



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 335 429
Organisasjonsform: Aksjeselskap
Foretaksnavn: MRC GLOBAL NORWAY AS
Forretningsadresse: Gamle Forusveien 53
4031 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: 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: David Lalor
Dato for fastsettelse av årsregnskapet: 30.06.2023

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, 11.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	860 650 000	729 947 000
Annen driftsinntekt		45 000	0
Sum inntekter		860 695 000	729 947 000
Kostnader			
Varekostnad	3	611 690 000	516 678 000
Lønnskostnad	4	136 821 000	123 752 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	5,6	41 548 000	47 247 000
Annen driftskostnad	4	91 220 000	79 033 000
Sum kostnader		881 279 000	766 710 000
Driftsresultat		-20 584 000	-36 763 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	7	45 119 000	41 558 000
Annen renteinntekt		2 207 000	78 000
Annen finansinntekt	8	579 000	35 284 000
Sum finansinntekter		47 905 000	76 920 000
Rentekostnad til foretak i samme konsern	7	16 942 000	18 633 000
Annen rentekostnad		2 087 000	2 192 000
Annen finanskostnad	8	24 564 000	6 288 000
Sum finanskostnader		43 593 000	27 113 000
Netto finans		4 312 000	49 807 000
Ordinært resultat før skattekostnad		-16 272 000	13 044 000
Skattekostnad på ordinært resultat	9	4 488 000	5 054 000
Ordinært resultat etter skattekostnad		-20 760 000	7 990 000
Årsresultat		-20 760 000	7 990 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	10	-20 760 000	7 990 000



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Sum overføringer og disponeringer		-20 760 000	7 990 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	6	6 441 000	9 467 000
Goodwill	6	57 098 000	85 647 000
Sum immaterielle eiendeler		63 539 000	95 114 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	5	2 399 000	2 603 000
Maskiner og anlegg	5	9 636 000	10 077 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	7 600 000	11 055 000
Sum varige driftsmidler		19 635 000	23 735 000
Finansielle anleggsmidler			
Investering i datterselskap	11	15 372 000	15 372 000
Lån til foretak i samme konsern	7	718 268 000	687 016 000
Sum finansielle anleggsmidler		733 640 000	702 388 000
Sum anleggsmidler		816 814 000	821 237 000
Omløpsmidler			
Varer			
Varer	3	231 757 000	160 468 000
Sum varer		231 757 000	160 468 000
Fordringer			
Kundefordringer	7	171 303 000	122 393 000
Andre fordringer	7	93 105 000	62 771 000
Sum fordringer		264 408 000	185 164 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	23 984 000	55 943 000
Sum bankinnskudd, kontanter og lignende		23 984 000	55 943 000
Sum omløpsmidler		520 149 000	401 575 000



Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		1 336 963 000	1 222 812 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,14	41 963 000	41 963 000
Overkurs	10,13	472 039 000	492 799 000
Sum innskutt egenkapital		514 002 000	534 762 000
Sum egenkapital		514 002 000	534 762 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4	5 479 000	5 477 000
Sum avsetninger for forpliktelser		5 479 000	5 477 000
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	7	417 690 000	425 672 000
Sum annen langsiktig gjeld		417 690 000	425 672 000
Sum langsiktig gjeld		423 169 000	431 149 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	15	70 168 000	35 000
Leverandørgjeld	7	218 200 000	172 521 000
Skyldige offentlige avgifter		29 735 000	24 018 000
Annen kortsiktig gjeld	16	81 689 000	60 327 000
Sum kortsiktig gjeld		399 792 000	256 901 000
Sum gjeld		822 961 000	688 050 000
SUM EGENKAPITAL OG GJELD		1 336 963 000	1 222 812 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 583437

Enheten

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Bekreftet av representant for selskapet: David Lalor
Dato for fastsettelse av årsregnskapet: 30.06.2023

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

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Brønnøysundregistrene, 17.07.2023



Organisasjonsnr: 996 335 429
MRC GLOBAL NORWAY AS

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MRC GLOBAL NORWAY AS

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Organisasjonsnr: 996 335 429
MRC GLOBAL NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
225.00

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

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<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>
<u>Pantstillelse</u>	<u>Beløp</u>	



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

4

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



MRC Global Norway AS

Annual report 2022

Board of directors' report

Annual accounts

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

Auditors' report



MRC Global Norway AS

Annual Report 2022

MRC Global Norway AS

Address: Gamle Forusveien 53, 4031 STAVANGER

Org.nr: 996335429 MVA

The business

MRC Global Norway AS (the Company) is a wholly owned subsidiary of MRC Global Inc. The Company is a leading supplier of products, solutions and services within valves, instrumentation and stainless piping to the Norwegian oil, gas and process industry. The Company is organized in Valve, Piping and Instrumentation divisions.

The Valve and Instrumentation divisions have own technology and production in addition to representing several well recognized international manufacturers. The Company is located in Stavanger, Bergen, and Hokksund.

Profit & loss and Balance Sheet

It is the Board's opinion that the proposed income statement and balance sheet with accompanying notes provide sufficient information about the Company's position and result of operations.

Operating income for the year 2022 was posted at 860,7 million NOK with an EBITDA profit for 2022 of 20,9 million NOK.

Depreciation and amortization for 2022 were 41,5 million NOK, giving an EBIT of minus 20,6 million NOK for the year.

The Company's net financial income in 2022 was 4,3 million NOK, resulting in a pre-tax loss of 16,3 million NOK.

Annual loss for the year ended at 20,8 million NOK.

The Company's assets at 31 December 2022 were 1336,9 million NOK, compared to 1222,8 million NOK in the previous year.

The equity at 31 December 2022 was 514,0 million NOK compared to 534,8 million NOK in the previous year. The Company's liabilities have increased from 688,1 million NOK in 2021 to 822,9 million NOK in 2022. Due to increased activity towards the end of 2022 and into 2023, the working capital has increased somewhat in 2022, which resulted in a reduction in operating cash flow of 151,2 million compared to 2021.

Research and development

The Company is developing its own product ValveWatch, an online diagnostic system for valve monitoring. The Company are using internal knowledge as well as external consultants in the development.

Assumption of going concern

After some years of downturn in the Oil & Gas business the NCS market has turned around and investments where appropriate to improve profitability.



MRC Global Norway AS

The ultimate parent Company, MRC Global Inc, holds a multi-currency global asset-based revolving credit facility. The Company can draw on this facility or cash held in the International business at any time upon request.

Based on this the board of directors, in accordance with the requirements of the Norwegian Accounting Act §3-3, confirms that the condition for a going concern is satisfied and the financial statements have been prepared on this basis.

Working Environment and personnel

The Company had a sick leave of 5,48% in the year to 31 December 2022 compared to 4,37% a year earlier. There were two recordable injuries (an injury requiring medical treatment beyond first aid) in 2022.

The Company maintains a safe working environment through an established safety representative structure. The Board believes the Company has a satisfactory working environment and performs annual appraisal interviews and employee surveys every second year.

Gender equality

As at 31 December 2022 the Company had 225 employees, divided into 42 women and 183 men. Corresponding figures for 2021 was 221 employees divided among 40 women and 181 men.

The Company's goal is to be a workplace where there is equality between women and men. The Company acknowledges that diversity and inclusion are important factors which help to drive positive business performance.

The Company has ensured that females are given equal opportunities throughout recruitment and selection processes and in cases where two candidates are equally qualified/competent we take positive action to address gender imbalance.

The Managing Director of the Company has outlined in employee communications the importance of sourcing skilled females to promote diversity.

The Company is committed to sourcing a diverse pool of candidates from the market. Historically the Company has supported candidates from NAV in special situations who either require on the job training or who have reduced capacity.

MRC Global's Commitment to ESG

MRC Global recognizes that our effective management of ESG factors is of long-term significance to our stakeholders and critical to our company's success. Our commitment starts at the top with our Board of Directors. Our Board oversees the company's long- and short-term strategy, vision, and risk profile, including the company's enterprise risk management (ERM) process to identify, assess, prioritize, address, manage, monitor and communicate risks and opportunities across the Company's operations. It reviews major risks facing the company, including acute and chronic climate risks and energy transition risks. Our Board has tasked its ESG & Enterprise Risk Committee with assisting the full Board in its oversight of the company's efforts on ESG matters, which are reviewed by our Board on a quarterly basis. Our management-driven ESG Committee is chaired by our SVP Sustainability and sponsored by our EVP Corporate Affairs and is comprised of the executives representing various



MRC Global Norway AS

functions within our company, including operations, quality, safety, corporate services, marketing, human resources, legal, investor relations, and supply chain management leaders. In addition, as part of the company's strategic planning process, the Board's ESG & Enterprise Risk Committee is further supported by a management-driven Risk Management Committee comprised of key senior internal stakeholders who assist the Board level committee in identifying key risks and the Board's oversight over risk management.

We strive to align our sustainability strategy with our corporate business strategy. We support both energy security and the energy transition in addition to other diversified non-energy markets such as gas utilities transmission and chemicals. We are committed to responsibly supporting energy security with high quality industrial products that move and store hydrocarbon products and other substances safely and prevent harmful emissions that would negatively impact the environment. We continue to support our manufacturers and customers bringing to market technology that helps reduce greenhouse gas (GHG) emissions, such as low-emission valves, emission-controlled actuation technology, and our online valve monitoring system, ValveWatch®. We support energy transition projects across the globe including projects in offshore wind, renewable natural gas, biofuels, hydroelectricity, geothermal, hydrogen, and carbon capture utilization and storage.

We also focus on other environmental impacts, both direct and indirect, from our operations and seek opportunities to improve. This includes the sustainability of the products we source and sell, the sustainability of our supply chain operations, efficiencies in our supply chain and warehouse operations, use of e-commerce, use of renewable electricity, forest and water conservation, and recycling and waste management.

MRC Global is committed at a group level to annually assess its operations for further improvements. As a part of this review we actively monitor and track data and trends to better understand our impact and areas for improvement.

MRC Global's Operations and Key Environmental Considerations

Globally, MRC Global is the leading distributor of pipe, valves, and fittings products and other infrastructure products and services to diversified end-markets. Our value-add services include valve engineering centers that provide automation services. Globally, we do not engage in heavy manufacturing, mine for minerals, source, use, or discharge chemical compounds or hazardous materials, operate in critical habitats or other high biodiversity value areas, own, lease or operate oil and gas pipelines, or transport hazardous chemicals.

In Norway, we have three locations with differing operations. Combined, they involve distribution of pipes, valves, fittings and instrumentation products, workshop assembly of valve repairs and modifications, subsea assemblies, and wellhead Christmas trees, field service involving onsite service, repair and maintenance of valves, and a workshop consisting of light manufacturing of instrumentation products such as pressure gauges and temperature sensors.

Our manufacturing process is not energy intensive; as a result, most of our electric energy use in operations is tied to lighting, heating and cooling facilities, and powering office and warehouse equipment. We do not use natural gas and do use gasoline for our very small fleet of company vehicles. We use electric forklifts in our operations. In addition, our Norwegian operations do not include transportation or delivery services. We do not utilise large amounts of water. Water is consumed primarily for handwashing, toilet-flushing, minimal dish-washing, and hydrotesting of valves. Water used for hydrotesting is recycled for long periods of time and only refreshed when necessary.



MRC Global Norway AS

We have recycling programs to minimize waste from used pallets, cardboard, plastics, office paper and other recyclables. We review our resource usage in these areas from time to time and seek efficiencies to reduce use of these resources and resulting emissions.

Emissions in our Operations

2022 marks our first year with a true GHG baseline calculated pursuant to the GHG Protocol. As a result, prior year's data is not provided because the comparison is not equivalent. Our total global Scope 1 and Scope 2 emissions is 18,885 MTCO₂e and our global intensity is 5.61 (based on revenue in USD). Our total Scope 1 and Scope 2 emissions in Norway is 1,220 MTCO₂e with a Norwegian intensity of 1.45 (based on revenue in NOK).

Scope 1 Emissions

In 2022, Norway's Scope 1 emissions was 16 MTCO₂e. This includes 1,532 gallons of diesel fuel consumed by our very small vehicle fleet. Our Norwegian operations do not consume natural gas. Our Norwegian Scope 1 intensity is 0.019.

Scope 2 Emissions

In 2022, Norway's Scope 2 emissions was 1,204 MTCO₂e (market-based) with an intensity of 1.44. Its consumption was 3,002,780 kWh. MRC Global can compare Norway's consumption with its 2021 consumption, which was 3,609,786, a reduction of 17%. We believe this reduction was achieved through efficiency actions taken in 2022. While we believe our electrical consumption in Norway approximately 90% hydroelectric and wind renewable sources, MRC Global was not able to properly substantiate this under the GHG Protocol for 2022 and, as such, cannot provide that data here. We believe the estimated balance of 10% to be for the heating of hot water for our air ventilation system, which is fueled by a waste burning plant. Again, MRC Global was not able to properly substantiate that for 2022 so it is not specifically accounted for in our market-based emission reporting. We anticipate this will change in the near future.

Scope 3 Emissions

MRC Global does not currently measure and track Scope 3 emissions.

GHG Emissions per NOK of Revenue

In 2022, MRC Global's Scope 1 and 2 emissions intensity per NOK revenue is 1.45.

MRC Global's Commitment to Safety

MRC Global's first Core Value is the health and safety of its team members. In 2022, MRC Global had no fatalities, 2 total recordable injuries (an injury requiring medical treatment beyond first aid), and no lost time incidents.

MRC Global's Commitment to Human Rights

MRC Global is committed to conducting its worldwide business and operations in accordance with high standards of integrity in a legal, ethical and socially responsible manner. This includes a commitment to respecting human rights as a fundamental principle in our operations. We support the protection of internationally proclaimed human rights including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, which enshrines the core principles of freedom of



MRC Global Norway AS

association; the effective recognition of collective bargaining; the elimination of all forms of forced and compulsory or child labor; and the elimination of discrimination in respect of employment and occupation.

Our team members receive regular training on Core Values, including specific training for anti-discrimination and anti-harassment. We encourage our suppliers to align their practices with the International Labor Organization's core principles and are committed to working in partnership with suppliers, customers and third parties to promote the furtherance of human rights. As part of our audit process of suppliers on our Approved Manufacturers List, we consider these suppliers' performance regarding human rights and labor rights, including their conformance with our human rights and labor rights policies. We have not discovered any noncompliance by our suppliers with our policies, but should issues arise, we will investigate immediately and determine the appropriate next steps. We encourage our stakeholders' involvement in the company's commitment to protect human rights and the implementation of our human rights policy by reporting any human rights violations or concerns related to our business through our Global Ethics Hotline. MRC Global has a zero-tolerance approach to slavery. Modern slavery is a violation of fundamental human rights and a crime. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common the deprivation of a person's liberty to exploit them for personal or commercial gain. We are committed to implementing and maintaining systems, controls and practices to prevent modern slavery from taking place within our global business or supply and logistics chains.

We oppose all forms of forced and child labor, and we hold both ourselves and our supply chain accountable for compliance with applicable law. We maintain internal accountability standards and processes for team members, contractors and members of our supply chain regarding this responsibility.

MRC Global's Commitment to Anti-Corruption and Anti-Bribery

We are committed to complying with all applicable anti-bribery and anti-corruption laws and rules, including, but not limited to, the local laws of the countries in which we operate. Our team members receive training on anti-corruption and anti-bribery. Additionally, we actively monitor and audit our internal compliance with this policy and we expect our suppliers to fully comply with these laws and regulations.

MRC Global's Commitment to the Equality & Anti-Discrimination Act

MRC Global's Values and Commitments

At MRC Global, we are dedicated to maintaining a positive and supportive workplace. Our Core Values affirm our commitment to equality and anti-discrimination, demonstrated by the inclusion of "We respect all people." There is no place for harassment, discrimination, or other misconduct, especially where that activity impacts our team members, our customers, our suppliers or others. We treat all issues or behaviours that do not align with our Core Values with the utmost seriousness.

MRC Global endeavours to maintain a diverse group of team members who possess a broad range of backgrounds, skills and expertise. MRC Global assesses, hires, and promotes individuals without bias to race, colour, religion, sex, ancestry, sexual orientation, gender identity and/or expression, national origin or disability. This includes preventing retaliation based upon these individual characteristics, including pregnancy, medical leave, or other protected activities as defined by local law. In assembling our group of team members, our goal is a diverse team considering business experiences, functional skills, gender, race, ethnicity and cultural backgrounds.



MRC Global Norway AS

All team members at MRC Global are required to follow company policies and applicable law in all of our activities and operations. We rely on the good judgment, high standards and the examples of our directors, officers, and team members as the principal guide to our equality and anti-discrimination commitment.

Adherence to our corporate policies is a key tool in maintaining an equal and fair work environment. Important policies related to this commitment include our Code of Ethics, Human Rights Statement, Dignity at Work & Equal Opportunity Statement, Anti-Discrimination & Anti-Harassment Policy, Anti-Slavery & Anti-Human Trafficking Statement, and Whistle-blower Policy.

MRC Global maintains a first-class global human capital management system to provide depth and data to monitor our workplace practices. Below are the equality statistics for our Norwegian team members:

Workforce Pay Equity Evaluation

This information was provided in last year's annual report and is not required again until our 2024 annual report.

Gender Pay Equity Evaluation

2022

	Full Time (FT)	Part Time (PT)	% of PT Staff who want to work FT	Temp Staff	Parental Leave Exercised in Weeks
Male	183 (81,33 %)	3 (1,64%)	0 (0%)	1 (0,55%)	9 / 61*
Female	42 (18,67%)	0 (0%)	0 /0%)	0 (0%)	1 / 30*
Total	225				

* Used by 1 woman / 9 men (similar to 148,53 days / 305,53 days)

Our Risk Mitigation - Our Company's Policies and Standards

MRC Global Inc. and its worldwide subsidiaries, including MRC Global Norway is committed to providing a workplace environment and conducting business in a manner that respects the rights and dignity of all people, including employees, customers, suppliers, and other third parties with whom it does business. MRC Global recognizes that its employees and third parties have a right to transact business and work in conditions without discrimination, free from harassment, respectful of individual rights, and with dignity. MRC Global seeks to conduct itself and its business in a discrimination-free and harassment-free atmosphere in compliance with all legal requirements; and is committed to the principles set forth in its Human Rights Statement. More importantly, MRC Global is committed to this because it is the right thing to do.



MRC Global Norway AS

Our “Dignity at Work and Equal Opportunity Statement” affirms that “MRC Global does not tolerate and takes all reasonable steps to prevent discrimination or harassment based upon an individual's sex, gender, sexual orientation, race, color, ethnicity, national origin, age, religion, veteran status, citizenship status, disability or any other legally protected characteristics. Furthermore, MRC Global will not tolerate harassment of anyone who is perceived as having one of the above characteristics or based upon association with someone who is protected. The Company will not tolerate any behavior from employees or from individuals with whom its employees do business which is intimidating, hostile or humiliating.”

MRC Global reinforces this message in our “Code of Ethics”, stating that “The Company is committed to promoting equal employment opportunity in all of its operations. It is the Company's policy not to discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, age, national origin, or disability and to comply fully with all laws prohibiting discrimination and promoting opportunity and advancement in employment.”

Our Risk Mitigation - The Way We Work to Ensure Compliance

MRC Global publish our Dignity at Work Policy and Equal Opportunity Statement together with our Code of Ethics on our Intranet. All employees, managers and contractors are required to confirm their understanding and compliance to these policies annually via a mandatory compliance certification.

MRC Global publish an Anti-Discrimination and Anti-Harassment policy and all employees and managers receive regular training to make sure they understand their obligations.

In addition, all new hires receive training on this subject matter via mandatory course material aimed at both employees and managers.

Managers, HR and Safety Delegates/Union members are available should any employee wish to raise a concern. As an additional control, MRC Global maintains an established and confidential 'Ethics Hotline' available for all employees to raise concerns to any breach of policies or inappropriate behavior.

“Respect all people” is promoted as one of the Company's defined Core Values in Action and is published on the front page of the Intranet and on posters at all locations.

MRC Global Norway has implemented a Values in Action nomination Program where employees are encouraged to look for practical examples of compliance with our values, and each month an employee is recognized as “employee of the month”, with a solid demonstration of the Company's core values.

MRC Global Norway has hired employees through NAV on several occasions.

Our Risk Mitigation - The Way We Work to Identify the Risk for Discrimination and Hindering Equal Rights

All promotions, hires and compensation changes are reviewed by HR prior to approval.



MRC Global Norway AS

HR extract regular demographic reports, which are being reviewed monthly by the local management team and also presented in different employee forums *i.e.*, Townhall Meeting & Working Environment Committee.

MRC Global launched an employee survey in Q1 2022, where the objective is to measure general engagement, but also includes key questions linked to Diversity & Inclusion, Inclusiveness and Non-discrimination.

The following risks are identified for discrimination and hinder for equal opportunities:

This exercise demonstrates that MRC Global Norway's proportion of female operators / blue collars is low. Although the value variance is immaterial, there is a high differentiation between female white collar non-exempt workers receiving variable allowances in comparison to males.

There has been workforce participation throughout the year in our anti-discrimination training, however, there has been limited participation in this specific analysis and there has been limited opportunity in 2022 for employees to formally feedback around suggestions and areas of improvement. The analysis utilizes employee groups, however there is a risk that further disparity exists at the individual job level. Anti-discrimination training is available to all employees in Norwegian or English, however some employees at MRC Global Norway have a different mother tongue and there is a risk regarding full comprehension of the training content.

The following potential reasons for the risks for discrimination and hindering equal rights were identified, where the following action plan was established:

The high differentiation between receipt of variable allowances in the white collar non-exempt category is potentially as a result of these allowances being derived from instances of offshore work. This offshore work has typically been carried out by males, partly due to there being a greater number in the overall organization.

The oil and energy industry has been historically male dominated, resulting over time in a higher proportion of male employees particularly in blue collar roles. The pay disparity between male and female blue collar workers is not reported due to the number of females falling below the threshold, however risk of unequal pay is nonetheless mitigated by predominately union negotiated / matrix based pay scales.

Actions established to reduce the risks identified are as follows:

Work systematically between management and the unions / workers representatives with an Equality & Anti-Discrimination agenda item for future WEC/BU meetings in order to share data and suggestions for improvement and best practice between the workforce and the management team.

Introduce an Employee Survey in 2022 to provide employees with the opportunity to feedback their experience on discrimination, equality and inclusiveness at MRC Global Norway.

Review training materials & methods for accessibility, including for those without Norwegian/English fluency and those without regular access to a laptop or PC.



MRC Global Norway AS

Focus on the continued attraction of females to work for MRC Global Norway across all employment groups:

Review of home office / flexible working policy and opportunities (likely to be applicable to white collar roles)

Work with third party recruitment partners to make it clear in all recruitment processes that MRC Global Norway welcomes applications from all candidates in a fully inclusive manner

Further analysis of pay equality data at the job profile level utilizing organizational data stored in Workday HRIS

Management team with HR to continue to raise awareness during HR Q&A / Mid-Manager meetings to challenge any assumptions that female workers with the appropriate skills and qualifications may not be willing/prepared to work offshore and are given equal opportunity to do so

Promote the Career section of Workday HRIS internally to maximise the ability of management to be aware of skills and experience of the workforce including females, to inform job planning and decision making.

Our Risk Mitigation Results from the Non-discrimination and Equality Work and Expectations for the Way Forward

MRC Global Norway are committed to providing an environment free of discrimination and promoting equal employment. The company will continue to look for opportunities to identify and mitigate any risks in these areas and to consult the workforce to understand their experiences and share recommendations for best practice and improvement.

Risk

The Company's risks and uncertainties is correlated with the business cycle and related to investments, modifications, maintenance and replacement in the oil and gas industry on the Norwegian Continental Shelf (NCS) as well as the process industry.

Credit risk is controlled by continuous monitoring of existing customers as well as the credit rating of new customers. The largest customers are established and financially strong oil companies and oil service players, which lowers the credit risk.

The Company has both income and expenses in different currencies and is thereby exposed to currency fluctuations. The Company's overall strategy is to reduce the currency risks as much as possible.

Outlook

After some years of downturn in the Oil & Gas business the NCS market has improved in recent years with improved investment. The Company continues to implement extensive efficiency improvements and savings measures where appropriate to improve profitability.

Insurance for Board members and Managing Director

The Company has Directors' liability insurance covering any culpable acts or omissions of the executive management or Board of Directors leading to the plaintiff suffering financial losses.

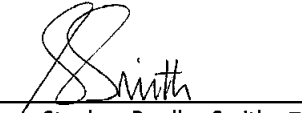


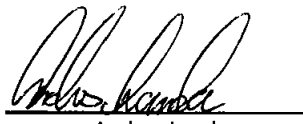
MRC Global Norway AS

Transparency Act

Our disclosures relating to our compliance with the transparency act can be located on the following website – <https://connect.mrcgo.com/s/norwegian-transparency-act>.

Stravanger Board of MRC Global Norway AS


Stephen Bradley Smith
Chairman of the Board


Anders Landa
Board member / CEO


Cornelis Christoffel Putter
Board member


Sven Erik Mjelde
Board member


Morten Stene-Larsen
Board member


Claire Jane Hellmund
Board member


Anne Marit Skålien
Board member



MRC Global Norway AS

Income statement

Amounts in NOK thousands	Note	2022	2021
Revenue			
Sales revenue	2	860 650	729 947
Other operating income		45	0
Total revenue		<u>860 695</u>	<u>729 947</u>
Operating expenses			
Cost of stocks	3	611 690	516 678
Payroll expenses	4	136 821	123 752
Depreciation of tangible and intangible fixed assets	5, 6	41 548	47 247
Other operating expenses	4	91 219	79 033
Total operating expenses		<u>881 278</u>	<u>766 710</u>
Operating result		<u>-20 584</u>	<u>-36 763</u>
Financial income and expenses			
Other interest income		2 207	78
Interest income from group companies	7	45 119	41 558
Other financial income	8	579	35 284
Interest paid to group companies	7	16 942	18 633
Other interest expenses		2 087	2 192
Other financial expenses	8	24 565	6 288
Net financial items		<u>4 312</u>	<u>49 807</u>
Ordinary result before tax		<u>-16 272</u>	<u>13 044</u>
Tax on ordinary result	9	<u>4 488</u>	<u>5 054</u>
Net profit or loss for the year		<u>-20 760</u>	<u>7 990</u>
Allocated as follows			
Transferred to other equity	10	<u>-20 760</u>	<u>7 990</u>



MRC Global Norway AS

Balance sheet as of December 31

Amounts in NOK thousands	Note	2022	2021
Fixed assets			
<i>Intangible assets</i>			
Goodwill	6	57 098	85 647
Other intangible assets	6	6 441	9 467
Total intangible assets		<u>63 539</u>	<u>95 114</u>
<i>Tangible assets</i>			
Land, buildings and other property	5	2 399	2 603
Machinery and plant	5	9 636	10 077
Fixtures and fittings, tools, office machinery etc.	5	7 600	11 055
Total tangible assets		<u>19 636</u>	<u>23 735</u>
<i>Financial assets</i>			
Investments in subsidiaries	11	15 372	15 372
Loans to group companies	7	718 268	687 016
Total financial assets		<u>733 640</u>	<u>702 387</u>
Total fixed assets		<u>816 814</u>	<u>821 237</u>
Current assets			
Inventories	3	<u>231 757</u>	<u>160 468</u>
<i>Receivables</i>			
Trade receivables	7	171 303	122 393
Other receivables	7	93 105	62 771
Total accounts receivable		<u>264 408</u>	<u>185 164</u>
Cash and cash equivalents	12	<u>23 984</u>	<u>55 943</u>
Total current assets		<u>520 149</u>	<u>401 575</u>
Total assets		<u>1 336 963</u>	<u>1 222 812</u>



MRC Global Norway AS

Balance sheet as of December 31

Amounts in NOK thousands	Note	2022	2021
Equity			
<i>Paid-in capital</i>			
Share capital	10, 14	41 963	41 963
Share premium reserve	10, 13	472 039	492 799
Total paid-in capital		<u>514 002</u>	<u>534 762</u>
Total equity		<u>514 002</u>	<u>534 762</u>
Liabilities			
<i>Provisions</i>			
Pension liabilities	4	<u>5 479</u>	<u>5 477</u>
Total provisions		<u>5 479</u>	<u>5 477</u>
<i>Other long-term liabilities</i>			
Other long-term liabilities	7	<u>417 690</u>	<u>425 672</u>
Total other long term liabilities		<u>417 690</u>	<u>425 672</u>
<i>Current liabilities</i>			
Liabilities to financial institutions	15	70 168	35
Trade creditors	7	218 200	172 521
Public duties payable		29 735	24 018
Other short-term liabilities	16	<u>81 688</u>	<u>60 327</u>
Total current liabilities		<u>399 792</u>	<u>256 900</u>
Total liabilities		<u>822 960</u>	<u>688 050</u>
Total equity and liabilities		<u>1 336 963</u>	<u>1 222 812</u>



MRC Global Norway AS

Balance sheet as of December 31

Amounts in NOK thousands

Note

2022

2021

Stephen Bradley Smith
Chairman of the Board

Sven Erik Mjelde
Board member

Anne Marit Skålien
Board member

Stavanger,

Anders Landa
Board member / CEO

Morten Stene-Larsen
Board member

Cornelis Christoffel Putter
Board member

Claire Jane Hellmund
Board member



MRC Global Norway AS

Cash flow statement

Amounts in NOK thousands	Note	2022	2021
Cash flow from operating activities			
Ordinary result from tax		-16 272	13 044
Gain from sale of fixed assets		-45	0
Depreciation and Amortization		41 548	47 247
Changes in inventories, trade receivables and trade payables		-67 582	46 282
Changes in pension scheme liabilities/assets		2	126
Changes in current balance sheet items		-14 682	-12 503
Net cash flow from operating activities		<u>-57 031</u>	<u>94 197</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		-2 603	-4 708
Sale of tangible fixed assets		50	2 635
Purchase of intangible fixed assets		-3 274	-174
Net cash flow from investing activities		<u>-5 827</u>	<u>-2 247</u>
Cash flow from financing activities			
Change in liabilities to financial institutions		70 133	0
Change in liabilities and receivables to group		-39 234	-55 001
Repayment of short term liabilities		0	-18 841
Net cash flow from financing activities		<u>30 899</u>	<u>-73 841</u>
Net change in cash and cash equivalents		-31 959	18 108
Cash and cash equivalents as of 01.01		<u>55 943</u>	<u>37 835</u>
Cash and cash equivalents as of 31.12		<u>23 984</u>	<u>55 943</u>



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

MRC Global Norway AS is a subsidiary of MRC Stream AS, which is exempt from preparing consolidated financial statements in accordance with the Norwegian Accounting Act §3-7 and approval from the Norwegian Tax Administration.

Investment in subsidiaries

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Recognition of revenue

Revenues from the sale of goods and services are recognized in the income statement once services are performed.

Revenues from the sale of services and long-term manufacturing projects are recognized in the income statement according to the project's level of completion provided the outcome of the transactions can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated or incurred cost compared the estimated total cost. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project cost that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

Classification and assessment of balance items

Current assets and current liabilities comprise items that fall due for payment within one year of the transaction date. Other items are classified as non-current assets / non-current liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognized at nominal value at the establishment date.

Non-current assets are valued at historical cost but are written down to fair value if a fall in value occurs that is not temporary. Non-current liabilities are recognized in the balance sheet at nominal value at the establishment date.

Receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments.



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life.

The depreciation period starts when assets are put in use in ordinary operations. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Leasing

Each leasing contract is classified either as a finance lease or an operating lease on the basis of an assessment of terms of the contract.

Foreign currency

Monetary items in foreign currency are valued at year end exchange rates. Transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Use of estimates

To prepare the financial statements, management must apply estimates and assumptions that affect the presented amounts for assets, liabilities and contingencies. These estimates are based on information available on balance sheet date. To the extent that new information appears that significantly impacts on these estimates because of the uncertainty linked to the future developments, the final amounts may deviate from the estimates reflected in the statements.

Cash Flow Statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash and bank deposits or bank overdraft.

Inventories

Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the average cost method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over its useful life. Research costs are expensed as incurred.



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Note 2 - Sales of goods and services

	2022	
<i>By business area</i>		
Valve	263 244	
Instrumentation	406 899	
Piping	190 507	
	<u>860 650</u>	
 <i>Geographical distribution</i>		
Norway	778 117	
Europe excl. Norway	23 896	
Rest of world	58 637	
	<u>860 650</u>	

Note 3 - Inventories

	2022	2021
Work in progress	8 638	10 157
Purchased goods	235 520	158 329
Provision for obsolescence	-12 401	-8 018
Total	<u>231 757</u>	<u>160 468</u>

Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2022
Wages and salaries	92 009
Payroll tax expense	25 645
Pension costs	11 251
Other benefits	7 916
Total payroll expenses	<u>136 821</u>

The average number of employees 225

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (lov om obligatorisk tjenestepensjon). The Company's pension schemes meets the requirements of that law. Effective from October 2020 the Company only has defined contribution schemes covering all current employees. The Company also has an unfunded scheme for a former CEO and a former MD. The Company also has an early retirement scheme (AFP). This is considered to be a defined benefit pension plan, but is accounted for as a contribution scheme because it has been determined that there are no available reliable assumptions regarding measurement of the scheme. This pension liability is therefore not recognized in the balance sheet.



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Management remuneration

	Salary	Pensionexpenses	Other remuneration
Chief Executive Officer	1 918	89	29

The CEO is participating in a bonus scheme within the MRC Global Group. Under this scheme, TNOK 29 was paid out to the CEO in 2022.

Specification of auditor's fee:

2022

Statutory audit fee	960
Other services	20
Total	<u>980</u>

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

Note 5 - Tangible assets

Amounts in NOK thousands

	Land, buildings and other property	Machinery and plant	Fixtures, fittings, tools, office machinery, etc.	Total
Acquisition cost 01.01.	4 013	59 358	16 554	79 924
Additions	83	2 228	293	2 604
Disposals	0	-2 026	0	-2 026
Acquisition cost 31.12.	4 096	59 560	16 847	80 503
Acc.depreciation 31.12.	-1 697	-49 924	-9 247	-60 867
Net carrying amount at 31.12.	2 399	9 636	7 600	19 636
Depreciation for the year	286	2 664	3 748	6 699
Useful economic life	10 Years	10 Years	3-15 Years	
Depreciation	Linear	Linear	Linear	



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Note 6 - Intangible assets

	Goodwill	R & D	Customer Relation	Trademarks	Total
Acquisition cost at 01.01.	368 163	67 978	38 404	20 418	494 963
Additions	0	3 274	0	0	3 274
Acquisition cost 31.12.	368 163	71 252	38 404	20 418	498 237
Acc.amortization at 31.12.	-311 065	-65 627	-37 588	-20 418	-434 698
Net carrying amount at 31.12.	57 098	5 625	816	0	63 539
Amortization for the year	28 549	5 478	822	0	34 849
Useful economic life	8 Years	5-10 Years	10 Years	0 Years	
Amortization plan	Linear	Linear	Linear	Linear	

Goodwill is amortized over 8 years as this is considered to be in accordance with future earnings for the acquired goodwill.

Note 7 - Intercompany balances and transactions

<i>Intercompany assets</i>	2022	2021
Intercompany receivables	718 268	687 016
Accounts Receivable to group companies	8 384	2 756
Other receivables	32 921	31 488
Total	759 573	721 260
<i>Intercompany liabilities</i>		
Long-term liabilities	393 602	388 488
Trade creditors intercompany	123 656	84 033
Short-term liabilities	9 147	328
Total	526 405	472 849
<i>Intercompany transactions</i>		
Sales	1 029	1 170
Other expenses including management fees	22 174	17 817
Interest income	45 119	41 558
Interest cost	16 942	18 633
Cost of sales	927	354



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Note 8 - Finance income and expenses

<i>Other financial income</i>	2022	
Foreign currency gain	579	
Other financial income	0	
	<u>579</u>	
<i>Other financial expenses</i>		
Foreign currency loss	24 181	
Other financial expenses	384	
	<u>24 565</u>	

Note 9 - Income taxes

Amounts in NOK thousands

<i>Tax base estimation</i>	2022	2021
Ordinary result before tax	-16 272	13 044
Permanent differences	24 401	23 910
Change in temporary difference	-9 732	-101
Total taxable income	<u>-1 603</u>	<u>36 853</u>
Use of tax loss brought forward	0	-36 853
Tax base	<u>-1 603</u>	<u>0</u>
<i>Specification of temporary differences</i>	2022	2021
Fixed assets	-2 796	-219
Receivables	-705	0
Gain and loss account	32	40
Provisions	-44 344	-58 412
Net pension obligations	-5 479	-5 477
Inventory	-12 401	-8 018
Fixed contracts	7 310	3 936
Other differences	12	46
Total	<u>-58 371</u>	<u>-68 104</u>
Accumulated tax loss carried forward	-363 293	-361 466
Interest deductibility brought forward	-120 158	-120 158
Skattefunn	0	751
Basis for calculating deferred tax	<u>-541 823</u>	<u>-548 977</u>
Deferred income tax assets	-119 201	-120 775
Deferred income tax asset not recognized	119 201	120 775



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

<i>Permanent differences outlined</i>	2022	2021
Non-deductible gifts, fees etc	340	415
Goodwill	28 549	28 549
Withholding tax	-4 488	-5 054
Total permanent differences	<u>24 401</u>	<u>23 910</u>
<i>Effective tax rate</i>	2022	
Expected income taxes, statutory tax rate 22%	-3 580	
Change in not recognized tax asset	-1 574	
Adjustment previous years	-215	
Permanent differences (22%)	5 368	
Withholding tax	4 488	
Income tax expense	<u>4 488</u>	
Effective tax rate	-27,6 %	

Note 10 - Equity

Amounts in NOK thousands

	Share capital	Share premium	Retained earnings	Total
Owners equity 01.01.	41 963	492 799	0	534 762
Loss for the year	0	0	-20 760	-20 760
Netting of uncovered losses	0	-20 760	20 760	0
Owners equity 31.12.	<u>41 963</u>	<u>472 039</u>	<u>0</u>	<u>514 002</u>

Note 11 - Investment in subsidiaries

Company	Location	Share owners	Net profit 2021	Equity 31.12.21	Book value 31.12
MRC Global (Germany) GmbH	Germany	100 %	9	2 212	15 372

The above table shows the net profit and equity per year end (EUR thousands) for 2021 as the numbers for 2022 were not yet available per the signing date of the MRC Global Norway AS' financial statement.



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

Note 12 - Restricted funds

<i>Pledged assets</i>	2022	2021
Inventory	231 757	160 468
Accounts receivable	171 303	122 393
Cash	23 984	55 943
Total	<u>427 044</u>	<u>338 804</u>

As of 31.12.22 the Company had no restricted funds. Employees' tax deductions are secured with a bank guarantee with a value of 12M NOK.

Note 13 - Going concern

After some years of downturn in the Oil & Gas business the NCS market has improved in recent years with improved investment. The Company continues to implement extensive efficiency improvements and savings measures where appropriate to improve profitability. The ultimate parent company, MRC Global Inc, holds a multi-currency global asset-based revolving credit facility. The Company can draw on this facility or cash held in the international business at any time upon request. Based on this the board of directors, in accordance with the requirements of the Norwegian Accounting Act §3-3, confirms that the condition for a going concern is satisfied and that the financial statements have been prepared on this basis.

Note 14 - Equity

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	46 625 946	0,9	41 963

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
MRC Stream AS	46 625 946	100 %	100 %

The Company is a subsidiary of the ultimate parent company MRC Global, Inc. The consolidated accounts can be obtained on mrcglobal.com.

Note 15 - Liabilities to financial institutions

The Company's ultimate parent company, MRC Global Inc, an entity incorporated in the United States, has entered into a \$750 million, multi-currency, global, asset-based revolving credit facility (the "Global ABL Facility") which matures on 3 September 2026. The facility contains an accordion feature that allows MRC Global Inc. to increase the total principal amount of the facilities by up to \$250 million. The aggregate commitments of which, are allocated to jurisdiction-specific tranches (the "Facilities") comprising of \$705



MRC Global Norway AS

Notes to the accounts for 2022

Amounts in NOK thousands

million in revolver commitments in the United States and \$45 million for group entities outside of the United States. \$12 million of this facility is allocated to MRC Global Norway AS, the "Norwegian Tranche".

Subject to the foregoing, the Company's ability to borrow under the Global ABL Facility is limited by a borrowing base equal to 85% of eligible receivables, plus the lesser of 70% of eligible inventory and 85% of appraised net orderly liquidation value of the inventory. The Company's borrowings bear interest at a benchmark rate, which varies based on the currency in which such borrowings are made, plus a margin varying between 1.25% and 1.75% based on our fixed charge coverage ratio.

Under the agreement, non-US subsidiaries of MRC Global Inc. guarantees the obligations of other non-US borrower group entities under the Global ABL Facility. No non-U.S. subsidiary guarantees the U.S. tranche, and no property of non-U.S. subsidiaries secures the U.S. tranche.

At the balance sheet date, the Company had a contingent obligation of NOK: Nil (2021 – NOK: Nil) in respect of borrowings by non-U.S. subsidiary undertakings under the Global ABL facility.

Further details on this facility can be found in MRC Global Inc's annual report which is available on www.mrcglobal.com.

Note 16 - Other short-term liabilities

	2022
Holiday pay	17 797
Deferred revenue	14 229
Accruals third party	5 784
Other liabilities	43 878
	<u>81 688</u>

In 2020 the Company made a provision for restructuring cost of 67 MNOK related to housing costs. As of 31.12, 13 MNOK of this provision is classified as short-term liability.

Note 17 - Subsequent events

In May 2023 the Company has a capital increase in equity of 535M NOK. There were no other significant impacts that have occurred between the end of the reporting period and the date of this report that are not already reflected or disclosed in these financial statements.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of MRC Global Norway AS

Opinion

We have audited the financial statements of MRC Global Norway AS (the Company), which comprise the balance sheet as at 31 December 2022, the income 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 2022 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 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 and Chief Executive Officer) 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



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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.

Stavanger, 29. June 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Independent auditor's report - MRC Global Norway AS 2022

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Stig Tore Strand

Oppdragsansvarlig partner

On behalf of: EY

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Skattedirektoratet

Saksbehandler Torstein Kinden Haveland	Deres dato 12.01.2015	Vår dato 15.01.2015
Telefon 22078139	Deres referanse Steinar AAsland	Vår referanse 2015/20724

MRC GLOBAL NORWAY AS
Postboks 146 Forus
4065 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for MRC Global Norway AS, org. nr. 996 335 429

Vi viser til deres brev av 12. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for MRC Global Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering MRC Global Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

MRC Global Norway AS er en del av et amerikansk eid konsern. Selskapet er en del av et oljeservice konsern som driver internasjonal virksomhet innenfor produkter, løsninger og tjenester innenfor ventiler, instrumentering og rør. Arbeidsspråket er engelsk. Selskapet opererer i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Litter 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

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800 80 000
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22 17 08 60



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet inngår i et utenlandsk konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer