



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 884 611 032
Organisasjonsform: Aksjeselskap
Foretaksnavn: TENDEKA AS
Forretningsadresse: Moseidveien 1
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karianne Amundsen
Dato for fastsettelse av årsregnskapet: 22.12.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 17.09.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		45 600 488	40 701 206
Sum inntekter		45 600 488	40 701 206
Kostnader			
Varekostnad		39 280 383	35 425 760
Lønnskostnad		822 536	755 886
Avskrivning på varige driftsmidler og immaterielle eiendeler		184 754	72 848
Annen driftskostnad		3 363 774	2 694 764
Sum kostnader		43 651 447	38 949 258
Driftsresultat		1 949 041	1 751 948
Finansinntekter og finanskostnader			
Annen finansinntekt		661 784	592 071
Sum finansinntekter		661 784	592 071
Annen rentekostnad		249 015	342 440
Annen finanskostnad		117 221	28 725
Sum finanskostnader		366 236	371 165
Netto finans		295 548	220 906
Ordinært resultat før skattekostnad		2 244 589	1 972 854
Skattekostnad på ordinært resultat		495 213	618 124
Ordinært resultat etter skattekostnad		1 749 376	1 354 730
Årsresultat		1 749 376	1 354 730
Andre resultatkomponenter for IFRS-foretak		0	0
Totalresultat		1 749 376	1 354 730
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		1 749 376	1 654 730
Sum overføringer og disponeringer		1 749 376	1 654 730



Resultatregnskap

Beløp i: USD	Note	2022	2021
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Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling		450 313	232 718
Bruksrett eiendel		114 732	156 389
Sum immaterielle eiendeler		565 045	389 107
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		28 748	27 950
Sum varige driftsmidler		28 748	27 950
Sum anleggsmidler		593 793	417 057
Omløpsmidler			
Varer			
Varer		8 083 075	6 352 948
Sum varer		8 083 075	6 352 948
Fordringer			
Kundefordringer		35 127 054	32 795 755
Andre fordringer		2 167 199	309 975
Sum fordringer		37 294 253	33 105 730
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		4 309 018	8 809 552
Sum bankinnskudd, kontanter og lignende		4 309 018	8 809 552
Sum omløpsmidler		49 686 346	48 268 230
SUM EIENDELER		50 280 139	48 685 287

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: USD	Note	2022	2021
Selskapskapital		25 586	25 586
Overkurs		3 044 871	3 044 871
Sum innskutt egenkapital		3 070 457	3 070 457
Opptjent egenkapital			
Annen egenkapital		12 510 384	10 761 008
Sum opptjent egenkapital		12 510 384	10 761 008
Sum egenkapital		15 580 841	13 831 465
Gjeld			
Langsiktig gjeld			
Utsatt skatt		495 213	
Sum avsetninger for forpliktelser		495 213	
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		0	5 000 000
Leasing forpliktelse		48 053	103 813
Sum annen langsiktig gjeld		48 053	5 103 813
Sum langsiktig gjeld		543 266	5 103 813
Kortsiktig gjeld			
Leverandørgjeld		24 244 768	25 628 261
Betalbar skatt		144 225	554 631
Annen kortsiktig gjeld		5 000 000	
Kortsiktig leasing gjeld		54 972	62 568
Forskuddsbetalinger		4 712 067	3 504 549
Sum kortsiktig gjeld		34 156 032	29 750 009
Sum gjeld		34 699 298	34 853 822
SUM EGENKAPITAL OG GJELD		50 280 139	48 685 287



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2024 303988

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Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karianne Amundsen
Dato for fastsettelse av årsregnskapet: 22.12.2023

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

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År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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Brønnøysundregistrene, 05.02.2024



Organisasjonsnr: 884 611 032
TENDEKA AS

RESULTATREGNSKAP

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TENDEKA AS

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

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Sum varige driftsmidler	28 748	27 950

Sum anleggsmidler

	593 793	417 057
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Omløpsmidler

Varer

Varer	8 083 075	6 352 948
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Fordringer

Kundefordringer	35 127 054	32 795 755
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SUM EIENDELER

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Organisasjonsnr: 884 611 032
TENDEKA AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
6

Antall årsverk i regnskapsåret
7.00

Note
7

Spesifisering av resultatregnskapet

Lønnskostnader

Sum Beløp

Note
11

Varige driftsmidler og immaterielle eiendeler

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn
Tendeka Limited

Forretningskontor for morselskapet



Westhill Aberdeen

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>

Samlet forpliktelse til fordel for foretak i samme konsern

<u>Pantstillelse</u>	<u>Beløp</u>
	0.00
<u>Annen sikkerhetsstillelse</u>	<u>Beløp</u>
	0.00
<u>Garantier</u>	<u>Beløp</u>
	0.00

Mer om tilknyttet selskap/datterselskap

Note
14, 15, 16

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Note
10, 20, 26

Gjeld

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler

Balansført verdi av de pantsatte eiendeler

Summen av garantiforpliktelser som ikke er regnskapsført



Garantiforpliktelser som er sikret ved pant

Mer om gjeld



Skatteetaten

Vår dato 16.01.2024	Din/Deres dato 22.12.2023	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90833418
Org.nr 974761076	Vår referanse 2024/5017283	Postadresse Postboks 9200 Grønland 0134 OSLO

TENDEKA AS
Att.Erik Braut
Moseidveien 1
4033 STAVANGER
Norge

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Tendeke AS, org.nr. 884 611 032

Vi viser til deres brev av 22. desember 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Tendeke AS.

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

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

Bakgrunn

Tendeke AS er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Selskapet har som formål:

«Totalleverandør av tjenester og produkter innenfor alle fagområder som har tilknytning til drift og vedlikehold av olje- og gassproduksjonsanlegg til havs, samt delta i selskaper med lignende virksomhet.»

Styrelederen i selskapet er utenlandsk.

Skattekontorets vurdering

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

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



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



KPMG AS
Forusparken 2
P.O. Box 57
N-4064 Stavanger

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Tendeka AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Tendeka AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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 Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of 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 Board of Directors' report.

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

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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



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

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

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 International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Stavanger, 22 December 2023
KPMG AS

Eirik Braut
State Authorised Public Accountant
(This document is signed electronically)



Tendeka AS

Company Number 884611032

Annual financial report - for the year ended 31 December 2022



TENDEKA AS

Contents

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TENDEKA AS

Board of Directors' report For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

These are the first published financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, in order to align with the Group. The financial statements of the Company were previously prepared under Norwegian Generally Accepted Accounting Principles ("Norwegian GAAP").

Nature of business and where it is run

Tendeka AS is a Stavanger based company that offers a wide range of completion products to the oil and gas industry. Tendeka AS is a wholly owned subsidiary of the parent company Tendeka Limited, which is headquartered in Westhill, Aberdeen.

The company serves several operators on the Norwegian continental shelf. In the future, it will work to deliver existing agreements and at the same time create growth beyond these contracts through further development of existing products and commercialisation of new products.

Principal activities

The principal activity of the Company is the sale of oil and gas completion products and services. The majority of revenues were generated from the provision of products and services to third parties.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A J Pearson
B G Baker (resigned 28 February 2023)

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend in the year.

The company increased turnover by 12% from 2021, to \$45.6m. The increase is mainly due to planned projects being carried out and delivered according to expectations, increasing the number of customers and deliveries. Total operating expenses were \$43.7 million, which is in line with expectations, while profit before tax was \$2.2 million. This compares to a pre-tax profit of \$2.0 million in 2021.

The value of assets is \$50.3 million, with the largest item being loans to Tendeka BV, an entity within the Group.

The value of bank deposits at the end of 2022 was \$4.3 million (2021: \$8.8 million).

Future developments

The company has had a stable turnover in recent years, and it is expected that activity will continue at a similar level in the years ahead.

Based on existing framework agreements that provide predictability and ongoing work, new projects, positive developments are expected over the next few years. It is the company's opinion that the organization is structured in a way that will be able to provide a stable development in the coming years.



TENDEKA AS

Board of Directors' report (continued) For the year ended 31 December 2022

Going concern

The Board of Directors and the Managing Director confirm that the going concern assumption has been used as a basis for the presentation of the annual registry. In recent years, the company has had stable development and has all the prerequisites to be able to continue positive development.

Financial risk

The Company's operations expose it to a variety of financial risks, which are monitored by a risk management programmes that seeks to limit potential adverse effects on its financial performance.

The company's financial risk is primarily related to currency fluctuations. The consumption of goods, which represents the largest share of costs, consists partly of goods paid in Euros. The company's foreign exchange strategy is to continuously assess the need to undertake currency hedging. The credit risk among the company's customers is limited as the customers are considered large and stable companies. The liquidity risk is also considered very limited.

The prior year was affected by the global effects of the COVID-19 situation and subsequent market effect on the raw materials market and lead time. There have been no incidents in the current year or after the end of the financial year that could alter the financial position of the company or require adjustments to the income statement.

Research and development activities

The Company is not directly involved in research or development activities.

Working environment

Sick leave in the company was zero days in 2022. This corresponds to 0% of the total working hours in the fiscal year. There were no serious work accidents or accidents during the year, either in the parent company or in the subsidiary.

The Board of Directors and the general manager believe that the working environment in the company is satisfactory.

External environment

It is the company's goal to operate as a group of environmentally friendly businesses. Production and operation have a limited impact on the external environment and are carried out in accordance with applicable guidelines and requirements.

Equality

2 out of 7 employees were women at the end of 2022.

The company's personnel policy is considered to be gender neutral in all areas. In our opinion, gender equality issues have been satisfactorily addressed, and no actions have been initiated nor are planned in this area. Nor has there been any feedback that the company's personnel policy is perceived as sexist.

Non-discrimination and accessibility

It is the company's opinion that no distinction is made between employees, or in hiring, because of ethnicity, national origin, voting, skin colour, language or belief.

The Transparency Act

Statement according to the Transparency Act can be found on the company's website www.tq.com/resources.

Insurance for directors and general manager

The company is included in the Group's insurance, which covers: Board and Board Member Liability, General Liability and Occupational Injury Insurance.



TENDEKA AS

Board of Directors' report (continued) For the year ended 31 December 2022

Auditor

A resolution has been proposed during the 2023 board meeting for the appointment of PriceWaterhouseCoopers LLP as auditors to replace KPMG International Limited who will not seek reappointment.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Alan Pearson

.....
A J Pearson

Date:

K. Amundsen

.....
Karianne Amundsen

Date: Dec 22th 2023



Independent auditor's report

Opinion

We have audited the financial statements of Tendeka AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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 Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of 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 Board of Directors' report.

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

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

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

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 International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Independent auditor's report (continued)

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 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.

Stavanger, 22 December 2023
KPMG AS

Eirik Braut
State Authorised Public Accountant
(This document is signed electronically)



TENDEKA AS

Statement of comprehensive income For the year ended 31 December 2022

	Notes	2022 \$	2021 (Restated) \$
Operating revenue			
Revenue	4	45,600,488	40,701,205
Total operating revenue		<u>45,600,488</u>	<u>40,701,205</u>
Operating cost			
Cost of goods sold		(39,280,383)	(35,425,760)
Employee benefits expense	6	(822,536)	(755,885)
Depreciation and amortisation	11, 12, 13	(184,754)	(72,848)
Other operating expenses		<u>(3,363,774)</u>	<u>(2,694,764)</u>
Total operating costs		<u>(43,651,447)</u>	<u>(38,949,257)</u>
Operating profit	5	<u>1,949,041</u>	<u>1,751,948</u>
Finance income	8	661,784	592,071
Finance costs	9	(249,015)	(342,440)
Other expenses		<u>(117,221)</u>	<u>(28,725)</u>
Profit before tax		2,244,589	1,972,854
Income tax expense	10	<u>(495,213)</u>	<u>(618,124)</u>
Profit and total comprehensive income for the year		<u>1,749,376</u>	<u>1,354,730</u>

Total comprehensive income is 100% attributable to the owners of the parent.

The accompany notes on pages 11 to 36 are an integral part of these financial statements.



TENDEKA AS

Statement of financial position As at 31 December 2022

		2022	2021	2020
		\$	(Restated) \$	(Restated) \$
Assets				
Non-current assets				
Property, plant and equipment	11	28,748	27,950	20,131
Right-of-use assets	12	114,732	156,389	201,368
Intangible assets	13	450,313	232,718	224,700
		<u>593,793</u>	<u>417,057</u>	<u>446,199</u>
Current assets				
Inventories	14	8,083,075	6,352,948	10,775,420
Trade and other receivables	15	35,127,054	32,795,755	26,738,593
Contract assets	16	2,167,199	309,975	-
Cash and cash equivalents	17	4,309,018	8,809,552	11,939,471
		<u>49,686,346</u>	<u>48,268,230</u>	<u>49,453,484</u>
Total assets		<u>50,280,139</u>	<u>48,685,287</u>	<u>49,899,683</u>
Equity and liabilities				
Equity				
Issued capital	24	25,586	25,586	25,586
Share premium	25	3,044,871	3,044,871	3,044,871
Retained earnings	25	12,510,384	10,761,008	9,406,278
		<u>15,580,841</u>	<u>13,831,465</u>	<u>12,476,735</u>
Non-current liabilities				
Deferred tax liabilities	10	495,213	-	-
Other loans	20	-	5,000,000	5,000,000
Lease liabilities	26	48,053	103,813	130,714
		<u>543,266</u>	<u>5,103,813</u>	<u>5,130,714</u>
Current liabilities				
Trade and other payables	18	24,244,768	25,628,261	31,810,833
Lease liabilities	26	54,972	62,568	91,097
Contract liabilities	19	4,712,067	3,504,549	-
Tax payable		144,225	554,631	390,304
Other loans	20	5,000,000	-	-
		<u>34,156,032</u>	<u>29,750,009</u>	<u>32,292,234</u>
Total liabilities		<u>34,699,298</u>	<u>34,853,822</u>	<u>37,422,948</u>
Total liabilities and equity		<u>50,280,139</u>	<u>48,685,287</u>	<u>49,899,683</u>

The accompany notes on pages 11 to 36 are an integral part of these financial statements.

These financial statements for Tendeka AS Limited (registered in Norway number 884611032) were approved and authorised for issue on 22 December 2023.



TENDEKA AS

Statement of financial position (continued)
As at 31 December 2022

Alan Pearson

.....
A J Pearson
Director

K. Amundsen

.....
Karianne Amundsen
General Manager



TENDEKA AS

Statement of changes in equity

	Issued capital	Share premium	Retained earnings	Total
	\$	\$	\$	\$
As at 31 December 2020	25,586	3,044,871	9,434,686	12,505,143
IFRS transition adjustments (note 28)	-	-	(28,408)	(28,408)
As at 1 January 2021 (restated)	25,586	3,044,871	9,406,278	12,476,735
Profit and total comprehensive income for the year (restated)	-	-	1,354,730	1,354,730
At 31 December 2021 (restated)	25,586	3,044,871	10,761,008	13,831,465
As at 1 January 2022	25,586	3,044,871	10,761,008	13,831,465
Profit and total comprehensive income for the year	-	-	1,749,376	1,749,376
At 31 December 2022	25,586	3,044,871	12,510,384	15,580,841

The accompany notes on pages 11 to 36 are an integral part of these financial statements.



TENDEKA AS

Statement of cash flows For the year ended 31 December 2022

		2022	2021
		\$	(Restated) \$
Operating activities			
Profit before tax		2,244,589	1,972,854
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	11, 12	55,706	52,319
Amortisation of intangible assets	13	129,048	20,529
Net foreign exchange differences		32,533	28,725
Finance income	8	(661,784)	(592,071)
Finance costs	9	249,015	338,485
Loss on disposal of intangible assets	13	84,688	-
Impairment reversal of inventories	14	(101,808)	(116,840)
Movements in working capital:			
Increase in trade receivables and prepayments		(1,331,299)	(6,057,162)
Increase in contract assets		(1,857,224)	(309,975)
(Increase)/decrease in inventories		(1,628,319)	4,422,472
Decrease in trade and other payables		(6,742,622)	(2,167,446)
Increase in contract liabilities		1,207,518	939,424
		(8,319,959)	(1,468,686)
Interest received		415,561	253,586
Income tax paid		(502,983)	(485,239)
Net cash flows used in operating activities		(8,407,381)	(1,700,339)
Investing activities			
Purchase of intangible assets	13	(22,203)	(28,547)
Purchase of property, plant and equipment	11	(9,029)	(14,404)
Financing activities			
Payment of principal portion of lease liabilities	26	(56,530)	(55,320)
Proceeds from borrowings		4,950,000	-
Increase in loans provided to others		(1,000,000)	(1,450,000)
Net decrease in cash and cash equivalents		(4,545,143)	(3,248,610)
Foreign exchange losses on cash and cash equivalents		44,609	118,691
Cash and cash equivalents at 1 January		8,809,552	11,939,471
Cash and cash equivalents at 31 December 2022	17	4,309,018	8,809,552



TENDEKA AS

Notes to financial statements For the year ended 31 December 2022

1 Company information

Tendeka AS ("the Company") is a private company limited by shares and is registered and incorporated in Norway. The registered office and principle place of business is Moseidveien 1, 4052 Røyneberg, Norway.

The principal activity of the Company is the sale of oil and gas completion products and services. The majority of revenues were generated from the provision of products and services to third parties.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the European Union (EU). This is in conformity with the requirements of the Private Limited Liability Companies Act, based upon Norwegian company law.

The financial statements are presented in US Dollars and all values are rounded to the nearest dollar (\$), except when otherwise indicated. US Dollars (\$), represents both the presentational and functional currency of the Company. Transactions are primarily denominated in US Dollars. See note 2.5.

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

First time adoption of IFRS

These financial statements for the year ended 31 December 2022 represent the Company's first published IFRS financial statements. For reporting periods up to and including the year ended 31 December 2021, the Company prepared its statutory financial statements in accordance with Norwegian GAAP.

The Company has prepared these financial statements in compliance with IFRS applicable as at 31 December 2022, together with the comparative financial information for the year ended 31 December 2021, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 January 2021, being the Company's date of transition to IFRS for the purposes of the financial statements.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Directors have taken advantage of exemptions to retrospective application of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'. An explanation of how the transition to IFRS has affected the financial position and financial performance of the Company is provided in note .

New and amended standards and interpretations

The Company has considered all new and amended IFRSs issued by the European Union (EU) that are mandatorily effective for the year ending 31 December 2022. Where the changes affect the Company, the relevant application and disclosure has been made during the year to 31 December 2022. The new and amended IFRSs during the year are as detailed below:

- Reference to the Conceptual Framework - Amendments to IFRS 3 (effective from annual years beginning on or after 1 January 2022. The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018)).



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (effective from annual years beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest year presented when the entity first applies the amendment).
- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37 (effective from annual years beginning on or after 1 January 2022. The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting year in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed).
- Annual Improvements 2018-2020 cycle (issued in May 2020)
 - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter (effective from annual years beginning on or after 1 January 2022 with earlier application permitted).
 - IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities (effective from annual years beginning on or after 1 January 2022 with earlier application permitted).

The application of the above standards has not had any material impact on the accounts. The company intends to use the practical expedients in future period if they become applicable.

Standards issued but not yet effective

The following standards and amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting period beginning on or after 1 January 2022 or later periods, but the Company has not early adopted them:

- IFRS 17 Insurance Contracts (effective from annual periods beginning on or after 1 January 2023, with early adoption permitted).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (Phase 2)

It is not anticipated that the application of the above standards and amendments will have any material impact on the Company's financial statements.

2.2 Going concern

The Board of Directors and the Managing Director confirm that the going concern assumption has been used as a basis for the presentation of the annual registry. In recent years, the company has had stable development and has all the prerequisites to be able to continue positive development.

2.3 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.3 Revenue from contracts with customers (continued)

Sale of goods

The Company expects revenue recognition to occur at a point in time when control of goods is transferred to the customer, generally on collection of the goods by the customer or upon delivery of the goods to the customer.

The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, the company must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

Rendering of services

The Company expects revenue recognition to occur at the point the services are rendered.

Variable consideration

The Company does not provide its customers with rebates but only the right to return the goods that are sold within a certain period after the initial sale. The Company's management does not expect any significant returns in sales subsequent to the year-end.

Advances received from customers

When the Company receives revenue in advance of the sale to a customer, this is presented as part of contract liabilities on the statement of financial position.

Principal versus agent

The Company has concluded that it is acting as principal in all its revenue arrangements as the Company controls the goods before they are transferred to the customer.

2.4 Taxation

Current income tax

Current tax, including Norwegian and foreign tax is provided on taxable profits at the current rate of taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be sufficient taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.5 Foreign currencies

The Company is domiciled in Norway. Transactions and balances are predominantly transacted in US dollars. The parent company Tendeka Limited, has a US dollar functional currency. The Company operates as part of the Tendeka Limited group ("the group") with no autonomy with regard to strategy or operations. The majority of transactions regarding revenues and direct costs are denominated in US dollars hence; the functional currency of the Company is US dollars.

Transactions in foreign currencies are recorded in US dollars at the rate of exchange ruling the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. All subsequent gains or losses are recognised in the statement of comprehensive income. The applicable exchange rates used in preparation of the financial statements were:

	2022	2021
	USD:NOK	USD:NOK
Opening exchange rate	8.80	8.56
Closing exchange rate	9.85	8.80

	2022	2021
	USD:GBP	USD:GBP
Opening exchange rate	1.35	1.36
Closing exchange rate	1.21	1.35

2.6 Property, plant and equipment

Tangible fixed assets and right of use assets are stated at cost less depreciation. This is shown in administrative expenses on the face of the income statement on page 6. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Plant and machinery 4 to 7 years
- Fixtures and fittings 4 to 7 years
- Leasehold improvements Over the lease term
- Computer equipment 3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

2.7 Leases

At inception of a contract, the company assesses whether a contract is, or contains a lease. The Company recognises a right-of-use asset and a lease liability at the lease commencement date if the lease is for a period of more than 12 months and the contract conveys the right of the Company to control the use of an identifiable asset in exchange for consideration.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.7 Leases (continued)

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building Over the lease term

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed monthly rental amounts, denominated in Norwegian Kroner (NOK).

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

2.8 Finance costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Lease costs consist of interest charged on the lease liability relating to the office building. These are expensed in the period which they occur to the income statement.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Patents and licenses 20 years



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.9 Intangible assets (continued)

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is disposed.

2.10 Financial instruments – initial recognition and subsequent measurement

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially transfers all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Financial assets

Initial recognition and measurement

Financial assets of the Company are initially recognised at cost. The Company has financial assets in the form of intercompany, trade and other receivables.

Subsequent measurement

Trade and intercompany receivables

Receivables are carried at the lower of their original invoiced value and recoverable amount. Intercompany receivables have no fixed payment terms but are generally assumed to be due within one year whereas the majority of trade receivables are due within 30 days.

Receivables balances are reviewed regularly, and any doubtful debts are provided for accordingly reducing the receivable balance.

As at 31 December 2022, there are no expected credit loss allowances (2021 - \$nil).

Other receivables

The Company has other receivables in the form of security deposits and VAT recoverable. They are measured at the amount expected to be recovered.

Contract assets

Contract assets are recognised if good sold or services rendered by the Company exceed the payment. They are measured at the amount expected to be recovered.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.10 Financial instruments – initial recognition and subsequent measurement (continued)

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's provision matrix is zero, as there were no historical credit losses and no forward-looking factors predicted to create credit losses. Details of any expected credit losses from trade receivables are contained in note 15.

In certain cases, the Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Company are initially recognised at cost. The Company has financial liabilities in the form of intercompany, trade and other payables and intercompany loans.

Subsequent measurement

Trade and intercompany payables

Payables continue to be carried at cost. Intercompany payables have no fixed payment terms but are generally assumed to be due within one year whereas the majority of third party payables are due within 30 days.

Intercompany loans

Intercompany loans continue to be carried at cost and have no fixed payment terms but are generally assumed to be due within one year.

Other payables

The Company has other payables in the form of tax liabilities, which are due fully to the relevant authorities.



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost comprises purchase price, cost of production, transportation and other directly allocable expenses.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.13 Pensions and other post-employment benefits

The Company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Directors consider there to be no accounting estimates in regard to these matters. The Directors consider the following judgements to have a significant impact of the on the financial statements:

Valuation of inventory

When calculating the inventory provision, management consider the nature and condition of the inventory as well as applying assumptions around anticipated saleability of finished goods and raw materials. The assessment of net realisable value is performed annually by management, or more frequently if relevant circumstances arise. Refer to note 14.



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

4 Revenue

The company's revenue, all of which is derived from its principal activity, is achieved in the geographical markets below:

	<u>2022</u>	<u>2021</u>
	\$	\$
Scandinavia	45,600,488	40,701,205
Total revenue from contracts with customers	<u>45,600,488</u>	<u>40,701,205</u>

All revenue is recognised at a point in time, being when the customer has paid and taken possession of the goods, or when the goods have been delivered.

Revenue by type is detailed below:

	<u>2022</u>	<u>2021</u>
	\$	\$
Sand & Inflow Control	45,566,183	40,610,770
Zonal isolation	34,305	90,435
Total revenue from contracts with customers	<u>45,600,488</u>	<u>40,701,205</u>

Revenues from two customers of the Company represent \$25,440,162 (56%) (2021: \$7,963,658 (20%)) and \$15,464,653 (34%) (2021: \$21,412,173 (53%)) of the Company's total revenues.

5 Operating profit

Profit for the year is stated after charging:

	<u>2022</u>	<u>2021</u>
	\$	(Restated) \$
Employee benefits expense (note 6)	822,536	755,885
Impairment of inventories (note 14)	101,808	116,841
Depreciation of property, plant and equipment (note 11)	8,231	6,585
Depreciation of right-of-use assets (note 12)	47,475	45,733
Amortisation of intangible assets (note 13)	129,048	20,530
Foreign exchange loss	32,533	28,725
Loss on disposal of intangible assets (note 13)	84,688	-
Audit fees (note 7)	27,230	13,500



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

6 Employees

	<u>2022</u>	<u>2021</u>
	\$	\$
Wages and salaries	597,025	558,414
Social security costs	117,335	111,297
Other staff costs	108,176	86,174
Total employee benefits expense	<u>822,536</u>	<u>755,885</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end contributions of \$nil (2021: \$nil) were outstanding.

Amounts recharged to the Company for services performed by Directors, paid by other group entities, amounted to \$454,446 (2021: \$349,706).

The average monthly number of persons employed by the Company (including Directors) during the year was as follows:

	<u>2022</u>	<u>2021</u>
Employees	<u>7</u>	<u>6</u>

7 Auditor remuneration

	<u>2022</u>	<u>2021</u>
	\$	\$
Audit fees	27,230	13,500
Non-audit fees	5,791	3,373

8 Finance income

	<u>2022</u>	<u>2021</u>
	\$	\$
Interest income	<u>661,784</u>	<u>592,071</u>



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

9 Finance costs

	2022	2021 (Restated)
	\$	\$
Interest on lease liabilities (Note 26)	2,792	3,955
Bank interest	246,223	338,485
Total finance costs	249,015	342,440

10 Taxation

The major components of tax expense for the years ended 31 December 2022 and 2021 are:

Profit or loss

	2022	2021 (Restated)
	\$	\$
Current tax:		
Current tax charge	550,860	618,124
Deferred tax:		
Relating to origination and reversal of temporary differences	(55,647)	-
Tax expense reported in the statement of comprehensive income	495,213	618,124

Reconciliation of tax expense and the accounting profit multiplied by Norway's domestic tax rate for 2021 and 2022:

	2022	2021 (Restated)
	\$	\$
Accounting profit before tax	2,244,589	1,972,854
At Norway's statutory income tax rate of 22% (2021: 22%)	494,176	432,482
Prior year adjustments	-	62,739
Tax effect of group relief	(550,860)	-
Permanent differences	1,037	548
Change in temporary differences	550,860	(5,929)
Foreign currency effect	-	128,284
Tax expense reported in the statement of comprehensive income	495,213	618,124

The Company has gross tax profits of \$2,244,589 for the year (2021: \$1,354,730). Deferred tax assets have been recognised in respect of these items due to the positive forecast and availability of suitable future profits from which they can be deducted.

For further information on deferred tax balances see note 21.

**TENDEKA AS****Notes to financial statements (continued)
For the year ended 31 December 2022****11 Property, plant and equipment**

	Plant and machinery	Fixtures and Fittings	Leashold improvements	Computer equipment	Total
	\$	\$	\$	\$	\$
Cost					
At 1 January 2022	154,692	23,469	6,264	66,341	250,766
Additions	-	7,832	-	1,197	9,029
At 31 December 2022	154,692	31,301	6,264	67,538	259,795
Depreciation					
At 1 January 2022	139,334	19,088	2,613	61,781	222,816
Depreciation charge for the year	4,433	970	797	2,031	8,231
At 31 December 2022	143,767	20,058	3,410	63,812	231,047
Net book value					
At 31 December 2022	10,925	11,243	2,854	3,726	28,748
At 31 December 2021	15,358	4,381	3,651	4,560	27,950

12 Right-of-use-asset

	Office building
	\$
Cost	
At 1 January 2021 and 31 December 2021	228,757
Modification	5,818
At 31 December 2022	5,818
Depreciation	
At 1 January 2021	26,635
Depreciation charge for the year	45,733
At 31 December 2021	72,368
Depreciation charge for the year	47,475
At 31 December 2022	119,843
Net book value	
At 31 December 2022	114,732
At 31 December 2021	156,389



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

13 Intangible assets

	Patents and licences
	\$
Cost	
At 1 January 2022	459,765
Additions	431,331
Cost of disposals	(188,226)
At 31 December 2022	<u>702,870</u>
Amortisation and impairment	
At 1 January 2022	227,047
Amortisation	129,048
Depreciation charged on disposals	(103,538)
At 31 December 2022	<u>252,557</u>
Net book value	
At 31 December 2022	<u>450,313</u>
At 31 December 2021	<u>232,718</u>

The remaining amortisation period of patents and licences is 10.1 years (2021 - 11.1 years).

14 Inventories

	2022	2021
	\$	\$
Raw materials	768,110	453,706
Work in progress	1,213,326	574,317
Finished goods	3,313,239	4,482,863
Inventories in transit	2,788,400	842,062
	<u>8,083,075</u>	<u>6,352,948</u>

The cost of inventory is calculated using the first in, first out method.

During 2022, \$101,808 (2021: \$116,840) was recognised as impairment write-offs, within cost of goods sold.

As at 31 December 2022, the Company had an inventory provision of \$82,365 (2021: \$82,365).



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

15 Trade and other receivables

	2022	2021
	\$	(restated) \$
Trade receivables	8,820,087	4,991,161
Amounts due from group entities (Note 27)	19,461,666	20,719,698
VAT recoverable	129,318	103,269
Other receivables	-	210
Prepayments	6,715,983	6,981,417
	<u>35,127,054</u>	<u>32,795,755</u>

Amounts due from group entities are unsecured, repayable on demand and accrue interest at 3% per annum.

The Directors consider that the carrying value of trade and other receivables are approximate to their fair value due to their short-term nature.

As at 31 December 2022, there are no expected credit loss allowances (2021: \$nil).

16 Contract assets

As at 31 December 2022, the Company has contract assets of \$2,167,199 (2021: \$309,975).

Set out below is the reconciliation of movements in contract assets during the current and prior year:

	2022	2021
	\$	\$
As at 1 January 2022	309,975	-
Additions	30,648,187	15,705,783
Transfer to trade receivables	(28,790,963)	(15,395,808)
As at 31 December 2022	<u>2,167,199</u>	<u>309,975</u>

17 Cash and short-term deposits

	2022	2021
	\$	\$
Cash at bank and on hand	4,309,018	8,809,552

At 31 December 2022, \$94,636 was held in an escrow account (2021: \$102,002).



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

18 Trade and other payables

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade payables	1,253,228	1,598,920
Amounts due to group entities (note 27)	17,287,937	17,782,537
Other tax and social security	68,327	68,543
Other payables	5,366,077	3,571,247
Accruals	269,199	2,607,014
	<u>24,244,768</u>	<u>25,628,261</u>

Amounts due to group entities are unsecured, repayable on demand and accrue interest at 3% per annum.

Trade payables, other payables and accruals are classified as financial liabilities, with their carrying amount approximating to their fair value due to their short-term nature.

At the 31 December 2022 other payables included goods received but not invoiced of \$2,585,252 (2021: \$3,575,591).

19 Contract liabilities

As at 31 December 2022, the Company has contract liabilities of \$4,712,067 (2021: \$3,504,549).

Set out below is the reconciliation of movements in contract liabilities during the current and prior year:

	<u>2022</u>	<u>2021</u>
	\$	\$
At 1 January 2022	3,504,549	2,565,125
Payments received in advance	6,326,269	8,290,799
Transfer to revenue	(5,118,751)	(7,351,375)
At 31 December 2022	<u>4,712,067</u>	<u>3,504,549</u>

20 Borrowings

	<u>2022</u>	<u>2021</u>
	\$	\$
Other loans (current)	5,000,000	-
Deferred tax liabilities	495,213	-
Other loans (non-current)	-	5,000,000
	<u>5,495,213</u>	<u>5,000,000</u>



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

20 Borrowings (continued)

Other loans relates to an advanced payment received from a customer in connection with the preparation of inventory. This is repayable to the customer upon termination of the sales contract, and as such is repayable on demand with a current liability classification. The loan is unsecured and does not accrue interest.

21 Deferred tax liabilities

	2022	2021
	\$	\$
At 1 January 2022	-	-
Movement for the year	495,213	-
At 31 December 2022	495,213	-

The Norwegian deferred tax balances as at 31 December 2022 have been measured at 22%.

22 Reconciliation of net debt

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's cash flow statement as cash flows from financing activities.

	As at 1 January 2022	Cash flows	Non-cash movements	As at 31 December 2022
	\$	\$	\$	\$
Cash and cash equivalents	8,809,552	(4,500,534)	-	4,309,018
Amounts due to group entities	(17,782,537)	1,000,000	(505,400)	(17,287,937)
Borrowings	(5,000,000)	-	-	(5,000,000)
Lease liabilities	(166,381)	56,530	6,826	(103,025)
Net debt	(14,139,366)	(3,444,004)	(498,574)	(18,081,944)

	As at 1 January 2021	Cash flows	Non-cash movements	As at 31 December 2021
	\$	\$	\$	\$
Cash and cash equivalents	11,939,471	(3,129,919)	-	8,809,552
Amounts due to group entities	(21,762,317)	1,450,000	2,529,780	(17,782,537)
Borrowings	(5,000,000)	-	-	(5,000,000)
Lease liabilities	(221,811)	55,320	110	(166,381)
Net debt	(15,044,657)	(1,624,599)	2,529,890	(14,139,366)



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

23 Financial assets and financial liabilities

23.1 Financial assets at amortised cost

	2022	2021
	\$	\$
Trade receivables	8,820,087	4,991,161
Amounts due from group entities	19,461,666	20,719,698
Other receivables	-	210
Contract assets	2,167,199	309,975
Cash and cash equivalents	4,309,018	8,809,552
	<u>34,757,970</u>	<u>34,830,596</u>

23.2 Financial liabilities at amortised cost

	2022	2021
	\$	(Restated) \$
Trade payables	(1,253,228)	(1,598,920)
Amounts due from group entities	(17,287,937)	(17,782,537)
Other payables	(5,366,077)	(3,571,247)
Accruals	(269,199)	(2,607,014)
Lease liabilities	(103,025)	(166,381)
Other loans (current)	(5,000,000)	-
Other loans (non-current)	-	(5,000,000)
	<u>(29,279,466)</u>	<u>(30,726,099)</u>

23.3 Financial instruments risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange risk, credit risk, liquidity risk and interest rate risk. Tendeka AS operates a risk management programme that seeks to limit potential adverse effects on its financial performance by monitoring levels of debt finance and the related finance costs. Tendeka AS Limited does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the Group and Directors are implemented by the Company's finance department.

Capital management

Overall capital management is performed at the Tendeka Group level. The Company's capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value and to safeguard the ability of the Company as a going concern.

Any additional capital funding requirements would be considered in the context of the Group requirements and economic conditions.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

23 Financial assets and financial liabilities (continued)

23.3 Financial instruments risk management objectives and policies (continued)

Foreign currency risk

The Company is exposed to foreign currency risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to foreign exchange risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company also incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than USD. The currencies giving rise to this are primarily Euros, Norwegian Kroner and Sterling. No formal hedging policy is in place.

Liquidity risk

The Company has access to short-term debt finance that is designed so the Company has sufficient available funds for operations. The Company is currently operating with a significant cash balance.

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to business customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. If there is no independent rating, finance management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Interest rate and cash flow risk

The Company incurs interest rate risk on interest-bearing receivables and cash and on interest-bearing non-current and current liabilities (including borrowings). The majority of company borrowings are current and have fixed interest rates.

24 Issued capital and reserves

Ordinary shares authorised, issued and fully paid

	2022		2021	
	No. of shares	\$	No. of shares	\$
Class A shares	316,857	23,646	316,857	23,646
Class B shares	26,000	1,940	26,000	1,940
At 31 December	342,857	25,586	342,857	25,586

The company's share capital is NOK 171,428 divided into 342,857 shares at NOK 0.50. The share capital is divided into 316,857 A shares and 26,000 B shares. The B shares do not have voting rights, but are otherwise equal to A shares in terms of other rights.

25 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

26 Leases

Company as a lessee

The Company has a lease contract for the office premises, which has a lease term of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022	2021
	\$	\$
As at 1 January 2022	166,381	221,812
Accretion of interest	2,792	3,955
Payments	(56,530)	(55,320)
Modification	5,818	793
Foreign exchange differences	(15,436)	(4,859)
As at 31 December	103,025	166,381

The maturity analysis of lease liabilities is:

	2022	2021
	\$	\$
Less than one year	54,972	62,568
Between two and five years	48,053	103,813
	<u>103,025</u>	<u>166,381</u>

The following are the amounts recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense of right-of-use assets	47,475	45,733
Interest expense on lease liabilities	2,792	3,955
	<u>50,267</u>	<u>49,688</u>

The Company had total cash outflows for leases of \$56,530 in 2022 (\$55,320 in 2021).



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

27 Related party disclosures

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

	2022	2021
	\$	\$
Tendeka B.V.		
Sale of goods	80,976	-
Purchases of goods	27,302	31,402
Intercompany borrowing costs	600,562	591,781
Management services	322,866	316,481
Royalty payments	2,158,850	2,354,000
Amounts owed by related party	19,461,666	20,716,698
Swellfix Limited		
Sale of goods	-	131,883
Purchases of goods	855,821	1,246,115
Intercompany borrowing costs	246,223	338,308
Management services	2,584,173	2,334,303
Royalty payments	7,200,188	5,952,753
Amounts owed to related party	17,590,885	17,782,537
Tendeka Inc		
Purchases of goods	-	6,134

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Compensation of key management personnel of the Company

During the year the key management personal were the Directors. The remuneration paid to the Directors is disclosed in note 6.

There are no loans or guarantees given to the Directors of the company during 2022 or 2021.



TENDEKA AS

Notes to financial statements (continued) For the year ended 31 December 2022

28 Controlling party

The immediate parent undertaking is Tendeka Limited, a company incorporated in England & Wales owning 100% of the shares of Tendeka AS.

Tendeka Limited is the smallest and largest group that prepares consolidated financial statements that include the results of this company. At the date of the statement of financial position the directors considered the ultimate controlling party to be Industrialization & Energy Services Company CJSC (TAQA).

Tendeka AS is part of the Tendeka Limited Group and consolidated financial statements will be made public through the web page or the UK business register.

29 IFRS 1 First-time Adoption of International Financial Reporting Standards

This is the first year the Company has presented its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. The last financial statements prepared for the Company were under Norwegian Generally Accepted Accounting Principles (GAAP) for the year ended 31 December 2021, and the date of transition to IFRS was 1 January 2021.

Set out below are the changes in accounting policies which reconcile the profit for the year ended 31 December 2021 and the change to statement of financial position at 1 January 2021 and 31 December 2021 between Norwegian GAAP as previously reported, now under IFRS.

Explanation of reconciling items between Norwegian GAAP and IFRS

Leases

Under Norwegian GAAP, leases where the Company is the lessee are treated as operating leases where appropriate and rentals charged on a straight-line basis to the profit or loss. On adoption of IFRS 16 Leases, the Company recognised lease liabilities in relation to leases which were previously classified as operating leases under Norwegian GAAP, using the retrospective approach. These liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition. 2% was deemed by the Directors to be a reasonable approximation of the incremental borrowing rate for the lease at the date of lease inception.

The associated right-of-use assets for leases were measured at the amount equal to the lease liability.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

29 IFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

Reconciliation of statement of financial position as at 1 January 2021.

	Norwegian GAAP	Leases	IFRS
	\$	\$	\$
Assets			
Non-current assets			
Property, plant and equipment	20,131	-	20,131
Intangible assets	224,700	-	224,700
Right-of-use assets	-	201,368	201,368
	244,831	201,368	446,199
Current assets			
Inventories	10,775,420	-	10,775,420
Trade and other receivables	26,746,558	(7,965)	26,738,593
Cash and cash equivalents	11,939,471	-	11,939,471
	49,461,449	(7,965)	49,453,484
Total assets	49,706,280	193,403	49,899,683
Equity and liabilities			
Equity			
Issued capital	25,586	-	25,586
Share premium	3,044,871	-	3,044,871
Retained earnings	9,434,686	(28,408)	9,406,278
	12,505,143	(28,408)	12,476,735
Non-current liabilities			
Other loans	5,000,000	-	5,000,000
Lease liabilities	-	130,714	130,714
	5,000,000	130,714	5,130,714
Current liabilities			
Trade and other payables	31,810,833	-	31,810,833
Income tax payable	390,304	-	390,304
Lease liabilities	-	91,097	91,097
	32,201,137	91,097	32,292,234
Total liabilities	37,201,137	221,811	37,422,948
Total liabilities and equity	49,706,280	193,403	49,899,683



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

29 IFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

Reconciliation of statement of financial position as at 1 January 2021.

1) Leases

IFRS 16 does not distinguish between operating leases and finance leases, unlike Norwegian GAAP. As such, the liabilities, and assets in relation to finance leases which existed on the statement of financial position as at the transition date have been transferred into lease liabilities and right-of-use assets recognised at that date under IFRS.

Adjustments recognised on adoption of IFRS 16 are as follows:

Operating lease commitments at 1 January 2021	\$ 165,906
Discount at transition	55,905
Lease liability at 1 January 2021	<u>221,811</u>

The associated right-of-use assets for leases were measured at the amount equal to the lease liability. Right-of-use assets recognised of \$201,368 at 1 January 2021 are all in relation to the office premises.

The impact on the Company's IFRS opening retained earnings at 1 January 2021 is a decrease of \$28,408.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

29 IFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2021

	Norwegian GAAP	Leases	IFRS
	\$	\$	\$
Operating revenue			
Revenue	40,701,205	-	40,701,205
Total operating revenue	<u>40,701,205</u>	<u>-</u>	<u>40,701,205</u>
Cost of goods sold	(35,425,760)	-	(35,425,760)
Employee benefits expense	(755,885)	-	(755,885)
Depreciation and amortisation	(27,114)	(45,733)	(72,847)
Other operating expenses	(2,750,084)	55,320	(2,694,764)
Total operating costs	<u>(3,533,083)</u>	<u>9,587</u>	<u>(3,523,496)</u>
Operating profit	1,742,362	9,587	1,751,949
Finance costs	(338,485)	(3,955)	(342,440)
Finance income	592,071	-	592,071
Other financial income/(expense)	(33,584)	4,859	(28,725)
Profit before tax	1,962,364	10,491	1,972,855
Income tax expense	(618,124)	-	(618,124)
Other comprehensive income			
Total comprehensive income for the year, net of tax	<u>1,344,240</u>	<u>10,491</u>	<u>1,354,731</u>

Explanation of reconciling items between Norwegian GAAP and IFRS

The financial impacts on the Statement of Comprehensive Income and Statement of Financial Position have been explained below. Within the notes to the financial statements, additional information has been provided where there was a material adjustment on transition to IFRS.



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

29 IFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

Reconciliation of statement of financial position for the year end 31 December 2021.

	Norwegian GAAP	Leases	IFRS
	\$	\$	\$
Assets			
Non-current assets			
Property, plant and equipment	27,950	-	27,950
Intangible assets	232,718	-	232,718
Right-of-use assets	-	156,389	156,389
	260,668	156,389	417,057
Current assets			
Inventories	6,352,948	-	6,352,948
Trade and other receivables	33,113,694	(7,964)	33,105,730
Cash and cash equivalents	8,809,552	-	8,809,552
	48,276,194	(7,964)	48,268,230
Total assets	48,536,862	148,425	48,685,287
Equity and liabilities			
Equity			
Issued capital	25,586	-	25,586
Share premium	3,044,871	-	3,044,871
Retained earnings	10,750,517	10,491	10,761,008
Equity	13,820,974	10,491	13,831,465
Non-current liabilities			
Other loans	5,000,000	-	5,000,000
Lease liabilities	-	103,813	103,813
	5,000,000	103,813	5,103,813
Current liabilities			
Trade and other payables	29,132,810	-	29,132,810
Income tax payable	554,631	-	554,631
Lease liabilities	-	62,568	62,568



TENDEKA AS

Notes to financial statements (continued)
For the year ended 31 December 2022

29 IFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

Reconciliation of statement of financial position for the year end 31 December 2021.

	Norwegian GAAP	Leases	IFRS
	\$	\$	\$
	<u>29,687,441</u>	<u>62,568</u>	<u>29,750,009</u>
Total liabilities	<u>34,687,441</u>	<u>166,381</u>	<u>34,853,822</u>
Total liabilities and equity	<u>48,508,415</u>	<u>176,872</u>	<u>48,685,287</u>

Leases

Right-of-use assets recognised of \$156,389 at 31 December 2021 are all in relation to the office premises. Lease liabilities recognised at 31 December 2021 amounted to \$166,381.

The pre-tax impact for the year ended 31 December 2021 is an increase in profit of \$10,452 due to the rent expense of \$55,320 being removed and replaced by a depreciation expense of \$45,788, interest expense of \$3,955 and foreign exchange gain of \$4,875.

Effect on Cash Flows

The transition to IFRS had no effect on the cash flows reported in accordance with Norwegian GAAP, except that the presentation in the Statement of Cash Flows in accordance with IFRS differs from the presentation in accordance with Norwegian GAAP as follows:

The implementation of IFRS 16 has resulted in various changes throughout. The rental payments of \$55,320 previously included within the underlying loss before tax for year ended 31 December 2021, has now been replaced with a depreciation charge of \$45,733, lease interest of \$3,955 and foreign exchange gain of \$4,859, both reported within operating activities. In addition, lease repayments of \$55,320 are included within financing activities to represent the payment of rentals from the unwinding of the lease liabilities.

As such, a reconciliation of the Statement of Cash Flows for the year ended 31 December 2021, has not been presented.