



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	983 532 845
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TCO GROUP AS
Forretningsadresse:	Storaneset 20 5260 INDRE ARNA

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Rolf Tefre
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, 11.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1,2	129 933 000	152 915 000
Sum inntekter		129 933 000	152 915 000
Kostnader			
Cost of goods sold		38 434 000	47 116 000
Payroll and related costs	2,3	83 665 000	78 654 000
Depreciation	4,5	9 310 000	12 340 000
Other operating expenses	6,7,8,9	15 283 000	49 662 000
Sum kostnader		146 692 000	187 772 000
Driftsresultat		-16 759 000	-34 857 000
Finansinntekter og finanskostnader			
Other financial income		13 874 000	6 877 000
Sum finansinntekter		13 874 000	6 877 000
Write downs of non-current financial assets		2 411 000	937 000
Other financial expenses		20 223 000	11 165 000
Sum finanskostnader		22 634 000	12 102 000
Netto finans		-8 760 000	-5 225 000
Ordinært resultat før skattekostnad		-25 519 000	-40 082 000
Income tax expense		-5 093 000	-8 718 000
Ordinært resultat etter skattekostnad		-20 426 000	-31 364 000
Årsresultat		-20 426 000	-31 364 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-20 426 000	-31 362 000
Sum overføringer og disponeringer		-20 426 000	-31 362 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	4	7 593 000	10 702 000
Concessions, patents, licenses, trade marks and similar rights	4	33 000	133 000
Utsatt skattefordel	7	21 879 000	16 786 000
Sum immaterielle eiendeler		29 505 000	27 621 000
Varige driftsmidler			
Land, buildings and other property	5,12	276 000	502 000
Running equipment, tools etc	5,9,12	14 427 000	19 038 000
Sum varige driftsmidler		14 703 000	19 540 000
Finansielle anleggsmidler			
Investering i datterselskap	13	1 757 000	1 757 000
Sum finansielle anleggsmidler		1 757 000	1 757 000
Sum anleggsmidler		45 965 000	48 918 000
Omløpsmidler			
Varer			
Inventories	12	110 035 000	77 674 000
Sum varer		110 035 000	77 674 000
Fordringer			
Accounts receivable	12	18 264 000	10 042 000
Other short-term receivables	14	7 734 000	5 241 000
Sum fordringer		25 998 000	15 283 000
Investeringer			
Aksjer og andeler i foretak i samme konsern	12		
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	15	4 331 000	3 243 000
Sum bankinnskudd, kontanter og lignende		4 331 000	3 243 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum omløpsmidler		140 364 000	96 200 000
SUM EIENDELER		186 329 000	145 118 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	16,17	208 000	208 000
Overkurs	16,17	10 174 000	10 174 000
Ikke registrert kapitalforhøyelse	16	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000

Opptjent egenkapital

Other equity			
Udekket tap	16	35 742 000	15 316 000
Sum opptjent egenkapital		-35 742 000	-15 316 000

Sum egenkapital		-15 137 000	5 289 000
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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	12,18	500 000	20 000 000
Langsiktig konserngjeld	2	34 683 000	41 433 000
Ansvarlig lånekapital	18	32 500 000	
Other long-term liabilities	9	9 371 000	12 189 000
Sum annen langsiktig gjeld		77 054 000	73 622 000

Sum langsiktig gjeld		77 054 000	73 622 000
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Kortsiktig gjeld

Bank overdraft	19	52 227 000	42 373 000
Leverandørgjeld		57 730 000	8 614 000
VAT, social security costs etc		5 826 000	5 152 000
Other current liabilities		8 629 000	10 068 000
Sum kortsiktig gjeld		124 412 000	66 207 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		201 466 000	139 829 000
SUM EGENKAPITAL OG GJELD		186 329 000	145 118 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1,2	232 391 000	213 078 000
Sum inntekter		232 391 000	213 078 000
Kostnader			
Cost of goods sold		69 799 000	69 232 000
Payroll and related costs	2,3	91 628 000	84 707 000
Depreciation	4,5	12 664 000	12 690 000
Other operating expenses	6,7,8,9	125 855 000	63 032 000
Sum kostnader		299 946 000	229 661 000
Driftsresultat		-67 555 000	-16 583 000
Finansinntekter og finanskostnader			
Other financial income		12 749 000	5 397 000
Sum finansinntekter		12 749 000	5 397 000
Other financial expenses		19 826 000	9 721 000
Sum finanskostnader		19 826 000	9 721 000
Netto finans	10	-7 077 000	-4 324 000
Ordinært resultat før skattekostnad		-74 632 000	-20 907 000
Income tax expense	11	-5 093 000	-6 559 000
Ordinært resultat etter skattekostnad		-69 539 000	-14 348 000
Årsresultat		-69 539 000	-14 348 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-69 539 000	-14 348 000
Sum overføringer og disponeringer		-69 539 000	-14 348 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	4	7 593 000	10 702 000
Concessions, patents, licenses, trade marks and similar rights	4	33 000	133 000
Utsatt skattefordel	7	21 879 000	16 786 000
Sum immaterielle eiendeler		29 505 000	27 621 000
Varige driftsmidler			
Land, buildings and other property	5,12	276 000	502 000
Running equipment, tools etc	5,9,12	16 552 000	20 619 000
Sum varige driftsmidler		16 828 000	21 121 000
Sum anleggsmidler		46 333 000	48 742 000
Omløpsmidler			
Varer			
Inventories	12	122 639 000	90 378 000
Sum varer		122 639 000	90 378 000
Fordringer			
Accounts receivable	12	40 662 000	25 205 000
Other short-term receivables	14	9 115 000	11 469 000
Sum fordringer		49 777 000	36 674 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	15	12 325 000	6 086 000
Sum bankinnskudd, kontanter og lignende		12 325 000	6 086 000
Sum omløpsmidler		184 741 000	133 138 000
SUM EIENDELER		231 074 000	181 880 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: NOK	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital	16,17	210 000	210 000
Beholdning av egne aksjer	16,17	-2 000	-2 000
Overkurs	16	10 174 000	10 174 000
Annen innskutt egenkapital	16	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000
Opptjent egenkapital			
Other equity	16	-21 666 000	42 416 000
Sum opptjent egenkapital		-21 666 000	42 416 000
Sum egenkapital		-1 061 000	63 021 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	0	2 926 000
Sum avsetninger for forpliktelser		0	2 926 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12,18	500 000	20 000 000
Langsiktig konserngjeld		28 038 000	15 000 000
Ansvarlig lånekapital	18	32 500 000	
Other long-term liabilities	9	12 545 000	12 188 000
Sum annen langsiktig gjeld		73 583 000	47 188 000
Sum langsiktig gjeld		73 583 000	50 114 000
Kortsiktig gjeld			
Bank overdraft	19	52 227 000	42 373 000
Leverandørgjeld		58 989 000	9 436 000
Tax payable	11	0	915 000
VAT, social security costs etc		6 006 000	5 323 000
Other current liabilities		41 330 000	10 698 000
Sum kortsiktig gjeld		158 552 000	68 745 000
Sum gjeld		232 135 000	118 859 000
SUM EGENKAPITAL OG GJELD		231 074 000	181 880 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
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Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 669094

Enheten

Organisasjonsnummer: 983 532 845
Organisasjonsform: Aksjeselskap
Foretaksnavn: TCO AS
Forretningsadresse: Storanaset 20
5260 INDRE ARNA

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Rolf Tefre
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Brønnøysundregistrene, 12.08.2023



Organisasjonsnr: 983 532 845
TCO AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1,2	129 933 000	152 915 000
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Kostnader			
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Overføringer og disponeringer			
Transfer to accumulated other equity		-20 426 000	-31 362 000
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Organisasjonsnr: 983 532 845
TCO AS

BALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	4	7 593 000	10 702 000
Concessions, patents, licenses, trade marks and similar rights	4	33 000	133 000
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Sum finansielle anleggsmidler		1 757 000	1 757 000
Sum anleggsmidler		45 965 000	48 918 000
Omløpsmidler			
Varer			
Inventories	12	110 035 000	77 674 000
Sum varer		110 035 000	77 674 000
Fordringer			
Accounts receivable	12	18 264 000	10 042 000
Other short-term receivables	14	7 734 000	5 241 000
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Sum omløpsmidler		140 364 000	96 200 000
SUM EIENDELER		186 329 000	145 118 000



BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	16,17	208 000	208 000
Overkurs	16,17	10 174 000	10 174 000
Ikke registrert kapitalforhøyelse	16	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000

Opptjent egenkapital

Other equity			
Udekket tap	16	35 742 000	15 316 000
Sum opptjent egenkapital		-35 742 000	-15 316 000

Sum egenkapital -15 137 000 5 289 000

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Gjeld til			
kredittinstitusjoner	12,18	500 000	20 000 000
Langsiktig konserngjeld	2	34 683 000	41 433 000
Ansvarlig lånekapital	18	32 500 000	
Other long-term liabilities	9	9 371 000	12 189 000
Sum annen langsiktig gjeld		77 054 000	73 622 000

Sum langsiktig gjeld 77 054 000 73 622 000

Kortsiktig gjeld

Bank overdrift	19	52 227 000	42 373 000
Leverandørgjeld		57 730 000	8 614 000
VAT, social security costs etc		5 826 000	5 152 000
Other current liabilities		8 629 000	10 068 000
Sum kortsiktig gjeld		124 412 000	66 207 000

Sum gjeld 201 466 000 139 829 000

SUM EGENKAPITAL OG GJELD 186 329 000 145 118 000



Organisasjonsnr: 983 532 845
TCO AS

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sales revenues	1,2	232 391 000	213 078 000
Sum inntekter		232 391 000	213 078 000
Kostnader			
Cost of goods sold		69 799 000	69 232 000
Payroll and related costs	2,3	91 628 000	84 707 000
Depreciation	4,5	12 664 000	12 690 000
Other operating expenses	6,7,8,9	125 855 000	63 032 000
Sum kostnader		299 946 000	229 661 000
Driftsresultat		-67 555 000	-16 583 000
Finansinntekter og finanskostnader			
Other financial income		12 749 000	5 397 000
Sum finansinntekter		12 749 000	5 397 000
Other financial expenses		19 826 000	9 721 000
Sum finanskostnader		19 826 000	9 721 000
Netto finans	10	-7 077 000	-4 324 000
Ordinært resultat før skattekostnad			
Income tax expense	11	-5 093 000	-6 559 000
Ordinært resultat etter skattekostnad		-69 539 000	-14 348 000
Årsresultat		-69 539 000	-14 348 000
Overføringer og disponeringer			
Transfer to accumulated other equity		-69 539 000	-14 348 000
Sum overføringer og disponeringer		-69 539 000	-14 348 000



Organisasjonsnr: 983 532 845
TCO AS

KONSERNBALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	4	7 593 000	10 702 000
Concessions, patents, licenses, trade marks and similar rights	4	33 000	133 000
Utsatt skattefordel	7	21 879 000	16 786 000
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Varige driftsmidler			
Land, buildings and other property	5,12	276 000	502 000
Running equipment, tools etc	5,9,12	16 552 000	20 619 000
Sum varige driftsmidler		16 828 000	21 121 000
Sum anleggsmidler		46 333 000	48 742 000
Omløpsmidler			
Varer			
Inventories	12	122 639 000	90 378 000
Sum varer		122 639 000	90 378 000
Fordringer			
Accounts receivable	12	40 662 000	25 205 000
Other short-term receivables	14	9 115 000	11 469 000
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SUM EIENDELER		231 074 000	181 880 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	16,17	210 000	210 000
Beholdning av egne aksjer	16,17	-2 000	-2 000
Overkurs	16	10 174 000	10 174 000



Annen innskutt egenkapital	16	10 223 000	10 223 000
Sum innskutt egenkapital		20 605 000	20 605 000
Opptjent egenkapital			
Other equity	16	-21 666 000	42 416 000
Sum opptjent egenkapital		-21 666 000	42 416 000
Sum egenkapital		-1 061 000	63 021 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	0	2 926 000
Sum avsetninger for forpliktelseser		0	2 926 000
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	12,18	500 000	20 000 000
Langsiktig konserngjeld		28 038 000	15 000 000
Ansvarlig lånekapital	18	32 500 000	
Other long-term liabilities	9	12 545 000	12 188 000
Sum annen langsiktig gjeld		73 583 000	47 188 000
Sum langsiktig gjeld		73 583 000	50 114 000
Kortsiktig gjeld			
Bank overdraft	19	52 227 000	42 373 000
Leverandørgjeld		58 989 000	9 436 000
Tax payable	11	0	915 000
VAT, social security costs etc		6 006 000	5 323 000
Other current liabilities		41 330 000	10 698 000
Sum kortsiktig gjeld		158 552 000	68 745 000
Sum gjeld		232 135 000	118 859 000
SUM EGENKAPITAL OG GJELD		231 074 000	181 880 000



Organisasjonsnr: 983 532 845
TCO AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Årsregnskapet er satt opp etter regnskapsloven.

<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>



Organisasjonsnr: 983 532 845
TCO AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Årsregnskapet er satt opp etter regnskapsloven.

<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

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

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TCO AS

Opinion

We have audited the financial statements of TCO AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with the the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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



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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bergen, 26 June 2022
ERNST & YOUNG AS

Truls Nesslin
State Authorised Public Accountant (Norway)



Board of Directors' report 2022

Corporate Overview

TCO AS (the "Company") is the parent company of The TCO Group. The TCO Group develops and provides products and services for the completion phase of onshore and offshore, exploration, production and injection wells for oil and gas such as Barrier Glass Plugs, CI (Chemical Injection Systems) and APRS (Annual Pressure Release System). The TCO Group also provides products and services for permanent plugging of wells and services in TCP (Tubing Conveyed Perforation).

The Company was founded in Norway in 2001. The TCO Group consists of fully owned operating companies in Norway, Scotland and USA and local presence in Abu Dhabi, UAE.

The TCO Group supplies products and services to customers operating on- and offshore gas and oil fields nationally and internationally.

The goal of The TCO Group is to be the preferred partner in the oil and gas industry delivering advanced well completion technologies cost effectively. A further strengthening of presence in existing markets and entering new markets has the highest priority.

Developing the existing product portfolio and, at the same time, evaluating new products and services, were also high on the priority list in 2022 and will be in the years to come. The Helios TCP Gun System was qualified during 2022 and will contribute to further growth from 2023.

During 2022 the decision to close the CNC department was approved and executed.

The removal of COVID-19 restrictions has enabled return to normal activity and operations in all areas of the business. The Company has 30 patent families consisting of 150 single patents worldwide.

Insurance has been taken out for the board members and senior employees for the personal liability for property damage that they may incur in connection with the performance of their duties. The insurance is taken out on market terms in an international insurance company with a solid rating.

Environmental and Social Governance

The TCO Group aims to be a responsible company regarding working conditions, human rights, the environment and anti-corruption. Environmental and Social Governance is regularly reported to the Board based on United Nations Global Impact. The Company's management system is in compliance with the ISO 14001 Environment and ISO 45001 Working environment standard. The management system was upgraded to comply with the ISO 50001 Energy standard in 2022. From 2022 The Company started to register and report the company environmental impact for scope 1-3 according to the Greenhouse Gas Protocol (GHG). For approval of suppliers, the supplier self-evaluation is updated to include ethics, human rights and energy to secure that The Company use responsible suppliers only.

The Company operates within current laws and legislation and has not recorded any spillage to the environment in 2022.

The report required by the transparency act will be published on The Company's website.



The Company is focusing continuously to improve the health, safety and quality towards a zero-fault target. The Company did not report any lost time injuries or medical treatment cases in 2022. The working environment is good with turnover and sickness absence at normal levels. The Covid-19 outbreak in 2022 increased the absence with approximately 1% compared the pre-COVID level.

The TCO Group has implemented a Code of Conduct including anti-bribery and sexual harassment coverage. All new employees are introduced to the Code of Conduct and training in the Code of Conduct is performed on a regularly basis. The Company emphasizes that all activities in the TCO Group shall comply with applicable legislation and the Code of Conduct. The personnel policy states that The TCO Group shall recruit and keep staff based on competence, experience, and equal opportunities regardless of ethnicity, religion, gender, age, sexual orientation, marital status, or disability. The percentage of female employees increased from 20% to 21% in 2022. The percentage of female board members are 17%. It is not considered necessary to implement measures with regards to gender equality.

Consolidated accounts

The financial statements have been prepared based on the going concern assumption and in accordance with the Norwegian Accounting Act Section 3-3. In accordance with the company's act § 3-5, the Board of Directors has assessed the necessary measures to ensure The Company's continued operation. These measures include a subordinated loan granted by The Company's major shareholder and extended overdraft limit with the main bank. Based on the implemented measures and The Company's contract portfolio and prospects, The Board of Directors confirms the going concern assumption at the time the accounts were approved. The TCO Group has a financial platform for further growth in all business areas.

Other operating cost increased from MNOK 63.0 in 2021 to MNOK 125.9.0 in 2022 mainly due to extra ordinary cost related to a lawsuit in USA against The Company regarding alleged patent infringement. The Company lost the court case in district court of Waco, Texas and is currently undergoing the process of appealing the decision. The Company believes the lawsuit will have a positive outcome when the case is appealed, processed, and completed. In the conclusion of the 2022 financial year a provision has been made to reflect the outcome of the decision in the district court of Waco, Texas.

Sales revenues in 2022 amounted to MNOK 232.4 compared to MNOK 213.1 in 2021.

Profit before tax in 2022 amounted to MNOK -74.6 compared to MNOK -20.9 in 2021.

Balance Sheet Statement

Consolidated total assets amounted to MNOK 231.1 (2021: MNOK 181.9).

The TCO Group has capitalized Research and Development cost totaling MNOK 7.6 (2021: MNOK 2.2) which equals 3.2% of sales (2021: 1.0%)

Total current assets equaled MNOK 184.7 (2021: MNOK 133.1) of which cash was MNOK 12.3 (2021: MNOK 6.1). Total equity amounted to MNOK -1.1 (2021: MNOK 63.0)

Total equity and liabilities amounted to MNOK 231.1 (2021: MNOK 181.9). Current liabilities equaled MNOK 158.6 (2021: MNOK 68.8).



Cash Flow Statement

Cash Flow from operating activities amounted to MNOK -25.2.0 (2021: MNOK 23.0)

Cash and cash equivalents at 31.12 are MNOK 12.3 (2021: MNOK 6.1)

Risk factors

The TCO Group provides a portfolio of products and services for the oil and gas industry. The industry has historically been cyclical. Fluctuations in the oil price influence the activity in the industry, but also regulatory issues related to operational safety and environmental hazards. As The TCO Group operates in different geographical markets it is also subject to both political risk and currency risk.

The TCO Group seeks to mitigate risk by securing long term contracts with reputable customers. All contracts within the oil and gas industry are associated with significant risk and responsibilities, including technical, operational, commercial, and political risk. The TCO Group will always aim to have adequate insurance coverage to mitigate risk.

Outlook

The Norwegian Continental Shelf is and will be an important market for The TCO Group. In the coming year The TCO Group expect the activity to increase compared to 2022 with large field developments campaigns for Equinor and rewarded TCP contract with COPNO. The onshore market in the USA is expected to remain stable compared to 2022. The market in the Middle East will be a continued focus area for The TCO Group with an expected increased activity.

Overall The TCO Group expect a stable increased activity level in 2023 and coming years.

Bergen 23.06.2023

_____	_____	_____
Rober Jay Abercrombie	Øystein Elgan	Sverre Skogen
CEO	Chairman of the Board	Board Member
_____	_____	_____
Jørund Haga Indrehus	Hanne E. Bowitz	Atle B Ingebrigtsen
Board Member	Board Member	Board Member

Bård Nerdal		
Board Member		



Consolidated Financial Statement

TCO AS

2022



Income Statement

TCO AS		TCO Group			
2021	2022	(Amounts in 1000 NOK)	Note	2022	2021
		OPERATING REVENUE			
152 915	129 933	Sales revenue	1, 2	232 391	213 078
152 915	129 933	Total operating revenue		232 391	213 078
		OPERATING EXPENSES			
47 116	38 434	Cost of material		69 799	69 232
78 654	83 665	Salary and personnel expenses	2, 3	91 628	84 707
12 340	9 310	Depreciation and impairment	4, 5	12 664	12 690
49 662	15 282	Other operating expenses	6, 7, 8, 9	125 855	63 032
187 771	146 692	Total operating expenses		299 946	229 661
-34 855	-16 759	OPERATING PROFIT		-67 555	-16 583
937	2 411	Write down of loan to group company			
6 877	13 874	Other financial income		12 749	5 397
11 165	20 223	Other financial expenses		19 826	9 721
-5 225	-8 760	Net financial income / - (cost)	10	-7 078	-4 324
-40 080	-25 519	EARNINGS BEFORE TAXES		-74 632	-20 907
-8 718	-5 093	Taxes	11	-5 093	-6 559
-31 362	-20 426	PROFIT OR LOSS FOR THE YEAR		-69 539	-14 348
-31 362	-20 426	Transferred to other equity		-69 539	-14 348
-31 362	-20 426	Total allocated		-69 539	-14 348



Balance Sheet

TCO AS		TCO Group			
31.12.2021	31.12.2022	(Amounts in 1000 NOK)	Note	31.12.2022	31.12.2021
ASSETS					
NON-CURRENT ASSETS					
133	33	Patents, licenses, etc	4	33	133
10 702	7 593	Products and technology	4	7 593	10 702
		Goodwill			
16 786	21 879	Deferred tax asset	7	21 879	16 786
27 621	29 505	Total intangible assets		29 505	27 621
19 038	14 427	Equipment, tools etc.	5, 9, 12	16 552	20 618
502	276	Properties and buildings	5, 12	276	502
19 540	14 702	Total fixed assets		16 827	21 121
1 757	1 757	Investments in subsidiaries	13	0	0
1 757	1 757	Total financial assets		0	0
48 918	45 964	Total non-current assets		46 332	48 742
CURRENT ASSETS					
77 674	110 035	Inventory	12	122 639	90 378
10 042	18 264	Trade receivables	12	40 662	25 205
5 241	7 734	Other receivables	14	9 115	11 469
		Loan to group companies	2		
15 283	25 998	Total trade and other receivables		49 777	36 674
3 243	4 331	Cash and cash equivalents	15	12 325	6 087
96 200	140 364	Total current assets		184 742	133 138
145 118	186 328	Total assets		231 074	181 880



Balance Sheet

TCO AS		(Amounts in 1000 NOK)		TCO Group	
31.12.2021	31.12.2022		Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES					
EQUITY					
210	210	Share capital	16, 17	210	210
-2	-2	Own shares	16, 17	-2	-2
10 174	10 174	Share premium	16	10 174	10 174
10 223	10 223	Other paid in capital	16	10 223	10 223
20 605	20 605	Total paid-in capital		20 605	20 605
-15 316	-35 742	Other equity	16	-21 666	42 416
-15 316	-35 742	Total other equity		-21 666	42 416
5 289	-15 137	Total Equity		-1 061	63 021
NON-CURRENT LIABILITIES					
0	0	Deferred tax	11	0	2 926
20 000	500	Non-current interest bearing debt	12, 18	500	20 000
12 189	9 371	Other long term liabilities	9	12 545	12 189
41 433	34 683	Loan from Group companies	2	28 038	15 000
0	32 500	Subordinated loans	18	32 500	0
73 622	77 054	Total non-current liabilities		73 582	50 114
CURRENT LIABILITIES					
42 373	52 227	Current interest bearing debt	19	52 227	42 373
8 614	57 730	Trade payables		58 989	9 436
0	0	Tax payables	11	0	915
5 152	5 826	Public duties payable		6 006	5 323
10 068	8 629	Other short term payables		41 332	10 698
66 207	124 411	Total current liabilities		158 553	68 745
145 118	186 328	Total equity and liabilities		231 074	181 880

31 December 2022
Bergen, 23 June 2023Øystein Elgan
Chairman of the BoardSverre Skogen
Board memberHanne E. Bowitz
Board memberJørund Haga Indrehus
Board memberBård Nerdal
Board memberAtle B. Ingebrigtsen
Board memberRobert Jay Abercombie
Chief Executive Officer



Cash Flow Statement

TCO AS		(Amounts in 1000 NOK)	TCO Group	
31.12.2021	31.12.2022		31.12.2022	31.12.2021
-40 080	-25 519	Cash flow from operating activities		
0	0	Earnings before taxes	-74 632	-20 907
12 340	9 310	Change in tax payable	-915	-1 525
6 343	-8 222	Depreciation and impairment	12 664	12 690
-14 480	49 116	Change in trade receivables	-15 457	-1 094
7 773	-32 361	Change in trade payables	49 552	-13 691
2 976	3 236	Change in inventory	-32 262	5 150
		Other adjustments	35 891	-3 612
-25 128	-4 440	Net cash flow from operating activities	-25 158	-22 990
		Cash flow from investing activities		
0	0	Proceeds from sales of fixed assets	137	0
-10 115	-1 263	Payments for purchase of fixed assets and R&D	-4 986	-10 115
0	0	Investment in subsidiaries	0	0
-10 115	-1 263	Net cash flow from investing activities	-4 850	-10 115
		Cash flows from financing activities		
0	0	Proceeds from issuance of long term debt	0	0
24 853	3 358	Proceeds from issuance of short term debt	9 853	24 853
-2 515	-22 318	Repayment of long term debt	-19 500	-515
0	0	Repayment of short term debt	0	0
13 488	25 750	Change in loan to/from Group companies	45 893	0
35 825	6 790	Net cash flows from financing activities	36 247	24 338
582	1 088	Net change in cash and cash equivalents	6 238	-8 767
2 661	3 243	Cash and cash equivalents at 01.01.	6 087	14 854
3 243	4 331	Cash and cash equivalents at 31.12.	12 325	6 087



Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GRS)

Consolidation

Basis for consolidation

The consolidated financial statements comprise the parent company TCO AS and the subsidiaries ("the TCO Group") where TCO AS ("the company") has a controlling interest. A controlling interest is normally achieved when the Group owns more than 50% of the shares in the company and is also in the position to exercise control over the company. The minority share of the equity is included in the consolidated equity. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated from the consolidated accounts, such as intercompany receivables and payables. The consolidated accounts are prepared according to the same accounting principles for both parent and subsidiary.

Subsidiaries

Acquired subsidiaries are valued in the financial statements using the cost method. If the fair value of the subsidiary is lower than the book value, and the impairments is not expected to be temporary, a write down is recognized to reflect the fair value in the financial statements. Subsidiaries are presented under financial assets in the balance sheet. Dividends earned in the period of ownership is recognized as financial income in the year the dividend is allocated.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized when the service is rendered. The share of revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time when the services is rendered.

Balance sheet classification

Fixed assets are assets intended for permanent ownership or use by the company in the normal business cycle. Other assets are current assets. Current liabilities are due within one year or otherwise directly related to the business cycle.

Trade receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for probable write offs.

Receivables and payables in foreign currency

Cash and cash equivalents, trade receivables and trade payables in a foreign currency are presented in the financial statements using the year end exchange rates. Realized and unrealized currency gain/loss is recorded as financial income /loss.

Other current assets

Other current assets are valued at the lower of fair value or acquisition cost.

Fixed assets and depreciation

Fixed assets are capitalized and depreciated if they have an expected useful life of more than three years, and an acquisition cost of more than NOK 15 000. The fixed assets are recognized at acquisition cost, less ordinary depreciation. Ordinary depreciation is calculated on a linear basis over the economic life of the asset. Ordinary depreciation is presented under operating expenses in the income statement. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Gains or losses on disposals of fixed assets are netted in revenues. Maintenance costs are expensed as incurred.

Intangible assets

Intangible assets acquired separately are capitalized at cost and depreciated over their estimated useful lives.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified and the cost incurred can be measured reliably. Otherwise, the costs are expensed as incurred. Research costs are expensed as incurred.

Inventory

The inventory is valued at the lowest of historical cost and fair value. The historical cost is valued using the FIFO method. Finished goods and work in process are valued at production cost. Management considers allowances for obsolescence.

Pensions

The company has established a defined contribution pension plan for all employees, and contributions to the plan are expensed as salary expenses in the income statement. The cost is expensed as incurred.

Tax

Tax expenses in the income statement comprise both tax payable for the accounting period and changes in deferred tax asset / deferred tax. Deferred tax / tax asset is calculated at 22% on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is likely to be utilized.

Currency

Transactions in foreign currency is recalculated using the exchange rate on the transaction date. Cash and cash equivalents in foreign currency are recalculated to NOK using the exchange rate at year end. Currency gains and -losses are recorded in the income statement throughout the accounting period using the exchange rate on the date of the transaction. Monetary items in foreign currency are valued at the exchange rate at year end.

**Functional and presentational currency**

The Group presents the financial statements in NOK, which is also the parent company's functional currency. Assets and liabilities of subsidiaries are recalculated using the exchange rate at year end. Revenue and expenses are recalculated using the average exchange rate. Currency exchange differences are recognized in equity.

Leases

Depending on the content of the agreement, leases are classified as financial or operational. If the significant part of the economic rights and obligations related to the underlying asset is transferred to the Group, the lease is classified as a financial lease. Assets held under financial leases are capitalized and depreciated over the useful life of the asset. The repayment of the lease obligation is included in interest bearing debt. Other leases are classified as operating leases and the annual leasing fee is expensed directly.

Estimates

Management has used estimates and assumptions which has affected assets, liabilities, revenues, expenses and disclosures of contingent liabilities. Future events could cause estimates to change. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period the changes occur.

Cash flow

The cash flow statement is prepared using the indirect method.
The liquid funds in the groups cash flow statement is defined as the sum of all bank deposits.



Note 1 - Sales revenue (Amounts in 1000 NOK)

Parent Company		Geographical area	Group	
2021	2022		2022	2021
90 731	114 979	Norway	114 979	90 731
15 998	1 017	Europe/Africa	22 778	33 102
32 043	12 056	Asia/Oceania	12 056	32 043
14 143	1 881	America	82 578	57 202
152 915	129 933	Total	232 391	213 078

The TCO Group develops and provides products and services for the completion phase of onshore and offshore production and injection wells for oil and gas. The TCO Group also provides products and services for permanent plugging of wells, as well as services such as TCP (Tubing Conveyed Perforating) and CI (Chemical Injection Systems).

Note 2 - Transactions and intercompany balances with companies within the Group

Transactions with companies within the Group

	2022	2021
Sales to TCO Products Inc.	2 548	2 954
Sales to TCO In-Well Tech. Ltd.	3 141	7 228
Management fee to subsidiaries	2 995	20 190
Interest income from TCO In-Well Tech. Ltd.	1 155	1 480
Total income	9 838	31 851

Interest cost to TCO Products Inc.	1 139	0
Hired labor from TCO In-Well Tech. Ltd.	3 523	4 384
Goods purchased from TCO Products Inc.	0	853
Total costs	4 662	5 037

Intercompany balances with companies within the Group

Parent Company		Geographical area	Group	
2021	2022		2022	2021
Long term receivables/ payables				
-26 433	-6 645	TCO Products Inc.	-	-
-	-	TCO In-Well Technologies Ltd.	-	-
-26 433	-6 645	Sum	-	-

Parent Company		Geographical area	Group	
2021	2022		2022	2021
Short term receivables/ payables				
-	-	TCO Products Inc.	-	-
-	-	TCO In-Well Technologies Ltd.	-	-
-	-	Sum	-	-

The company has received loans from the parent company Rieber & Søn AS, totalling TNOK 57 500, where TNOK 32 500 is subordinated. Calculated interest has been added to the loans.

Note 3 - Salary and personnel expenses

Parent Company		Geographical area	Group	
2021	2022		2022	2021
62 564	64 985	Salary	71 972	68 023
9 071	9 524	Social security tax	9 956	9 458
3 975	4 323	Pension contribution	4 490	4 068
3 044	4 853	Other benefits	5 210	3 159
78 654	83 665	Total	91 628	84 708

In the financial statements for 2022, a total of NOK 150 000 is recorded as board fees.

The Managing Director was appointed on 1 July 2022 and has received a salary totaling NOK 1 299 000, and other benefits totaling NOK 7 176 for the period June - December. Further, the Managing Director is a member of the company's defined contribution pension plan.

Number of full-time employees employed during the accounting period:

	2022	2021
Parent	76	75
Group	88	84

The Company has not provided loans or pledges to senior executives or shareholders.

The company is required to have a pension scheme by law that supports mandatory occupational pension. The company's pension scheme meets the requirements of this Act.



Note 4 - Intangible assets

Parent Company

	Products and Technology	Patents, Licences etc.	Total
Aquisition cost 01.01	37 622	21 207	58 829
Additions	650		650
Aquisition cost 31.12	38 272	21 207	59 479
Accumulated depreciation 01.01	26 920	21 074	47 994
Current year depreciation	3 759	100	3 859
Current year write down			
Accumulated depreciation 31.12	30 679	21 174	51 853
Net book value 31.12.	7 593	33	7 627
<i>Economic life</i>	<i>3-5 years</i>	<i>5 years</i>	
<i>Depreciation plan</i>		<i>Linear</i>	

The company has capitalized Reasearch and development cost totaling TNOK 7 593
Depreciation of R&D is calculated on a linear basis over the economic life at the time completion.
In 2022 there has been additions of TNOK 650, and depreciations of TNOK 3 759

Group

	Products and Technology	Patents, Licences etc.	Total
Aquisition cost 01.01	37 622	21 207	58 829
Additions	650		650
Aquisition cost 31.12	38 272	21 207	59 479
Accumulated depreciation 01.01	26 920	21 074	47 994
Current year depreciation	3 759	100	3 859
Current year write down			
Accumulated depreciation 31.12	30 679	21 174	51 853
Net book value 31.12.	7 593	33	7 627
<i>Economic life</i>	<i>3-5 years</i>	<i>5 years</i>	
<i>Depreciation plan</i>	<i>Linear</i>	<i>Linear</i>	

The Group has capitalized Reasearch and development cost totaling TNOK 7 593
Depreciation of R&D is calculated on a linear basis over the economic life at the time completion.
In 2022 there has been additions of TNOK 650, and depreciations of TNOK 3 759

Note 5 - Fixed assets

Parent Company

	Fixed assets	Property development	Total
Aquisition cost 01.01	79 213	2 896	74 169
Additions	553		553
Disposals			
Aquisition cost 31.12	79 766	2 896	74 722
Accumulated depreciation 01.01	60 130	2 438	56 562
Current year depreciation	5 209	182	5 391
Accumulated depreciation 31.12	65 339	2 620	67 959
Net book value 31.12.	14 427	276	14 702
<i>Economic life</i>	<i>3-5 years</i>	<i>8 years</i>	
<i>Depreciation plan</i>	<i>Linear</i>	<i>Linear</i>	

Net book value at year end (31.12) for fixed assets considered as financial lease: TNOK 9 014
Current year depreciation for fixed assets considered as financial lease: TNOK 2 363



Group	Fixed assets	Property development	Total
Aquisition cost 01.01	79 259		79 259
Additions			
Disposals			
Aquisition cost 31.12	79 259		79 259
Accumulated depreciation 01.01	57 505		57 505
Current year depreciation	155		155
Eliminated on disposal			
Accumulated depreciation 31.12	57 660		57 660
Accumulated write down 01.01	1 114		1 114
Current year write down			
Accumulated write down 31.12	1 114		1 114
Net book value 31.12.	20 508		20 508
<i>Economic life</i>	<i>3-8 years</i>	<i>8 years</i>	
<i>Depreciation plan</i>	<i>Linear</i>	<i>Linear</i>	

Note 6 - Research and development

Expenses related to R&D recorded in the financial statements for 2022 total 20,1 MNOK . The expenses incurred have contributed to concept development related to new solutions and improving existing products.

The company has an overdraft facility of TNOK 60 000. As of 31 December 2022 the loan is classified as current interest bearing debt.

Parent Company		Group
500	Statutory audit	500
126	Other services	126
626	Total	626

The numbers are presented exclusive of VAT

Note 8 - Other operating expenses

Parent Company	2021	2022		Group	2022	2021
9 823	11 199	Rent and other expenses	15 168	13 651		
997	2 500	Travel expenses	2 718	1 196		
919	1 311	Rent of machines and other expenses	1 354	958		
3 641	6 506	Supplies, telephone and IT	6 866	3 966		
34 282	-6 234	Other operating expenses	99 749	43 261		
49 662	15 282	Total	125 855	63 032		

Note 9 - Rental agreements

The Company's rental facilities	Agreements expires	Yearly rent
Storaneset Næringspark, Indre Arna	30.06.2025	5 685
Vestre Svanholmen 4, Forus	01.01.2024	743
NCC lager, Ytre Arna	03.04.2023	66

The Company's rental of plots of land

gnr. 51, bnr 41 Hå kommune	31.12.2031	92
gnr. 51, bnr 29 Hå kommune	31.12.2031	50
gnr. 51, bnr 7, Hå kommune	31.12.2031	9

The company has an option to extend the lease relating to Storaneset Næringspark and NCC when the rent agreement expires.



Note 9 - Rental agreements continued

The Group's rental facilities	Agreements expires	Yearly rent
Unit 5, Minto Commercial Park, Aberdeen, Scotland (TCO UK)	31.12.2023	£ 230
22735 E Hammond Dr., Porter, Texas, USA (TCO Products Inc., USA)	28.02.2025	\$ 106

Finance lease commitments amounts to NOK 9 371 160 at year end.

In 2022 there are expensed rental costs of NOK 269 300 as interest for lease agreements assessed as financial lease.

Estimated lease payments	< 1 year	1-5 years	> 5 years	Total
Nominal value payments	2 122	6 789	2 790	11 681
Net present value*	2 021	5 717	2 186	9 925

* Discount rate: 5%

Note 10 - Currency gains and losses

Parent Company			Group	
	2021	2022		2021
	5 395	12 226	12 226	5 395
	7 853	13 264	13 263	7 853
	-2 458	-1 038	-1 037	-2 457
		Net currency gain (loss)		



Note 11 - Taxes and deferred tax

Current year tax expense comprises:

Parent Company			Group	
2021	2022		2022	2021
-	-	Taxes payables	0	892
-8 718	-5 093	Change in deferred tax	-5 093	-7 452
-8 718	-5 093	Total current year tax	-5 093	-6 559

Calculation of current year tax base:

-40 080	-25 519	Earnings before taxes	-74 632	-20 907
452	2 370	Permanent differences	2 370	-485
-	-	Income from foreign subsidiaries	-	-
1 787	3 685	Change in temporary differences	3 685	3 053
-	-	Effect of tax accrual US 2019	-	-
-	-	Tax prepayments	0	-4 187
-37 842	-19 464	Current year tax base	-68 577	-22 526
-	-	Use of tax loss carried forward	-	-
-	-	Taxes payable	0	892

Temporary differences:

Parent Company			Group	
2021	2022		2022	2021
-20 832	-19 601	Fixed assets	-19 601	-20 832
6	-	Accounts receivables	0	13 304
-	-	Provisions for liabilities	-	-
-12 595	-17 570	Inventory	-17 570	-12 595
-66	19	Other differences	19	-66
-42 813	-62 277	Losses carried forward	-62 277	-42 813
-76 299	-99 430	Total	-99 430	-63 001
-16 786	-21 875	Deferred tax asset (22 % last year, 22 % this year)	-21 875	-13 860

Explanation to why the current year tax expense is not equal to 22 % of earnings before taxes (22% last year)

Parent Company			Group	
2021	2022		2022	2021
-8 818	-5 614	22 % of earnings before taxes	-5 614	-4 600
99	521	22 % of permanent differences	521	-107
-	-	Effect of change in tax rate	-	-
-	-	Tax. loss carried forw. not recognised	-	-1 853
-8 718	-5 093	Calculated tax expense	-5 093	-6 559



Note 12 - Collaterals and guarantees

Net book value for assets pledged as security for long term debt:

Parent Company		Group		
2021	2022		2022	2021
7 661	5 413	Operating assets	5 413	7 661
77 674	110 035	Inventory	110 035	77 674
10 042	18 264	Trade Receivables	18 264	10 042
<u>95 376</u>	<u>133 712</u>	<u>Total</u>	<u>133 712</u>	<u>95 376</u>
500	500	Secured debt	500	500

The company has drawn TNOK 45 732 of an overdraft facility of TNOK 60 000 as of 31 December 2022

Note 13 - Subsidiaries

Company	Acquired	Business location	Ownership	Voting rights
TCO Products Inc.	2009	Texas, USA	100 %	100 %
TCO In-Well Tech. Ltd.	2009	Aberdeen, Scotland	100 %	100 %

The shares are recorded in the financial statements using the cost method

Company	Share capital	Net book value in Parent	Equity	Earnings
TCO Products Inc.	1 000 USD	TNOK 1 755	6 423 TUSD	1 677 TUSD
TCO In-Well Tech. Ltd.	2 GBP	TNOK 0	-4 223 TGBP	47 TGBP
<u>Total</u>		<u>TNOK 1 755</u>		

Note 14 - Contingent assets

Tax credit claim - Skattefunn

The company has received approval for R&D projects in "Skattefunn" by the The Research Council of Norway. The amount for 2022 totaling TNOK 152 is recorded in the financial statements as a reduction in fixed assets and taxes payables. The final approval will be made by the tax authorities in connection with the company's tax return.



Note 15 - Restricted funds

Restricted bank deposits as of 31 December 2022 amounts to TNOK 3 131

Note 16 - Equity

Parent Company

	Share capital	Own shares	Share premium	Other paid in capital	Other equity	Total
Equity 01.01.2022	210	-2	10 174	10 223	-15 316	5 289
Profit or loss for the year					-20 426	-20 426
Correction of prior year deferred tax asset						
Equity 31.12.2022	210	-2	10 174	10 223	-35 742	-15 137

Group

	Share capital	Own shares	Share premium	Other paid in capital	Other equity	Total
Equity 01.01.2022	210	-2	10 174	10 223	42 416	63 021
Profit or loss for the year					-69 539	-69 539
Translation differences					5 458	5 458
Equity 31.12.2022	210	-2	10 174	10 223	-21 665	-1 061



Note 17 - Share capital and shareholder information

The share capital of TCO AS at 31 December 2022 consists of one class of shares:

	Number of shares	Face value	Carrying value
A-shares	2 102 776	0,1	210 278

Shareholders as of December 31st, 2021

Shareholder	Number shares	Percentage ownership and voting rights
Rieber & Søn AS	1 772 029	85,18 %
Atlantis Vest AS	265 458	12,76 %
AS Flu	30 000	1,44 %
TCO AS (own shares)	22 500	-
Others	12 789	0,61 %
Sum	2 102 776	100,0 %

In 2014 the company accrued 22 500 of its own shares. TCO AS owns these shares as of 31 December 2022.

The Chairman of the Board, Øystein Elgan, owns 1 612 shares in the company.
Board member, Sverre Skogen, owns 1 500 shares in the company.

Note 18 - Non-current interest bearing debt

Long term liabilities (more than five years maturity):

In 2021 and 2022 neither the company or the TCO Group have any non-current interest bearing debt to financial institutions with maturity more than five years except of financial lease agreements disclosed in note 6.

As of 31 December 2022 liabilities to financial institutions consist of interest bearing debt to Nordea of TNOK 500, which matures in 2023.

The company entered into a loan agreement for a shareholder loan with Rieber & Søn AS in December 2021 for a loan which totals to TNOK 57 500 as of 31 December 2022. TNOK 37 500 of this loan is subordinated.

Note 19 - Current interest bearing debt

The company has an overdraft facility of TNOK 60 000. As of 31 December 2022 the loan is classified as current interest bearing debt. The overdraft facility of TNOK 45 000 expires 10 September 2022 and TNOK 15 000 expires 10 September 2023.

Note 20 - Legal dispute / Subsequent events

The company lost the court case in district court of Waco, Texas and is currently undergoing the process of appealing the decision. The company still believes the lawsuit will have an expected positive outcome when the appeal is processed and completed. In the conclusion of the 2022 financial year a provision of MUSD 3.2 has been made to reflect the outcome of the decision in the district court of Waco, Texas.

**SIGNATURES****ALLEKIRJOITUKSET****UNDERSKRIFTER****SIGNATURER****UNDERSKRIFTER**

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Jørund Haga Indrehus

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BankID - 065681d5-acf7-4cd2-905e-db2f97d77db3 - NO

Robert Jay Abercrombie

aadabfee-650e-4317-acdd-2edaebd6302d - 2023-06-23 15:42:05 UTC +03:00
BankID - 5ca8af54-6b14-475a-a19d-d6e46f1b9669 - NO

Øystein Elgan

991a5a8a-555c-4d88-b4df-ea30bbb6af24 - 2023-06-23 15:42:11 UTC +03:00
BankID - 93e8b3a4-4349-4bda-aa31-997c4e96c716 - NO

BÅRD NERDAL

a8422a57-560e-4b14-9bfb-4051fbade767 - 2023-06-23 15:41:55 UTC +03:00
BankID - 2cd4c05c-a42b-4e5e-9761-6d36fbec0b6d - NO

Hanne Elisabeth Bowitz

6ddb1cb-3834-4d5b-84a3-a86355ad93c4 - 2023-06-23 15:43:21 UTC +03:00
BankID - eee30f88-6607-4c7c-b2c8-62d798d91402 - NO

Atle Bernt Ingebrigtsen

4c92c3e0-24fb-4707-a61b-3ee55a95c980 - 2023-06-23 18:19:17 UTC +03:00
BankID - df196c6d-ea34-44b3-ba37-e6a43cb6a343 - NO

Sverre Skogen

2ce4cfe0-a8c6-4ccb-a4c2-1100d87dd5fa - 2023-06-24 23:11:44 UTC +03:00
BankID - 4f501f42-c362-4adf-9715-f49e61b03e13 - NO

authority to sign
representative
custodial

asemavaltuutus
nimenkirjoitusoikeus
huoltaja/edunvalvoja

ställningsfullmakt
firmateckningsrätt
förvaltare

autoritet til å signere
representant
foresatte/verge

myndighed til at underskrive
repræsentant
frihedsberovende

Electronically signed / Sähköisesti allekirjoitettu / Elektroniskt signerats / Elektronisk signert / Elektronisk underskrevet
<https://sign.visma.net/nb/document-check/9194bc8c-a37c-4138-a3e2-5d7e1e4410fb>

visma sign
www.vismasign.com



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
05.05.2014

Vår dato
19.05.2014

Telefon
977 59 464

Deres referanse
Kenneth Tunes

Vår referanse
2014/319232

TCO AS
Postboks 23 Indre Arna
5888 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for TCO AS, org.nr. 983 532 845

— Vi viser til deres brev av 5. mai 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for TCO AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering TCO AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

TCO AS sin virksomhet er rettet mot internasjonale aktører og alle selskapets vesentlige samarbeidspartnere og interessenter er internasjonale. Kundemassen består i all hovedsak av store internasjonale operatørselskap som ConocoPhillips, Exxon, Total og Statoil. Videre er selskapets nøkkelleverandører også internasjonale. Selskapets hovedeier har eierinteresser i andre internasjonale virksomheter og grunnlag for innarbeidelse i regnskap for høyere enhet gjøres på engelsk.

Skattedirektoratets vurdering

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

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

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse: Sentralbord
Se www.skatteetaten.no 800 80 000
Org.nr: 996250318 Telefaks
E-post: skatteetaten.no/sendepost 22 17 08 60



vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er rettet mot internasjonale aktører og at alle selskapets vesentlige samarbeidspartnere og interessenter er internasjonale. Videre er det vektlagt at grunnlag for innarbeidelse i regnskap for høyere enhet gjøres på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Rune Tystad