Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	923 706 747
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	TECO 2030 ASA
Forretningsadresse:	Lysaker torg 12 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	30.09.2019 - 31.12.2019

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Christian Johnsen
Dato for fastsettelse av årsregnskapet:	12.08.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert

År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 20.07.2021

Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Personnel expenses	1		
Depreciation of operating and intangible assets	2		
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2		
Other operating expenses	1	2 635 608	
Sum kostnader		**2 635 608**	
Driftsresultat		**-2 635 608**	
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	13 767	
Annen renteinntekt		319	
Sum finansinntekter		**14 086**	
Netto finans		**14 086**	
Ordinært resultat før skattekostnad		**-2 621 522**	**0**
Tax on ordinary result	6		
Ordinært resultat etter skattekostnad		**-2 621 522**	**0**
Årsresultat		**-2 621 522**	**0**
Årsresultat etter minoritetsinteresser		**-2 621 522**	
Totalresultat		**-2 621 522**	
Overføringer og disponeringer			
Udekket tap	5	-2 621 522	
Sum overføringer og disponeringer		**-2 621 522**	

Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	2	3 909 237	
Concessions, patents, licences, trademarks, and similar rights	2		
Utsatt skattefordel	2, 6		
Goodwill	2		
Sum immaterielle eiendeler		**3 909 237**	
Varige driftsmidler			
Buildings and land	2		
Machinery and equipment	2		
Ships	2		
Equipment and other movables	2	164 909	
Sum varige driftsmidler		**164 909**	
Finansielle anleggsmidler			
Lån til foretak i samme konsern	3		
Sum anleggsmidler		**4 074 146**	**0**
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		4 626 741	
Konsernfordringer	3	19 337	
Sum fordringer		**4 646 078**	
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		3 689 963	
Sum bankinnskudd, kontanter og lignende		**3 689 963**	
Sum omløpsmidler		**8 336 041**	**0**
SUM EIENDELER		**12 410 187**	**0**

Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4, 5	111 111	
Overkurs	5	9 988 879	
Annen innskutt egenkapital	5		
Sum innskutt egenkapital		**10 099 990**	
Opptjent egenkapital			
Reserve for valuation variation	5		
Other equity	5		
Udekket tap	5	2 621 522	
Sum opptjent egenkapital		**-2 621 522**	
Sum egenkapital		**7 478 468**	**0**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		209 467	
Tax payable	6		
Other current debt	3	4 722 251	
Sum kortsiktig gjeld		**4 931 718**	
Sum gjeld		**4 931 718**	**0**
SUM EGENKAPITAL OG GJELD		**12 410 187**	**0**

TECO 2030 ASA

(former TECO 2030 AS)

Annual report 2019

Contents

Statement of comprehensive income

For the year ended 31 December

Amounts in NOK	Notes	30.09.2019-31.12.2019
Total income	2.1	-
Other operating expenses	2.2	-2 635 608
Depreciation and amortisation	3.1,3.2	-
Operating profit (loss)		**-2 635 608**
Finance income	4.7	14 086
Finance expenses	4.7	-
Net financial income (expense)		**14 086**
Profit (loss) before tax		**-2 621 522**
Income tax expense	5.1	-
Profit (loss) for the period		**-2 621 522**
Other comprehensive income:		
Items that subsequently will not be reclassified to profit or loss		-
Items that subsequently will be reclassified to profit or loss		-
Total other comprehensive income for the period		**-**
Comprehensive income for the period		**-2 621 522**
Earnings per share		
Basic EPS, profit for the year attributable to ordinary equity holders	4.5	-2,36
Diluted EPS, profit for the year attributable to ordinary equity holders	4.5	-2,36

Statement of financial position

Amounts in NOK	Notes	31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	3.1	164 909
Intangible assets	3.2	3 909 237
Deferred tax assets	5.1	-
Total non-current assets		**4 074 146**
Current assets		
Trade and other receivables	2.3	4 646 078
Cash and cash equivalents	4.6	3 689 963
Total current assets		**8 336 041**
TOTAL ASSETS		**12 410 187**
EQUITY AND LIABILITIES		
Equity		
Share capital	4.5	111 111
Share premium		9 988 879
Retained earnings		-2 621 522
Total equity		**7 478 468**
Current liabilities		
Interest-bearing loans and borrowings	4.2	4 722 251
Trade and other payables	2.4	209 468
Total current liabilities		**4 931 719**
Total liabilities		**4 931 719**
TOTAL EQUITY AND LIABILITIES		**12 410 187**

Oslo, 12 August, 2020

Sigurd Gaarder Lange
chairman of the board

Eskil Hansen
member of the board

Sidsel B. Myhrvold
member of the board

Tore Enger
Chief Executive Officer

Statement of cash flows

For the years ended 31 December

Cash flows from operating activities	Notes	2019
Profit (loss) before tax		**-2 621 522**
Adjustments to reconcile profit (loss) before tax to net cash flows:		
Net financial income/expense		-14 086
Changes in working capital:		
Changes in trade receivables and other receivables	2.3	-4 646 078
Changes in trade and other payables	2.4	4 931 718
Net cash flows from operating activities		**-2 349 968**
Cash flow from investing activities		
Purchase of property, plant and equipment	3.1	-164 909
Development expenditures	3.2	-3 909 237
Interest received	4.7	14 086
Net cash flows from financing activities		**-4 060 060**
Cash flow from financing activities		
Proceeds from issuance of equity		10 099 990
Proceeds from interest-bearing loans and borrowings	4.2,4.4	-
Interest paid on loans and borrowings	4.7	-
Net cash flows from financing activities		**10 099 990**
Net increase/(decrease) in cash and cash equivalents		3 689 963
Cash and cash equivalents at beginning of the year/period	4.6	-
Cash and cash equivalents, end of year		**3 689 963**

The statement of cash flows are prepared using the indirect method.

Statement of changes in equity

Amounts in NOK	Share capital	Share premium	Retained earnings	Total equity
Balance at 30 September 2019	-	-	-	-
Issuance of share capital at inception	100 000			100 000
Issuance of share capital	11 111	9 988 879	-	9 999 990
Profit (loss) for the period	-	-	-2 621 522	-2 621 522
Other comprehensive income	-	-	-	-
Balance as of 31 December 2019	**111 111**	**9 988 879**	**-2 621 522**	**7 478 468**

Section 1 - Overview

1.1 Corporate information

The financial statements of TECO 2030 ASA ("The Company" or TECO 2030) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board on the 12 August 2020. TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway, operating within the Green Maritime Technology market. The Company was incorporated on the 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. The registered office address of TECO 2030 is Lysaker torg 12, 1366 LYSAKER, Norway.

TECO 2030 is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

1.2 Basis of preparation

The financial statements of TECO 2030 comprise of statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU), and represents the first financial statements for the Company in accordance with IFRS.

The financial statements have been prepared on a historical cost basis.

The financial statements are prepared based on the going concern assumption, however material uncertainity exists, see note 6.2 for further information.

The financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the Company.

As these are the first financial statements of the Company, there is no comparative information in respect of the previous period.

TECO 2030 uses a presentation in which the description of the most relevant accounting policies for the business are presented in the notes to which the policies relate.

Throughout 2019, the Company was, to some extent, exposed to foreign exchange transaction risk as the development agreement with AVL was denominated in EURO whereas the Company's funding was made in NOK. For 2020 and onwards, all or most of the sales, as well as most of the production costs will be in EURO. Some of the production costs will, however, be in NOK together with the Company's overhead expenses and, as such, lead to an increased exposure between EURO and NOK. In addition, the Company will, from project to project, be exposed to a limited number of other currencies (mainly USD). The Company has not secured any FX-trades by the signing of the financial statements but is constantly monitoring the FX-market and the Company's exposure.

1.3 Estimates, judgements and assumptions

The preparation of the financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs
Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of intangible assets
The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Reference is made to note 5.1 for information on the Company's recognised and unrecognised deferred tax assets.

Section 2 - Operating performance

2.1 Segment information and operating income

ACCOUNTING POLICIES

Revenue from contracts with customers

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

For the year ended 31 December 2019 the Company did not recognise revenue.

Segment information

For management purposes, the Company is organised into one business unit based on its operation and has accordingly one reportable segment, as follows:

- TECO Marine Solutions

No operating segments have been aggregated to form the above reportable operating segment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Company's financing (including finance costs, finance income and other income) and income taxes are managed on a Company basis and are not allocated to operating segments.

For the year ended 31 December 2019

	TECO Marine Solutions	Total
Revenue		
External customers	-	-
Inter-segment	-	-
Total Revenue	-	-
Income/(expenses)		
Operating expenses	-2 635 608	-2 635 608
Employee benefits expenses	-	-
Depreciation and amortisation	-	-
Segment profit	**-2 635 608**	**-2 635 608**
Total assets		
Total liabilities		
Capital expenditure		

2.2 Other operating expenses

Other operating expenses	30.09.2019-31.12.2019
Management fees	2 046 674
Research expenses	-
Audit and accounting fees	-
Other operating expenses	588 934
Total other operating expenses	**2 635 608**

The company does not have any employees. Management of the Company is handled through an service agreement with the sister company Teco Technologies AS. In 2020, the Company has paid close to NOK 4 million in Management fee, which covering both ordinary Management of the company, including CEO and CFO services as well as development of the Company. Of the NOK 4 million in Management fee, NOK 1.9 million is capitalised as developement of the Company's 10 MW scrubber solutions.

Subsequent to the balance sheet date, the Company, through newly acquired a wholly owned subsidiary acquired after the balance sheet date, entered into an agreement resulting in transferring of employees in Teco Technologies AS to Nye Teco 2030 AS, see note 6.2 for additional information. The company further plan to implement an incentive program in 2020.

Auditor fees	2019
Fee for statutory audit (excl. VAT)	-
Other services (excl. VAT)	-
Total remuneration to the auditor	**-**

2.3 Trade and other receivables

Trade and other receivables	31.12.2019
Receivables on related parties	19 337
Total trade and other receivables	**19 337**

No impairment (estimated credit loss) has been made to trade and other receivables. All outstanding receivables are due within 30 days or less. For details regarding the company's procedures on managing credit risk, please see note 4.4.

2.4 Trade and other payables

Trade and other payables	31.12.2019
Trade payables	209 468
VAT payable	-
Other accrued expenses	-
Total trade and other payables	**209 468**

A significant part of the development expenditures for scrubber's related to the Company's agreement with the independent service provider AVL, EUR 525 thousand is outstanding commitments - see note 3.2 for additional information.

Section 3 - Asset base

3.1 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is measured at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the PP&E and borrowing costs for similar construction projects if they meet the recognition criteria. When significant parts of PP&E are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or cash generating units (CGU) recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Equipment and movables	Total
Acquisition cost 30.09.2019	**-**	**-**
Additions	164 909	164 909
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.2019	**164 909**	**164 909**
Accumulated depreciation & impairment 30.09.2019	**-**	**-**
Depreciation for the year	-	-
Disposals	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2019	**-**	**-**
Carrying amount 31.12.2019	**164 909**	**164 909**

Economic life (years)	3	
Depreciation plan	Straight-line method	

The equipment were acquired ultimo December 2020 and will be depreciated from 1 January 2020.

3.2 Intangible assets

Nature of the Company's intangible assets
The Company's has recognised intangible assets comprising internal development projects related to the Company's solutions:

- TECO Smart Scrubber - Exhaust Gas Cleaning Systems

ACCOUNTING POLICIES
Intangible assets acquired in a business combination
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

SIGNIFICANT ACCOUNTING JUDGEMENTS
Capitalisation of internal development costs
Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- its ability to use or sell the intangible asset

Other costs are classified as research and are expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are assessed for impairment indicators at the end of each reporting period, and tested for impairment if indicators exists.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit. The company estimate that development expenditures are available for use during first half of 2020.

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development is capitalised is highly subjective, as the outcome of these projects may be uncertain.

3.2 Intangible assets (continued)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

	Development	Total
Acquisition cost 30.09.2019	-	-
Additions	3 909 237	3 909 237
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.19	**3 909 237**	**3 909 237**
Accumulated depreciation & impairment 30.09.2019	-	-
Amortisation for the year	-	-
Disposals	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2019	-	-
Carrying amount 31.12.19	**3 909 237**	**3 909 237**
Economic life (years)	7	
Amortisation plan	Straight-line method	

Research and development

The Company performs a range of research and development projects primariliy related to the Company's technology and solutions for building 10 MW scrubber solutions. Per year-end 2019, the company estimate that development of the scrubber solutions are progressing in line with expectations, with remaining procedures mainly related to thermo, structure and vibration analysis in addition to preparing necessarry documentation in accordance with MARPOOL requirements. In February 2020 production of the first two scrubber's commenced.

Research and development expenses that were not capitalized are included in the statement of comprehensive income as other operating expenses and specified in note 2.2.

A significant part of the development expenditures for scrubber's related to the Company's agreement with the independent service provider AVL, estimated to EUR 700 thousand, of which 25 % were paid in 2019, 25 % paid in March 2020, with the remaining 50 % to be paid in October 2020. No accrual is made, as the rights to the solutions are neither completed nor transferred to the Company.

Section 4 - Financial instruments, risk and equity

4.1 Financial instruments

ACCOUNTING POLICIES

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

Classification of financial instruments:

The Company currently has financial instruments in the following measurement categories:

Financial assets measured at amortised cost:

- Includes mainly trade receivables, cash and cash equivalent and loans to related parties.

Financial liabilities measured at amortised cost:

- Represent the Company's interest-bearing liabilities and non-interest bearing liabilities such as trade payables

All of the Company's financial assets are part of the Company's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Company's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Company does not hold any derivative instruments or other financial instruments.

Initial recognition and subsequent measurement of financial instruments at amortised cost

The Company's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses.

Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Company bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.

Derecognition of financial liabilities

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

4.1 Financial instruments (continued)

The carrying amount of the Company's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

31.12.2019	Note	Financial instruments at amortised cost	Total
Assets			
Loan to related parties	6.1	-	-
Receivables on related parties	2.3, 6.1	19 337	19 337
Cash and cash equivalents	4.6	3 689 963	3 689 963
Total financial assets		**3 709 300**	**3 709 300**
Liabilities			
Interest-bearing loans and borrowings			
Current interest bearing liabilities to related parties	4.2	4 722 251	4 722 251
Other financial liabilities			
Trade and other payables	2.4	209 468	209 468
Total financial liabilities		**4 931 719**	**4 931 719**

4.2 Interest-bearing loans and borrowings

Current interest bearing loans and borrowings	**31.12.2019**
Borrowings from related parties	4 722 251
Total current interest bearing loans and borrowings	**4 722 251**

The Company's interest bearing borrowings at 31.12.2019 consist solely of borrowings from related parties of the Company. The interest-bearing loans and borrowings carries a fixed interest rate of 4 % per annum from 1 January 2020, and are expected to be settled within one year after the reporting date. See note 6.1 for further information on related party transactions and balances.

The Company did not provide any guarantees to or on behalf of third parties as of 31 December 2019. Further, the Company does not have other significant commitments to disclose, other than the remaining commitment to AVL as described in note 3.2.

The company has not pledged assets as security for it's borrowings and there are no specific capital restrictions or covenants related to its borrowings.

4.3 Fair value measurement

ACCOUNTING POLICIES
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures
Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowings from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value measurement at 31.12.2019 is categorised as level three as the assumptions in the DCF valuation are not directly observable. The assumptions are based on information existing at the valuation dates, and are not based on hindsight.

There were no transfers between the levels during the reporting period.

4.4 Financial risk management

Overview
The Company's principal financial liabilities are loans and borrowings to related parties. The main purpose of these borrowings are to finance the Company's working capital, capital expenditures and research and development projects.

The Company is exposed to market risk, financial risk, credit risk and liquidity risk.

Risk management is carried out by Company's management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk
The market outlook for solutions that significantly reduce the ecological impact of maritime pollution and solutions for a cleaner global environment are good. However, the Company is still exposed to external factors such as industry regulations and commodity prices.

Financial risks
The Company's main financial risk is connected to interest rates and changes in foreign exchange rates.

Currency risk
The Company is currently exposed to low currency risk in relation to financing activities, operating activities and investment activities. The Company's financial assets and liabilities are currently in NOK and the majority of all expenses are currently in NOK. The company has however an agreement with AVL nominated in EUR 700 thousand, with separate milestones payment, see note 3.2.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited due to fixed interest rates on its financial assets and liabilities.

Liquidity risk
The Company is managed with the objective to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The cash inflows in the fiscal year are limited to external financing and borrowings from related parties, however, the future outlook also includes operating cash inflows. The Company is dependent upon further financing, and the liquidity risk is assessed as moderate to high, see note 6.2 for additional information.

4.4 Financial risk management (continued)

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

As at 31 December 2019	< 1 year	1 to 5 years	> 5 years	Total
Borrowings from related parties (Note 4.2)	4 722 251	-	-	4 722 251
Trade and other payables (Note 2.4)	209 468	-	-	209 468
Total contractual undiscounted payments	**4 931 719**	**-**	**-**	**4 931 719**

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is considered limited as the loan to-, and borrowings from related parties are of similar amounts and against the same counterparty, with the possibility of netting, which reduces the credit risk significantly, as the net amount is a liability of NOK 100 thousand.

Expected credit losses (ECLs)
The Company recognises an allowance for expected credit losses (ECLs) for its financial assets ECLs are based on the cash flows that the Company expects to receive. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.5 Equity and shareholders

Date	Number of shares authorised and fully paid	Par value per share (NOK)	Financial Position
After incorporation 30 September 2019	1 000 000	0,1	**100 000**
	111 111	0,1	**11 111**
At 31 December 2019	1 111 111	0,1	**111 111**

All shares are ordinary and have the same voting rights. 90% of the shares are owned by TECO Tech Holding AS and 10% of the shares are owned by Hansen Eiendom Og Konsult AS. TECO Tech Holding is the ultimate parent company. The parent company is exempted from preparing consolidated financial statements.

There were no distributions or dividends to owners of the Company in 2019. Reconciliation of equity is shown in the statement of changes in equity.

Earnings per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to holders of ordinary equity by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the EPS calculations:

	2019
Profit attributable to ordinary equity holders - for basic EPS	-2 621 522
Profit attributable to ordinary equity holders adjusted for the effect of dilution	-2 621 522
Weighted average number of ordinary shares - for basic EPS	1 111 111
Weighted average number of ordinary shares adjusted for the effect of dilution	1 111 111
Basic ESP, profit for the year	-2,36
Diluted EPS, profit for the year	-2,36

4.6 Cash and cash equivalents

Cash and cash equivalents	**31.12.2019**
Bank deposits, unrestricted	3 689 963
Total cash and cash equivalents	**3 689 963**

Cash and cash equivalents consists of bank deposits in respectable Norwegian Banks. The Company has no restricted cash or deposits.

4.7 Financial income and expenses

The Company's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

Finance income and finance costs	**Class of financial instrument**	**2019**
Finance income		
Interest income - third party	Cash and cash equivalents	319
Interest income - related party	Loan to related parties	13 767
Total finance income		**14 086**
Finance costs		
Interest expenses - related party	Interest-bearing liabilities	-
Other financial expenses	Other financial liabilities	-
Total finance costs		-
Net financial income (expense)		**14 086**

Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income tax expense	**2019**
Current income tax expense	-
Deferred income tax expense	-
Total income tax expense	-

Current tax	**2019**
Profit before taxes	**-2 621 522**
Permanent differences	-10
Change in temporary differences	2 621 532
Tax basis 31.12	-
Current tax 22%	-
Current tax in the financial position	-

Temporary differences	**31.12.2019**	**30.09.2019**
Property, plant and equipment	32 982	-
Intangible assets	325 770	-
Accumulated loss carried forward	-2 980 284	-
Basis for deferred tax liabilities (assets)	**-2 621 532**	-
Not included in the calculation of deferred tax*	2 621 532	-
Deferred tax liabilities recognised in balance sheet	-	-

* Until commencement of sale/agreement, the Company will not record any deferred tax asset related to its tax loss carried forward. There are no time limitation in Norway for utilization of historical tax losses.

Reconciliation of income tax expense	**2019**
Profit before taxes	**-2 621 522**
22% of profit before tax	-576 735
22% of permanent differences	-2
Not included in the calculation of deferred tax*	576 737
Recognised income tax expense	-

Section 6 - Other disclosures

6.1 Related party transactions

Related parties are members of the board, the shareholder and senior management in parent companies and its group subsidiaries. All transactions with related parties are based on the principle of arm's length.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related party transactions and balances 2019	Sister company TECO Technologies AS	Total 2019
Current receivable on related parties	19 337	**19 337**
Non-current loan to related parties	4 626 741	**4 626 741**
Current liabilities to related parties	4 722 251	**4 722 251**
Management fees paid to related parties	-3 972 817	**-3 972 817**
Interest paid to related parties	-	-
Interest received from related parties	13 767	**13 767**

The interest rate associated with the loan and receivable is four per cent annually. The company has been charged with management fees from its sister company TECO Technologies AS with whreof NOK 4 million and the total of NOK 1.9 million has been capitalised as development. After balance sheet date the company entered into two agreements with related parties - see note 6.2 and 6.3.

6.2 Events after the reporting period

ACCOUNTING POLICIES

If the Company receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Company will assess if the information affects the amounts that it recognises in the Company's financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Non-adjusting events after the reporting period

Funding and liqudity situation

During Q4 2019 the Company secured, through a share issue, sufficient working capital to complete a largepart of the development process related to the Company's 10 MW scrubber. By the beginning of 2020, the Company was ready to launch the scrubber to the market, and, in February, the production of the first two scrubbers were commenced in Germany. As many countries and businesses, were forced to shut down operations and activities at a large scale in March 2020 due to the COVID-19 outbreak, the market for sale of scrubbers temporarily slowed down as well. During the first months of 2020, the Company issued a significant amount of offers to a number of shipowners for upcoming projects and in July 2020 a NOK 10 million bond issuance was issued. Nonetheless, the Company is, by the date of signing these financial statements, experiencing a stringent liquidity situation due to lack of sales. The BoD are therefore, together with the management, wokring on various strategic processes that, amongst others, aim to highlight the underlying values.

If the pandemic lasts for a prolonged period with corresponding negative impact on the world economy, it could impact the Company negatively through increased difficulties in obtaining necessary funding. Despite the material uncertainty that the pandemic has caused, the BoD is optimistic that it will be able to secure the necessary funding for the Company to continue as a going concern and to further develop the product portfolio.

Issuance of a NOK 10 million convertible bond In July 2020 the Company issued a NOK 10 million convertible bond ("Bond loan"), providing additional liquidity to the Company. The Bond loan carries a fixed interest rate of 10 %. per annum, and is payable on maturity of the loan in July 2021. Each bond holder can convert the loan to equity from 31 October 2020 to 30 June 2021 at a pre-defined conversion price which equals to the company's estimated market value at the issuance of the Bond. If the cond is fully converted, a total of 400 000 shares will be issued.

Conversion to a public limited liability company
In an extraordinary general meeting on 5 August 2020, a conversion to public limited liability Company were approved. As part of the conversion process, the share capital is increased by NOK 888,888.90, from NOK 111,111.10 to NOK 1,000,000, by transfer from other equity (bonus issuance), and after the conversion the Company has 10 million shares with a par value per shares of NOK 0,10. After the end of the reporting period but before the financial statements were authorised for issue, the Company has entered into a Business Combination. Detailed information is presented in note 6.3.

Agreement with related Teco Tech Holding (related party)
In an extra ordinary general meeting on 5 August 2020, the shareholders approved an agreement for the acquisition of all the shares in TECO 2030 Inc. and TECO 2030 Pte Ltd., and the transfer of the "Strategic Cooperation Agreement" with AVL List GmbH and the "Distribution Agreement" with BIO-UV, for a total purchase price of NOK 4,750,000, to tbe settled by way of a seller's credit from TECO Tech Holding AS .

Establishment of a new subidiary and an agreement with a related party
The company acquired all the shares in a dormant company (Athomstart Invest 487 AS) established with NOK 30 thousand in share capital, the Company were subsequently renamed to Nye TECO 2030 AS. In an extraordinary general meeting in Nye TECO 2030 AS on 5 August 2020, the shareholder approved an agreement to aquire part of the business of a Teco Technologies AS (a subsidiary of Teco Tech Holding AS), consisting of 10 employees, tenant agreement for the office premisies and deposit for the same for a total compensation of NOK 1,4 million by a way of a sellers credit.

6.3 Business combinations

Acquisitions in 2020

Agreement with TECO Tech Holding AS (parent company)
On 5 August 2020 the Company acquired 100 % of the voting shares of TECO 2030 Inc., and TECO 2030 Pte Ltd., in addition to one sales agreement and one distribution agreement from its parent company. As part of the agreement, the Company's newly incorporated subsidiary, Nye Teco 2030 AS acquired part of the business perfomed in Teco Technologies AS (a subsidiary of TECO Tech Holding), these transactions together referred to as the business combination. The business acquired performs sales and marketing activities of ballast water treatment systems, scrubber and maritime COVID-19 desinfection products, the business acquired also have a strategic geopraphich location in Singapore and Miami.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when TECO 2030 obtained control of the acquiree. For consolidation purposes the acquisition date has been designated to 6 August 2020, which also was the date the extraordinary general meeting approved the agreement.

The business acquired, their assets, technology and employees' technical capabilities fit the business model of the Company and the acquired synergies are expected to leverage the combined entity's position in providing products to the market.

The acquisition-date fair value of the total consideration transferred was NOK 6.1 million in form of a sellers credit, expected to be paid during Q3-2020.

Transaction costs estimated to NOK 100 thousand will be expensed and included in other operating expenses.

If the acquisition date for the business combination had occurred at the 1 January 2019, the combined entity would have total revenues of NOK 11.5 million in the current reporting period, and a loss of NOK 21.3 million.
The following intangible assets outside of goodwill was identified in the business combination, including management's preliminary expectation of economic useful life:

- Sales and distribution agreement (5 years)

No liability nor any deferred tax was identified in the business combination:

The preliminary valuation as outlined below is based on currently available information about fair value of the acquisition date. If new information becomes available within 12 months after the acquistion date, the Group might change the fair value assessment in the PPA in accordance with the guidance in IFRS 3. If the fair value assessment in the PPA is subsequently changes in accordance with IFRS 3, the Company should disclose why the initial accounting for the business combination is incomplete, according to IFRS 3.B67 a).

6.3 Business combinations (continued)

The preliminary assesment of fair values of identifiable assets and liabilities at the acquisition date are presented below:

NOK	Fair value recognised on acquisition
ASSETS	
Non-current assets	
Property, plant and equipment	203 298
Sales and distribution agreements	3 750 000
Other long term receivable	410 744
Total non-current assets	4 364 042
Current assets	
Trade and other receivables	4 943 220
Cash and cash equivalents	43 315
Total non-current assets	4 986 535
Total assets	9 350 577
Non-current liabilities	
Non-current provisions and other liabilities	1 258 023
Total non-current liabilities	1 258 023
Current liabilities	
Trade and other payables	925 093
Current provisions and other liabilities	2 555 600
Total current liabilities	3 480 694
Total liabilities	4 738 716
Total identifiable net assets at fair value	**4 611 861**
Purchase consideration	6 133 756
Goodwill arising on acquisition	**1 521 895**

The fair value of the trade receivables is equal to its gross amount as none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The entire purchase consideration is in a form of a sellers credit which is expected to be paid during Q3-2020.

The tax value of assets aquired equals to the book value of assets acquired, accordingly no deferred tax liability is identified.

6.3 Business combinations (continued)

Goodwill related to synergies & employees - residual goodwill	1 521 895
Net goodwill from acquisition	**1 521 895**

The tax base is considered to be equal to the fair value of the acquired assets and assumed liabilities, accordingly, no deferred tax liability is identified as part of this transaction. Further, of the Goodwill, NOK 1 million is expected to be tax deductible in the future. Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is technical goodwill. The remaining goodwill of NOK 1.5 million comprises the value of expected synergies arising from the acquisition and assembled workforce. Assembled workforce includes the technical skillset of the employees and their ability to generate future excess returns, which is not separately recognised.

Goodwill from the acquisition has been allocated towards the TECO Marine Solution CGU, and will be tested for impairment at least at the end of each reporting period.

There are no transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with IFRS 3.B51 and IFRS 3.B64 (l).

Analysis of cash flows on acquisition	**06. august 2020**
Net cash acquired (included in the cash flows from operating activities)	43 315
Cash to be paid (included in the cash flows from investing activities)	6 133 756
Net cash flow from acquisition	**-6 090 441**

Section 7 - Accounting policies

7.1 Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU), and represents the first financial statement for the Company in accordance with IFRS. Description of specific accounting policies are presented in each respective note. Other general accounting policies are presented below:

Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Distribution to shareholders
TECO 2030 AS recognises a liability to make distributions to it's shareholder when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity, net of current income tax.

Employee benefits, guarantees and remuneration to management, board of directors and shareholders
The Company has no current or former employees, thus it is not required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon").

The Company has not given any loans or issued guarantees to board members, the CEO, shareholders or other related parties. The board and the CEO has not received remuneration from the Company in the fiscal year covered. The CEO is compensated by the parent company and a management fee is charged to TECO 2030 AS representing these services. See note 6.1 for the related amount of fees.

7.2 Future changes in IFRS standards

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to IAS 1 and IAS 8 are required to be applied prospectively for annual periods beginning on or after 1 January 2020. The amendment is not expected to have a significant impact on the Company's financial statements.

Amendments to IFRS 3 - Definition of a Business
The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively.

The amendments may impact the Company's future financial statements depending on the nature of future business combinations.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
The amendments provide companies with temporary reliefs to certain requirements related to hedge accounting in the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

For the hedging relationships where the reliefs are applied, companies are required to disclose additional information. The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively.

The amendments is not expected to have a significant impact on the Company's financial statements.

Amendment to IFRS 16 - Covid-19-Related Rent Concessions
In May 2020, the IASB issued Covid-19-Related Rent Concessions - Amendment to IFRS 16 Leases. The Board amended the standard to provide an optional relief to lessees from applying IFRS 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions described in IFRS 16 paragraph 46B are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- There is no substantive change to other terms and conditions of the lease.

A lessee applies the amendment for annual reporting periods beginning on or after 1 June 2020. The Company may apply the practical expedient, thus impacting the Company's future financial statements.

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TECO 2030 ASA
(former TECO 2030 AS)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TECO 2030 ASA, which comprise the financial position as at 31 December 2019, statements of comprehensive income, 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 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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.

Material uncertainty related to going concern

According to note 6.2 in the section Funding and Liquidity situation in the financial statements and the Board of Directors' report, the Company will need to secure additional funding to continue its operation. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are 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 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 on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, 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 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 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.

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Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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

Oslo, 13 August 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Jon-Michael Grefsrød
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: 9578-5992-4-3016511
IP: 77.16.xxx.xxx
2020-08-13 12:56:11Z

bank ID

Skatteetaten

23 DES. 2

Vår dato	Din/Deres dato	Saksbehandler
29.11.2019	04.11.2019	Katerina Stepanenko
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		94523587
Org.nr	Vår referanse	Postadresse
974761076	2019/6668178	Postboks 9200 Grønland 0134 OSLO

TECO EGCS AS
Postboks 462
1327 LYSAKER

Att: Pål Christian Johnsen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for TECO EGCS AS, org.nr. 923 706 747

Vi viser til deres brev av 4. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for TECO EGCS AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering TECO EGCS AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn
TECO EGCS AS er 100 % eid av TECO Tech Holding AS. Morselskapet har 31 % utenlandske aksjonærer. Selskapet utvikler og selger utstyr til maritim sektor globalt. Engelsk er selskapets arbeidsspråk. Selskapet har bedriftskunder som behersker engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Morselskapet og søsterselskapet har fått tillatelse til å benytte engelsk ved utarbeidelse av årsregnskap og årsberetning.

Skattekontorets 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapets morselskap har tillatelse til å benytte engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere i bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Katerina Stepanenko
spesialrevisor
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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