



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 959 237 166
Organisasjonsform: Aksjeselskap
Foretaksnavn: TUBOSCOPE NORGE AS
Forretningsadresse: Gjertrudvegen 9A
5353 STRAUME

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: knut kloster
Dato for fastsettelse av årsregnskapet: 24.11.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 07.10.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2	361 816 404	361 836 023
Other income	2	518 387	2 221 661
Sum inntekter		362 334 791	364 057 684
Kostnader			
Raw materials and consumables used		78 244 312	65 671 355
Employee benefit expense	3,4	155 517 751	148 728 801
Deprecization and amortisation impairment	5,6 5	20 462 414 0	16 628 152 9 833 090
Other expenses	3	145 477 967	143 382 414
Sum kostnader		399 702 444	384 243 812
Driftsresultat		-37 367 653	-20 186 128
Finansinntekter og finanskostnader			
Annen renteinntekt	7	0	14 600
Other financial income	7	1 860 754	-1 303 704
Sum finansinntekter		1 860 754	-1 289 104
Rentekostnad til foretak i samme konsern	7	3 053 243	2 443 798
Annen rentekostnad	7	442 666	419 594
Other financial expense	7	1	35 755
Sum finanskostnader		3 495 910	2 899 147
Netto finans		-1 635 156	-4 188 251
Ordinært resultat før skattekostnad		-39 002 809	-24 374 379
income tax expense	8	16 929 598	-8 322 198
Ordinært resultat etter skattekostnad		-55 932 407	-16 052 181
Årsresultat		-55 932 407	-16 052 181
Overføringer og disponeringer			
Transferred from other equity		-55 932 407	-16 052 181



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-55 932 407	-16 052 181



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
R&D	6	1 003 267	2 098 813
Concessions, patent, trademarks and similar rights	6	0	9 242
Utsatt skattefordel	8	0	16 929 598
Sum immaterielle eiendeler		1 003 267	19 037 653
Varige driftsmidler			
Buildingss and land	5	3 155 941	2 926 958
Machinery and equipment	5	26 018 831	30 708 152
Equipment and movables	5	105 114 750	116 679 748
Sum varige driftsmidler		134 289 522	150 314 858
Finansielle anleggsmidler			
prepayments	9	2 327 454	
Sum finansielle anleggsmidler		2 327 454	
Sum anleggsmidler		137 620 243	169 352 511
Omløpsmidler			
Varer			
Inventories	10	30 037 263	38 052 337
Sum varer		30 037 263	38 052 337
Fordringer			
Account receivables	9	92 764 300	98 640 261
Other short term receivables	9	21 111 732	10 933 146
Sum fordringer		113 876 032	109 573 407
Bankinnskudd, kontanter og lignende			
Cash and deposits	11	0	0
Sum bankinnskudd, kontanter og lignende		0	0
Sum omløpsmidler		143 913 295	147 625 744



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		281 533 538	316 978 255
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	12,13	250 000	250 000
Annen innskutt egenkapital	13	96 041 571	96 041 571
Sum innskutt egenkapital		96 291 571	96 291 571
Opptjent egenkapital			
Other equity	13	-80 223 582	-24 291 175
Sum opptjent egenkapital		-80 223 582	-24 291 175
Sum egenkapital		16 067 989	72 000 396
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	9	161 870 461	158 806 388
Other non-current liabilities		2 548 928	3 667 996
Sum annen langsiktig gjeld		164 419 389	162 474 384
Sum langsiktig gjeld		164 419 389	162 474 384
Kortsiktig gjeld			
Leverandørgjeld	9	46 272 761	45 444 213
Public duties payable		10 309 108	9 251 689
Kortsiktig konserngjeld	9	18 369 136	0
Other current liabilities	9	26 095 155	27 807 573
Sum kortsiktig gjeld		101 046 160	82 503 475
Sum gjeld		265 465 549	244 977 859
SUM EGENKAPITAL OG GJELD		281 533 538	316 978 255



Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Markens gate 9, 4610 Kristiansand
Postboks 184, 4662 Kristiansand

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Tuboscope Norge AS

Opinion

We have audited the financial statements of Tuboscope Norge AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit and loss statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other matters

The financial statements have been completed after the statutory deadline.

Other information

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

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

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



Responsibilities of management for the financial statements

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

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

Kristiansand, 24 November 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

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"By my signature I confirm all dates and content in this document."

Espen Fyllingen

Oppdragsansvarlig partner

On behalf of: EY

Serial number: 9578-5999-4-2137889

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TUBOSCOPE NORGE AS

ANNUAL REPORT

2021

Org.nr. 959 237 166



Tuboscope Norge AS
(Org.nr.: 959 237 166)

REPORT FROM THE BOARD OF DIRECTORS

General information about the Company, nature of business and location

Tuboscope Norge is a Subsidiary of National Oilwell Varco Norway AS. Ultimate parent company is National Oilwell Varco, Inc. National Oilwell Varco ("NOV") has its' headquarter in Houston, USA and is listed on the New York Stock Exchange, USA. The Company's office address is at Straume in Fjell Community.

Tuboscope Norge AS is a leading supplier of inspection, hardbanding and recut services for drilling and production equipment and other equipment for the offshore industry.

The Company has operations in Stavanger, Ågotnes, Mongstad, Florø and Kristiansund

Report on financial statements

The financial statements have been prepared under the assumption of going concern in accordance with Norwegian Accounting Act§3-3a and it is confirmed that the financial statements have been prepared under the assumption of continued operations, and the assumption of continued operations have been met. The general manager does not know of any conditions that have occurred after accounting year, that may be relevant to the assessment of the Company. The financial statement gives a true and fair view of the assets and liabilities, financial position and result.

The company had revenues in 2021 of NOK 362 334 791 in 2021. The company's revenues in 2020 was, in comparison, NOK 364 057 684 million.

The Company reported a net operating loss in 2021 of NOK 37 367 653. The Company reported a net loss in 2020, in comparison, NOK 20 186 128. The increased operating loss was driven by diminishing gross margins, through higher operating costs without the increased sales and sales price.

The Company reported a net loss in 2021 NOK 55 932 407. The Company reported a net loss in 2020, in comparison, NOK 16 052 181. This was driven by higher operating costs. In addition deferred tax assets has been written of completely.

The equity of the company is NOK 16 067 989 on 31.12.2021, (2020: NOK 72 000 396) and total assets in the balance sheet is NOK 281 533 538 (2020: NOK 316 978 255)

In 2021, the operating loss was NOK 55 932 407, and the cashflow from operating activities was NOK -7 442 315. The difference is mainly related to increase in working capital, primarily debtors.

The Company's total assets have decreased to NOK 281 533 538, compared to 2020 NOK 316 978 255

The equity ratio in the company have decreased in December 31,2021 to 6 % from 2020 which was 23 % due to the 2021 net loss.

Report on health, safety and environment

NOV Tuboscope Norge AS is committed to conducting our business in a manner to safeguard people and the environment in which we operate. In line with this, the Company has implemented a Health, Safety and Environmental (HSE) Management System that aligns with the NOV Global



HSE Management System Manual and Policy.

We will continue to actively work with sustainable development and the Company's HSE Management System shall reinforce a mature HSE culture that is continually developing and promoting a global company that is committed to economic, social and environmental liability. The Company will continue to develop products and services that contribute to improve HSE-performance of our clients, and we seek to reduce the company's environmental footprint.

Leaders will take charge and lead by example to support the ambition of zero accidents and no harm to people, environment, and equipment.

HSE performance

Safe operations remain the company's priority. The Company had an HSE performance in 2021 with a Total Recordable Incident Rate (TRIR) of 2.23, up from 1.25 in 2020. To further improve our safety efforts, we continue to improve our ability to identify hazards before they occur.

Reporting

The HSE reporting system is used to promote a good HSE culture and it is essential to ensure continuous development and improvement of HSE. All incidents and observations are registered and followed up in the HSE reporting system. We have focus on registering preventative measures such as stop work, safety inspections, meetings with actions, audits, management of change, lessons learned, risk assessment meetings, training and best management practice.

Investigations

The Company investigates all serious incidents and high risk near misses to learn from these and improve. Investigations revealed some shortcomings and mitigating measures are identified and initiated.

Risk

The Company will continuously identify risks related to Health, Environment and Safety and take necessary measures to make the risk as low as reasonably achievable. All hazardous operations in the Company are risk assessed continuously.

HSE audits

The working time arrangements of the Company are linked to the job function and are not dependent on gender. One man and no women work part time. On average men worked 126,1 hours overtime, while women worked 70,3 hours. Women represented 7,3 % of the overtime worked. We see that women's base salary on an average, is 106,4 % of men's base salary, and women's annual total cash at target is 95,5 % of men's. Regarding legally required cash payments and bonuses, men are on average paid more than women.

As some categories contain less than five female and/or male employees, we will not report numbers on all categories of employment in this report. They are however included in the grand total numbers.

Equal opportunities

The objective of the Company is to be a workplace with equal opportunities and rights for women and men. The Company policy is based on well-established principles with focus on equal rights when it comes to recruitment, remuneration and promotion.

There are 21 women out of the 170 employees in the Company. The Company's Norwegian representative of top management are 2 male and 0 female. The employees can be categorized by employment and gender as follows :



Category of employment	Number of Women	Share of Women	Total number of employees	Difference in base salary (%)
Grand Total	21	12%	170	106,4%
0	5	10%	52	98,3%
1	0	0%	20	N/A
2	5	15%	34	111,7%
3	4	19%	21	N/A
4	1	7%	14	N/A
5	1	9%	11	N/A
6	1	33%	3	N/A
7	2	67%	3	N/A
8	1	25%	4	N/A
9	1	33%	3	N/A
10	0	0%	3	N/A
11	0	0%	0	N/A
12	0	0%	0	N/A
13	0	0%	0	N/A

As some categories contain less than five female and/or male employees, we will not disclose base salary differences. They are however included in the grand total numbers.

Categories:

1	2	3	4	5	6	7	8	9	10	11	12	13
Management Job Level Guide												
Supervisor			Manager			Director			Executive			
I		II		I		II		I		II		EX
Engineering Job Level Guide												
Engineer						Principal			Chief			
I		II		III		IV		V		VI		
Professional Job Level Guide												
Analyst						Advisor						
I		II		III		IV		V		VI		
Specialist Job Level Guide												
Specialist												
I		II		III								
Support Job Level Guide												
Clerk		Assistant			Coordinator							
Helper		Operator			Lead							
0		I		II		III		IV		V		

The working time arrangements of the Company are linked to the job function and are not dependent on gender. One man and no women work part time. On average men worked 126,1 hours overtime, while women worked 70,3 hours. Women represented 7,3 % of the overtime worked. We see that women's base salary on an average, is 106,4 % of men's base salary, and women's annual total cash at target is 95,5 % of men's. Regarding legally required cash payments and bonuses, men are on average paid more than women.

As some categories contain less than five female and/or male employees, we will not report numbers on all categories of employment in this report. They are however included in the grand total numbers.

Action taken to avoid discrimination

The purpose of the Act of Discriminations to enhance equal opportunities regardless of gender, secure equal rights and opportunities and prevent discriminations based on ethnic origin, color of skin, religion or disability. The Company works actively, goal oriented and systematically to facilitate the Act of Discrimination. The Company is working to meet the required activities under § 26 of "likestillings og diskrimineringsloven" (Act of discrimination and equal opportunities). Please



read the Equality Statement 2021 for more information regarding the status and actions taken to promote equality and avoid discrimination in the Company.

The NOV Group has several global policies, as NOV Equal Employment Opportunity Policy, and NOV Sexual Harassment Policy. These policies are guidelines for all employees of NOV globally. NOV regularly conduct global campaigns of these themes.

Market risk

The oilfield products and services industry is highly competitive. The Company compete with national, regional, and foreign competitors. Certain of these competitors may have greater financial, technical, manufacturing and marketing resources than the company, and may be in a better competitive position. The following competitive factors can each affect our revenues and earnings:

- price changes
- new product and technology introductions
- improvements in availability and delivery

Operational risk

The following factors, in addition to others not listed, could reduce margins on these contracts, adversely impact completion of these contracts, adversely affect the Company's position in the market or subject us to contractual penalties:

- our failure to adequately estimate costs for our products
- our inability to deliver equipment that meets contracted technical requirements
- our inability to maintain our quality standards during the design and manufacturing process
- our inability to secure parts made by third party vendors at reasonable costs and within required timeframes
- unexpected increases in the costs of raw materials
- our inability to manage unexpected delays due to weather, labor shortages or other factors beyond our control

Interest risk

The Company is less exposed towards changes in interest rates as the interest-bearing debt contains a fixed rate.

Credit Risk

The Company grants credit to our customers, which operate primarily in the energy industry. The Company controls credit risk through credit evaluations, credit limits and monitoring procedures, as well as letter of credits. The Company performs periodic credit evaluations of our customers' financial condition and generally do not require collateral but may require letters of credit. Credit losses are provided for in the financial statements. Allowances for doubtful accounts are determined based on a continuous process of assessing the Company's portfolio on an individual customer basis considering current market conditions and trends. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, and financial condition of the Company's customers. Based on a review of these factors, the Company will establish or adjust allowances for specific customers.

Liquidity Risk

The Company considers the cash flow of the Company to be weak, and currently working on plans to ensure improved cash flow and potential capital injection to mitigate the liquidity risk.. The Company acknowledges the market situation can change rapidly as seen in current years, volatility of energy prices, the Covid-19 pandemic, and now the impact of Russia's invasion in Ukraine. Due to the rapidly changing conditions, the Company monitors our customer portfolio and their performance continuously, and taking measures to adjust to current market condition.



Report on factors that may affect the external environment

The Company has no substantial emission of pollution. Special waste is deposited into approved special landfills.

Business outlook

During 2020, the COVID-19 outbreak rapidly spread across the world, driving sharp demand destruction for crude oil as countries took measures that curtailed economic activity to slow the spread of the outbreak. Companies across the industry responded with severe capital spending budget cuts, curtailed production, cost reductions, personnel layoffs, facility closures and bankruptcy filings. Towards the end of 2020 and into 2021, commodity prices stabilized and began to recover resulting in improving industry activity levels.

Throughout 2021, greater availability of COVID-19 vaccines resulted in the gradual reopening of certain economies around the world. Pent-up consumer and industrial demand combined with government economic stimulus programs are serving to amplify the global recovery, improve economic activity, and drive higher demand energy, including oil and gas, which management believes is setting the stage for a global recovery in drilling activity as well as willingness to invest in alternative sources of energy.

During 2021, oil and gas drilling activity levels increased in every major region of the world, reflecting this growing demand. However, following Covid 19, capacity in market was adjusted to match lower customer demand, now impacting the ability to serve needs and requirements from improved market conditions. In sum, this causes significant supply chain disruptions and inflationary challenges recently also strengthened by Russia's invasion in Ukraine. We expect the supply chain and inflationary challenges will continue into 2022.

Despite the near-term disruptions from ongoing COVID-19 outbreaks, pandemic and geopolitical related supply chain disruptions, and inflationary forces, management is optimistic that improving market fundamentals and the actions NOV has taken to position its business for the future will drive growth and improve profitability for the Company. NOV remains committed to improving organizational efficiencies while focusing on the development and commercialization of innovative products and services, including environmentally friendly technologies, that are responsive to the longer-term needs of NOV's customers. We believe this strategy will further advance the Company's competitive position, regardless of the market.

Board liability insurance

§3-3a 11th paragraph. of the accounting act, states that "Information shall be provided if insurance has been taken out for the board

members and the general manager for their possible liability to the company and third parties and in case of the insurance coverage."

The managing director and the board members in the company are covered by such insurance to protect them against claims to their execution of his or her job duties.

Subsequent events

We refer to business outlook for information surrounding current market conditions.

On 26 March 2022, the Company entered into an intellectual property assignment agreement to sell certain intellectual property rights to a fellow NOV group company, NOV International Holdings C.V., for a total consideration amounting to \$90,000. The consideration was satisfied by the issue of a promissory note with interest of 2.17% per annum maturing on 30 September 2025.



In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities and individuals in Russia. Announcements of potential additional sanctions have been made following military operations initiated on 24 February 2022. The Company and Group does not have significant exposure related to the current events in Ukraine, including as a result of sanctions imposed on Russia by various governments and the European Union.

No other subsequent events noted.

Allocation of annual result

The Board proposes that the loss of the year of Tuboscope Norge AS, NOK 55 932 407 is allocated as follows:

Transfer from retained earnings	55 932 407
Total allocated	55 932 407

Straume, 08.11.2022

The board of Tuboscope Norge AS

Trevor Brian Martin
chairman of the board

Robbert Oudendijk
member of the board

Dag Gjert Thomassen
General Manager

**Profit and Loss**

Tuboscope Norge AS

Operating income and operating expenses	Note	2021	2020
Revenue	2	361 816 404	361 836 023
Other income	2	518 387	2 221 661
Total income	2	<u>362 334 791</u>	<u>364 057 684</u>
Raw materials and consumables used		78 244 312	65 671 355
Employee benefits expense	3, 4	155 517 751	148 728 801
Depreciation and amortisation expenses	5, 6	20 462 414	16 628 152
Impairment loss	5	0	9 833 090
Other expenses	3	145 477 966	143 382 414
Total expenses		<u>399 702 444</u>	<u>384 243 812</u>
Operating profit		<u>-37 367 653</u>	<u>-20 186 128</u>
Financial income and expenses			
Other interest income	7	0	14 600
Other financial income	7	1 860 754	-1 303 704
Interest expense to group companies	7	3 053 243	2 443 798
Other interest expenses	7	442 666	419 594
Other financial expenses	7	0	35 756
Net financial items	7	<u>-1 635 156</u>	<u>-4 188 251</u>
Net profit before tax		-39 002 808	-24 374 379
Income tax expense	8	16 929 599	-8 322 198
Net profit after tax		<u>-55 932 407</u>	<u>-16 052 181</u>
Net profit or loss		<u>-55 932 407</u>	<u>-16 052 181</u>
Attributable to			
Transferred from other equity		-55 932 407	-16 052 181
Total		<u>-55 932 407</u>	<u>-16 052 181</u>



Balance sheet			
Tuboscope Norge AS			
Assets	Note	2021	2020
Non-current assets			
Intangible assets			
Research and development	6	1 003 267	2 098 813
Concessions, patents, trademarks, and similar rights	6	0	9 242
Deferred tax assets	8	0	16 929 599
Total intangible assets	6, 8	<u>1 003 267</u>	<u>19 037 654</u>
Property, plant and equipment			
Buildings and land	5	3 155 941	2 926 958
Machinery and equipment	5	26 018 831	30 708 152
Equipment and other movables	5	105 114 750	116 679 748
Total property, plant and equipment	5	<u>134 289 522</u>	<u>150 314 858</u>
Prepayment	9	2 327 455	0
Total non-current financial assets		<u>2 327 455</u>	<u>0</u>
Total non-current assets		<u>137 620 243</u>	<u>169 352 511</u>
Current assets			
Inventories	10	30 037 263	38 052 337
Debtors			
Accounts receivables	9	92 764 300	98 640 261
Other short-term receivables	9	21 111 733	10 933 146
Total receivables		<u>113 876 032</u>	<u>109 573 407</u>
Investments			
Cash and cash equivalents	11	0	0
Total current assets		<u>143 913 295</u>	<u>147 625 744</u>
Total assets		<u>281 533 538</u>	<u>316 978 255</u>


**Balance sheet**

Tuboscope Norge AS

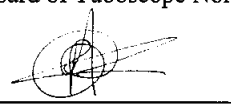
Equity and liabilities	Note	2021	2020
Paid-in capital			
Share capital	12, 13	250 000	250 000
Other paid-up equity	13	96 041 571	96 041 571
Total paid-up equity		<u>96 291 571</u>	<u>96 291 571</u>
Retained earnings			
Other equity	13	-80 223 582	-24 291 175
Total retained earnings		<u>-80 223 582</u>	<u>-24 291 175</u>
Total equity	13	<u>16 067 989</u>	<u>72 000 396</u>
Liabilities			
Provisions			
Other non-current liabilities			
Liabilities to group companies	9	161 870 461	158 806 388
Other non-current liabilities		2 548 929	3 667 996
Total non-current liabilities		<u>164 419 389</u>	<u>162 474 384</u>
Current liabilities			
liabilites group , Cashpool	9	18 369 136	0
Trade payables	9	46 272 761	45 444 213
Public duties payable		10 309 108	9 251 689
Other current liabilities	9	26 095 154	27 807 574
Total current liabilities		<u>101 046 160</u>	<u>82 503 475</u>
Total liabilities		<u>265 465 549</u>	<u>244 977 859</u>
Total equity and liabilities		<u>281 533 538</u>	<u>316 978 255</u>

Straume, 08.11.2022

The board of Tuboscope Norge AS



Trevor Brian Martin
chairman of the board



Robbert Oudendijk
member of the board



Dag Gjert Thomassen
General Manager



Cash Flow Statement

Tuboscope Norge AS

	Note	2021	2020
Cash flows from operating activities			
Operating result before tax		-39 002 808	-24 374 379
+ Ordinary depreciation and amortization		20 462 414	16 628 152
+ Write-down assets/reversal of write down		0	9 833 090
+/- Change in inventory		<u>8 023 326</u>	<u>-6 301 760</u>
+/- Change in trade debtors		<u>5 875 962</u>	<u>3 268 478</u>
+/- Change in trade creditors		<u>828 548</u>	<u>-6 575 130</u>
+/- Changes in other accrued items		<u>-3 629 757</u>	<u>30 872 693</u>
= Net cash flow from operating activities		<u>-7 442 315</u>	<u>23 351 143</u>
Cash flows from investment activities			
- Payment for purchasing fixed assets		<u>3 340 462</u>	<u>12 716 450</u>
= Net cash flow from investment activities		<u>-3 340 462</u>	<u>-12 716 450</u>
Cash flows from financing activities			
+ Proceeds from issuing of long-term debt		3 064 073	0
+ Cash from merged company		0	15 739
= Net cash flow from financing activities		<u>3 064 073</u>	<u>15 739</u>
= Net change in cash, cash equivalents and bank overdraft		-7 718 704	10 650 432
+/- Net deposit in NOV cashpool		-18 369 136	-10 650 432
= Cash, cash equivalents and bank overdraft at end of year		<u>-26 087 841</u>	<u>0</u>



Note 1 Accounting Principles

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Tuboscope Norge AS is 100% owned by Natinal Oilwell Varco Norway AS. The company is included in the group National Oilwell Varco Inc., which is listed in the U.S..

Principles for assessment and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities are the same criteria used.

Assets are recorded at cost and are written down to fair value if impairment is not expected to be temporary. Fixed assets with a limited useful life are depreciated. Current assets are valued at the lower of cost and net realizable value. Other non-current and current liabilities are valued at nominal. Some items are valued by other principles, as explained below.

Fixed assets

Fixed assets are capitalized and depreciated over the useful life if this is longer than 3 years and the acquisition cost is higher than NOK 15 000. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated along with the asset.

Leased fixed assets are capitalized and depreciated if they are considered as financial leasing.

Inventories

Inventories of goods are valued at the lower of cost on a FIFO basis and net realizable value. It is made impairment for estimated obsolescence.

Receivables

Trade and other receivables are recorded at nominal value less a provision for doubtful debts. Provision is based on an individual assessment of each receivable.

Currency

Monetary items denominated in foreign currencies are calculated at exchange rates at the balance sheet date. Transactions in foreign currencies are generally calculated at the exchange rate in the current period.

Revenue

Revenue from sale of goods is recognized upon delivery. Services are recognized in accordance with the execution.

Accrued income, not yet invoiced and deposits from customers related to not finished projects is specified as accounts receivables and other short term liabilities in the balance sheet.

Project costs include direct material, subcontractor costs, and labour costs. Expected project costs include allowances for completion risk and guarantees that normally cannot be determined until the late stages of a project. Revisions of estimates during the period of a project are recognized in the accounting period in which the revised estimate is made. If expected total project costs exceed expected income, the full amount of the loss is recognized.

Costs

Costs are generally entered in the same period as the related revenue. In those cases where there is not a clear relationship between spending and revenue, the distribution is determined by discretionary criteria.

Use of estimates

The preparation of financial statements in accordance with NGAAP requires that management make



estimates and assumptions that affect the amounts of assets and liabilities in the balance sheet and reported amounts of revenues and expenses during the financial year. The final values realized may differ from these estimates.

Pension

The Company has defined contribution schemes, which are expensed in accordance with premium payments. Future pension contributions depend on number of years in participation, salaries and return on capital.

The Company also participates in a pension scheme (AFP) which gives most of the employees the opportunity to an early retirement. In accordance with NGAAP this pension scheme is booked as a defined benefit scheme.

Tax

Tax expense in the income statement for the period comprises current tax and changes in deferred tax. Deferred tax is calculated at 22% on the basis of temporary differences between accounting and tax values. Deferred tax assets and liabilities are presented net in the balance.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.



Note 2 - Revenue by segment

Revenue by segment	2021	2020
Service revenue	346 428 761	348 695 743
Rental revenue	15 906 030	15 361 941
Total revenue by segment	362 334 791	364 057 684

Revenue by Country	Totals	Percentage
Norway	361 918 548	99,89 %
UK	82 443	0,02 %
USA	129 541	0,04 %
United Arab of Emirates	4 504	0,00 %
Singapore	199 755	0,06 %
Total	362 334 791	100 %

Transactions with related parties

Purchase of products and services	331,440,171
Sale of products and services	71,507,812
Management fee expenses	12,449,682
Interest Expenses	3,053,243
Insurance	1,689,402
Royalty fees	11,460,617



Note 3 - Salaries, allowances, loans to employees

Salaries	2021	2020
Wages	124 992 616	119 502 684
Employer tax	15 481 031	14 170 162
Pension	6 169 545	7 667 920
Other salary related expenses	8 874 559	7 388 035
Sum	155 517 751	148 728 801
Full time equivalent	166	188

Remuneration to executive personnel

The General manager has received a salary of NOK 1 074 544 and additional compensations of NOK 310 058. The general manager is part of the same pension plan as other employees of the company, and payments to this plan for the general manager during the year amounts to NOK72 248.

There are no loans or guarantees to the senior management of the company.

Auditor

Audit fees expensed for 2021 amounts to NOK 1 863 083 for statutory audit exclusive VAT.



Note 4 Pension Liabilities

The Company has a defined contribution pension plan for all its employees. This is funded from operations. Pension payments of defined contribution plan was NOK 4 843 116 in 2021.

The company's pension scheme satisfies the requirements of the law on mandatory service. Pension costs and pension liabilities are calculated based on the employees that are members of the scheme.

Note 5 - Fixed assets, leasing and rentals

	Inspection halls	Machinery and equipment	Vehicles	Other fixed assets	Total
Acquisition cost 01.01.2021	10 978 689	73 068 583	5 124 586	278 463 026	367 634 884
Additions	1 187 689	987 289	0	1 165 484	3 340 462
Disposals/transfer/impairment	0	0	672 263	-887 685	-215 422
Acquisition cost 31.12.2021	12 166 378	74 055 872	5 796 849	278 740 825	370 759 924
Acc. depreciation 01.01.2021	8 051 730	42 360 432	4 959 128	161 948 736	217 320 026
Correction of accumulated depreciation	0	0	0	0	0
Depreciation	958 302	5 676 609	369 871	12 352 845	19 357 627
Disposals/transfer	405	0	0	-207 656	-207 251
Acc. depreciations 31.12.2021	9 010 437	48 037 041	5 328 999	174 093 925	236 470 402
Book value 31.12.2021	3 155 941	26 018 831	467 850	104 646 900	134 289 522
Useful life	10-20 years	5-10 years	15-20 years	4-40 years	

Included in the numbers above are leased fixed assets with net book value of 3 484 744 NOK and the depreciation expense for these leased fixed assets are 1 612 311 NOK in 2021.

At year end the Company has entered into the following operational lease agreements:

	Annual Rent 2021	Lease Maturity	Commitment 2022	Commitment 2023	Commitment 2024<
Leasing of Buildings	32 614 331	2022-2038	29 767 018	29 580 001	174 408 406
Leasing of Equipment	2 352 135	2022-2023	2 197 241	45 900	0



Note 6 Intangible assets

	R&D	Patents	Total
Acquisition cost 01.01.2021	40 869 383	8 044 231	48 913 614
Acquisition cost 31.12.2021	40 869 383	8 044 231	48 913 614
Accumulated depr. 01.01.2021	38 770 570	8 034 989	46 805 559
The year's depreciation	1 095 546	9 242	1 104 788
Book value as at 31.12.2021	1 003 267	0	1 003 267
The year's depreciation	1 095 546	9 242	1 104 788
The year's write-downs	0	0	
Depreciation rates	14 %	20 %	

Note 7 Financial Items

Other financial income	2021	2020
Foreign exchange gain	1 860 754	0
Interest income	0	14 600
Total other financial income	1 860 754	14 600
Other financial expenses	2021	2020
Interest expense to group entities	3 053 243	2 443 798
Other interest expense	442 666	419 594
Foreign exchange loss	0	1 319 501
Other financial expenses	0	19 959
Total other financial expenses	3 495 909	4 202 851
Net Financial items	1 635 156	4 188 251



Note 8 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	16 929 599	-8 322 198
Tax expense on ordinary profit/loss	16 929 599	-8 322 198

Taxable income:		
Ordinary result before tax	-39 002 808	-24 374 379
Permanent differences	380 431	-13 453 793
Changes in temporary differences	11 446 428	14 575 521
Cut interest deduction	3 476 998	2 842 484
Taxable income	-23 698 952	-20 410 166

Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

Calculation of effective tax rate		
Profit before tax	-39 002 808	-24 374 379
Calculated tax on profit before tax	-8 580 618	-5 362 363
Tax effect of permanent differences	83 695	-2 959 834
Not included in Defer calculation	25 426 521	0
Total	16 929 598	-8 322 198
Effective tax rate	-43,4 %	34,1 %

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

	2021	2020	Difference
Tangible assets	85 904 452	93 297 226	7 392 774
Stock	-7 659 253	-3 667 701	3 991 552
Accounts receivable	-300 000	-300 000	0
Lease agreements brought to the balance	-183 253	-121 151	62 102
Total	77 761 946	89 208 374	11 446 428

Accumulated loss to be brought forward	-187 017 561	-163 318 609	23 698 952
Cut interest deduction	-6 319 482	-2 842 484	3 476 998
Not included in the deferred tax calculation	115 575 096	0	-115 575 096

Basis for deferred tax assets	0	-76 952 719	-76 952 719
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Deferred tax assets (22 %)	-25 426 521	-16 929 598	8 496 923
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Note 9 - Balances with group companies

Receivable	2021	2020
Accounts receivable	54 941 129	34 800 860
Prepaid Royalty	2 327 455	0
Cash pool receivables	0	10 650 353

Liabilities	2021	2020
Trade creditors	29 128 817	14 253 366
Cash pool overdraft	18 369 136	0
Long term liabilities	161 870 461	158 806 388

The company is included in a cash pool owned by NOV Norway AS (owner), and most bank deposits are therefore presented as receivable from NOV Norway (under other receivables/payable above) as per ownership of the cash pool. The company has through this cash pool access to necessary funds included access to credit if needed to continue its operations.

All receivables and payables are due within 1 year after year after year-end.

Note 10 Inventories

	2021	2020
Goods for resale	19 010 164	33 358 601
Materials for use in production	11 027 099	4 693 737
Sum	30 037 263	38 052 337

Note 11 - Bank deposits and more

Deposit for payment of withheld personal income tax have been secured with a bank guarantee of 6 500 000 NOK.

Note 12 - Share capital and shareholder information

The share capital of NOK 250 000 consists of 250 shares at a nominal value of NOK 1 000. All shares are owned by National Oilwell Varco Norway AS, and is part of the National Oilwell Varco Inc group with headquarters in Houston, USA.

Note 13 Equity

	Share capital	Additional paid in capital	Share premium	Other equity	Total equity
Pr. 31.12.2020	250 000	96 041 571	0	-24 291 175	72 000 39
Net profit				-55 932 407	-55 932 40
Pr 31.12.2021	250 000	96 041 575	0	-80 223 582	16 067 98



Note 14 Subsequent Events

On 26 March 2022, the Company entered into an intellectual property assignment agreement to sell certain intellectual property rights to a fellow NOV group company, NOV International Holdings C.V., for a total consideration amounting to \$90,000. The consideration was satisfied by the issue of a promissory note with interest of 2.17% per annum maturing on 30 September 2025.

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities and individuals in Russia. Announcements of potential additional sanctions have been made following military operations initiated on 24 February 2022. The Company and Group does not have significant exposure related to the current events in Ukraine, including as a result of sanctions imposed on Russia by various governments and the European Union.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	04.10.2012	19.10.2012
Telefon	Deres referanse	Vår referanse
977 59 464	79831223	2012/775185

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Tuboscope Norge AS, org.nr. 959 237 166

Vi viser til deres brev av 4. oktober 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Tuboscope Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering gitt Tuboscope Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

Tuboscope Norge AS er en ledende leverandør av tjenester innenfor inspeksjon og overflatebehandling av rør, samt kveilerør og trykkontroll utstyr til oljeindustrien. Selskapet er heleid datter av National Oilwell Varco (NOV) Norway AS, og inngår i NOV konsernet som er notert på børsen i New York i USA.

Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. Selskapets aksjonær er ett utenlandsk selskap, og all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk, herunder oversendes ett oversatt engelsk regnskap til disse.

Skattedirektoratets vurdering

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

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”


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

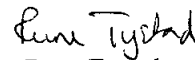
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er i en sektor der engelsk er det klart dominerende språket og at arbeidsspråket er engelsk. Videre er det vektlagt at selskapet indirekte eies av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad