



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 284 729
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	VALLOUREC NORGE NUF
Forretningsadresse:	Risavika Havnering 309 4056 TANANGER

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Hartley Taylor
Dato for fastsettelse av årsregnskapet:	30.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 12.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	2	409 177 680	176 862 641
Sum inntekter		409 177 680	176 862 641
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	4		
Raw materials and consumables used	3, 4	299 469 614	131 733 105
Employee benefits expense	5	10 469 972	10 467 562
Depreciation and amortisation expenses	6	452 459	452 459
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6		
Other expenses	4, 7	41 963 808	34 487 122
Sum kostnader		352 355 854	177 140 248
Driftsresultat		56 821 826	-277 607
Netto finans			
Ordinært resultat før skattekostnad		56 821 826	-277 607
Income tax expense	8	11 360 336	584 026
Ordinært resultat etter skattekostnad		45 461 490	-861 633
Årsresultat		45 461 490	-861 633
Årsresultat etter minoritetsinteresser		45 461 490	-861 633
Totalresultat		45 461 490	-861 633
Overføringer og disponeringer			
Reserve for valuation differences	9		
Transferred from reserve for valuation variances	9		
Ordinært utbytte	9		
Tilleggsutbytte	9		
Ekstraordinært utbytte	9		
Konsernbidrag	9		



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Avgitt konsernbidrag	9		
Udekket tap	9, 9		
Other equity	9	45 461 490	
Transferred from other equity	9		-861 633
Sum overføringer og disponeringer		45 461 490	-861 633



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	1 722 592	
Sum immaterielle eiendeler		1 722 592	
Varige driftsmidler			
Buildings and land	6		
Machinery and equipment	6	351 393	803 852
Ships	6		
Equipment and other movables	6		
Sum varige driftsmidler		351 393	803 852
Sum anleggsmidler		2 073 985	803 852
Omløpsmidler			
Varer			
Sum varer	4	103 201 917	52 801 741
Fordringer			
Accounts receivables		101 487 730	32 681 347
Other short-term receivables		5 702 143	1 809 125
Sum fordringer		107 189 873	34 490 472
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	2 396 570	1 714 554
Sum bankinnskudd, kontanter og lignende		2 396 570	1 714 554
Sum omløpsmidler		212 788 361	89 006 767
SUM EIENDELER		214 862 346	89 810 619

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2023	2022
Innskutt egenkapital			
Share capital	9		
Overkurs	9		
Annen innskutt egenkapital	9		
Opptjent egenkapital			
Other equity	9	57 436 074	63 345 684
Result brought forward (aut)			
Udekket tap	9		
Sum opptjent egenkapital		57 436 074	63 345 684
Sum egenkapital		57 436 074	63 345 684
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		14 852 846	1 964 066
Tax payable	8	13 082 928	584 026
Public duties payable		595 710	620 205
Other current liabilities	11	128 894 787	23 296 638
Sum kortsiktig gjeld		157 426 272	26 464 935
Sum gjeld		157 426 272	26 464 935
SUM EGENKAPITAL OG GJELD		214 862 346	89 810 619



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 616077

Enheten

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Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: VALLOUREC NORGE NUF
Forretningsadresse: Risavika Havnering 309
4056 TANANGER

Regnskapsår

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Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

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Dato for fastsettelse av årsregnskapet: 30.06.2024

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Brønnøysundregistrene, 03.08.2024



Organisasjonsnr: 991 284 729
VALLOUREC NORGE NUF

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
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Transferred from reserve for valuation variances	9		
Ordinært utbytte	9		
Tilleggsutbytte	9		
Ekstraordinært utbytte	9		
Konsernbidrag	9		
Avgitt konsernbidrag	9		
Udekket tap	9, 9		



Other equity	9	45 461 490	
Transferred from other equity	9		-861 633
Sum overføringer og disponeringer		45 461 490	-861 633



Organisasjonsnr: 991 284 729
VALLOUREC NORGE NUF

BALANSE

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	1 722 592	
Sum immaterielle eiendeler		1 722 592	
Varige driftsmidler			
Buildings and land	6		
Machinery and equipment	6	351 393	803 852
Ships	6		
Equipment and other movables	6		
Sum varige driftsmidler		351 393	803 852
Sum anleggsmidler		2 073 985	803 852
Omløpsmidler			
Varer			
Sum varer	4	103 201 917	52 801 741
Fordringer			
Accounts receivables		101 487 730	32 681 347
Other short-term receivables		5 702 143	1 809 125
Sum fordringer		107 189 873	34 490 472
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	2 396 570	1 714 554
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Sum omløpsmidler		212 788 361	89 006 767
SUM EIENDELER		214 862 346	89 810 619
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9		
Overkurs	9		
Annen innskutt egenkapital	9		
Opptjent egenkapital			
Other equity	9	57 436 074	63 345 684
Result brought forward (aut)			



Udekket tap	9		
Sum opptjent egenkapital		57 436 074	63 345 684
Sum egenkapital		57 436 074	63 345 684
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		14 852 846	1 964 066
Tax payable	8	13 082 928	584 026
Public duties payable		595 710	620 205
Other current liabilities	11	128 894 787	23 296 638
Sum kortsiktig gjeld		157 426 272	26 464 935
Sum gjeld		157 426 272	26 464 935
SUM EGENKAPITAL OG GJELD		214 862 346	89 810 619



Organisasjonsnr: 991 284 729
VALLOUREC NORGE NUF

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
9.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Annual Report 2023 Vallourec Norge NUF

Revenue statement
Balance sheet
Cash flows
Notes to the Accounts

Org.no.: 991 284 729



Revenue statement

Vallourec Norge NUF

Operating income and operating expenses	Note	2023	2022
Revenue	2	409 177 680	176 862 641
Total income		409 177 680	176 862 641
Raw materials and consumables used	3, 4	299 469 614	131 733 105
Employee benefits expense	5	10 469 972	10 467 562
Depreciation and amortisation expenses	6	452 459	452 459
Other expenses	4, 7	41 963 808	34 487 122
Total expenses		352 355 854	177 140 248
Operating profit		56 821 826	-277 607
Net profit before tax		56 821 826	-277 607
Income tax expense	8	11 360 336	584 026
Net profit or loss		45 461 490	-861 633
Attributable to			
Other equity	9	45 461 490	0
Transferred from other equity	9	0	861 633
Total		45 461 490	-861 633



Balance sheet

Vallourec Norge NUF

Assets	Note	2023	2022
Non-current assets			
Intangible assets			
Deferred tax assets	8	1 722 592	0
Total intangible assets		1 722 592	0
Property, plant and equipment			
Machinery and equipment	6	351 393	803 852
Total property, plant and equipment		351 393	803 852
Total non-current assets		2 073 985	803 852
Current assets			
Inventories	4	103 201 917	52 801 741
Debtors			
Accounts receivables		101 487 730	32 681 347
Other short-term receivables		5 702 143	1 809 125
Total receivables		107 189 873	34 490 472
Cash and cash equivalents	10	2 396 570	1 714 554
Total current assets		212 788 361	89 006 767
Total assets		214 862 346	89 810 619



Balance sheet

Vallourec Norge NUF

Equity and liabilities	Note	2023	2022
Equity			
Retained earnings			
Other equity	9	57 436 074	63 345 684
Total retained earnings		57 436 074	63 345 684
Total equity		57 436 074	63 345 684
Liabilities			
Current liabilities			
Trade payables		14 852 846	1 964 066
Tax payable	8	13 082 928	584 026
Public duties payable		595 710	620 205
Other current liabilities	11	128 894 787	23 296 638
Total current liabilities		157 426 272	26 464 935
Total liabilities		157 426 272	26 464 935
Total equity and liabilities		214 862 346	89 810 619

Stavanger, 30.06.2024

Hartley Taylor



Indirect cash flow

Vallourec Norge NUF

	Note	2023	2022
Cash flows from operating activities			
Profit/loss before tax		56 821 826	-277 607
Taxation paid		584 026	1 224 208
Ordinary depreciation		452 459	452 459
Change in inventory		-50 400 176	1 610 960
Change in accounts receivable		-68 806 383	4 461 064
Change in accounts payable		12 888 780	-16 835 207
Change in other accrual items		101 680 636	14 052 046
Net cash flows from operating activities		52 053 117	2 239 507
Cash flows from financing activities			
Change in intercompany balance with headquarter		51 371 100	5 526 319
Net cash flows from financing activities		-51 371 100	-5 526 319
Net change in cash and cash equivalents		682 016	-3 286 812
Cash and cash equivalents at the start of the period		1 714 554	5 001 366
Cash and cash equivalents at the end of the period		2 396 570	1 714 554



Note 1 Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

Foreign currency

The branch's functional currency is British Pound (GBP). The Branch has converted costs and revenues for the period from GBP to NOK using the average exchange rate for the period. Assets and liabilities, with the exception of fixed assets, are converted using the year-end rate. Fixed assets and depreciation in the statement for profit and loss is based on historical cost in NOK.

Revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Goods

Goods are valued at the lower of acquisition cost and net sale value. The acquisition cost is assessed in accordance with the FIFO principle. Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash, bank balance and other liquid funds.



Note 2 Revenues

The company delivers goods and services in the steel industry and its customers includes large oil and offshore related companies.

The Company operates on the Norwegian Continental Shelf (NCS) and further in the western region of Norway.

Note 3 Related parties

The Company has purchased goods and services from related parties amounting to a total of NOK 270,6 million in 2023.

Note 4 Inventory

	2023	2022
Inventories	110 645 368	57 264 276
Accrual for obsolete stock	-7 443 451	-4 462 535
Sum	103 201 917	52 801 741

Note 5 Remuneration

	2023	2022
Salaries	8 832 588	8 211 190
Employment tax	1 286 859	1 012 951
Pension costs	350 525	1 243 421
Total	10 469 972	10 467 562

In 2023 the company employed 9 man-years.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

	General Manager
Salaries	1 856 304
Pension costs	46 190
Total	1 902 494

Auditor

Audit fees expensed for 2023 amount to NOK 286 417 ex. vat.



Note 6 Non-current assets

	Machinery and equipment	Total
Purchase cost as of 01.01.23	3 518 607	3 518 607
Acquisition cost 31.12.23	3 518 607	3 518 607
Accumulated depreciation 31.12.23	3 167 213	3 167 213
Depreciation and down-wr. as of 31.12.23	3 167 213	3 167 213
Book value 31.12.23	351 394	351 394
This year's ordinary depreciations	452 459	452 459
Economic life	10 years	

Note 7 Leases

The Company entered into an agreement to lease land, offices and storage units in 2016.
Address: Risavika Havnering 309, 4056 Tananger.

The lease amount is adjusted on an annual basis and was 429 127 excl. VAT per month in 2023. The current lease agreement ends 13.01.2026 and is renewed for five years at a time.

Note 8 Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	13 082 928	584 026
Changes in deferred tax assets	-1 722 592	0
Tax expense on ordinary profit/loss	11 360 336	584 026

Taxable income:		
Ordinary profit/loss before tax	56 821 826	-277 607
Permanent differences	-602 872	62 965
Changes temporary differences	3 248 898	0
Taxable income	59 467 853	-214 642

Payable tax in the balance:		
Payable tax on this year's result	13 082 928	584 026
Total payable tax in the balance	13 082 928	584 026

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2023	2022	Difference
Tangible fixed assets	-386 513	-118 530	267 983
Stock	-7 443 451	-4 462 535	2 980 916
Total	-7 829 963	-4 581 065	3 248 898
Basis for calculation of deferred tax	-7 829 963	-4 581 065	3 248 898
Deferred tax assets (22 %)	-1 722 592	-1 007 834	714 758



Note 9 Equity

	Other equity	Total equity
As at 01.01.2023	63 345 684	63 345 684
Result for the year	45 461 490	45 461 490
Change in intercompany balance with headquarter	-50 316 093	-50 316 093
Effect of revaluation	-1 055 007	-1 055 007
As at 31.12.2023	57 436 074	57 436 074

The branch is included in the consolidated financial statements of Vallourec S.A. The address of Vallourec S.A. is 12 rue de la Verrerie 92190 - Meudon, France.

The consolidated financial statements are available at the company's website:
<https://www.vallourec.com/press/>

Note 10 Restricted funds

Funds standing on the tax deduction account (restricted funds) are NOK 616 863.

Note 11 Provisions

The Company has booked a provision for purchase of goods from related parties amounting to NOK 117 915 333 as of 31.12.2023.



Vallourec Norge Annual Report 2023

Directors Report

Business Objective and Financial Result

Vallourec Norge ("the Company") provide tubing and couplings, and service of OCTG (Oil Country Tubular Goods), for wells located on the Norwegian Continental Shelf (NCS). This includes deliveries to both exploration wells and development for production.

In 2023, the Company experienced a 131% increase in revenues compared to 2022, (177M NOK v's 409M NOK) primarily due to increased activity from our long term contracted customers. We also managed to increase our prices above the adjustments defined in our contracts. Another aspect for increased sales was our customers (and other operators) consuming all their existing stocks post Covid resulting in a general expectation that OCTG suppliers order books/mills would increase dramatically pushing them to place increased amounts of orders to be delivered under direct purchase agreements in 2023 and beyond. Lastly our key long term customers are drilling deeper wells resulting in them purchasing high premium grades and connections which is our highest priced products including our 'CLEANWELL' technology

The Company is a wholly-owned branch of Vallourec Oil & Gas UK Ltd, which is in turn owned by Vallourec, headquartered in Paris, France.

Key Risk Factors

- Our market is highly volatile and our consignment contracts pose little to no risk to the operator if new projects are not initiated. Most new contracts involve a high degree of consignment and all tenders call for consignment items, this is where the OCTG supplier retains ownership of the tubular goods until the wells are completed, however in 2023 we implemented a new consignment demand of 7.5% payment upon delivery to Norway which improves our cash-in. This consignment model necessitates rigorous monitoring of production, delivery timelines days to invoice to minimize the number of days the Company has tied-up capital.
- Many of the new projects the Company is involved in are not operated from the Stavanger area. This requires stringent quality control and collaboration with suppliers at another 4 locations up the Norwegian west coast, which is particularly challenging due to the significant distances involved and the numerous contractors involved to provide a high level of service performance for our customers.

Key Areas for Development and Company Performance

Market

The Norwegian sector of the North Sea is a very mature area, which has undergone significant structural changes in recent years. Large international operators are withdrawing to focus on other regions, while smaller new operators see significant opportunities for developing smaller assets, with low risk due to the exploration refund scheme in Norway. Many smaller independents have been acquired by larger ones meaning there are much less operators than in the past 10yrs. A change in the Norwegian Tax regime for the petroleum industry has attracted a few smaller companies and created new ways of working which further provides opportunities to collaborate with these smaller companies on new development areas. The change has also highlighted the need to diversify away from standard oil & gas projects and move towards renewable energy projects. For 2024 and beyond, we also foresee that our customers plan to implement CCUS (Carbon Capture, Utilization, and Storage) wells, which will allow us to sell more CRA (Corrosion Resistant Alloy) materials and open new, exciting opportunities for future solutions reducing carbon footprint.

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We also promoted our new digital/innovative products and services in 2023 at a customer event held on our premises and had very good feedback from our existing and targeted customers. We found some early success in terms of executing some jobs taking some revenues and plan to develop these solutions further in 2024.

Customers

Our vision has always been to build close relationships with our customers by offering dedicated Project Managers to each customer and have them rely on our contribution to the success of their operations. Through early involvement in planning, and by understanding the customer's need, we have built a strong business that alleviates the operator's need for planning maintenance, preparation, repair, and delivery of OCTG. This is and will continue to be our primary goal to differentiate ourselves and gain larger market shares among the second-largest operator companies on the Norwegian sector of the North Sea. Our Project and Technical Managers visit our customers on a weekly basis and take part in morning rig calls adding value to our service offer as well as offering a portfolio of products covering all our customers drilling needs. All our Norwegian customer satisfaction surveys returned in 2023 shows they are very satisfied with our local team performance.

Competitive Advantage

The Company has positioned itself for larger volumes at a strategically advantageous location through its investment in new and modern office and inspection facilities in 2016. We also have satellite bases up the Norwegian coast holding contracts to supply storage, handling, inspection and repair services at these various locations. This is received well by our customers who know we can provide service solutions at any operational hub in Norway at short notice as well as give them flexibility of different goods received locations which reduces their local transport costs.

Our licensee network also extends to all Norwegian operational bases allowing us to rapidly service, repair and build accessories locally which again reduces their machine shop costs. These licensees are frequently audited by Vallourec to ensure the highest level of machining services are provided.

Financial position and cash flow

Total assets amounted to NOK 214,9 million in 2023, compared to NOK 89,8 million in 2022. Operating profit amounted to NOK 56,8 million in 2023, compared to NOK -0,3 million in 2022. Transfer of funds to the main entity and changes in working capital items, explained the deviation between the operating profit in 2023 and the net change in cash and cash equivalents in 2023 of NOK 0,7 million (increase). The net change in cash and cash equivalents in 2022 was NOK -3,3 million (decrease). Fixed assets decreased by NOK 0,5 million, solely due to depreciation explaining no cash flow from investment activities.

Total liabilities amounted to NOK 157,4 million compared with the previous year's amount of NOK 26,5 million. This change is mainly driven by a change in account payables, tax payable and other short-term liabilities.

Equity decreased by NOK 5,9 million. This results in an equity ratio of 26,7%, down from 70,5% by end of 2022.

The financial statements have been prepared under the assumption of going concern, and the General Manager confirms this assumption.

Research and Development

Vallourec Norge has no research or development costs for the current fiscal year.



Staffing

Our staffing levels meet the demands of our customers today. In 2023, we had two employees leave and recruited two to directly replace them. We have invested in many training courses for our staff in 2023 and will continue in 2024 to ensure our team is fully trained and competent to deliver the the high level of performance expected from our customers.

Health & Safety

Our ambition is always to have zero accidents for employees. As in 2022, 2023 can also be reported without incidents leading to lost work time. There was also no long-term sick leaves, and we will work purposefully to ensure the best possible working environment following a period of significant personnel changes. We have introduced weekly Gemba Walks and a Safety Observation regime which has dramatically increased the focus on H&S topics within the business.

Equal opportunities

Vallourec Norge operates according to our equal opportunity's procedure. This means that the company shall not exercise discrimination in any form based on gender/sexual orientation, race/ethnicity, or disability. The company will comply with all legislation in this area and ensure that all recommended adaptations are implemented in the work the company performs. As an example, 44% of our employees are female and 55% born outside Norway.

Environment

The company continues to strive towards improving our environmental work and comply with all laws and regulations. The company was certified according to ISO 14001:2015 for the external environment in 2018.

Allocation of annual result

Our retained earnings as of December 31, 2023, were NOK 57,4 million. We posted a net income of NOK 45,5 million for the year. The following allocation of the annual result is made by management:

Transfer to other equity	NOK 45 461 490
Sum of transfer	NOK 45 461 490

30/06/2024

Hartley Taylor

General Manager

Vallourec Norge

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Annual Report 2023 Vallourec Norge NUF

Revenue statement
Balance sheet
Cash flows
Notes to the Accounts

Org.no.: 991 284 729

Doc ID: f19519d0c77c19a72f274ae5e747a98d9bc9fdb2



Revenue statement

Vallourec Norge NUF

Operating income and operating expenses	Note	2023	2022
Revenue	2	409 177 680	176 862 641
Total income		409 177 680	176 862 641
Raw materials and consumables used	3, 4	299 469 614	131 733 105
Employee benefits expense	5	10 469 972	10 467 562
Depreciation and amortisation expenses	6	452 459	452 459
Other expenses	4, 7	41 963 808	34 487 122
Total expenses		352 355 854	177 140 248
Operating profit		56 821 826	-277 607
Net profit before tax		56 821 826	-277 607
Income tax expense	8	11 360 336	584 026
Net profit or loss		45 461 490	-861 633
Attributable to			
Other equity	9	45 461 490	0
Transferred from other equity	9	0	861 633
Total		45 461 490	-861 633

Vallourec Norge NUF

Side 2

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Balance sheet

Vallourec Norge NUF

Assets	Note	2023	2022
Non-current assets			
Intangible assets			
Deferred tax assets	8	1 722 592	0
Total intangible assets		1 722 592	0
Property, plant and equipment			
Machinery and equipment	6	351 393	803 852
Total property, plant and equipment		351 393	803 852
Total non-current assets		2 073 985	803 852
Current assets			
Inventories	4	103 201 917	52 801 741
Debtors			
Accounts receivables		101 487 730	32 681 347
Other short-term receivables		5 702 143	1 809 125
Total receivables		107 189 873	34 490 472
Cash and cash equivalents	10	2 396 570	1 714 554
Total current assets		212 788 361	89 006 767
Total assets		214 862 346	89 810 619



Balance sheet

Vallourec Norge NUF

Equity and liabilities	Note	2023	2022
Equity			
Retained earnings			
Other equity	9	57 436 074	63 345 684
Total retained earnings		57 436 074	63 345 684
Total equity		57 436 074	63 345 684
Liabilities			
Current liabilities			
Trade payables		14 852 846	1 964 066
Tax payable	8	13 082 928	584 026
Public duties payable		595 710	620 205
Other current liabilities	11	128 894 787	23 296 638
Total current liabilities		157 426 272	26 464 935
Total liabilities		157 426 272	26 464 935
Total equity and liabilities		214 862 346	89 810 619

Stavanger, 30.06.2024

Hartley Taylor



Indirect cash flow

Vallourec Norge NUF

	Note	2023	2022
Cash flows from operating activities			
Profit/loss before tax		56 821 826	-277 607
Taxation paid		584 026	1 224 208
Ordinary depreciation		452 459	452 459
Change in inventory		-50 400 176	1 610 960
Change in accounts receivable		-68 806 383	4 461 064
Change in accounts payable		12 888 780	-16 835 207
Change in other accrual items		101 680 636	14 052 046
Net cash flows from operating activities		52 053 117	2 239 507
Cash flows from financing activities			
Change in intercompany balance with headquarter		51 371 100	5 526 319
Net cash flows from financing activities		-51 371 100	-5 526 319
Net change in cash and cash equivalents		682 016	-3 286 812
Cash and cash equivalents at the start of the period		1 714 554	5 001 366
Cash and cash equivalents at the end of the period		2 396 570	1 714 554



Note 1 Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

Foreign currency

The branch's functional currency is British Pound (GBP). The Branch has converted costs and revenues for the period from GBP to NOK using the average exchange rate for the period. Assets and liabilities, with the exception of fixed assets, are converted using the year-end rate. Fixed assets and depreciation in the statement for profit and loss is based on historical cost in NOK.

Revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Goods

Goods are valued at the lower of acquisition cost and net sale value. The acquisition cost is assessed in accordance with the FIFO principle. Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash, bank balance and other liquid funds.



Note 2 Revenues

The company delivers goods and services in the steel industry and its customers includes large oil and offshore related companies.

The Company operates on the Norwegian Continental Shelf (NCS) and further in the western region of Norway.

Note 3 Related parties

The Company has purchased goods and services from related parties amounting to a total of NOK 270,6 million in 2023.

Note 4 Inventory

	2023	2022
Inventories	110 645 368	57 264 276
Accrual for obsolete stock	-7 443 451	-4 462 535
Sum	103 201 917	52 801 741

Note 5 Remuneration

	2023	2022
Salaries	8 832 588	8 211 190
Employment tax	1 286 859	1 012 951
Pension costs	350 525	1 243 421
Total	10 469 972	10 467 562

In 2023 the company employed 9 man-years.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

	General Manager
Salaries	1 856 304
Pension costs	46 190
Total	1 902 494

Auditor

Audit fees expensed for 2023 amount to NOK 286 417 ex. vat.



Note 6 Non-current assets

	Machinery and equipment	Total
Purchase cost as of 01.01.23	3 518 607	3 518 607
Acquisition cost 31.12.23	3 518 607	3 518 607
Accumulated depreciation 31.12.23	3 167 213	3 167 213
Depreciation and down-wr. as of 31.12.23	3 167 213	3 167 213
Book value 31.12.23	351 394	351 394
This year's ordinary depreciations	452 459	452 459

Economic life 10 years

Note 7 Leases

The Company entered into an agreement to lease land, offices and storage units in 2016.
Address: Risavika Havnering 309, 4056 Tananger.

The lease amount is adjusted on an annual basis and was 429 127 excl. VAT per month in 2023. The current lease agreement ends 13.01.2026 and is renewed for five years at a time.

Note 8 Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	13 082 928	584 026
Changes in deferred tax assets	-1 722 592	0
Tax expense on ordinary profit/loss	11 360 336	584 026
Taxable income:		
Ordinary profit/loss before tax	56 821 826	-277 607
Permanent differences	-602 872	62 965
Changes temporary differences	3 248 898	0
Taxable income	59 467 853	-214 642
Payable tax in the balance:		
Payable tax on this year's result	13 082 928	584 026
Total payable tax in the balance	13 082 928	584 026

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2023	2022	Difference
Tangible fixed assets	-386 513	-118 530	267 983
Stock	-7 443 451	-4 462 535	2 980 916
Total	-7 829 963	-4 581 065	3 248 898
Basis for calculation of deferred tax	-7 829 963	-4 581 065	3 248 898
Deferred tax assets (22 %)	-1 722 592	-1 007 834	714 758



Note 9 Equity

	Other equity	Total equity
As at 01.01.2023	63 345 684	63 345 684
Result for the year	45 461 490	45 461 490
Change in intercompany balance with headquarter	-50 316 093	-50 316 093
Effect of revaluation	-1 055 007	-1 055 007
As at 31.12.2023	57 436 074	57 436 074

The branch is included in the consolidated financial statements of Vallourec S.A. The address of Vallourec S.A. is 12 rue de la Verrerie 92190 - Meudon, France.

The consolidated financial statements are available at the company's website:
<https://www.vallourec.com/press/>

Note 10 Restricted funds

Funds standing on the tax deduction account (restricted funds) are NOK 616 863.

Note 11 Provisions

The Company has booked a provision for purchase of goods from related parties amounting to NOK 117 915 333 as of 31.12.2023.



To KPMG, Attention Monica Rosnes
Forusparken 2

This representation letter is provided in connection with your audit of the financial statements of Vallorec Norge NUF (subsequently "the Company") for the year ended 31 December 2023, for the purpose of expressing an opinion as to whether these financial statements give a true and fair view in accordance with regnskapsloven og god regnskapsskikk i Norge. Subsequently "the applicable framework".

04.07.2024

We confirm that:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for preparation of financial statements that give a true and fair view in accordance with the applicable framework.
2. The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which the applicable framework require adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Information Provided

5. We have provided you with:
 - a) access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - b) additional information that you have requested from us for the purpose of the audit; and
 - c) unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We confirm the following:
 - i. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - ii. We have disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that we are aware of and that affects the Company and involves:
 - management,
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

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To Vallourec Norge NUF

Independent Auditor's Report

Opinion

We have audited the financial statements of Vallourec Norge NUF (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its 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 International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Managing Director (management) are responsible for the information in the Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Directors' report. The purpose is to consider if there is material inconsistency between the Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

Penneco Dokumentnøkkel: QYXUG-Z61XU-XPMMHW-8WGD2-H5751-DCTED



Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with the Managing Director 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.

Stavanger, 5 July 2024

KPMG AS

Pennco Dokumentnøkkel: QYXUG-Z61XU-XPMMHW-8WGD2-H5751-DCTED



Monica Rosnes
State Authorised Public Accountant
(This document is signed electronically)

Pennco Dokumentnøkkel: QYXUG-Z61XU-XPMMHW-8WGD2-H5751-DCTED



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Rosnes, Monica Roth

Partner

På vegne av: KPMG AS

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2024-07-05 08:23:11 UTC



Rosnes, Monica Roth

Statsautorisert revisor

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Our date 17.06.2024	Your date 28.05.2024	Case officer Lars Waalorp
800 80 000 skatteetaten.no	Your reference	Telephone +4790833418
Org. nr: 974761076	Our reference 2024/5273079	Postal address P.O. Box 9200 Grønland 0134 Oslo

VALLOUREC NORGE NUF
Att.Lorna Murray
Risavika Havnering 309
4056 TANANGER
Norge

Callers from abroad, please call +47 22 07 70 00

Permission to prepare the annual accounts and directors' report in English language for Vallourec Norge NUF, org. no 991 284 729

With reference to your letter of 28 May 2024 with respect to the above matter regarding Vallourec Norge NUF.

Based on a total evaluation, the view of the tax office is that Vallourec Norge NUF may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Vallourec Norge NUF is a Norwegian branch of a foreign company and is part of an international group. The company provides pipes and couplings to companies in the oil and gas industry, operating on the Norwegian continental shelf.

Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market



is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

One of the main goals of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the company is a Norwegian branch of a foreign company and is part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Lars Waalorp
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.