortsatt drift

Regnskapsåret 2022 viser et positivt resultat. Styret og daglig leder bekrefter at forutsetningen om fortsatt drift er lagt til grunn ved avleggelsen av årsregnskapet.

Ved slutten av 2022 var ordrebeholdningen på NOK 169 millioner, mot NOK 414 millioner i 2021.

Selskapet forventer at 2023 vil bli et år med tilsvarende aktivitet for Linepipe produksjonen ved Orkangeranlegget som 2022. Field Joint avdelingen forventes å ha litt mindre aktivitet i 2023 enn 2022.

Arbeidsmiljø

Det har i gjennomsnitt vært 163 ansatte i 2022 mot 167 i 2021. Det totale sykefraværet var 3,491 sykedager, som utgjør ca 10,4 % av totalarbeidstiden i selskapet. Langtidssykefraværet utgjør 8.0 % og korttidsfraværet 2,4 %.

Arbeidsmiljøet har vært ivaretatt i henhold til selskapets interne HMS-reglement. I tillegg er selskapet omfattet av ordningen om et Inkluderende Arbeidsliv (IA).

Forpliktelsen til å kontinuerlig jobbe for en skade- og ulykkesfri arbeidsplass var ledelsens og de ansattes hovedfokus, og grunnleggende verdi i løpet av året. Det er et kontinuerlig fokus på HMS-arbeid, også som en del av selskapets overordnede forretningsplan om fortsatt å være ledende innen helse, miljø og sikkerhet.

Det er i 2022 gjennomført nærmere 1117 timer opplæring innen HMS mot 1104 i 2021.

Virksomheten hadde i 2022 1 arbeidsskader (LWC) med fravær, mot 3 for 2021. Tallet for øvrige arbeidsskader (RWC) for 2022 var 2 mot 3 i 2021.

Det er gjennomført yrkeshygieneiske målinger og helsesamtaler i henhold til handlingsplan for 2022.



Samfunnsansvar

Redegjørelse for arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold (åpenhetsloven) er tilgjengelig på selskapets lokaler.

Samfunnsansvar har fokus gjennom konsernets etiske regler (Code of Conduct) og det gjennomføres obligatoriske kurs til ansatte som tar for seg korrupsjon og andre sosiale utfordringer. Det er etablert et varslingsystem.

Shawcor gruppen har interne retningslinjer for varsling. Ansatte oppfordres til å varsle dersom de blir kjent med, eller selv opplever, kritikkverdige forhold. Ansatte kan varsle via flere interne kanaler.

Shawcor Norway AS forbruker mye elektrisitet i forbindelse med produksjonen på anleggene i Orkanger. Det benyttes kun elektrisitet fra dokumentert fornybare kilder.

Virksomhetens aktivitet har i 2022 påvirket det ytre miljøet i begrenset grad. Virksomheten har en utslippstillatelse fra Orkdal Kommune som regulerer mengden og temperatur på utslipp av prosessvann.

Fylkesmannen i Sør-Trøndelag konkluderte i 2009 med at det ikke var behov for egen utslippstillatelse for virksomheten.

Et sterkt fokus på avfallshåndtering og sortering har medført at utsorteringsgraden for avfall er på 96% i 2022 mot 98% i 2021. Polystyren er den klart største avfallsfraksjonen, og denne går til gjenvinning.

Shawcor Norway AS Orkanger er sertifisert i henhold til ISO 45001, 14001.

Likestilling og diskriminering

Konsernet jobber aktivt for å sikre likestilling og unngå diskriminering. Ansatte er pliktig å sette seg inn i og etterleve Shawcors etiske regler (Code of Conduct). Disse etiske reglene skal hindre diskriminering og forebygge trakassering og ansatte må oppdatere seg på reglene hvert år. Medarbeidere skal reflektere det samfunnet Shawcor er en del av. Dette gjelder kulturell bakgrunn, kjønn, alder, etnisitet og seksuell legning.

Av selskapets 161 ansatte var 23 kvinner. Begge kjønn er representert i ledelsen. Gjennomsnittslønnen i 2022 for kvinnelig ansatte er NOK 602,128 mot 567,209 i 2021, mens gjennomsnittslønnen for mannlige ansatte er NOK 680,659 mot 622,171 i 2021.

Midlertidige ansatte (kjønnsforskjell i antall eller prosent):
35 midlertidige ansatte på kontrakt. 30 menn (86%) og 5 kvinner (14%).

Ansatte i deltidsstillinger (kjønnsforskjell i antall eller prosent):
1 ansatt i deltidsstilling. 1 kvinner (100%).

Gjennomsnitt antall uker foreldrepermisjon for kvinner og menn:
Kvinner 34 uker og menn 15.



Kjønnsfordeling på ulike stillingsnivåer/grupper:

Grupper	Beskrivelse	Antall	Kvinneandel	Mannsandel
A	Omfattende lederansvar	8	13%	87%
B	Mastergrad, erfaring og lederansvar	9	33%	67%
D	Mastergrad, eller bachelorgrad og erfaring	12	50%	50%
F	Fagbrev med videreutdanning	129	14%	86%

Ansatte som jobber ufrivillig deltid (kjønnsforskjell i antall eller prosent):
Ingen ansatte jobber ufrivillig deltid.

Forsikring for styrets medlemmer og dagligleder

Det er ikke tegnet forsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredjepersoner.

Finansiell risiko

Selskapet er eksponert for finansiell risiko på ulike områder, spesielt valutarisiko. Målsetningen er å begrense den finansielle risiko i størst mulig grad.

Markedsrisiko

Selskapet er eksponert for endringer i valutakurser. I forbindelse med inntekter fra prosjekter vurderes det for hvert enkelt prosjekt med betaling i utenlandsk valuta, om det skal kurssikres på forhånd.

Kreditrisiko

Risikoen for at selskapets nåværende kunder ikke har økonomisk evne til å oppfylle sine forpliktelser anses for lav. Historisk sett har det vært lave tap på kundefordringer. Det har ikke blitt gjennomført tiltak som kredittforsikringer eller bruk av andre finansielle instrumenter for å redusere kredittrisikoen.

Likviditetsrisiko

Selskapet vurderer likviditeten i selskapet som god.

Redegjørelse for årsregnskapet

Salgsinntekter for Shawcor Norway AS var 532,9 MNOK i 2022 mot 543,5 MNOK i 2021. Overskudd etter skatt ble 60,7 MNOK mot et overskudd på 113,6 MNOK i 2021. En litt lavere aktivitet i 2022 ligger bak det reduserte resultatet for 2022.

Samlet kontantstrøm fra operasjonelle aktiviteter var +105,8 MNOK mot +104,7 MNOK i 2021.

Selskapets samlede investeringer var 19,0 MNOK i 2022 mot 4,7 MNOK i 2021.

Selskapets kortsiktige gjeld ble økt med 43,8 MNOK per 31.12.2022. Den kortsiktige gjeld tilsvarte 87 % av selskapets totale gjeld, sammenlignet med 81 % ved utgangen av 2021. Endringen skyldes hovedsakelig en økning av annen kortsiktig gjeld samt gjeld til leverandører.



Totalkapitalen var ved utgangen av året 323,8 MNOK, sammenlignet med 366,3 MNOK ved utgangen året før. Egenkapitalandelen per 31.12.2022 var 44,1 %, sammenlignet med 61,9 % per 31.12.2021.

Det er styrets oppfatning at resultatregnskapet, balanse og kontantstrømoppstilling sammen med de vedlagte noter gir tilfredsstillende informasjon om selskapets drift og finansielle situasjon ved utgangen av regnskapsåret 31. desember 2022.

Styret har ikke kjennskap til annen informasjon som påvirker selskapets status annet enn den som kommer frem i årsregnskapet. Styret har heller ikke kjennskap til andre viktige problemstillinger som har fremkommet etter regnskapsårets utgang.

Det er i 2022 utbetalt tillegsutbytte på 145,278,284 NOK

Resultatregnskapet viser et årsresultat for 2022 på NOK 60,745,748. Styret foreslår følgende resultatdisponering.

Overført til annen egenkapital	NOK	60,745,748
Tillegsutbytte	NOK	- 145,278,284
Totalt disponert	NOK	- 84,532,536



Orkanger, 29. juni 2023.

Simon Dewey
Styrets leder

Jeremy Stebbing
Styremedlem

Michael Reeves
Styremedlem

Kevin Dominic Reizer
Styremedlem

Arild Singstad
Styremedlem

Aina Kirkaunc
Styremedlem

Snorre Lillesand
Daglig leder



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Til generalforsamlingen i Shawcor Norway AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for Shawcor Norway AS som består av balanse per 31. desember 2022, resultatregnskap, utvidet resultatregnskap og kontantstrømpstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2022, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med forenklet anvendelse av internasjonale regnskapsstandarder etter regnskapsloven § 3–9.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen og annen øvrig informasjon som er publisert sammen med årsregnskapet. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker verken informasjonen i årsberetningen eller annen øvrig informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen og annen øvrig informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen, annen øvrig informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen og annen øvrig informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen eller annen øvrig informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

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Statautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnanes	Molde	Trondheim
Årødal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Slavanger	Ulsteinvik
Bodo	Knaresund	Stord	Ålesund
Drammen	Kristiansand	Strøme	



Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med forenklet anvendelse av internasjonale regnskapsstandarder etter regnskapsloven § 3–9. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et regnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvike selskapet eller legge ned virksomheten, eller ikke har noe realistisk alternativ til dette.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjons handlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjons handlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.



Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Trondheim, 29. juni 2023
KPMG AS

Espen Børseth, Jørstad
Statsautorisert revisor



Resultatregnskap

	Note	2022	2021
Driftsinntekter			
Salgsinntekt	1	532 940 301	543 493 872
Sum driftsinntekter		<u>532 940 301</u>	<u>543 493 872</u>
Driftskostnader			
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Avskrivning	7	11 612 184	10 257 375
Avskrivning rett-til-bruk eiendeler	8	5 410 607	6 007 238
Annen driftskostnad	10	81 315 410	65 387 617
Sum driftskostnader		<u>461 176 881</u>	<u>448 052 565</u>
Driftsresultat		<u>71 763 421</u>	<u>95 441 307</u>
Finansinntekter og finanskostnader			
Renteinntekter fra foretak i samme konsern	11	1 487 889	282 810
Annen finans inntekter	11	4 371 430	5 926 947
Rentekostnader leieforpliktelse	8 11	426 423	218 041
Netto finansposter		<u>5 432 896</u>	<u>5 991 716</u>
Ordinært resultat før skattekostnad		<u>77 196 317</u>	<u>101 433 023</u>
Skattekostnad			
Skatteinntekter på ordinært resultat	9		12 128 943
Skattekostnad på ordinært resultat	9	(16 450 569)	-
Netto Skatte poster		<u>(16 450 569)</u>	<u>12 128 943</u>
Årsresultat		<u>60 745 748</u>	<u>113 561 966</u>
Overføringer			
Overført til/(fra) annen egenkapital	12	60 745 748	113 561 966
Sum overført		<u>60 745 748</u>	<u>113 561 966</u>
Utvidet resultat			
Poster som ikke vil bli omklassifisert til resultatregnskapet i senere perioder.			
Aktuarmessige gevinster og tap pensjoner	12	622 886	223 414
Skatteeffekt aktuarmessige gevinster og tap	9,12	(137 035)	(49 151)
Total resultat		61 231 599	113 736 229



Shawcor Norway AS

Balanse pr. 31.12.

	Note	2022	2021
Anleggsmidler			
<i>Varige driftsmidler</i>			
Tomter, bygninger og fast eiendom	7	13 651 954	14 449 113
Maskiner og anlegg	7	41 364 592	33 708 588
Rett - til - bruk eiendeler	8	15 099 233	20 536 097
Sum varige driftsmidler		<u>70 115 779</u>	<u>68 693 798</u>
Sum anleggsmidler		<u>70 115 779</u>	<u>68 693 798</u>
Immaterielle eiendeler			
Utsatt Skattefordel	9	-	12 079 792
Omløpsmidler			
<i>Varer</i>			
Varer	2	<u>56 263 124</u>	<u>32 997 517</u>
<i>Fordringer</i>			
Kundefordringer	6	155 775 674	148 029 929
Lån til konsernselskaper	6	-	80 206 079
Andre fordringer	6	2 519 385	2 070 961
Sum fordringer		<u>158 295 059</u>	<u>230 306 969</u>
Bankinnskudd og kontanter	3	<u>39 150 814</u>	<u>22 234 925</u>
Sum omløpsmidler		<u>253 708 997</u>	<u>285 539 412</u>
Sum eiendeler		<u>323 824 776</u>	<u>366 313 002</u>



Shawcor Norway AS

Balanse pr. 31.12.

	Note	2022	2021
Egenkapital			
<i>Innskutt egenkapital</i>			
Aksjekapital	12	45 999 336	45 999 336
Overkursfond	12	31 170 982	50 542 482
Innskutt egenkapital		<u>77 170 318</u>	<u>96 541 818</u>
<i>Opptjent egenkapital</i>			
Annen egenkapital	12	65 519 677	130 194 862
Sum opptjent egenkapital		<u>65 519 677</u>	<u>130 194 862</u>
Sum egenkapital		<u>142 689 995</u>	<u>226 736 680</u>
Gjeld			
<i>Avsetning for forpliktelser</i>			
Utsatt skatt	9	4 178 817	-
Pensjonsforpliktelser	5	9 476 218	11 136 558
Sum avsetning for forpliktelser		<u>13 655 035</u>	<u>11 136 558</u>
<i>Annen langsiktig gjeld</i>			
Langsiktige leieforpliktelser	8	10 714 246	15 494 003
Sum annen langsiktig gjeld		<u>10 714 246</u>	<u>15 494 003</u>
<i>Kortsiktig gjeld</i>			
Leverandørgjeld	6	44 442 982	22 761 617
Skyldige offentlige avgifter	6	8 865 892	10 030 151
Annen kortsiktig gjeld	6	98 446 488	74 621 246
Kortsiktig gjeld leieforpliktelser	8	5 010 139	5 532 747
Sum kortsiktig gjeld		<u>156 765 501</u>	<u>112 945 761</u>
Sum gjeld		<u>181 134 781</u>	<u>139 576 322</u>
Sum egenkapital og gjeld		<u>323 824 776</u>	<u>366 313 002</u>



Shawcor Norway AS

Orkanger den 29. juni 2023

Simon Dewey
Styrets leder

Michael Reeves
Styremedlem

Jeremy Siebbing
Styremedlem

Kevin Dominic Reizer
Styremedlem

Snorre Lillesand
Daglig leder

Aina Kirkaune
Styremedlem

Arild Singstad
Styremedlem



Shawcor Norway AS

Kontantstrømoppstilling

	2021	2021
Ordinært resultat før skattekostnad	77 196 317	101 433 023
Ordinære avskrivninger og nedskrivninger	11 612 184	10 257 375
Avskrivning ret-til-bruk eiendel	5 410 607	6 007 238
Endring i varelager	(23 265 607)	(2 522 285)
Endring i kundefordringer	(7 745 745)	76 612 395
Endring i leverandørgjeld	21 681 364	(45 497 334)
Forskjell mellom betalt og kostnadsført pensjon	(1 037 456)	(1 269 145)
Endring i andre tidsavgrensninger	21 965 440	(40 354 114)
Netto kontantstrøm fra operasjonelle aktiviteter	105 817 105	104 667 154
Utbetalinger ved kjøp av varige driftsmidler	(18 970 994)	(4 651 099)
Netto kontantstrøm fra investeringsaktiviteter	(18 970 994)	(4 082 014)
Lån til Konsernselskap	80 592 559	(80 592 559)
Utbytte samt tilbakebetaling innbetalt overkursfond	(145 278 284)	-
Betaling hovedstol leieforpliktelser	(5 244 497)	(5 212 044)
Netto kontantstrøm fra finansieringsaktiviteter	(69 930 222)	(5 212 044)
Netto endring av kontanter og kontantekvivalenter	16 915 889	14 211 451
Kontanter og kontantekvivalenter ved periodens pr 01.01.	22 234 925	8 023 474
Kontanter og kontantekvivalenter ved periodens pr 31.12.	39 150 814	22 234 925



Note Regnskapsprinsipper

Shawcor Norway AS er et aksjeselskap registrert i Norge. Selskapets hovedkontor er lokalisert i Orkanger.

Bredero Shaw International BV er morselskap for Shawcor Norway AS. Selskapet Bredero Shaw International BV er registrert i Nederland, og kopi av deres konsoliderte regnskaper, hvor Shawcor Norway AS inngår, kan hentes ved selskapets registrerte adresse Dellaertweg 9 E, Leiden, 2316 WZ, Nederland.

Grunnlag for utarbeidelse av årsregnskapet

Årsregnskapet er avlagt i henhold til regnskapsloven § 3-9 og forskrift om forenklet IFRS (2014) fastsatt av Finansdepartementet 3. november 2014. Dette innebærer i hovedsak at måling og innregning følger internasjonale regnskapsstandarder (IFRS) og presentasjon og noteopplysninger er i henhold til norsk regnskapslov og god regnskapsskikk.

Regnskapet legger til grunn prinsippene i et historisk kost regnskap, med unntak av følgende regnskapsposter:

- Finansielle instrumenter til virkelig verdi over resultatet og finansielle instrumenter til virkelig verdi over andre inntekter og kostnader.

Presentasjonsvaluta

Selskapet presenterer sitt regnskap i NOK. Dette er også selskapets funksjonelle valuta.

Estimater og forutsetninger

Ledelsen har brukt estimater og forutsetninger som har påvirket eiendeler, gjeld, inntekter, kostnader samt usikre eiendeler og forpliktelser på balansedagen under utarbeidelsen av årsregnskapet.

Dette gjelder særlig avskrivninger på varige driftsmidler, vurderinger i tilknytning til pensjonsforpliktelser. Fremtidige hendelser kan medføre at estimatene endrer seg. Estimater og de underliggende forutsetningene vurderes løpende, og er basert på beste skjønn og historisk erfaring. Endringer i regnskapsmessige estimater innregnes i den perioden endringene oppstår. Hvis endringene også gjelder fremtidige perioder fordeles effekten over inneværende og fremtidige perioder. Se egen note for mer informasjon om estimater og forutsetninger.

Vurderinger

Ved utarbeidelse av årsregnskapet har ledelsen gjort enkelte vesentlige vurderinger basert på kritisk skjønn knyttet til anvendelse av regnskapsprinsippene. Dette redegjøres for i det følgende:

Valuta

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Driftsinntekter fra kontrakter med kunder

Driftsinntekter fra kontrakter med kunder innregnes når kontrollen over en vare eller tjeneste er overført til kunden og i henhold til det beløp som reflekterer hva selskapet forventer å motta for varen eller tjenesten. Selskapet har konkludert med at det er prinsippal i dets inntektsstrømmer, fordi

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det kontrollerer varene og tjenestene før disse overføres til kunden.

Selskapet innregner inntekter fra salg av tjenester over tid, da kunden samtidig mottar og forbruker fordeler etter hvert som selskapet tilbyr disse. Selskapet innregner inntekter over tid i henhold til ferdigstilleelsesgrad i prosjektet, ved bruk av en utdatametode. Den metoden som anvendes er den som best reflekterer overføringen av kontroll.

Selskapet produserer og leverer spesialtilpassede produkter til kunder bestående av både varer og betydelige integrerte tjenestekomponenter. Slike produkter vil utgjøre en leveringsforpliktelse om ikke løftet om å overføre varen og tjenesten til kunden kan identifiseres atskilt fra hverandre.

Inntekter fra salg av varer og tjenester som utgjør én leveringsforpliktelse innregnes over tid hvis:

- Selskapets ytelse skaper eller forbedrer en eiendel (for eksempel, varer i arbeid) som kunden kontrollerer etter hvert som eiendelen skapes eller forbedres
- Selskapets ytelse skaper en eiendel som ikke har en alternativ bruk, og konsernet har en håndhevbar rett til å motta betaling for ytelser utført til dato

Inntekter fra kombinerte leveringsforpliktelser innregnes over tid basert på leveransens fullføringsgrad. Fremdriften måles vanligvis basert på såkalte utdatametoder metoder.

Garantiforpliktelser

Selskapet tilbyr generelt en garanti for reparasjoner av feil som eksisterte på salgstidspunktet, iht. kjøpslovgivingen i det aktuelle land. Slike forsikringslignende garantiordninger regnskapsføres som en avsetning i tråd med IAS 37 Avsetninger, betingede forpliktelser og betingede eiendeler.

Offentlige tilskudd

Offentlige tilskudd regnskapsføres når det foreligger rimelig sikkerhet for at selskapet vil oppfylle vilkårene knyttet til tilskuddene, og tilskuddene vil bli mottatt. Tilskudd relatert til inntekt presenteres enten som inntekt på egen linje eller «annen driftsinntekt» eller som kostnadsreduksjon for å sammenstilles med kostnadene de er ment å kompensere for. Regnskapsføring av driftstilskudd innregnes på en systematisk måte over tilskuddsperioden.

Skatt

Skattekostnad består av betalbar skatt og endring i utsatt skatt. Forpliktelser og eiendeler ved utsatt skatt er beregnet på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret.

Utsatt skattefordel er regnskapsført når det er sannsynlig at selskapet vil ha tilstrekkelige skattemessige overskudd i senere perioder til å nyttiggjøre skattefordelen. Selskapet regnskapsfører tidligere ikke regnskapsført eiendel ved utsatt skatt i den grad det har blitt sannsynlig at selskapet kan benytte seg av den utsatte skattefordelen. Likeledes vil selskapet redusere utsatt skattefordel i den grad selskapet ikke lenger anser det som sannsynlig at det kan nyttiggjøre seg av den utsatte skattefordelen.

Forpliktelser og eiendeler ved utsatt skatt måles til nominell verdi og er klassifisert som langsiktig forpliktelse (anleggsmiddel) i balansen. Betalbar skatt og eiendeler eller forpliktelser ved utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til poster ført direkte mot egenkapitalen.

Klassifisering av balanseposter

Eiendeler klassifiseres som omløpsmiddel når selskapet forventer å realisere eiendelen, eller har til hensikt å selge eller forbruke den i selskapets ordinære driftssyklus. Videre er eiendeler som primært

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holdes for omsetning eller som forventes realisert innen tolv måneder etter rapporteringsperioden også å anse som omløpsmidler. Tilsvarende gjelder også eiendeler i form av kontanter eller kontantekvivalenter, med mindre disse er underlagt begrensninger som gjør at den ikke kan veksles eller benyttes til å gjøre opp en forpliktelse i minst tolv måneder etter rapporteringsperioden. Alle andre eiendeler klassifiseres som anleggsmidler.

Forpliktelser klassifiseres som kortsiktig når de forventes å bli gjort opp i selskapets ordinære driftssyklus, når de primært holdes for omsetning, eller dersom forpliktelsen forfaller til oppgjør innen tolv måneder etter rapporteringsperioden, eller foretaket ikke har en ubetinget rett til å utsette oppgjøret av forpliktelsen i minst tolv måneder etter rapporteringsperioden. Eventuelle vilkår for forpliktelsen, som etter motpartens valg kan føre til at den gjøres opp ved utstedelse av egenkapitalinstrumenter, påvirker ikke forpliktelsens klassifisering. Alle andre forpliktelser klassifiseres som langsiktige.

Varige driftsmidler

Varige driftsmidler omfatter eiendom, anlegg og utstyr som er beregnet for produksjon, levering av varer eller administrative formål, og som har varig levetid. Driftsmidlene måles til anskaffelseskost, fratrukket akkumulerte av- og nedskrivninger. Ved salg eller avhendelse blir balanseført verdi fraregnet og eventuelt tap (gevinst) resultatføres.

Anskaffelseskost for varige driftsmidler er kjøpsprisen, inkludert avgifter/skatter og kostnader direkte knyttet til å sette anleggsmiddelet i stand for bruk. Utgifter påløpt etter at driftsmidlet er tatt i bruk, slik som løpende vedlikehold, resultatføres som driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Avskrivning er beregnet ved bruk av lineær metode.

Avskrivningsperiode og -metode vurderes årlig. Utrangeringsverdi estimeres ved hver årsavslutning og endringer i estimat på utrangeringsverdi er regnskapsført som en estimatendring.

Vesentlige driftsmidler som består av betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene.

Nedskrivninger av ikke-finansielle eiendeler

Selskapet vurderer på hvert rapporteringstidspunkt om det finnes indikasjoner på at en eiendel har falt i verdi. Dersom slike indikasjoner foreligger, estimeres eiendelens gjenvinnbare beløp.

Gjenvinnbart beløp anses som den høyeste verdi av virkelig verdi fratrukket salgsutgifter og bruksverdi, og beregnes for en enkelt eiendel, med mindre eiendelen ikke genererer inngående kontantstrømmer som i all vesentlighet er uavhengige av kontantstrømmer fra andre eiendeler eller grupper av eiendeler.

En eiendel har falt i verdi når dens balanseførte verdi overstiger dens gjenvinnbare beløp, og eiendelen nedskrives i slike tilfeller til gjenvinnbart beløp. Reduksjonen er et tap ved verdifall som føres i resultatet.

Selskapet vurderer på hvert rapporteringstidspunkt om det finnes indikasjoner på at et tap ved verdifall som er innregnet for en annen eiendel enn goodwill i tidligere år, ikke lenger finnes eller er redusert. Dersom slike indikasjoner foreligger, estimeres denne eiendelens gjenvinnbare beløp, og tidligere nedskrivning reverseres til et beløp som maksimalt tilsvarer tidligere det gjenvinnbare beløp med fradrag for akkumulerte avskrivninger.

Varebeholdninger

Varelager måles til det laveste av anskaffelseskost og netto realisasjonsverdi. Netto realisasjonsverdi er estimert salgspris ved ordinær drift fratrukket salgsomkostninger. Anskaffelseskost tilordnes ved



bruk av FIFO metoden og inkluderer utgifter påløpt ved anskaffelse av varene og kostnader for å bringe varene til nåværende tilstand og plassering.

Egenproduserte varer inkluderer variable kostnader og faste kostnader som kan allokere basert på normal kapasitetsutnyttelse.

Fordringer

Kundefordringer og andre fordringer måles ved førstegangsinnregning til virkelig verdi, med etterfølgende måling til amortisert kost i henhold til den effektive rentemetoden justert for avsetning for estimert tap.

Leieavtaler

Selskapet foretar en vurdering av alle vesentlige leieavtaler med tanke på om hele eller deler av avtalen gjelder rett-til-bruk eiendeler. IFRS 16 Leieavtaler angir prinsipper for innregning, måling, presentasjon og opplysninger om leieavtaler. Iht. IFRS 16 innregnes eiendeler og forpliktelser for de fleste leieavtaler. Unntaket er leieavtaler som er kortere avtaler med mindre enn 12 måneders løpetid eller avtaler knyttet til eiendeler med underliggende lav verdi. For avtaler som kommer inn under disse unntakene resultatføres leiekostnadene fortløpende i resultatregnskapet. Ved vurdering av den uoppsigelige avtaleperioden er det foretatt en vurdering av om det er rimelig sikkerhet for at opsjoner for forlengelse blir tiltrådt.

På tidspunkt for iverksettelse av leiekontrakten blir leieforpliktelsen målt til nåverdi av leiebetalingene ved hjelp av den implisitte renten i leieavtalen eller selskapets marginale lånerente dersom den implisitte renten ikke er kjent.

Leieforpliktelsen justeres ved endring i fremtidige betalinger som følge av regulering av leien eller endring i estimat på restbetalinger. Leieforpliktelsen blir også justert dersom det er en endring i estimatet ved bruk av en opsjon på å kjøpe ut den underliggende eiendelen, eller hvis det skjer en endring i forventet leieperiode.

Rett-til-bruk eiendeler avskrives i fra tidspunkt for iverksettelse av kontrakten og frem til det som inntreffer først av slutten av rett-til-bruk eiendelens utnyttbare levetid eller slutten av leieperioden.

Pensjoner

Selskapet har både ytelsesbaserte og innskuddsbaserte pensjonsordninger.

Ytelsesbasert pensjon

Pensjonsforpliktelsen blir beregnet årlig av en uavhengig aktuar som beregner nåverdien av påløpte ytelser i henhold til påløpte ytelsers metode. Nåverdien av pensjonsforpliktelsen beregnes ved å diskontere estimerte, fremtidige utbetalinger med rentesatsen til foretaksobligasjoner med høy kvalitet, som er utstedt i samme valuta som pensjonen utbetales i, og som har tilnærmet likt forfall som den tilhørende pensjonsforpliktelsen. Pensjonsmidler vurderes til virkelig verdi.

Balanseført nettoforpliktelse utgjør summen av påløpt pensjonsforpliktelse minus virkelig verdi av eventuelle tilknyttede pensjonsmidler.

Estimatendringer, som består av actuarielle gevinster og tap, samt avkastning på pensjonsmidlene utover resultatført avkastning, innregnes i oppstilling av andre inntekter og kostnader (totalresultat). Actuarielle gevinster og tap blir ikke reklassifisert over resultatet i en senere periode.

Pensjonskostnad bokføres som lønn- og personalkostnader i resultatregnskapet. Rentekostnad på pensjonsforpliktelsen og avkastning på pensjonsmidlene føres som henholdsvis «annen finanskostnad» og «annen finansinntekt». Gevinster og tap på avkortning eller oppgjør av en



ytelsesbasert pensjonsordning innregnes som «annen driftsinntekt» eller «annen driftskostnad» i resultatregnskapet på det tidspunktet avkortningen eller oppgjøret inntreffer. En avkortning inntreffer når selskapet vedtar en vesentlig reduksjon av antall ansatte som omfattes av en ordning eller endrer vilkårene for en ytelsesbasert pensjonsordning slik at en vesentlig del av nåværende ansattes fremtidige opptjening ikke lenger kvalifiserer til ytelser eller bare kvalifiserer til reduserte ytelser.

Innskuddsbasert pensjonsordning

Pensjonspremie til innskuddsbasert pensjonsordning kostnadsføres når den påløper. Innskuddene er gitt til pensjonsplanen for heltidsansatte, og tilskuddet utgjør 5 % av lønn.

Forskning og utvikling

Utgifter knyttet til forskningsaktiviteter resultatføres når de påløper. Utgifter til utviklingsaktiviteter blir balanseført i den grad utviklingsaktiviteten tilfredsstiller krav til balanseføring. Balanseføring forutsetter at man kan identifisere den immaterielle eiendel som søkes utviklet og demonstrere at det er sannsynlig at utviklingsarbeidet vil være vellykket, og at de fremtidige økonomiske fordelene knyttet til den immaterielle eiendelen vil tilflyte foretaket. Dersom kriteriene er oppfylt vil utgifter som balanseføres inkludere materialkostnader, direkte lønnskostnader og en andel av direkte henførbare fellesutgifter. Balanseførte utviklingskostnader føres i balansen til anskaffelseskost fratrukket akkumulerte av- og nedskrivninger.

Vurdering av oppfyllelse av kriteriene for balanseføring av utviklingskostnader skjer i takt med fremdriften i pågående utviklingsprosjekter. I 2022 ble ingen av utviklingsaktivitetene vurdert til å oppfylle kriterier for balanseføring. Vurderingen av om kriteriene for balanseføring av utviklingskostnader er oppfylt innebærer usikkerhet med hensyn til de teknologiske løsninger og de kommersielle forholdene i form av markedsforhold og lønnsomhet.

Avsetninger

En avsetning innregnes når konsernet har en forpliktelse (rettslig eller selvpålagt) som en følge av en tidligere hendelse og det er sannsynlig (mer sannsynlig enn ikke) at det vil skje et økonomisk oppgjør som følge av denne forpliktelsen samt at beløpets størrelse kan måles pålitelig. Hvis effekten er betydelig, beregnes avsetningen ved å neddiskontere forventede fremtidige kontantstrømmer med en diskonteringsrente før skatt som reflekterer markedets prissetting av tidsverdien av penger og, hvis relevant, risikoer spesifikt knyttet til forpliktelsen.

En avsetning for garanti innregnes når de underliggende produkter eller tjenester selges. Avsetningen er basert på historisk informasjon om garantier og en vekting av mulige utfall mot deres sannsynlighet for å inntreffe.

Kontanter og kontantstrømoppstilling

Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer. Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. I kontantstrømoppstillingen er kassakreditt fratrukket beholdningen av kontanter og kontantekvivalenter.

Implementering av nye standarder

Ingen nye eller endrede standarder som er obligatorisk fra 1. januar 2022 har hatt vesentlig effekt på selskapets regnskapsrapportering for 2022.

Nye regnskapsstandarder og fortolkninger som er utgitt, men ikke har trådt i kraft for regnskapsåret som avslutter 31.12.2022 forventes ikke å ha vesentlig innvirkning på selskapet i inneværende eller fremtidige regnskapsrapporteringsperioder.



Hendelser etter balansedagen

Ny informasjon etter balansedagen om selskapets finansielle stilling på balansedagen er hensyntatt i årsregnskapet. Hendelser etter balansedagen som ikke påvirker selskapets finansielle stilling på balansedagen, men som vil påvirke selskapets finansielle stilling i fremtiden er opplyst om dersom dette er vesentlig.



Shawcor Norway AS

Noter

1. Salgsinntekt

Geografisk fordeling av salgsinntekt

	2022	2021
Norge	417 976 934	177 390 739
Nederland	-	-
Brasil	830 149	2 300 295
France	676 554	17 318 564
Indonesia	1 139 176	-
USA & Mexico	7 286 187	11 521 338
UK	105 031 302	334 962 936
Sum	532 940 301	543 493 872

2. Varer

	2022	2021
Råvarer og innkjøpte halvfabrikata, samt halvfabrikerte varer	58 925 813	36 035 998
Avsetning for ukurans	(2 662 689)	(3 038 481)
Sum varelager	56 263 124	32 997 517

3. Bank

Bundne skattekredsmidler på kr 5 583 155 inngår i beholdningen pr. 31.12.2022.

Som et ledd i finansieringen av konsernet har Shawcor Norway AS stilt sikkerhet for lån tatt opp i morselskapet, ShawCor Ltd, solidarisk oppad til 350 millioner amerikanske dollar, sammen med de andre konsernselskapene i ShawCor konsernet.

4. Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte etc.

Lønnskostnader

	2022	2021
Lønninger	118 366 725	133 982 927
Arbeidsgiveravgift	15 174 392	17 636 495
Pensjonskostnader	6 674 721	7 164 897
Andre uteløst	5 601 765	4 294 490
Sum	145 817 603	163 078 809

Antall årsverk 163 166

Godtgjørelser til daglig leder

	Lønn	Pensjoner	Annet	Totalt
Snorre Lillesand	1 494 515	141 979	27 218	1 663 712

Daglig leder har avtale om bonus som er basert på skjønnsmessige vurderinger fra ledelsen i morselskapet.

Styre honorar

Det er ikke utbetalt styrehonorar i 2022 eller 2021.

Revisor

Kostnadsført revisjonshonorar eks. mva. for 2022 er kr 962 447 mot kr 524 735 i 2021. Honorar for andre tjenester utført av revisor er kostnadsført med kr 155 285 mot kr 89 415 i 2021, mens honorar relatert til skatterådgivning er kostnadsført med kr 114 000 kr 111 980 i 2021.



Shawcor Norway AS

5. Pensjonskostnader og forpliktelser

Selskapet har pensjonsordning som omfatter 163 personer. Av de 163 personene som er omfattet av pensjonsordning er 21 inkludert i ytelsesbasert ordning, mens 142 personer er med i innskuddsbasert ordning. Den innskuddsbaserte ordningen oppfyller krav i lov om obligatorisk tjenestepensjon (OTP) og utgjør 5% av lønnen mellom 1 G og 7,1 G samt 8% mellom 7,1 G og 12 G. OTP er kostnadsført i regnskapet med kr 3 813 401. Den ytelsesbaserte ordningen er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelser fra folketrygden. Forpliktelsen er dekket gjennom et forsikringselskap. Ved verdsettelsen av pensjonsmidlene og ved måling av påløpte forpliktelser benyttes estimerte verdier. Disse estimatene korrigeres hvert år i samsvar med faktisk verdi av pensjonsmidlene og aktuarberegning av forpliktelsens størrelse.

AFP

AFP-ordningen er en ordning som gir et livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år, også ved siden av å stå i jobb, og den gir ytterligere opptjening ved arbeid fram til 67 år. AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning, og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig forelygger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingene kostnadsføres løpende, og ingen avsetninger foretas i regnskapet. Det betales premie i den nye ordningen fastsatt til 2,6 % av samlede utbetalinger mellom 1 G og 7,1 G til bedriftens arbeidstakere. Det er ikke fondsoppbygging i ordningen og det forventes at premienivået vil øke for de kommende årene.

Årets pensjonskostnad fremkommer slik:	2022	2021
Nåverdi av årets opptjening	1 320 709	1 296 084
Rentekostnad av pensjonsforpliktelsen	748 713	611 974
Forventet avkastning av pensjonsmidlene	(599 035)	(469 633)
Arbeidsiveravgift	207 325	202 818
Årets pensjonskostnad fra ytelsesplan	1 677 712	1 641 243
Pensjonsforpliktelser og pensjonsmidler pr. 31.12	2022	2021
Påløpte forpliktelser	42 236 601	39 655 830
Pensjonsmidler (til markedsverdi)	(33 931 414)	(29 895 480)
Beregnet arbeidsiveravgift	1 171 031	1 376 209
Netto pensjonsforpliktelse	9 476 218	11 136 559
Økonomiske forutsetninger:		
Diskonteringsrate	3,00%	1,90%
Forventet avkastning på midlene	3,00%	1,90%
Forventet lønnsregulering	3,50%	2,75%
Forventet G-regulering	3,25%	2,50%
Forventet pensjonsregulering	0,00%	0,00%
De aktuarmessige forutsetningene er basert på vanlige benyttede forutsetninger innen forsikring når det gjelder demografiske faktorer og avgang		
	2022	2021
Sum sikrede og usikrede ordninger i balansen	9 476 218	11 136 559



Shawcor Norway AS

6. Spesifikasjon av fordringer og gjeld

	2022	2021
Fordringer ikke konsern interne		
Kundefordringer	77 246 263	62 932 409
Andre fordringer	2 519 385	2 070 961
Sum	79 765 648	65 003 370

	2022	2021
Gjeld ikke konsern interne		
Leverandorgjeld	43 470 832	19 021 512
Annen kortsiktig gjeld	98 446 489	74 621 246
Skyldige offentlige avgifter	8 865 891	10 030 151
Sum	140 783 212	103 672 909

	2022	2021
Fordringer samme konsern		
Lån til konsernselskaper	-	80 206 079
Kundefordringer	78 540 013	85 097 520
Sum	78 540 013	165 303 599

	2022	2021
Gjeld samme konsern		
Leverandorgjeld	972 149	3 740 105
Sum	972 149	3 740 105

7. Varige driftsmidler

	Tomt	Bygninger	Maskiner & anlegg	Sum
Anskaffelseskost 1.1	7 812 611	59 210 752	234 480 925	301 504 288
Tilgang i året			18 970 994	18 970 994
Avgang i perioden			605 220	605 220
Akk.anskaff.kost 31.12	7 812 611	59 210 752	252 846 699	319 870 062
Akk. avskrivninger 1.1	-	52 574 250	200 722 338	253 296 588
Akk. avskr. solgte driftsmidler			105 256	105 256
Periodens avskrivninger		797 160	10 815 026	11 612 187
Akk. avskriv. 31.12	-	53 371 410	211 432 108	264 803 518
Bokført verdi 31.12.22	7 812 611	5 839 342	41 414 591	55 066 544
Bokført verdi 31.12.21	7 812 611	6 636 502	33 758 587	48 207 700



Shawcor Norway AS

8. Leieavtaler

Rett-til-bruk eiendeler

Selskapets leide eiendeler inkluderer kontorer og annen fast eiendom og maskiner og utstyr. Selskapets bruksretteeiendeler er kategorisert og presentert i tabellen under.

Rett-til-bruk eiendeler	Bygninger	Transport midler	Maskiner og utstyr	Totalt
Anskaffelseskost 01 01	30 114 827	584 866	159 000	30 858 693
Avgang	(3 124 752)		(715)	(3 125 467)
Tilgang	-	3 647		3 647
Anskaffelseskost 31.12.	26 990 075	588 513	158 285	27 736 874
Akkumulerte av- og nedskrivninger 01 01	10 101 046	172 627	48 923	10 322 596
Avgang i året	(3 072 754)			(3 072 754)
Avskrivninger	5 151 142	200 350	36 307	5 387 799
Akkumulerte av- og nedskrivninger 31.12.	12 179 434	372 977	85 231	12 637 641
Balansført verdi av rett-til-bruk eiendeler 31.12.	14 810 641	215 537	73 055	15 099 233

Laveste av gjenslående leieperiode eller økonomisk levetid
Avskrivningsmetode

5-10 år
Lineær

5 år
Lineær

Leieforpliktelser

Utdiskonterte leieforpliktelser og forfall av betalinger

Mindre enn 1 år	5 118 103
1-2 år	4 445 150
2-3 år	3 206 320
3-4 år	3 271 386
4-5 år	246 350
Mer enn 5 år	126 118
Totale utdiskonterte leieforpliktelser 31.12.	16 413 428

Endringer i leieforpliktelser

Ved leieforpliktelser 01 01	21 026 750
Nye/endrede leieforpliktelser innregnet i perioden	(57 868)
Betaling avdrag og renter	(5 670 920)
Rentekostnad tilknyttet leieforpliktelser	426 423
Totale leieforpliktelser 31.12.	15 724 385
Kortsiktige leieforpliktelser	5 118 103
Langsiktige leieforpliktelser	11 295 325
Nedbetalning leieforpliktelser (ekskl. renter)	(5 244 497)

Leieavtalene inneholder ikke restriksjoner på selskapets utbyttepolitikk eller finansieringsmuligheter.
Selskapet har ikke vesentlige reatverdigarantier knyttet til sine leieavtaler.

Anvendte praktiske løsninger

Selskapet leier også IT-løsninger og samt diverse utstyr med avtalevilkår opp til 1 år. Selskapet har besluttet å ikke innregne leieavtaler der den underliggende eiendelen har lav verdi, og innregner dermed ikke leieforpliktelser og rett-til-bruk eiendeler for noen av disse leieavtaler. I stedet kostnadsføres leiebetalingene når de inntreffer.

Det er ikke kostnadsført noen andre kostnader i forbindelse med leiebetalingene.

Opsjoner om å forlenge en leieavtale

Selskapets leieavtaler av bygninger har leieperiode på 5-10 år. Avtalene inneholder en rettighet til forlengelse som kan utøves i løpet av avtalens siste periode. Ved inngåelse av en avtale vurderer selskapet om rettigheten til forlengelse med rimelig sikkerhet vil utøves.



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9. Skatt

Årets skattekostnad

	2022	2021
Endring i utsatt skattefordel	16 245 459	22 089 219
Skat betalt til utlandet	328 995	-
Reversering nedskrivning utsatt skattefordel		(34 218 163)
Kredittfradrag	(123 885)	
Skattekostnad	16 574 454	(12 128 944)

Beregning av årets skattegrunnlag

	2022	2021
Resultat før skatt	77 206 919	101 433 023
Permanente forskjeller	(2 741 035)	(753 431)
Endring i midlertidige forskjeller	(104 176 476)	35 705 523
Underskudd til fremføring	29 710 591	(136 385 116)
Årets skattegrunnlag	-	-

Spesifikasjon av midlertidige forskjeller

	Balanse		Resultat		Egenkapital	
	2022	2021	2022	2021	2022	2021
Tilvirkningskontrakter	110 963 436	12 341 862	(98 621 574)	38 203 234		-
Varelager	(2 662 689)	(3 038 481)	(375 792)	970 020		-
Varege driftsmidler	(37 624 399)	(40 425 194)	(2 800 795)	(1 704 745)		-
Gevinst- og tapskonto	(3 409 892)	(4 262 366)	(852 474)	(1 065 591)		-
Netto pensjonsforpliktelse	(9 476 218)	(11 136 559)	(1 037 455)	(1 269 176)	622 886	221 414
Balansført leieavtaler	(625 152)	(490 653)	134 499	795 196		-
Finansielle instrumenter	-	-	-	50 634		-
Kredittfradrag til fremføring	(563 114)	-	563 115	-		-
Underskudd til fremføring	(37 607 348)	(7 896 757)	29 390 773	(136 385 116)		-
Sum midlertidige forskjeller	18 994 624	(54 908 148)	(73 599 702)	-100 405 545	622 886	223 414
Utsatt skatt (-skattefordel)	4 178 817	(12 079 792)	(16 191 934)	-22 089 220	137 035	49 151

Avstemming utsatt skattefordel

	2022	2021
Åpningsbalanse pr 01 01	(12 079 792)	(34 218 162)
Skattekostnad regnskapsført via resultatoppstillingen	16 121 574	22 089 220
Skattekostnad regnskapsført via I.K./OCI	137 035	49 151
Utsatt skattefordel pr 31 12	4 178 817	(12 079 792)
Netto bokført utsatt skattefordel pr 31 12	4 178 817	(12 079 792)



Shawcor Norway AS

10. Annen driftskostnad

	2021	2021
Management fees	20 769 565	14 606 028
Verktøy, inventar som ikke aktiveres	2 083 722	7 063 241
Reise-/diettkostnader	3 828 945	4 999 640
Forsikring	5 086 592	4 431 703
Reparasjon og vedlikehold	11 876 846	2 412 528
Frakt og transportkostnader	17 667 884	18 710 216
Kontorkostnader	3 382 336	5 255 280
Leie maskiner/utstyr/lokaler	7 076 081	3 880 135
Annen kostnad	9 543 439	4 028 844
Sum annen driftskostnad	81 315 410	65 387 617

11. Finansinntekter og finanskostnader

	2022	2021
Annen renteinntekt	267 005	-
Renteinntekter fra foretak i samme konsern	1 487 889	282 810
Rentekostnad	(106 546)	(104 355)
Urealisert valutatap/gevinst	5 926 395	2 126 226
Realisert valutatap/gevinst	(1 715 424)	3 905 076
Rentekostnader leasingforpliktelser	(426 423)	(218 041)
Netto finansresultat	5 432 896	5 991 716

12. Egenkapital

Eiere

Selskapet er 100% eiet av Bredero Shaw International BV.

Aksjekapital

Aksjekapital på kr 45 999 336 består av 2 279 aksjer av kr 20 184

Årets egenkapitalendring

	Aksjekapital	Overkursfond	Annen EK	Sum
Egenkapital pr 31.12.21	45 999 336	50 542 482	130 194 862	226 736 680
IFRS-justering pensjoner	-	-	485 851	485 851
Tilleggsutbytte	-	(19 371 500)	(125 906 784)	(145 278 284)
Årets resultat	-	-	60 745 748	60 745 748
Egenkapital pr. 31.12.22	45 999 336	31 170 982	65 519 677	142 689 995

13. Effekt av Covid -19, samt krigen i Ukraina.

Produksjons avvikling har ikke vært påvirket av Covid 19 i 2022. Krigen i Ukraina har ikke påvirket selskapets aktivitet eller økonomi direkte



**Bredero Shaw International B.V.
Separate Financial Statements**

Annual Report 2021



Bredero Shaw International B.V. – Annual Report 2021
FOR THE YEAR ENDED 31 DECEMBER 2021
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Bredero Shaw International B.V. – Annual Report 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

(amounts in 000's US dollars)

DIRECTORS' REPORT

The Directors hereby submit their report and the financial statements of Bredero Shaw International B.V. (the "Company") for the financial year ended December 31, 2021.

PRINCIPAL ACTIVITIES

The Company performs the role of a pipeline coating operations service provider, as well as that of an intermediate holding company for the Shawcor group. During the year 2021, the operations of Bredero Shaw International B.V. have decreased from the previous year, mainly due to the completion of subcontracting works to Shawcor Ltd- UK operations, for contracts signed in 2020. The year 2021 shows lower revenues (coating) with a loss income, reflecting a lower level of activity. In addition, the company closed two of its branches. One is in Tokyo, Japan on 30 November 2021, and another one is located in Moscow, Russia on 22 December 2021.

FINANCIAL INFORMATION

The continuously challenging situation in the oil & gas industry led to a lower revenues and contribution margin in 2021 compared to the revenue in 2020. The Company's revenues decreased from \$55,689 (2020) to \$31,989 with gross profit decreasing from \$11,044 to \$6,340. The cost containment put in place helped in control of general and administrative expenses from \$12,648 (2020) to \$12,166. Consequently, the Company has accounted for an operational loss of \$2,842 before interest and taxation (2020: profit of \$2,679).

No dividend income was received in 2021.

CASH POSITION

The after-tax cash flow from operating activities was positive and amounted to \$8,159 compared to negative \$(5,925) in 2020. And negative cashflow from investing activities was recorded in 2021 amounted to negative \$(1,284) compared to negative \$(109) in 2020.

The negative cash flow from the financing activities \$(1,010) compared to \$382 in 2020 is due to an increment in loan balance by intercompany.

Furthermore, during 2021, no dividend was paid. The activities of the Company are mainly financed by equity.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous year, the Company has not declared a dividend. The Directors do not recommend a final dividend for the year ended December 31, 2021.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Gaston A. Tano	Director B (Resigned 31 May 2022)
Kevin D. Reizer	Director A (Resigned 24 February 2022)
Stephen M. Orr	Director A (Resigned 24 February 2022)
Michael Edward Reeves	Director A (appointed 24 February 2022)
Simon Laurence Dewey	Director A (appointed 24 February 2022)
Jeremy Stebbing	Director B (appointed 1 October 2018)
Thomas Ray Holloway	Director B (appointed 31 May 2022)

None of the Directors holding office at December 31, 2021 had any interest in the ordinary shares of the Company.



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

(amounts in 000's US dollars)

DIRECTORS' BENEFITS

For the financial year ended 31 December 2021, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of a related company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 34.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorized, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the company during the year.

OTHER STATUTORY INFORMATION

Before the balance sheet and income statement of the company were completed, the Directors took reasonable steps to ascertain that:

- (i) there are no bad debts written off and no provision need be made for doubtful debts, and
- (ii) all current assets have been stated at the lower of cost and net realizable value.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- (ii) that would render the value attributed to the current assets in the Company financial statements misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability has become enforceable or is likely to become enforceable within this period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Company for the financial year ended December 31, 2021, have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Reclassifications of the comparative financial information presented. Certain immaterial reclassifications were made by the management to bring the information presented in the separate financial statements for the year ended 31 December 2020 in conformity with the way of presentation of the separate financial statements for the year ended 31 December 2021.



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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021
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RISK MANAGEMENT

Operating in an international environment, servicing predominantly the oil and gas industry, the Company faces a number of business risks and uncertainties that could materially and adversely affect the Company's projections, business, results of operations and financial condition.

The following summarizes the Company's risks and how it manages and mitigates each risk.

1. Economic Risks

a) A decline in Petroleum activities from lower global oil and gas prices

The Company's business is materially dependent on the level of exploration and drilling activity, which, in turn depends on global oil and gas demand, prices and production depletion rates. Lower drilling activity decreases demand for the Company's products and services.

b) A cyclical decline in the level of pipeline construction in the Eastern Hemisphere

As the Company specialises in providing coating solutions for pipelines used for the transport of oil and gas predominantly in the Petroleum industry in the Eastern Hemisphere, the Company's revenue is materially dependent on the pipeline construction industry. The level of global pipeline construction activity relates to the growth in demand for oil and natural gas and the availability of new supplies to meet this increased demand. Investment decisions for the construction of new pipelines as well as the replacement of existing pipelines represent major investment decisions by producers and governments that take several years to plan and execute. Reduction in capital spending by producers could reduce the industry's activities and could therefore dampen the demand for the Company's services supplied in pipeline markets. Any significant declines in pipeline market activity could have a material adverse effect on the Company's projections, business, results of operations and financial condition.

c) Increases in the prices and/or shortages in the supply of raw materials

The Company purchases a broad range of materials and components throughout the world in connection with its manufacturing activities. Major items include polyolefin and other polymeric resins, iron ore, cement, adhesives and sealants. The ability of suppliers to meet performance and quality specifications and delivery schedules is important for maintaining customer satisfaction. While the materials required for its manufacturing operations are generally readily available, cyclical swings in supply and demand can produce short-term shortages and/or price spikes. The Company's ability to pass on any such price increases may be restricted in the short term.

Economic Risk Mitigation

The Company cannot completely mitigate economic risks. The current volatility of the market combined with a slow recovery from the last few years of weak pricing, enforced capital discipline, portfolio realignments and productivity efficiencies in the Oil & Gas sector.

The Company continues to monitor the market to analyse the optimal opportunities that exist and strives to maintain a competitive geographical presence in a diverse number of regions, both by its own facilities and by collaborating with other entities within the Shawcor group and its network of business partners. In addition, the Company seeks to achieve a balance in the different kinds of coating solutions that are offered, including by offering new innovative products to customers by means of the R&D options present in the Shawcor group.

2. Political and Regulatory Risks

a) The Company's operations may experience interruptions due to political or economic risks

The Company's operations in certain international locations are subject to various political and economic conditions existing in those countries that could disrupt operations. The impact of such disruptions could include the Company's inability to ship products in a timely and cost-effective manner, or its inability to place contractors and employees in various countries or regions. In addition, risks relating to changes in legislation or governance with effect on the Company's current business arrangements and ability to operate in certain



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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jurisdictions, on the Company's stakeholders and their capacity or propensity to transact business with the Company.

Political and Regulatory Risk Mitigation

The Company manages political and regulatory risks by working with government, regulators and other parties to resolve any issues. In addition, the Company ensures that it is compliant with the laws and regulations within the jurisdictions where it operates and does its utmost to stay up to date with any changes to the existing legislation.

3. Litigation and Legal Risks

a) The Company could be subject to future litigation and potential financial liability.

The Company is not currently a party to litigation and legal proceedings. Any risk of potential legal proceedings is considered low but could have an adverse effect on the company's projections, business, results of operations or financial condition. Such proceedings may include, for example, liability claims, contractual disputes, and claims relating to the existence or use of hazardous materials on the Company's property or in its operations, tax claims and penalties/interest related to local income tax, withholding tax or indirect tax, as well as other material legal proceedings with competitors, customers, employees and governmental entities.

Litigation and Legal Risk Mitigation

The Company maintains adequate commercial insurance to mitigate most adverse litigation and legal risks and strives to ensure that contractually agreed terms and conditions with customers and suppliers do not expose the Company to additional risks. In addition, as under 'Political and Regulatory Risk Mitigation', the Company ensures that it is compliant with the laws and regulations within the jurisdictions where it operates.

The Company takes into account the importance of a balanced composition of the boards when appointing and nominating directors for the board. With regard to future nominations and appointments, the board will take the gender diversity objectives into account as much as possible.

4. Health, Safety & Environment (HSE) Risks

a) The Company is subject to Health, Safety and Environmental laws and regulations that expose it to potential financial liability.

As a part of the Shawcor group, the health and safety of its workforce is the Company's top priority and responsibility. The Company proactively seeks to minimise its HSE risk and proactively takes mitigating actions. The Company's operations are regulated under a number of laws and regulations, which govern, among other things, health and safety conditions in manufacturing facilities. Those laws and regulations may subject the Company to material financial penalties or liabilities for any non-compliance, as well as potential business disruption if any of its facilities are required to be temporarily closed as a result of any violation of those laws and regulations. Any such financial liability or business disruption could have a material adverse effect on the Company's projections, business, results of operations and financial condition.

In addition to this, the Company is also subject to various laws and regulations relating to environmental matters, such as the discharge of hazardous materials into the air and water as well as the handling, storage and disposal of hazardous materials. Compliance with these environmental laws is a major consideration in the manufacturing of the Company's products, as the Company uses, generates, stores and disposes of hazardous substances and wastes in its operations. The Company may be subject to material financial liability for any investigation and clean-up of such hazardous materials. The Company may also be contractually required to clean up leased land, the costs of which are typically provided for in decommissioning liabilities that the Company has recorded on its statement of financial position.



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FOR THE YEAR ENDED 31 DECEMBER 2021
(amounts in 000's US dollars)

4. Health, Safety & Environment (HSE) Risks (continued)

HSE Risk Mitigation

To minimize risks associated with health, safety and environmental matters, the Company follows the Shawcor Group policies on HSE matters. The Company applies a risk-based approach to safety and ensures all hazards are identified and assessed for risk, and that appropriate controls are put into place to prevent harm. In addition to this a comprehensive audit program has been implemented, and environmental audits have been performed at the coating locations.

5. Financial Risks

The Company's operations expose it to a variety of financial risks including currency (foreign exchange) risk, interest rate risk, credit risk, tax risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance. The Company is averse to these risks.

a) Currency (exchange rate) risk

Currency risk is the possibility of the Company experiencing losses due to factors that affect the overall performance of the financial markets in which it is involved and thereby the exchange rates which determine the value of its financial instruments. The main currencies that are used by the Company are US\$, EUR, GBP and NOK.

Currency risk mitigation

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency-denominated cash streams and the resulting variability of the Company's income. The majority of the receivables are in the same currency as most of the Company's expenses. Consequently, the currency risk for the Company is limited. The Company does not enter into foreign exchange forward contracts for speculative purposes.

b) Interest rate risk

The interest risk arises where the costs of interest charged for the use by the Company of financial instruments such as loans shall increase due to the increasing interest rates.

Interest rate risk mitigation

The Company is financed from equity and does not typically make use of external borrowing.

c) Liquidity risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations.

Liquidity risk mitigation

Based on the payment terms arranged for the services that it provides; the Company has sufficient liquidity to finance its operations. Furthermore, the Company attempts to keep sufficient cash reserves on hand to meet its immediate liquidity requirements. As at December 31, 2021, the Company had a cash balance of \$7,432 (2020: \$1,855). In the case where the cash balance would be insufficient, the Company would request a (partial) repayment of the intercompany loan that it has outstanding with related parties, which can be requested based on the arrangements of the intercompany loan agreement.

d) Credit risk

The credit risk occurs when the customer defaults on its payment obligation, causing the Company to suffer a financial loss. In determining the recoverability of a trade or other receivable, a risk analysis is performed which considers the type and age of the outstanding receivable and the creditworthiness of the counterparty.



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5. Financial Risks (continued)

Credit risk mitigation

The majority of the Company's customers operate within the global energy industry and are therefore affected to a large extent by the same macroeconomic conditions and risks. The Company manages its credit risk by assessing the creditworthiness of all counterparties, taking into account their financial position, past experience and other factors.

COVID-19 STATEMENT

Due to the outbreak of Covid-19 the economic environment has changed whilst the long-term effects still may be unsure for the Company and industry. The Company's focus has been to safeguard its employees and stakeholders and has introduced home working for those employees who can work from home and new Covid-19 compliant working practices for those employees who need to attend the facility. There have been some additional costs in the introduction of these measures, but these have been outweighed by savings in other business activities which have been delayed due to the pandemic.

FUTURE OUTLOOK

The Company will continue to focus on its core business activities while its development shall follow the adopted plans and take opportunities to expand to larger markets in the region, and to continue its coating operations. Despite the challenging and changing market conditions of recent years, the Company maintains its position in the industry. The future financing of the possible increase through the development of the existing activities and possible opportunities to expand the activities will be financed by equity.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
MICHAEL EDWARD REEVES
/ 2022

.....
THOMAS RAY HOLLOWAY
/ 2022

.....
JEREMY STEBBING
/ 2022

.....
SIMON LAURENCE DEWEY
/ 2022



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SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2021	December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	7,432	1,855
Trade and other receivables	9	3,818	18,150
Due from related parties	10	88,611	85,570
Inventories	11	1,766	2,277
Prepaid expenses	12	288	236
Income taxes receivable	17	568	142
		<u>102,483</u>	<u>108,230</u>
NON-CURRENT ASSETS			
Right-of-use asset	13	689	876
Investment in subsidiaries	14	34,001	34,006
Property, plant and equipment	15	5,918	6,468
		<u>40,608</u>	<u>41,350</u>
Total Assets		<u>143,091</u>	<u>149,580</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	16	4,012	2,094
Contract liability	18	-	472
Lease liabilities	13	262	295
Due to related parties	19	12,332	17,402
		<u>16,606</u>	<u>20,263</u>
NON-CURRENT LIABILITIES			
Provisions - long term	20	2,204	2,342
Lease liabilities	13	438	688
		<u>2,642</u>	<u>3,030</u>
EQUITY			
Share capital		52	56
Contributed Surplus		59,254	59,254
Retained earnings		64,537	66,977
	21	<u>123,843</u>	<u>126,287</u>
Total equity and liabilities		<u>143,091</u>	<u>149,580</u>

The notes form an integral part of these financial statements.



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SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	December 31, 2021	December 31, 2020
Rendering of services	22	31,989	55,689
Cost of services rendered	23	(25,649)	(44,645)
Gross Profit		6,340	11,044
General and administrative expenses	24	(12,166)	(12,648)
Foreign exchange gains (losses)		(1,055)	(580)
Other income (loss)	26	4,039	4,863
Operating profit (loss)		(2,842)	2,679
Finance income (expense) - net	25	682	1,217
Impairment of Investment	14	(5)	-
Non-operating expense	25	(32)	(5)
Net income before taxes		(2,197)	3,891
Taxation	17	(247)	(1,092)
Net profit (loss) for the period		(2,444)	2,799
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)		(2,444)	2,799

The notes form an integral part of these financial statements.



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STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the parent			
	Share Capital	Contributed Surplus	Retained Earnings	Total
As at December 31, 2019	51	59,254	64,178	123,483
Total comprehensive loss for the year	-	-	2,799	2,799
Translation adjustment	5	-	-	5
As at December 31, 2020	56	59,254	66,977	126,287
Total comprehensive profit for the year	-	-	(2,444)	(2,444)
Translation adjustment	(4)	-	4	-
As at December 31, 2021	52	59,254	64,537	123,843



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STATEMENT OF CASH FLOWS

		December 31, 2021	December 31, 2020
Operating Activities			
Net income (loss) before taxes		(2,197)	3,891
Adjustments for:			
Depreciation of property, plant and equipment	15	1,197	1,511
Amortization of right-of-use asset	13	824	814
Impairment of investment	14	5	-
Inventory obsolescence provision	11	188	(381)
Finance income	25	(650)	(1,212)
Net foreign exchange differences		1,055	-
Adjustment to provisions	20	(138)	(71)
		<u>284</u>	<u>4,552</u>
Working capital changes:			
Trade and other receivables	9	13,849	(14,234)
Receivables from related parties	10	(1,664)	1,064
Inventories	11	323	3,067
Prepaid expenses	12	(52)	833
Accounts payable and accrued liabilities	16	1,918	(4,064)
Contract liability	18	(472)	(1,004)
Payables to related parties	19	(5,070)	8,884
Cash generated from operations		8,832	(5,454)
Taxes paid	17	(673)	(471)
Net cash flows from operating activities		8,159	(5,925)
Investing Activities			
Additions to capital assets	15	(885)	(74)
Proceeds from disposal of capital assets	15	238	-
Additions to right-of-use assets	13	(637)	(35)
Net cash flow from Investing Activities		(1,284)	(109)
Financing Activities			
Interest received	25	680	1,251
Interest paid	25	(30)	(39)
Increase of lease liabilities	13	533	153
Repayment of lease liabilities	13	(816)	(886)
Increase of loan balances	10	(1,377)	(140)
Transitional lease adjustment		-	43
Net cash flow from Financing Activities		(1,010)	382
Net increase (decrease) in cash and cash equivalents		6,149	(1,100)
Cash and cash equivalents at 1 January		1,855	2,955
Net foreign exchange difference		(572)	-
Cash and cash equivalents at 31 December	8	7,432	1,855

The notes form an integral part of these financial statements



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NOTES TO THE FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. INCORPORATION AND ACTIVITIES

Bredero Shaw International B.V. (the "Company") was incorporated on July 18, 1986 and has its statutory seat in Rijswijk. The Company is a subsidiary of Shawcor International Coöperatie U.A., established in the Netherlands, and the ultimate parent company is Shawcor Ltd., established in Canada. The registered address of the Company is Dellaertweg 9-E, Gebouw "Le Carrefour", 2316 WZ Leiden, the Netherlands. The Company performs the role of a pipeline coating operations service provider, as well as that of an intermediate holding company for the Shawcor group.

Directors of the company:

Directors who served since the date of the last report are:

Michael Edward Reeves	Director A (appointed 24 February 2022)
Thomas Ray Holloway	Director B (appointed 31 May 2022)
Simon Laurence Dewey	Director A (appointed 24 February 2022)
Jeremy Stebbing	Director B (appointed 1 October 2018)

None of the Directors holding office at December 31, 2021 had any interest in the ordinary shares of the Company.

2. FINANCIAL YEAR

The Company's financial year is from January 1 up to and including December 31.

3. GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to meet its obligations.

4. USE OF ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the financial statement date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical estimates used in preparing the financial statements include:

4.1. Provisions and contingent liabilities

Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable that there will be a future outflow of economic benefits resulting from past operations or event and the amount of the cash outflow can be reliably measured. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

The Company is required to determine whether a loss is probable based on judgment and interpretation of laws and regulations and whether the loss can be reliably measured. When a loss is determined, it is charged to the income statement. The Company continually monitors known and potential contingent matters and makes appropriate provisions by charges to income when warranted by circumstances.



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4 USE OF ESTIMATES (continued)

4.2. Useful lives of property, plant and equipment

The Company determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

4.3. Impairment of property, plant and equipment

Company reviews its property, plant and equipment to asset impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the company makes judgments as to whether there is an observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment.

4.4. Asset retirement obligations

Asset retirement obligations (or: decommissioning liabilities) include legal and constructive obligations related to owned and leased facilities. These have been recorded in the financial statements based on estimated future amounts required to satisfy these obligations. The amount recognized is the present value of estimated future expenditures required to settle the obligation using a current pre-tax risk-free rate. A corresponding asset equal to the present value of the initial estimated liability is capitalized as part of the cost of the related long-lived asset.

Changes in the estimated liability resulting from revisions to estimated timing or future decommissioning cost estimates are recognized as a change in the decommissioning liability and the related long-lived asset. The amount capitalized in property, plant and equipment is depreciated on a straight-line basis over the useful life of the related asset. Increases in the decommissioning liabilities resulting from the passage of time are recognized as a finance cost in the income statement. Actual expenditures incurred are charged against the accumulated decommissioning liability.

4.5. Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. BASIS OF PREPARATION

5.1. General

These financial statements (have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements have been prepared on a historical cost basis. Due to the international structure and nature of operations of the Bredero Shaw group of companies, the Company's Financial Statements are denominated in US Dollars. The accounting records of the Company are also denominated in US Dollars.



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5 BASIS OF PREPARATION (continued)

5.2. New and amended standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these financial statements.

The below list of standards refers to those that the Company reasonably expects may have an impact on disclosures, financial position or performance when applied on the future date. The entity is currently assessing the impact of these standards on the future financial statements and intends to adopt these new and amended standards, if applicable, when they become effective.

- Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16 effective for annual periods beginning on or after 1 April 2021)
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective from annual periods beginning on or after 1 January 2022 and apply prospectively)
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective from annual periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment)
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (effective from annual periods beginning on or after 1 January 2022. The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed)
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective from annual periods beginning on or after 1 January 2022 with earlier application permitted)
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (effective from annual periods beginning on or after 1 January 2022 with earlier application permitted)
- IAS 41 Agriculture – Taxation in fair value measurements (effective from annual periods beginning on or after 1 January 2022 with earlier application permitted)
- IFRS 17 Insurance Contracts (effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS and IFRS 15 on or before the date it first applies IFRS 17)
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective from annual periods beginning on or after 1 January 2023 and must be applied retrospectively)
- Definition of Accounting Estimates - Amendments to IAS 8 (effective from annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments must be applied prospectively. Early application is permitted and must be disclosed)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (effective for annual periods beginning on or after 1 January 2023)



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5 BASIS OF PREPARATION (Continued)

5.3. Valuation

The principles of valuation and determination of income used in the Financial Statements are based on historical cost unless otherwise stated.

5.4. Foreign currencies and reporting currencies

i) Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in US dollars, which is the presentational currency of the Company.

ii) Transactions, assets and liabilities

Transactions denominated in foreign currencies conducted in the reporting period are recognized in the financial statements at the rates of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (USD) at the year-end rate of exchange. Any resulting exchange differences arising as a result of transactions in currencies other than the functional currency (USD) are taken to the income statement.

Assets and liabilities as denominated in the functional currency of the Company are translated into the reporting currency USD at the year-end rate of exchange, whilst the income statement items are translated at the average rates for the period. Resulting translation differences are taken directly to a currency translation differences account within the shareholders' equity.

As at December 31, 2021, the rate of exchange to USD was EUR 1 (EUR): 1.135116 (USD) (Dec 31, 2019: 1.225887).

iii) Group companies

Assets and liabilities of subsidiaries with a functional currency different from the presentational currency are translated at the rate of exchange prevailing at the balance sheet date; income and expense are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these subsidiaries and translated at the closing rate. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

The Company meets the sub-consolidation exemption criteria under paragraph 4 (a) of IFRS 10 and is, therefore, exempt from the obligation to prepare audited consolidated financial statements. The Company's ultimate parent, Shawcor Ltd. (established in Canada) has prepared audited consolidated financial statements based on International Financial Reporting Standards (IFRS), which can be found on www.shawcor.com. The Company is registered with the Trade Register managed by the Dutch Chamber of Commerce.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN RESPECT OF ASSETS AND LIABILITIES

6.1. Current versus non-current classification

BSIBV presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading



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- Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

BSIBV classifies all other liabilities as non-current.

6.2. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Site improvements (Asset retirement obligation)	balance period of renewed lease term
Leasehold improvements	3 years
Plant and equipment	3 to 10 years
Furniture, fixtures and motor vehicles	3 to 5 years

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end or when the circumstances on which these estimates were based or as a result of new information or more experience, and adjusted prospectively, if appropriate.

6.3. Impairment of non-financial assets

BSIBV assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, BSIBV estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated



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future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

6.4. Inventories

Inventories, which comprise raw materials and consumables, are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on a weighted average cost basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

6.5. Financial instruments - initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and BSIBV's business model for managing them. BSIBV initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



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i) Financial assets (continued)

BSIBV' business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that BSIBV commits to purchase or sell the asset.

BSIBV' financial assets include bank balances and cash and accounts receivables, contract assets, amounts due from related parties and other receivables.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

BSIBV's has no financial assets classified as fair value through profit or loss, financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition and financial assets at fair value through OCI with recycling of cumulative gains and losses.

Financial assets at amortized cost (debt instruments)

BSIBV measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

BSIBV's financial assets include bank balances and cash, accounts receivable, contract assets and amount due from related parties.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- BSIBV has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) BSIBV has transferred substantially all the risks and rewards of the asset,



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or (b) BSIBV has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When BSIBV has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent BSIBV's continuing involvement in the asset. In that case, BSIBV also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that BSIBV has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that BSIBV could be required to repay.

Impairment of financial assets

BSIBV recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that BSIBV expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

BSIBV considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, BSIBV may also consider a financial asset to be in default when internal or external information indicates that BSIBV is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by BSIBV. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For accounts receivable, contract assets and amount due from related parties, BSIBV applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date including the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of comprehensive income.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

BSIBV's financial liabilities include, due to related parties, accounts and other payables and lease liabilities.

Subsequent measurement

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.



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ii) Financial liabilities (continued)

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6.6. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdraft, if any.

6.7. Provisions

Provisions are recognized when BSIBV has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where BSIBV expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

6.8. Asset retirement obligation

BSIBV records a provision for the restoration costs of the land in the same condition at the expiry of the lease. Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the site improvement. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement liability.

The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the site improvement.

6.9. Leases (IFRS 16)

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.



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6.9 Leases (IFRS 16) (continued)

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where BSIBV is the lessor.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. BSIBV elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at 1 January 2019.

BSIBV also elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months and do not contain a purchase option (short-term leases) as of the date of initial application, and lease contracts for which the underlying asset is of low value (low-value assets).

In the financial year ended, the company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. The term for the assets is as follows:

Buildings	5 years
Equipment (Canon Copier)	5 years
Vehicles	4 years
Land (Saqr Port)	1 year

Leases previously accounted for as operating leases

Upon adoption of IFRS 16, BSIBV applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Company recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The standard provides specific transition requirements and practical expedients, which have been applied by BSIBV. BSIBV also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Leases contracts after 1 January 2019

For contracts entered into, or changed, on or after 1 January 2019, the company assesses whether a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration by assessing whether:

- the contract involves the use of an identified asset
- BSI-BV has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- BSI-BV has the right to direct the use of the asset.

At the inception or on a reassessment of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.



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6.9 Leases (IFRS 16) (continued)

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. There are two new contracts entered for vehicle leases and a land (Saqr Port) lease renewal for the year 2021.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN RESPECT OF THE INCOME STATEMENT

7.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined performance obligations and excluding taxes or duty.

Rendering of services

Revenue from pipe coating, repair and other services provided in respect of customer-owned property is recognized as services are performed under specific contracts. Revenue on these contracts is recognized using the percentage of completion method based on a proportional performance basis using output as a measure of performance. Losses, if any, on these contracts are provided for in full at the time such losses are identified.

Services performed in advance of billings are recorded as unbilled revenue pursuant to the contractual terms. In general, amounts become billable upon the achievement of certain milestones or in accordance with predetermined payment schedules. Changes in the scope of work are not included in net revenue until earned and realization is assured.

7.2 Result

The result represents the difference between the net income and the costs and other charges for the year. The profits on transactions are recognized in the year they are realized; losses are taken as soon as they are foreseeable.



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7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN RESPECT OF THE INCOME STATEMENT (continued)

7.3 Exchange rate differences

Exchange differences arising upon the settlement or conversion of monetary items are recognized in the income statement period that they arise, unless they are hedged.

7.4 Costs

Costs are based on the historical cost convention and allocated to the financial year to which they relate.

7.5 Employee benefits

i) Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

ii) Pensions

The Company provides future benefits (pension arrangement) to its employees under a defined contribution arrangement. The premiums payable for the financial year are charged to the result.

7.6 Financial income and expenses

i) Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

ii) Dividends

Dividends to be received from participating interests not carried at net asset value and unquoted securities are recognized as soon as the Company acquires the right to them.

7.7 Income tax (expense)

Corporate income tax is calculated on the result before taxation in the income statement, taking into account any losses carried forward from previous years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable corporate income tax rates.



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8. CASH AND CASH EQUIVALENTS

The following table sets forth the Company's cash and cash equivalents as at the period indicated:

	December 31, 2021	December 31, 2020
EUR	3,678	31
USD	1,720	1,576
GBP	-	2
NOK	1,774	16
AED	225	116
AZN	18	3
Petty Cash	17	18
Petty Cash	<u>7,432</u>	<u>1,855</u>

Cash at bank and in hand is freely disposable to the Company.

9. TRADE AND OTHER RECEIVABLES

The following table sets forth trade and other receivable as at the period indicated:

	December 31, 2021	December 31, 2020
Trade receivables	1,655	14,769
Unbilled revenue	-	313
Contract Asset	2,040	2,955
GST/VAT	85	-
Other	38	113
	<u>3,818</u>	<u>18,150</u>

As at 31 December, the aging analysis of trade receivables is, as follows:

	Total \$'000	Not due nor impaired	Past Due but not impaired			
			0 - 30 days	1 - 60 days	61 - 90 days	90 + days
2020	14,769	14,089	595	85	-	-
2021	1,655	1,521	134	-	-	-

All receivables fall due in less than one year. The fair value of the receivables approximates book value. In determining the recoverability of a trade or other receivable, a risk assessment is performed which considers the type and age of the outstanding receivable and the creditworthiness of the counterparties. The credit period is 90 days after which the trade receivables are considered to be past due.

Detailed credit risk management practices and the methodology of recognition and measurement of credit losses under Note 29.



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10. DUE FROM RELATED PARTIES

	December 31, 2021	December 31, 2020
Intercompany receivable (from subsidiaries)	18,532	16,868
Loans	70,079	68,702
	<u>88,611</u>	<u>85,570</u>

The amounts due from related parties, except loans, bear no interest and arise in normal course of business. The loans constitute a revolving credit facility with a related party of \$67,047, under which the Company agreed to lend amounts not exceeding \$75m. The amounts advanced under this arrangement bear interest at USD 3-month LIBOR plus 0.9%. The company also has a non-interest-bearing loan of \$3,032 with a related party.

Out of the \$18,532 (2020: \$16,868) intercompany receivable balances, \$6,842 (2020: \$5,515) relates to Work Implementation contract with Shawcor Netherlands BV, the remaining part relates to Management fee and other recharges (mainly direct employees) to the Group companies (note 31).

11. INVENTORIES

The following table sets forth the Company's inventories as at the periods indicated:

	December 31, 2021	December 31, 2020
Raw materials and consumables	2,636	2,959
Obsolescence provision	(870)	(682)
	<u>1,766</u>	<u>2,277</u>

As of 31 December 2021, no inventories have been pledged as security for short-term or long-term borrowings (2020: Nil).

Movements in the provision for obsolete inventories were as follows:

	December 31, 2021	December 31, 2020
At 1 January	682	1,063
Charge for the year	188	-
Reversal of provision	-	(381)
	<u>870</u>	<u>682</u>

12. PREPAID EXPENSES

The following table sets forth the Company's prepaid expenses as at the periods indicated:

	December 31, 2021	December 31, 2020
Rent	36	32
Insurance	57	133
Employee benefits	1	-
Other	194	71
	<u>288</u>	<u>236</u>



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13. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Following are the assets under lease contracts as per IFRS 16:

	December 31, 2021	December 31, 2020
<u>Cost:</u>		
Opening balance as at 1 January	2,473	2,438
On Adoption	-	-
Additions	637	35
Balance at 31 December	<u>3,110</u>	<u>2,473</u>
<u>Depreciation:</u>		
Opening balance as at 1 January	(1,597)	(783)
Charge for the year	(824)	(814)
Balance at 31 December	<u>(2,421)</u>	<u>(1,597)</u>
<u>Net carrying amount:</u>		
Balance at 31 December	<u>689</u>	<u>876</u>

Set out below is the carrying amount of lease liabilities and the movement during the year:

	December 31, 2021	December 31, 2020
<u>Liabilities</u>		
As at 1 January	983	1,677
Additions	533	153
Accretion of interest	30	39
Payments	(846)	(886)
As at 31 December	<u>700</u>	<u>983</u>
<u>Categorization</u>		
Current lease liability	262	295
Non-Current lease liability	438	688
Total lease liability	<u>700</u>	<u>983</u>

Cash from operating activities increased by \$824 (2020: \$814) and cash from financing activities decreased by \$313 (2020: decreased by \$772), relating to increases in operating lease payments and increases in principal and repayments of lease liabilities.



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13. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)

Impact on the statement of comprehensive income (increase/(decrease)) for the year ended:

	December 31, 2021	December 31, 2020
Depreciation of right-of-use assets Rent Real Estate	(674)	(680)
Depreciation of right-of-use assets Vehicle	(142)	(126)
Depreciation of right-of-use assets Office Equipment	(8)	(8)
Operating profit (loss) for the year	(824)	(814)
Interest on lease liabilities	(30)	(39)
Profit (loss) for the year	(854)	(853)

Impact on the statement of cash flows (increase/(decrease)) for the year ended 31 December 2021:

Net cash flows from operating activities	824
Net cash flows from financing activities	(313)
	<u>511</u>

Before the adoption of IFRS 16, BSIBV including UAE operations classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise, it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized, and the lease payments were recognized as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepaid expenses and Trade Other payables and accruals, respectively.

14. INVESTMENTS

	Country of Incorporation	Share in Issued Capital (%)	Activity	Dec 31, 2021	Dec 31, 2020
Shawcor Nederland B.V.	Netherlands	100	Pipe coating	22	22
Shawcor Norway A.S.	Norway	100	Pipe coating	25,064	25,064
PT Bredero Indonesia	Indonesia	95	Pipe coating	8,901	8,901
Shawcor Tanzania Ltd	Tanzania	-	Pipe coating	-	5
Shawcor Uganda SMC Ltd	Uganda	100	Pipe coating	14	14
				<u>34,001</u>	<u>34,006</u>



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14 INVESTMENTS (continued)

On 24 February 2022 the Company closed the subsidiary of Shawcor Tanzania Limited, and as at 31 December 2021, the company impaired the investment of \$5.

15. PROPERTY, PLANT & EQUIPMENT

	Site Improvements	Leasehold improvements	Plant & Equipment	Furnitures, fixtures & motor vehicles	Capital work-in- progress in Progress	Total
Cost:						
Balance - January 1, 2020	220	2,291	18,943	132	95	21,681
Additions	-	-	15	-	59	74
Disposals	-	-	-	(14)	-	(14)
Transfers	-	-	64	-	(64)	-
Balance - December 31, 2020	220	2,291	19,022	118	90	21,741
Additions	-	-	885	-	-	885
Disposals	-	-	(419)	-	-	(419)
Transfers	-	-	-	8	(8)	-
Balance - December 31, 2021	220	2,291	19,488	126	82	22,207
Accumulated Depreciation:						
Balance - January 1, 2020	(220)	(2,119)	(8,264)	93	-	(10,510)
Depreciation expense	-	(153)	(1,343)	(15)	-	(1,511)
Relating to disposals	-	-	-	14	-	14
Transfers	-	-	-	-	-	-
Balance - December 31, 2020	(220)	(2,272)	(9,607)	92	-	(12,007)
Depreciation expense	-	(3)	(1,177)	(17)	-	(1,197)
Relating to disposals	-	-	181	-	-	181
Transfers	-	-	-	-	-	-
Balance - December 31, 2021	(220)	(2,275)	(10,603)	75	-	(13,023)
Accumulated Impairment:						
Balance - January 1, 2020	-	-	(3,266)	-	-	(3,266)
Impairment	-	-	-	-	-	-
Relating to disposals	-	-	-	-	-	-
Balance - December 31, 2020	-	-	(3,266)	-	-	(3,266)
Impairment	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-
Balance - December 31, 2021	-	-	(3,266)	-	-	(3,266)
Net Book Value:						
As at January 1, 2020	(0)	172	7,414	225	95	7,905
As at December 31, 2020	(0)	19	6,149	210	90	6,468
As at December 31, 2021	(0)	16	5,619	201	82	5,918

In 2021, \$885 addition relates to the intercompany purchase of equipment, and \$419 disposal relates to the intercompany sales of equipment (2020: \$14 disposal relates to the closure of Moscow Branch). As of 31 December 2021, none of the property plant and equipment has been pledged as security for short-term or long-term borrowings (2020: Nil).



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16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following table sets forth the Company's accounts payable and accrued liabilities:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Trade payables	1,733	485
Accruals:		
Direct project related costs	95	36
VAT	47	21
Payroll	1,141	833
Agents' commissions	135	106
Other accruals	861	613
	<u>4,012</u>	<u>2,094</u>

17. INCOME TAXES

i) Tax payable/(receivable)

	<u>Withholding</u> <u>Tax (WHT)</u>	<u>Corporate</u> <u>Income Tax</u> <u>(CIT)</u>	<u>Total</u>
Balance - December 31, 2019	-	(763)	(763)
Current year movement	-	1,092	1,092
Withholding tax withheld by others	(383)	-	(383)
Tax refunds received / (payments made)	383	(471)	(88)
Balance - December 31, 2020	<u>-</u>	<u>(142)</u>	<u>(142)</u>
Current year movement	-	247	247
Withholding tax withheld by others	(462)	-	(462)
Tax refunds received / (payments made)	462	(673)	(211)
Balance - December 31, 2021	<u>-</u>	<u>(568)</u>	<u>(568)</u>

ii) Current tax (PL)

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current year charge	<u>247</u>	<u>1,092</u>



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17. INCOME TAXES (Continued)

Reconciliation of the current income tax charge is shown below:

	December 31, 2021	December 31, 2020
Current year profit	(2,197)	3,891
Tax expense at statutory tax rate of 25%	(549)	973
Adjust for tax effect of:		
Income not taxable	630	30
Non-deductible expenses	166	89
Prior year losses brought forward	-	-
Current Tax Charge (PL)	247	1,092

The following table sets forth a reconciliation of the Company's effective income tax rate:

	December 31, 2021	December 31, 2020
	Percentage (%)	Percentage (%)
Statutory income tax rate	25.00	25.00
Tax rate differential by earnings from foreign jurisdictions	(28.68)	(5.83)
Differential due to withholding taxes	3.61	(3.40)
Differential due to reduced 15% rate for first EUR 245k	1.27	(0.23)
Differential due to fiscal/commercial differences	(9.52)	1.88
Other differences	0.72	0.06
Effective Income Tax Rate	(7.61)	17.47

18. CONTRACT LIABILITY

	December 31, 2021	December 31, 2020
Contract liability	-	472

Cash payments received or advances currently due pursuant to contractual arrangements are recorded as deferred revenue until all the foregoing conditions of revenue recognition have been met.



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19. DUE TO RELATED PARTIES

	December 31, 2021	December 31, 2020
Payable to subsidiaries	12,332	17,402

The payables to subsidiaries and affiliates bear no interest. No repayment schedule/securities are agreed upon. The open balance with Bredero Shaw Middle East Ltd (\$6,486) is an unbilled amount that arose from a normal course of business and is not yet settled. The remainder relates to IC recharges mainly operational personnel related.

20. PROVISIONS – LONG TERM

The following table sets forth the Company's non-current provision as at the period indicated:

	Dec 31, 2021	Provided during the year	Utilized	Dec 31, 2020
Provisions - long term (non-current)				
Asset retirement obligation	1,131	(156)	-	1,287
Employee Future Benefits	1,073	149	(131)	1,055
Total	2,204	(7)	(131)	2,342

	Dec 31, 2020	Provided during the year	Utilized	Dec 31, 2019
Provisions - long term (non-current)				
Asset retirement obligation	1,287	1,282	-	5
Employee's end-of-service benefits	1,055	-	-	1,055
Total	2,342	1,282	-	1,060

Asset retirement obligation

The Company records a provision for the restoration costs of the land in the same condition at the expiry of the lease in the case where this is appropriate, such as in the case of its Ras al-Khaimah (UAE) branch. Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the site improvement. The cash flows are discounted at a current rate (6%) that reflects the risks specific to the asset retirement liability. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the site improvement.

Employees' end-of-service benefits

The Company's Ras al-Khaimah (UAE) branch provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employee's salary and length of service, subject to the



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completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

21. SHAREHOLDERS' EQUITY

The Company's authorized share capital is EUR 181,516, divided into 400 ordinary shares of EUR 453.79 each, of which 101 ordinary shares are issued and fully paid up as of December 31, 2021. No Dividend has been declared nor paid in 2021 (2020: Nil).

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the BSIBV's revenue from contracts with customers:

	December 31, 2021	December 31, 2020
3LPO Coating	4,640	10,400
Concrete coating	3,193	3,977
Other revenue	24,156	41,312
	31,989	55,689

Timing of revenue recognition

	December 31, 2021	December 31, 2020
Revenue recognized over time	31,989	55,689

23. COST OF SERVICES RENDERED

	December 31, 2021	December 31, 2020
Inventory & consumables usage	3,924	6,721
Rolling stock supplies	86	184
Freight	52	32
Equipment rental	84	293
Maintenance	97	329
Utilities	43	92
Production services	19,044	33,181
Salaries & wages	1,038	1,396
Pension	57	99
Other employee benefits	134	191
Contract workers	381	1,107
Outside services	361	460
Other variable costs	348	560
	25,649	44,645



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NOTES TO THE FINANCIAL STATEMENTS
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23 COST OF SERVICES RENDERED (continued)

At 31 December 2021 there were production services charged by Shawcor Ltd-UK operations, amounting to \$19,044 (2020: \$33,181) related to the coating works performed.

24. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2021	December 31, 2020
Salaries	5,571	5,431
Employee insurances	157	265
Pensions	218	200
Recruitment & termination	381	213
Employee training & education	18	5
Travel and entertainment	92	140
Vehicle operating	20	48
Communications and IT	137	150
Building rent	56	(17)
Other building costs	97	49
Professional fees	421	405
Office administrative	14	23
Insurance	262	183
Depreciation of property, plant and equipment	1,197	1,511
Amortization of right-of use assets	824	814
Management fees	2,301	2,722
Low value leases	66	76
Other administrative	334	430
	<u>12,166</u>	<u>12,648</u>

At 31 December 2021, the depreciation of property, plant and equipment is \$1,197 (2020: \$1,511), and the amortization of right-of-use assets is \$824 (2020: \$814). The detail of depreciation of property, plant and equipment is disclosed in Notes 15 and detail of amortization of right-of-use assets is disclosed in Notes 13.

25. FINANCE EXPENSE (INCOME) – NET

	December 31, 2021	December 31, 2020
Interest income	(712)	(1,256)
Interest on lease liabilities (Note 13)	30	39
Accretion expense/non-operating adjustment	37	5
	<u>(645)</u>	<u>(1,212)</u>

The intercompany interest is charged on the loan balances as described in note 10.



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NOTES TO THE FINANCIAL STATEMENTS (amounts in 000's US dollars)

26. OTHER INCOME (LOSS)

	December 31, 2021	December 31, 2020
Management fees charged	3,868	4,248
Equipment lease fees charged	117	117
Other income (loss)	54	498
	<u>4,039</u>	<u>4,863</u>

27. OFF BALANCE SHEET TRANSACTIONS

The Company has joined a fiscal unity for Dutch corporate income tax purposes of which Shawcor International Coöperatie UA (SICOOP) is the parent company. The nature of the Dutch fiscal unity implies that the fiscal unity is taxed, in SICOOP's name, as one taxable subject from a Dutch corporate income tax (CIT) perspective, thus including the activities and assets of the Company. Under the terms of the fiscal unity, the Company is jointly and severally liable for any Dutch corporate income tax assessments payable by the members of the fiscal unity.

At 31 December 2021 there were financial bonds and guarantees issued by the UAE Operations' bankers, insurance company, and the Head Office in the normal course of its business, amounting to \$87 (2020: \$15,035), outstanding in respect of customers' projects. Management believes that no liabilities will arise in respect thereof.

On 19 March 2020, the company was issued a security performance guarantee by an insurance company, in respect of a purchase order dated 30 January 2020 for a concrete weight coating service project. The guarantee was in the amount of USD 14,794,828 (EUR 12,068,672) expiring on 31 May 2021. There is no renewal on this guarantee.

28. CONTINGENT LIABILITIES

Litigation and Legal Risks

The Company is not currently a party to litigation and legal proceedings. Any risk of potential legal proceedings is considered low but could have an adverse effect on the company's projections, business, results of operations or financial condition. Such proceedings may include, for example, liability claims, contractual disputes, and claims relating to the existence or use of hazardous materials on the Company's property or in its operations, tax claims and penalties/interest related to local income tax, withholding tax or indirect tax, as well as other material legal proceedings with competitors, customers, employees and governmental entities. The Company maintains adequate commercial insurance to mitigate most adverse litigation and legal risks and strives to ensure that contractually agreed terms and conditions with customers and suppliers do not expose the Company to additional risks. In addition, as under 'Political and Regulatory Risk Mitigation', the Company ensures that it is compliant with the laws and regulations within the jurisdictions where it operates.

The Company takes into account the importance of a balanced composition of the boards when appointing and nominating directors for the board. With regard to future nominations and appointments, the board will take the gender diversity objectives into account as much as possible.



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FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS
(amounts in 000's US dollars)

29. FINANCIAL RISKS MANAGEMENT

The Company's operations expose it to a variety of financial risks including currency (foreign exchange) risk, interest rate risk, credit risk, tax risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance. The Company is averse to these risks.

Currency (exchange rate) risk

Currency risk is the possibility of the Company experiencing losses due to factors that affect the overall performance of the financial markets in which it is involved and thereby the exchange rates which determine the value of its financial instruments. The main currencies that are used by the Company are US\$, EUR, GBP and NOK.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency-denominated cash streams and the resulting variability of the Company's income. The majority of the receivables are in the same currency as most of the Company's expenses. Consequently, the currency risk for the Company is limited. The Company does not enter into foreign exchange forward contracts for speculative purposes.

Interest rate risk

The interest risk arises where the costs of interest charged for the use by the Company of financial instruments such as loans shall increase due to the increasing interest rates.

The Company is financed from equity and does not typically make use of external borrowing.

Liquidity risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations.

Based on the payment terms arranged for the services that it provides; the Company has sufficient liquidity to finance its operations. Furthermore, the Company attempts to keep sufficient cash reserves on hand to meet its immediate liquidity requirements. As at December 31, 2021, the Company had a cash balance of \$7,432 (2020: \$1,855). In the case where the cash balance would be insufficient, the Company would request a (partial) repayment of the intercompany loan that it has outstanding with related parties, which can be requested based on the arrangements of the intercompany loan agreement.

Credit risk

The credit risk occurs when the customer defaults on its payment obligation, causing the Company to suffer a financial loss. In determining the recoverability of a trade or other receivable, a risk analysis is performed which considers the type and age of the outstanding receivable and the creditworthiness of the counterparty.

The majority of the Company's customers operate within the global energy industry and are therefore affected to a large extent by the same macroeconomic conditions and risks. The Company manages its credit risk by assessing the creditworthiness of all counterparties, considering their financial position, past experience and other factors. The company is exposed to credit risk on its bank balances and receivables as follows:

	December 31,	December 31,
	2021	2020
Amounts due from related parties	88,611	85,570
Trade and other receivables	3,818	18,150
Bank balances	7,432	1,855
	<u>99,861</u>	<u>105,575</u>



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29 FINANCIAL RISKS MANAGEMENT (continued)

Bank balances

The company limits its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Amounts due from related parties

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk. Historically, related parties' balances are being settled regularly and there is no significant write-off of receivables from related parties. Details of these amounts have been disclosed in note 10. For the year ended 31 December 2021, the company has not recorded an impairment of amounts owed by related parties (2020: nil).

Trade accounts and other receivables

An impairment analysis is performed at each reporting date using a simplified approach to measure expected credit losses. The provision is initially based on the company's historical observed default rates. The company will calibrate the provision to adjust the historical credit loss experience with forward-looking information. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Further, there is no prior history of major defaults. Set out below is the information about the credit risk exposure on the company's trade receivables using a provision matrix:

31 December 2021							
	Total \$'000	Not due nor impaired	Past Due but not impaired				
			0 - 30 days	31 - 60 days	61 - 90 days	90 + days	
Estimated total gross carrying amount at default	1,655	1,521	134	-	-	-	-
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-	-

31 December 2020							
	Total \$'000	Not due nor impaired	Past Due but not impaired				
			0 - 30 days	31 - 60 days	61 - 90 days	90 + days	
Estimated total gross carrying amount at default	14,769	14,089	595	85	-	-	-
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-	-



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30. FINANCIAL INSTRUMENTS

General

During the normal course of business, the Company uses various financial instruments that expose the Company to market and/or credit risks. These relate to financial instruments that are included on the balance sheet.

The fair values of the Company's financial instruments are not materially different from their carrying values. The Company does not trade in financial derivatives and follows procedures and a code of conduct to limit the size of the credit risk with each counterparty and market. For a more extensive overview of the Company's approach to risk mitigation, reference is made to the Directors' Report.

31. RELATED PARTY TRANSACTIONS

Related party transactions noted are the following:

i) Work Implementation Contract (WIC) charges

The WIC between the Company and ShawCor Nederland B.V., dated November 15, 2014, was concluded for the provision of management and technical supervision and services in respect of third-party-owned facility upgrades, coating process improvement, equipment operation, maintenance and repair, personnel training, procurement and testing of materials, and other respective works to be performed at the CPC facility in the Azerbaijan Republic, and continued until the beginning of 2018. As of December 31, 2021, there are no new projects awarded and thus there is no transaction or charges under the WIC.

ii) Loans issued to affiliated companies

Advances granted to related parties were initially granted as from July 18, 2014, for a one-year duration with a fair interest rate tied to the 3-month LIBOR rate. The loan arrangement was extended after this under similar terms. On the \$67,047 the Company receives interest at a rate of LIBOR (3-month USD) plus 0.9%, to be reset for three months periods on January 1, April 1, July 1, and October 1 of each year to the then prevailing 3-month LIBOR rate, plus 0.9%. The amount of \$3,032 doesn't bear interest.

iii) Subcontract services

The Company subcontracts certain parts of the work under a pipeline coating contract to other affiliates with which it has set up a supply agreement. These affiliates charge the Company for the work performed.

iv) Regional Office Allocation (ROA) charges

The Company performs various management & administrative services to certain affiliates. The Company invoices these affiliates for the services performed.

v) Equipment lease

As of 2016, the Company started leasing a few machines to related parties. In 2021 this activity has continued; the volume has decreased.

vi) Material Procurement

As of 2018, the Company started central purchasing raw materials with the subsequent re-sale to Shawcor plants. But as of December 31, 2021, there is no transaction regarding the purchase of raw materials by the Company for resale to other plants.



BREDERO SHAW INTERNATIONAL B.V. – ANNUAL REPORT 2021
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32. INFORMATION ON SALARIES & BENEFITS

	December 31, 2021	December 31, 2020
Wages, salaries	6,609	6,826
Pension costs	275	298
	<u>6,884</u>	<u>7,124</u>

As at 31 December 2021, the Company had 89 employees (110 in 2020), out of which 14 were employed in the Netherlands (20 in 2020), 74 in Ras al-Khaimah UAE (87 in 2020), 1 in Azerbaijan (1 in 2020) and 0 in Russia (2 in 2020).

33. AUDIT FEES

All audit services rendered by Reanda Netherlands related to the audit of the 2021 financial statements were conducted in 2022 and accrued in 2021 Financial Statements. The total audit fee for the 2021 audit is expected to amount to \$46. No other services were rendered during the year 2021.

34. DIRECTORS REMUNERATION

	December 31, 2021	December 31, 2020
From employment contract in the company	<u>521</u>	<u>591</u>

In 2021 Directors have not received any remuneration for their role as Directors.

35. SUBSEQUENT EVENTS

COVID-19 Statement

Due to the outbreak of Covid-19 the economic environment has changed whilst the long-term effects still may be unsure for the Company and industry. The Company's focus has been to safeguard its employees and stakeholders and has introduced home working for those employees who can work from home and new Covid-19 compliant working practices for those employees who need to attend the facility. There have been some additional costs in the introduction of these measures, but these have been outweighed by savings in other business activities which have been delayed due to the pandemic.

On 24 February 2022, the Board of Directors resolved to close the subsidiary of Shawcor Tanzania Limited.

On 12 September 2022, Shawcor Ltd. as the ultimate company commenced a review of strategic alternatives for its Pipeline Performance Group (PPG), Shaw Pipeline Services (SPS), and Oilfield Asset Management (OAM) operating units. A range of options are under consideration, including the potential sale of all three operating units. Bredero Shaw International B.V. (the "Company") is part of PPG.

There can be no assurance that one or more sales – or any other transaction – will take place, and no specific timeline has been established for the completion of this strategic alternative review. Shawcor Ltd. will seek to maximize its shareholder value and minimize impacts to its employees, customers and vendors via the potential sale of PPG, SPS, and OAM to buyers that have the financial strength to support the execution of



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each business's backlog and to facilitate their growth plans. Shawcor Ltd. does not intend to disclose developments with respect to the progress of its evaluation of any strategic options until such time as a material development has transpired or disclosure is otherwise deemed required.

DIRECTORS' APPROVAL

The financial statements together with the notes on pages 8 to 40 were approved for issue by the Board of Directors in 2022 and signed on its behalf by:

Leiden, 8 December 2022

Director

Director

Director

Director

.....
Michael E. Reeves

.....
Thomas R. Holloway


.....
Jeremy Stebbing

.....
Simon L. Dewey



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FOR THE YEAR ENDED 31 DECEMBER 2021

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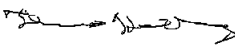
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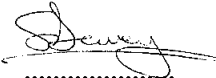
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(amounts in 000's US dollars)

OTHER INFORMATION

1. Statutory provisions concerning appropriation of profits

In accordance with the Articles of Association of the Company, any profits are at the disposal of the General Meeting of the shareholders. In anticipation of the Annual General Meeting's adoption of the financial statements, the net loss for the period has decreased to the accumulated profit.

2. Audit Opinion

Reference to the audit opinion is included elsewhere within these financial statements in the Auditors' Report.

3. Branches

The company has the following branches:

Branch	Registered name	Country of registration
Ras al-Khaimah	Bredero Shaw International B.V. – RAK Branch	United Arab Emirates (UAE)
Abu Dhabi	Bredero Shaw International B.V. – Abu Dhabi	United Arab Emirates (UAE)
Baku	Bredero Shaw International B.V. (branch)	Azerbaijan