



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 945 914 777
Organisasjonsform: Aksjeselskap
Foretaksnavn: IK-NORWAY AS
Forretningsadresse: Christian August Thorings veg 9
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Eirik Berge
Dato for fastsettelse av årsregnskapet: 26.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 27.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	167 629 422	199 498 506
Annen driftsinntekt	19	1 846 765	490 137
Sum inntekter		169 476 187	199 988 643
Kostnader			
Varekostnad		56 284 974	64 633 760
Lønnskostnad	3	72 095 447	73 298 769
Avskrivning	6, 8	9 510 019	7 215 110
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6, 8	10 566 834	
Annen driftskostnad	3, 4, 10	29 517 144	22 536 203
Sum kostnader		177 974 418	167 683 842
Driftsresultat		-8 498 231	32 304 801
Finansinntekter og finanskostnader			
Inntekt på inv. i datterselskap og tilknyttet selskap	11	140 766	130 579
Annen finansinntekt	5	7 937 469	4 295 446
Sum finansinntekter		8 078 235	4 426 025
Annen finanskostnad	5	11 042 251	3 925 997
Sum finanskostnader		11 042 251	3 925 997
Netto finans		-2 964 016	500 028
Ordinært resultat før skattekostnad		-11 462 247	32 804 829
Skattekostnad på ordinært resultat	15	-2 669 267	7 122 567
Ordinært resultat etter skattekostnad		-8 792 980	25 682 262
Årsresultat		-8 792 980	25 682 262
Overføringer og disponeringer			
Konsernbidrag	11, 16	10 674 734	7 753 280
Overføringer annen egenkapital	16	-19 467 714	17 928 982



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum overføringer og disponeringer		-8 792 980	25 682 262



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	6, 7	12 744 850	15 030 146
Utsatt skattefordel	15	3 638 499	778 923
Sum immaterielle eiendeler		16 383 349	15 809 069
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	3 604 587	4 610 183
Maskiner og anlegg	8	4 152 019	11 040 382
Driftsløsøre, inventar, verktøy, kontormaskiner ol	8	2 849 482	2 645 055
Sum varige driftsmidler		10 606 088	18 295 620
Finansielle anleggsmidler			
Lån til foretak i samme konsern	11		8 775 466
Sum finansielle anleggsmidler			8 775 466
Sum anleggsmidler		26 989 437	42 880 155
Omløpsmidler			
Varer			
Sum varer	14	666 048	562 221
Fordringer			
Kundefordringer	9, 10, 11	27 392 060	49 871 977
Andre fordringer	11	53 432 735	44 603 496
Sum fordringer		80 824 795	94 475 473
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	13	2 538 101	3 024 037
Sum omløpsmidler		84 028 944	98 061 731
SUM EIENDELER		111 018 381	140 941 886



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	16, 17	1 071 000	1 071 000
Overkurs	16	102 470	102 470
Sum innskutt egenkapital		1 173 470	1 173 470
Opptjent egenkapital			
Annen egenkapital	16	50 258 112	69 725 826
Sum opptjent egenkapital		50 258 112	69 725 826
Sum egenkapital		51 431 582	70 899 296
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Konvertible lån	12	1 371 751	769 568
Gjeld til kredittinstitusjoner	12	6 625 000	6 750 000
Sum annen langsiktig gjeld		7 996 751	7 519 568
Sum langsiktig gjeld		7 996 751	7 519 568
Kortsiktig gjeld			
Leverandørgjeld	11	16 213 027	30 704 200
Betalbar skatt	15		4 622 218
Skyldige offentlige avgifter	13	4 808 702	5 638 048
Annen kortsiktig gjeld		19 703 276	11 618 454
Sum kortsiktig gjeld	11	51 590 048	62 523 022
Sum gjeld		59 586 799	70 042 590
SUM EGENKAPITAL OG GJELD		111 018 381	140 941 886



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of IK-Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IK-Norway AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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



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- fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
 - ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Opinion on registration and documentation

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

Stavanger, 3 June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Pennco Dokumentnr:kkci:DB3XQ-EKOP2-OEINZ-BXHPJ-FHWWG-K8ED1



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Stig Tore Strand

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5998-4-756562

IP: 51.174.xxx.xxx

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IK-Norway AS

Annual report 2020

Annual accounts

- Income statement
- Balance sheet
- Cash flow statement
- Notes

Auditors' report



Board of Directors' report 2020

IK-Norway AS

The character of the company, and how it is operated

IK-Norway AS is a niche supplier of solutions, products and services for subsea, pipe and pipelines, focusing on the worldwide oil and gas industry. The company is located at Forus, outside Stavanger, Norway.

Summary of the annual accounts

The company's annual sales went down from 200 MNOK in 2019 to 169 MNOK in 2020. Loss after tax for the year was -8,8 MNOK, against a profit of 25,7 MNOK in 2019. The losses in 2020 was much due to write-off of assets of 10,6 MNOK. The net profit/loss is allocated as follows: 10,7 MNOK as Group contribution and -19,5 MNOK transferred to other equity.

Total investments in 2020 were 10,1 MNOK. 4,4 MNOK is related to R&D. The rest is mainly related to new AOGV tools and IT.

The company's equity per 31.12.20 was 51,4 MNOK against 70,9 MNOK in 2019. The statement of cash flow is composed by the indirect method. Cash and cash equivalents decreased by 0,5 MNOK.

According to the board's opinion, the annual accounts show a true picture of the company's development and result, and its status.

Going concern

The annual accounts for 2020 are prepared under the assumption of going concern.

Future development

The outbreak of Covid-19 in March 2020 and the subsequent oil-crash made the market situation challenging. The revenues in 2020 were lower than the year before, and this situation continues in 2021 with delays and postponements of projects. However, as the vaccine programs are progressing and the travel restrictions are lifted, IK believe there will be an upturn in the Oil and Gas service industry within our niche area in the second half of 2021 and onwards. Represented by the four business areas; Pipeline Services, Topside Services, Subsea and AOGV, IK is prepared for this expected global growth cycle. Operationality, quality and customer intimacy will continue to be the core value provided to our customers. IK expects both organic and structural growth the next 5-year period

Working environment

The company keeps track of all absence due to sickness, according to existing rules and regulations. Total sick leave in 2020 was 2.37%.

No considerable weaknesses of the working environment, or the safety of the employees, were discovered in 2020. The company has no reports of personal injuries in 2020 and will continue its preventive work with focus on HSEQ.

External environment


IK Norway AS does not pollute the external environment, in any substantial degree. Source segregation of ordinary wastes is implemented, and special wastes are handled according to existing rules and regulations. No reports of pollution were registered in 2020. The company is certified according to ISO 9001-2015.

Gender equality

18 % of the employees were females, by year-end. When it comes to employment, all candidates are considered at the same level, independent of gender. The company tries to recruit females in parts of the organization that is dominated by men.




Stavanger, 26.05.2021



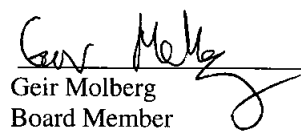
Eirik Berge
Chairman of the board



Tormod Sekse Bilstad
Board Member (representative)



Adrian Gamman
Board Member



Geir Molberg
Board Member



IK-Norway AS

Income statement

	Note	2020	2019
Revenue			
Sales revenue	2	167 629 422	199 498 506
Other operating income	19	1 846 765	490 137
Total revenue		<u>169 476 187</u>	<u>199 988 643</u>
Operating expenses			
Cost of stocks		56 284 974	64 633 760
Payroll expenses	3	72 095 447	73 298 769
Depreciation of tangible and intangible fixed assets	6, 8	9 510 019	7 215 110
Write-down on tangible and intangible fixed assets	6, 8	10 566 834	0
Other operating expenses	3, 4, 10	29 517 144	22 536 203
Total operating expenses		<u>177 974 418</u>	<u>167 683 842</u>
Operating result		<u>-8 498 231</u>	<u>32 304 801</u>
Financial income and expenses			
Income from investments in subsidiaries and associated companies	11	140 766	130 579
Other financial income	5	7 937 469	4 295 446
Other financial expenses	5	11 042 251	3 925 997
Net financial items		<u>-2 964 016</u>	<u>500 028</u>
Ordinary result before tax		<u>-11 462 247</u>	<u>32 804 829</u>
Tax on ordinary result	15	<u>-2 669 267</u>	<u>7 122 567</u>
Net profit or loss for the year		<u>-8 792 980</u>	<u>25 682 262</u>
Allocated as follows			
Group contribution	11, 16	10 674 734	7 753 280
Transferred to other equity	16	-19 467 714	17 928 982
Total allocations		<u>-8 792 980</u>	<u>25 682 262</u>



IK-Norway AS

Balance sheet as of December 31

	Note	2020	2019
Fixed assets			
<i>Intangible assets</i>			
Research and development	6, 7	12 744 850	15 030 146
Deferred tax asset	15	3 638 499	778 923
Total intangible assets		<u>16 383 349</u>	<u>15 809 069</u>
<i>Tangible assets</i>			
Land, buildings and other real property	8	3 604 587	4 610 183
Machinery and plant	8	4 152 019	11 040 382
Fixtures and fittings, tools, office machinery etc.	8	2 849 482	2 645 055
Total tangible assets		<u>10 606 088</u>	<u>18 295 620</u>
<i>Financial assets</i>			
Loans to group companies	11	0	8 775 466
Total financial assets		<u>0</u>	<u>8 775 466</u>
Total fixed assets		<u>26 989 437</u>	<u>42 880 155</u>
Current assets			
Inventories	14	<u>666 048</u>	<u>562 221</u>
<i>Receivables</i>			
Trade receivables	9, 10, 11	27 392 060	49 871 977
Other receivables	11	53 432 735	44 603 496
Total accounts receivable		<u>80 824 795</u>	<u>94 475 473</u>
Cash and cash equivalents	13	<u>2 538 101</u>	<u>3 024 037</u>
Total current assets		<u>84 028 944</u>	<u>98 061 731</u>
Total assets		<u>111 018 381</u>	<u>140 941 886</u>



IK-Norway AS

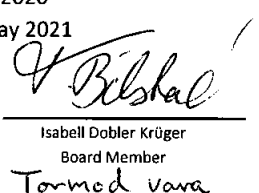
Balance sheet as of December 31

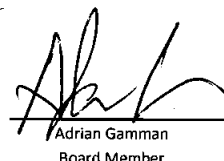
	Note	2020	2019
Equity			
<i>Paid-in capital</i>			
Share capital	16, 17	1 071 000	1 071 000
Share premium reserve	16	102 470	102 470
Total paid-in capital		<u>1 173 470</u>	<u>1 173 470</u>
<i>Retained earnings</i>			
Other equity	16	<u>50 258 112</u>	<u>69 725 826</u>
Total retained earnings		<u>50 258 112</u>	<u>69 725 826</u>
Total equity		<u>51 431 582</u>	<u>70 899 296</u>
Liabilities			
<i>Other long-term liabilities</i>			
Other long term liabilities	12	1 371 751	769 568
Liabilities to financial institutions	12	<u>6 625 000</u>	<u>6 750 000</u>
Total other long term liabilities		<u>7 996 751</u>	<u>7 519 568</u>
<i>Current liabilities</i>			
Trade creditors	11	16 213 027	30 704 200
Tax payable	15	0	4 622 218
Public duties payable	13	4 808 702	5 638 048
Liabilities to companies in the same group	11	10 865 043	9 940 102
Other short-term liabilities		<u>19 703 276</u>	<u>11 618 454</u>
Total current liabilities		<u>51 590 048</u>	<u>62 523 022</u>
Total liabilities		<u>59 586 799</u>	<u>70 042 590</u>
Total equity and liabilities		<u>111 018 381</u>	<u>140 941 886</u>

31 December 2020
Stavanger, 26 May 2021


Erik Berge
Chairman/CEO


Geir Molberg
Board Member


Isabell Dobler Krüger
Board Member
Tor med vara


Adrian Gamman
Board Member



IK-Norway AS

Cash flow statement

	Note	2020	2019
Cash flow from operating activities			
Profit/(loss) before tax		-11 462 247	32 804 830
Taxes paid		-4 622 703	-693 700
Depreciation and amortisation		9 510 019	7 215 110
Impairment		10 566 834	0
Changes in inventories, trade receivables and trade payables		17 468 337	2 873 525
Changes in other current balance sheet items		-2 383 435	-13 437 546
Net cash flow from operating activities		<u>19 076 805</u>	<u>28 762 219</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		<u>-10 102 026</u>	<u>-15 476 028</u>
Net cash flow from investing activities		<u>-10 102 026</u>	<u>-15 476 028</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		602 183	332 420
Payment of long term debt		-125 000	-500 000
Group contribution received/paid		<u>-9 937 898</u>	<u>-12 527 098</u>
Net cash flow from financing activities		<u>-9 460 715</u>	<u>-12 694 678</u>
Net change in cash and cash equivalents		-485 936	591 513
Cash and cash equivalents at 01.01.20		<u>3 024 037</u>	<u>2 432 526</u>
Cash and cash equivalents at 31.12.20		<u>2 538 101</u>	<u>3 024 039</u>



IK-Norway AS

Notes to the accounts for 2020

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Sales revenue

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

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. 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.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.



IK-Norway AS

Notes to the accounts for 2020

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent 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 more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Note 2 - Sales of goods

	2020	2019
<i>Geographical distribution</i>		
Sales within Norway	84 556 129	133 660 181
Sales outside Norway	83 073 293	66 328 462
	<u>167 629 422</u>	<u>199 988 643</u>

Note 3 - Wage costs, number of employees, remuneration and auditor's fee

<i>Wage costs</i>	2020	2019
Salaries	60 975 953	58 065 659
Social security tax	8 010 248	8 050 828
Pension costs	2 879 127	2 539 665
Other payments	230 119	4 642 617
Total	<u>72 095 447</u>	<u>73 298 769</u>

The Company has a contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

There has not been paid remuneration to the Board in 2020.

	Salary	Other remuneration
General manager	1 868 235	225 800



IK-Norway AS

Notes to the accounts for 2020

<i>Auditor fee has been divided as follows</i>	2020	2019
Audit fee	158 000	153 000
Other services	36 000	35 000

VAT is not included in the figures of auditor's fee.

Note 4 - Annual rental costs

	2020	2019
Buildings (8 years)	9 148 572	9 004 500
Cars (2-4 years)	179 653	94 053
Truck (2-4 years)	73 680	73 181
Copier (3 years)	87 990	76 343
Other office equipment (4 years)	746 143	784 675
	<u>10 236 038</u>	<u>10 032 752</u>

Note 5 - Foreign currency exchange gain/loss

The company has some receivables and sales/purchases in USD and GBP. Related gain and loss included in net financial items are as follows:

	2020	2019
Foreign currency exchange gain	7 844 514	4 043 485
Foreign currency exchange loss	<u>-10 401 264</u>	<u>-3 441 109</u>
Total	<u>-2 556 750</u>	<u>602 376</u>



IK-Norway AS

Notes to the accounts for 2020

Note 6 - Intangible assets

	R & D	Total
Acquisition cost at 01.01.2020	19 717 057	19 717 057
Purchased intangibles	4 386 554	4 386 554
Acquisition cost 31.12.2020	24 103 611	24 103 611
Acc.amortization at 31.12.2020	-8 516 172	-8 516 172
Acc.write-downs 31.12.	-2 842 589	-2 842 589
Net carrying amount at 31.12.2020	12 744 850	12 744 850
Amortization for the year	3 829 260	3 829 260
Write-downs for the year	2 842 589	2 842 589
Useful economic life	5 years	
Amortization plan	Lineær	

Note 7 - Research and development

	2020	2019
Research and development	12 744 850	15 030 146

IK Norway has during 2018, 2019 and 2020 capitalized development of six new innovative products as R&D. The objectives of the products are to increase the efficiency of pipeline isolation. IK-Norway has been funded NOK 701 580 in tax reimbursement related to this R&D in 2020. The tax reimbursement is recorded debit to other receivables and credit to investment in R&D.

Note 8 - Tangible assets

	Leasehold improvements	Machinery and plant	Tools, cars and office equipment	Total
Acquisition cost 01.01.20	12 519 724	20 944 232	15 595 737	49 059 693
Purchased tangibles	178 704	3 894 358	1 642 411	5 715 473
Acquisition cost 31.12.20	12 698 428	24 838 590	17 238 148	54 775 166
Acc.depreciation 31.12.20	-9 093 841	-12 962 326	-14 388 666	-36 444 833
Acc.write-downs 31.12.20	0	-7 724 245	0	-7 724 245
Net carrying amount at 31.12.20	3 604 587	4 152 019	2 849 482	10 606 088
Depreciation for the year	1 184 299	3 056 476	1 437 984	5 678 759
Write-downs for the year	0	7 724 245	0	7 724 245
Amortization plan	Straight line 10%	Straight line 25-33%	Straight line 20-33%	



IK-Norway AS

Notes to the accounts for 2020

Note 9 - Construction contracts

Engineering and construction contract revenues are recognized using the percentage of completion method.

	2020	2019
Recognized revenue related to ongoing projects	7 069 605	11 041 765

Completion is calculated at the ratio of project cost incurred to estimated total cost for the project.

Note 10 - Bad debt

	2020	2019
Provisions as of 31 December	2 031 703	100 000

Note 11 - Intercompany balance group company and associate

<i>Receivables</i>	2020	2019
Intercompany loans	0	8 775 466
Overdraft facility	47 405 776	38 054 915
Trade receivables	2 113 274	1 617 565
Total	<u>49 519 050</u>	<u>48 447 946</u>

As part of IK-Group, IK-Norway AS' cash flow is organized in a group account, where all companies included are equally responsible for the outstanding amounts. The accounts are owned by the parent company. IK-Norway AS bank balance included in the group accounts as of 31.12.20 is NOK 47 405 776.

<i>Payables</i>	2020	2019
Trade creditors	3 211 554	2 432 510
Group contribution	10 865 043	9 940 102
Total	<u>14 076 597</u>	<u>12 372 612</u>



IK-Norway AS

Notes to the accounts for 2020

Note 12 - Debts

<i>Long term liabilities</i>	2020	2019
Liabilities to financial institutions	6 625 000	6 750 000
Other long term liabilities	<u>1 371 751</u>	<u>769 568</u>
Total	<u>7 996 751</u>	<u>7 519 568</u>

<i>Pledged assets</i>	2020	2019
Inventory	666 048	562 221
Trade Receivables	20 240 883	37 312 647
Fixed assets	<u>10 606 088</u>	<u>18 295 620</u>
Total	<u>31 513 019</u>	<u>56 170 488</u>

IK-Norway has been granted a loan from Innovasjon Norge of total NOK 7 500 000 in 2017 and 2018. IK- Group is guarantor for the loan. NOK 250 000 will be due more than five years after the end of the financial year.

Note 13 - Bank deposit

	2020
Withheld payroll taxes	2 538 101

Note 14 - Inventories

	2020	2019
Inventories	<u>666 048</u>	<u>562 221</u>
Total	<u>666 048</u>	<u>562 221</u>



IK-Norway AS

Notes to the accounts for 2020

Note 15 - Income taxes

<i>Income tax expenses</i>	2020	2019
Tax payable	0	4 622 218
Tax effect from group contribution	190 309	0
Change in deferred tax	-2 859 576	313 527
Total income tax expense	<u>-2 669 267</u>	<u>4 935 745</u>
<i>Tax base estimation</i>	2020	2019
Ordinary result before tax	-11 462 247	32 804 830
Permanent differences	-670 782	-429 522
Change in temporary differences	12 998 070	-1 425 124
Tax base before group contribution	<u>865 041</u>	<u>30 950 184</u>
Group contribution	-865 041	-9 940 102
Tax base	<u>0</u>	<u>21 010 082</u>
Tax payable	0	4 622 218
<i>Temporary differences outlined</i>	2020	2019
Fixed assets	-12 977 169	-6 826 931
Receivables	-2 031 703	-100 000
Gains and losses	0	540 811
Provisions	-2 500 000	-400 000
Fixed contracts	970 241	3 245 566
Basis for calculating deferred tax asset	<u>-16 538 631</u>	<u>-3 540 554</u>
Deferred tax asset (22%)	-3 638 499	-778 922
<i>Effective tax rate</i>	2020	
Expected income taxes, statutory tax rate 22%	-2 521 694	
Tax effect from group contribution	190 309	
Permanent differences (22%)	-147 572	
Income tax expense	<u>-2 478 957</u>	



IK-Norway AS

Notes to the accounts for 2020

Note 16 - Owners equity

	Share capital	Share premium	Other equity	Total
Owners equity 31.12.19	1 071 000	102 470	69 725 826	70 899 296
Owners equity 01.01.2020	1 071 000	102 470	69 725 826	70 899 296
Profit for the year	0	0	-8 792 980	-8 792 980
Group contribution	0	0	-10 674 734	-10 674 734
Owners equity 31.12.2020	1 071 000	102 470	50 258 112	51 431 582

Note 17 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
	714	1 500	1 071 000

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
IK Group AS	714	100 %	100 %

Note 18 - Covid-19

The outbreak of Covid-19 in March 2020 and the subsequent oil-crash made the situation challenging. The revenues in 2020 were lower than the year before, and this situation continues in 2021 with delays and postponements of projects. However, as the vaccine programs are progressing and the travel restrictions are lifted IK believe there will be an upturn in the Oil and Gas industry within our niche area in the second half of 2021. Our main objective is to maintain as high degree of operational preparedness as possible and be ready for this upturn.

Note 19 - Government grants

The company has recognized government grant related to Covid-19 of total NOK 1 571 429 in 2020. At the signing of the financial statement the company have not formally applied for the government grant.



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 09.01.2014	Vår dato 20.01.2014
Telefon 977 59 464	Deres referanse Geir Molberg	Vår referanse 2014/29528

IK GROUP AS
Postboks 8018 Postterminalen
4068 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for IK Group-konsernet

- Vi viser til deres brev av 9. januar 2014 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

IK Group AS,	org.nr. 989 002 732
IK-Norway AS (IK Stavanger AS),	org.nr. 945 914 777
IK MidEast AS,	org.nr. 892 930 112

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene 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

IK Group AS er et norsk aksjeselskap og er morselskap i IK Group-konsernet. På telefon 20. januar 2014 er det opplyst at IK Stavanger AS og IK MidEast AS eies henholdsvis 100 % og 90,1 % av IK Group AS. Det ble videre opplyst at IK Stavanger AS har endret navn til IK-Norway AS. Konsernet driver virksomhet rettet mot olje- og gassindustrien. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er engelsk. Morselskapets aksjonærer er utenlandske personer eller norske personer (gjennom direkte og indirekte eierskap) som behersker engelsk, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med primære kunder og kreditorer foregår på engelsk. I tillegg er deler av konsernet lokalisert i UK.

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

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skattetat.no Org.nr: 996250318 E-post: skattetat.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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regnskapslovens formål, jf. pkt. 1.1:

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

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

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

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 konsernets arbeidsspråk er engelsk. Videre er det vektlagt at konsernet driver virksomhet i en bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Rune Tystad