



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 945 914 777
Organisasjonsform: Aksjeselskap
Foretaksnavn: IK-NORWAY AS
Forretningsadresse: Christian August Thorings veg 9
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: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Frode Nordheim
Dato for fastsettelse av årsregnskapet: 25.05.2023

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, 10.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	211 770 931	183 405 863
Annen driftsinntekt	2	451 072	1 783 748
Sum inntekter		212 222 003	185 189 611
Kostnader			
Varekostnad		78 212 721	53 763 640
Lønnskostnad	3	56 223 957	65 056 308
Avskrivning	4, 5	3 253 970	8 466 709
Annen driftskostnad	3, 6, 7	23 219 193	33 104 794
Sum kostnader		160 909 841	160 391 451
Driftsresultat		51 312 162	24 798 160
Finansinntekter og finanskostnader			
Inntekt på inv. i datterselskap og tilknyttet selskap	8		34 740
Annen finansinntekt	9	5 887 423	3 582 725
Sum finansinntekter		5 887 423	3 617 465
Annen finanskostnad	9	4 313 856	2 991 466
Sum finanskostnader		4 313 856	2 991 466
Netto finans		1 573 567	625 999
Ordinært resultat før skattekostnad		52 885 729	25 424 159
Skattekostnad på ordinært resultat	10	11 550 115	5 598 562
Ordinært resultat etter skattekostnad		41 335 614	19 825 597
Årsresultat		41 335 614	19 825 597
Overføringer og disponeringer			
Konsernbidrag	8, 11	26 940 536	13 613 545
Overføringer annen egenkapital	11	14 395 078	6 212 052
Sum overføringer og disponeringer		41 335 614	19 825 597



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	4, 12	541 588	9 266 353
Sum immaterielle eiendeler		541 588	9 266 353
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	5	1 192 659	2 395 217
Maskiner og anlegg	5	342 626	15 955 662
Driftsløsøre, inventar, verktøy, kontormaskiner ol	5	2 148 880	2 853 309
Sum varige driftsmidler		3 684 165	21 204 188
Finansielle anleggsmidler			
Andre fordringer	17	8 976	
Sum finansielle anleggsmidler		8 976	
Sum anleggsmidler		4 234 729	30 470 541
Omløpsmidler			
Varer			
Sum varer	13	612 748	830 482
Fordringer			
Kundefordringer	7, 8, 14	63 534 103	44 451 557
Andre fordringer	8	97 799 268	48 555 074
Sum fordringer		161 333 371	93 006 631
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	15	4 026 591	2 919 681
Sum omløpsmidler		165 972 710	96 756 794
SUM EIENDELER		170 207 439	127 227 335



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	11, 16	694 905	1 071 000
Overkurs	11	102 470	102 470
Sum innskutt egenkapital		797 375	1 173 470
Opptjent egenkapital			
Annen egenkapital	11	33 787 765	56 470 164
Sum opptjent egenkapital		33 787 765	56 470 164
Sum egenkapital		34 585 140	57 643 634
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	1 799 448	573 610
Sum avsetninger for forpliktelser		1 799 448	573 610
Annen langsiktig gjeld			
Konvertible lån	17	44 489	533 607
Sum annen langsiktig gjeld		44 489	533 607
Sum langsiktig gjeld		1 843 937	1 107 217
Kortsiktig gjeld			
Leverandørgjeld	8	34 982 839	15 978 154
Skyldige offentlige avgifter	15	6 095 014	5 217 587
Annen kortsiktig gjeld		18 140 791	23 230 450
Sum kortsiktig gjeld	8, 18	133 778 362	68 476 484
Sum gjeld		135 622 299	69 583 701
SUM EGENKAPITAL OG GJELD		170 207 439	127 227 335



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 656937

Enheten

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Frode Nordheim
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Grunnlag for avgivelse

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

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Brønnøysundregistrene, 08.08.2023



Organisasjonsnr: 945 914 777
IK-NORWAY AS

RESULTATREGNSKAP

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Organisasjonsnr: 945 914 777
IK-NORWAY AS

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Organisasjonsnr: 945 914 777
IK-NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
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Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
	463270.00	1.50	694905.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
IK Group AS	463270.00	100.00%	Ordinary shares
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	463270.00	100.00%	

Note
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Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	36692494.00	50682352.00
<u>Arbeids giveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	9694562.00	8327174.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3614394.00	3448793.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	6222507.00	2597986.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	56223957.00	65056305.00

The Company has a contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). There has not been paid remuneration to the Board in 2022.

Ytelser til daglig leder

Note

Ytelser til andre ledende personer



<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
General manager		1900000.00	276494.00

<u>Sum ytelse andre led.pers.</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
		1900000.00	276494.00

Note

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	191500.00	182000.00

<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	52500.00	42000.00

<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	244000.00	224000.00

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
55.00

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Skattemessig fremf.undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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<u>Kortsiktig gjeld</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 09.01.2014	Vår dato 20.01.2014
Telefon 977 59 464	Deres referanse Geir Molberg	Vår referanse 2014/29528

IK GROUP AS
Postboks 8018 Postterminalen
4068 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for IK Group-konsernet

- Vi viser til deres brev av 9. januar 2014 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

IK Group AS,	org.nr. 989 002 732
IK-Norway AS (IK Stavanger AS),	org.nr. 945 914 777
IK MidEast AS,	org.nr. 892 930 112

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene tillatelse til å utarbeide årsregnskap og årsberetning på engelsk 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

IK Group AS er et norsk aksjeselskap og er morselskap i IK Group-konsernet. På telefon 20. januar 2014 er det opplyst at IK Stavanger AS og IK MidEast AS eies henholdsvis 100 % og 90,1 % av IK Group AS. Det ble videre opplyst at IK Stavanger AS har endret navn til IK-Norway AS. Konsernet driver virksomhet rettet mot olje- og gassindustrien. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Konsernets arbeidsspråk er engelsk. Morselskapets aksjonærer er utenlandske personer eller norske personer (gjennom direkte og indirekte eierskap) som behersker engelsk, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med primære kunder og kreditorer foregår på engelsk. I tillegg er deler av konsernet lokalisert i UK.

Skattedirektoratets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skattetat.no Org.nr: 996250318 E-post: skattetat.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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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 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernets arbeidsspråk er engelsk. Videre er det vektlagt at konsernet driver virksomhet i en bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Rune Tystad



IK-Norway AS

Annual report 2022

Annual accounts

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

Auditors' report



Board of Directors' report 2022

IK-Norway AS

The character of the company, and how it is operated

IK-Norway AS is a niche supplier of solutions, products and services for subsea, pipe and pipelines, focusing on the worldwide oil and gas industry. The company is located at Forus, outside Stavanger, Norway.

Demerger 2022

IK-Norway AS has with accounting and tax effective date as of 1 January 2022, demerged the company's business related to the patented tool Add On Gate Valve to a separate company Izomax AS. The purpose is to facilitate focused and efficient development of the demerged business. The effective date under company law was 22 November 2022, when it was registered in the Companies Register.

When the demerger became effective, the share capital in IK-Norway AS was reduced from NOK 1 071 000 by NOK 376 095 to NOK 694 905 by redemption of 250 730 shares belonging to the sole shareholder IK Group AS.

The demerger was carried out at continuity in both accounting and tax terms, in accordance with Chapter 14 of the Companies Act, Chapter 11 of the Tax Act, and otherwise in accordance with the provisions of the Accounting Act.

IK Group AS owns 100% of the shares in both IK-Norway AS and Izomax AS as of 31.12.22.

Summary of the annual accounts

The company's annual sales went up from 185 MNOK in 2021 to 212 MNOK in 2022. Profit after tax for the year was 41,3 MNOK, against a profit of 19,8 MNOK in 2021. The net profit/loss is allocated as follows: 26,9 MNOK as Group contribution and 14,4 MNOK transferred to other equity.

Total investments in 2022 were 990 KNOK, related to machinery and office equipment.

The company's equity per 31.12.22 was 34,6 MNOK against 57,6 MNOK in 2021. However, the demerger had a huge impact on the 2022 figures as the equity and the other balance sheet items were split between the two companies.

The statement of cash flow is composed by the indirect method. Cash and cash equivalents increased by 1.1 MNOK.

According to the board's opinion, the annual accounts show a true picture of the company's development and result, and its status.

Going concern

The annual accounts for 2022 are prepared under the assumption of going concern.

Future development

IK-Group decided to spin-off the AOGV business area as a separate legal entity from IK-Norway in 2022. After the spin-off IK-Norway consists of the two business areas - Topside and Subsea. This means that IK-Norway can have a more "to-the-point" business model and focused strategy, as well as mitigating financial and operational risk throughout IK-Group.

IK experience a recovery in the Oil and Gas service industry after Covid-19. That paired with increased focus on sales and marketing led to a growth of 75% in revenues for Subsea and Topside combined in 2022. The forecasted revenues for the company in 2023 are 200 MNOK.



Operationality, quality and customer intimacy will continue to be the core value provided to our customers. IK expects both organic and structural growth the next 5-year period

Working environment

The company keeps track of all absence due to sickness according to existing rules and regulations. Total sick leave in 2022 was 1,94%.

No considerable weaknesses of the working environment, or the safety of the employees, were discovered in 2022. The company has no reports of personal injuries in 2022 and will continue its preventive work with focus on HSEQ.

External environment

IK-Norway AS does not pollute the external environment, in any substantial degree. Source segregation of ordinary wastes is implemented, and special wastes are handled according to existing rules and regulations. No reports of pollution were registered in 2022. The company is certified according to ISO 9001-2015.

Gender equality

IK is working to increase its gender equality percentage within the entire Group. All employer branding campaigns, and job advertisements are focused on diversity and gender equality. We expect that our strategic shift towards the sustainable energy marketplace will have a positive impact on our gender equality targets. IK-Group aim to have a 40% share of female employees within 2026.

2022 Statistics

16 % of the employees were females, by year-end. When it comes to employment, all candidates are considered at the same level, independent of gender. The company did not have any temporary employees in the year and one female employee with a part-time percentage of 80%. Average maternity leave weeks for the company were 4,8 for females and 6,4 for males.


Transparency Act

The company's account of due diligence pursuant to Section 4 in the Transparency Act (Åpenhetsloven) will be published on the company's website: <https://www.ik-worldwide.com>

Insurance for board members and General Manager

Liability insurance has been entered for the Board of Directors, to cover the legal liability that Board members and senior executives may face. The insurance policy also covers the costs of processing any damages claims made, and documenting the facts related to these. The insurance coverage is 10 MNOK.

Stavanger, 29.05.2023


Erik Berge
Chairman of the board


Isabell Dobler Krüger
Board Member


Adrian Ganman
Board Member


Geir Molberg
Board Member



IK-Norway AS

Income statement

	Note	2022	2021
Revenue			
Sales revenue	2	211 770 931	183 405 863
Other operating income	2	451 072	1 783 748
Total revenue		<u>212 222 003</u>	<u>185 189 611</u>
Operating expenses			
Cost of stocks		78 212 721	53 763 640
Payroll expenses	3	56 223 957	65 056 308
Depreciation of tangible and intangible fixed assets	4, 5	3 253 970	8 466 709
Other operating expenses	3, 6, 7	<u>23 219 193</u>	<u>33 104 794</u>
Total operating expenses		<u>160 909 841</u>	<u>160 391 451</u>
Operating result		<u>51 312 162</u>	<u>24 798 160</u>
Financial income and expenses			
Income from investments in subsidiaries and associated companies	8	0	34 740
Other financial income	9	5 887 423	3 582 725
Other financial expenses	9	<u>4 313 856</u>	<u>2 991 466</u>
Net financial items		<u>1 573 567</u>	<u>625 999</u>
Ordinary result before tax		<u>52 885 729</u>	<u>25 424 159</u>
Tax on ordinary result	10	<u>11 550 115</u>	<u>5 598 562</u>
Net profit or loss for the year		<u>41 335 614</u>	<u>19 825 597</u>
Allocated as follows			
Group contribution	8, 11	26 940 536	13 613 545
Transferred to other equity	11	<u>14 395 078</u>	<u>6 212 052</u>
Total allocations		<u>41 335 614</u>	<u>19 825 597</u>



IK-Norway AS

Balance sheet as of December 31

	Note	2022	2021
Fixed assets			
<i>Intangible assets</i>			
Research and development	4, 12	541 588	9 266 353
Total intangible assets		<u>541 588</u>	<u>9 266 353</u>
<i>Tangible assets</i>			
Land, buildings and other real property	5	1 192 659	2 395 217
Machinery and plant	5	342 626	15 955 662
Fixtures and fittings, tools, office machinery etc.	5	<u>2 148 880</u>	<u>2 853 309</u>
Total tangible assets		<u>3 684 165</u>	<u>21 204 188</u>
<i>Financial assets</i>			
Other receivables	17	<u>8 976</u>	<u>0</u>
Total financial assets		<u>8 976</u>	<u>0</u>
Total fixed assets		<u>4 234 729</u>	<u>30 470 541</u>
Current assets			
Inventories	13	<u>612 748</u>	<u>830 482</u>
<i>Receivables</i>			
Trade receivables	7, 8, 14	63 534 103	44 451 557
Other receivables	8	<u>97 799 268</u>	<u>48 555 074</u>
Total accounts receivable		<u>161 333 371</u>	<u>93 006 631</u>
Cash and cash equivalents	15	<u>4 026 591</u>	<u>2 919 681</u>
Total current assets		<u>165 972 710</u>	<u>96 756 794</u>
Total assets		<u>170 207 439</u>	<u>127 227 335</u>

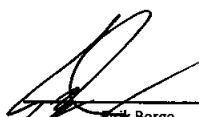


IK-Norway AS

Balance sheet as of December 31

	Note	2022	2021
Equity			
<i>Paid-in capital</i>			
Share capital	11, 16	694 905	1 071 000
Share premium reserve	11	102 470	102 470
Total paid-in capital		<u>797 375</u>	<u>1 173 470</u>
<i>Retained earnings</i>			
Other equity	11	<u>33 787 765</u>	<u>56 470 164</u>
Total retained earnings		<u>33 787 765</u>	<u>56 470 164</u>
Total equity		<u>34 585 140</u>	<u>57 643 634</u>
Liabilities			
<i>Provisions</i>			
Deferred tax liability	10	<u>1 799 448</u>	<u>573 610</u>
Total provisions		<u>1 799 448</u>	<u>573 610</u>
<i>Other long-term liabilities</i>			
Other long term liabilities	17	<u>44 489</u>	<u>533 607</u>
Total other long term liabilities		<u>44 489</u>	<u>533 607</u>
<i>Current liabilities</i>			
Trade creditors	8	34 982 839	15 978 154
Public duties payable	15	6 095 014	5 217 587
Liabilities to companies in the same group	8	74 559 718	24 050 293
Other short-term liabilities		<u>18 140 791</u>	<u>23 230 450</u>
Total current liabilities	18	<u>133 778 362</u>	<u>68 476 484</u>
Total liabilities		<u>135 622 299</u>	<u>69 583 701</u>
Total equity and liabilities		<u>170 207 439</u>	<u>127 227 335</u>

31 December 2022
Stavanger, 25 May 2023


Erik Berge
Chairman/CEO


Geir Mollers
Board Member


Isabell Dobler Klüger
Board Member


Adrian Gamman
Board Member



IK-Norway AS

Cash flow statement

	Note	2022	2021
Cash flow from operating activities			
Ordinary result from tax		52 885 729	25 424 159
Depreciation and amortisation		3 253 970	8 466 707
Changes in inventories, trade receivables and trade payables		-30 988 026	-23 244 025
Changes in other current balance sheet items		-22 566 057	18 134 212
Net cash flow from operating activities		<u>2 585 616</u>	<u>28 781 053</u>
Cash flow from investing activities			
Purchase of tangible fixed assets		<u>-989 588</u>	<u>-15 586 307</u>
Net cash flow from investing activities		<u>-989 588</u>	<u>-15 586 307</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		0	-838 144
Payment of long term debt		-489 118	-6 625 000
Decrease/increase in loan to group companies		0	5 515 020
Group contribution received/paid		0	-10 865 042
Net cash flow from financing activities		<u>-489 118</u>	<u>-12 813 166</u>
Net change in cash and cash equivalents		1 106 910	381 580
Cash and cash equivalents at 01.01.22		<u>2 919 681</u>	<u>2 538 101</u>
Cash and cash equivalents at 31.12.22		<u>4 026 591</u>	<u>2 919 681</u>



IK-Norway AS

Notes to the accounts for 2022

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other 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. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.



IK-Norway AS

Notes to the accounts for 2022

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Note 2 - Sales revenue

	2022	2021
<i>Geographical distribution</i>		
Sales within Norway	110 547 275	120 855 726
Sales outside Norway	<u>101 674 728</u>	<u>64 333 885</u>
	<u>212 222 003</u>	<u>185 189 611</u>

Note 3 - Wage costs, number of employees, remuneration and auditor's fee

<i>Wage costs</i>	2022	2021
Salaries	36 692 494	50 682 352
Social security tax	9 694 562	8 327 174
Pension costs	3 614 394	3 448 793
Other payments	<u>6 222 507</u>	<u>2 597 986</u>
Total payroll expenses	<u>56 223 957</u>	<u>65 056 305</u>

The total number of manyears in the company during the year: 55

The Company has a contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

There has not been paid remuneration to the Board in 2022.

	Salary	Other remuneration
General manager	1 900 000	276 494



IK-Norway AS

Notes to the accounts for 2022

Auditor fee has been divided as follows

	2022	2021
Audit fee	191 500	182 000
Other services	52 500	42 000
Total	244 000	224 000

VAT is not included in the auditor fees.

Note 4 - Intangible assets

	R & D	Total
Acquisition cost at 01.01	24 190 324	24 190 324
Transferred Izomax AS demerger	-16 575 690	-16 575 690
Acquisition cost 31.12	7 614 634	7 614 634
Acc. amortization 31.12	-12 361 746	-12 361 746
Transferred Izomax AS demerger	8 131 289	8 131 289
Acc. Write-downs 31.12.22	-2 842 589	-2 842 589
Net carrying amount at 31.12	541 588	541 588
Amortization for the year	280 361	280 361
Useful economic life	5 years	
Amortization plan	Lineær	

Note 5 - Tangible assets

	Leasehold improvements	Machinery and plant	Tools, cars and office equipment	AOGV under construction	Total
Acquisition cost 01.01	12 698 428	25 159 727	18 600 135	13 816 471	70 274 761
Reclassification	0	0	-2 756	2 756	0
Acquisition cost 01.01	12 698 428	25 159 727	18 597 379	13 819 227	70 274 761
Purchased tangibles	0	141 609	847 979	0	989 588
Transferred Izomax AS demerger	0	-4 004 455	0	-13 819 227	-17 823 682
Acquisition cost 31.12	12 698 428	21 296 881	19 445 358	0	53 440 667
Acc. depreciation 01.01.22	-10 303 212	-23 020 536	-15 746 827	0	-49 070 575
Depreciation for the year	-1 202 557	-221 400	-1 549 651	0	-2 973 608
Transferred Izomax AS demerger	0	2 287 681	0	0	2 287 681
Net carrying amount at 31.12	1 192 659	342 626	2 148 880	0	3 684 165
Depreciation	Straight line 10%	Straight line 20-33%	Straight line 20-33%		



IK-Norway AS

Notes to the accounts for 2022

Note 6 - Annual rental costs

	2022	2021
Buildings (12 years)	5 735 319	9 236 720
Cars (2-4 years)	132 502	126 882
Truck (2-4 years)	69 154	73 901
Copier (3 years)	76 395	79 100
Other office equipment (4 years)	634 910	768 422
	<u>6 648 280</u>	<u>10 285 025</u>

Note 7 - Bad debt

	2022	2021
Provisions as of 31 December	100 000	100 000

Note 8 - Intercompany balance with group and associated companies

<i>Receivables</i>	2022	2021
Overdraft facility	79 011 453	44 066 091
Trade receivables	<u>14 158 884</u>	<u>262 927</u>
Total intercompany receivables	<u>93 170 337</u>	<u>44 329 018</u>

As part of IK-Group, IK-Norway AS' cash flow is organized in a group account, where all companies included are equally responsible for the outstanding amounts. The accounts are owned by the parent company. IK-Norway AS bank balance included in the group accounts as of 31.12.22 is NOK 79 011 453.

<i>Payables</i>	2022	2021
Trade creditors	18 162 335	3 535 274
Intercompany loans	21 858 234	5 515 020
Group contribution	<u>34 539 149</u>	<u>15 000 000</u>
Total intercompany payables	<u>74 559 718</u>	<u>24 050 294</u>

Note 9 - Foreign currency exchange gain/loss

The company has some receivables and sales/purchases in USD, EUR and GBP. Related gain and loss included in net financial items are as follows:

	2022	2021
Foreign currency exchange gain	5 363 124	3 584 515
Foreign currency exchange loss	<u>-3 967 196</u>	<u>-2 484 920</u>
Total	<u>1 395 928</u>	<u>1 099 595</u>



IK-Norway AS

Notes to the accounts for 2022

Note 10 - Income taxes

<i>Income tax expenses</i>	2022	2021
Tax effect from group contribution	7 598 613	1 386 455
Change in deferred tax	3 951 502	4 212 107
Total income tax expense	<u>11 550 115</u>	<u>5 598 562</u>
<i>Tax base estimation</i>	2022	2021
Ordinary result before tax	52 885 729	25 424 159
Permanent differences	-385 205	23 846
Change in temporary differences	-17 961 375	-19 145 939
Tax base before group contribution	<u>34 539 149</u>	<u>6 302 066</u>
Group contribution	-34 539 149	-6 302 066
Tax base	<u>0</u>	<u>0</u>
<i>Temporary differences outlined</i>	2022	2021
Fixed assets	-9 362 209	-11 599 392
Receivables	-100 000	-100 000
Gains and losses	297 658	168 765
Provisions	-4 119 070	-7 000 000
Fixed contracts	<u>21 462 928</u>	<u>21 137 945</u>
Basis for calculating deferred tax asset	<u>8 179 307</u>	<u>2 607 318</u>
Deferred tax / tax asset (22%)	1 799 448	573 610
<i>Effective tax rate</i>	2022	
Expected income taxes, statutory tax rate 22%	11 634 860	
Permanent differences (22%)	-84 745	
Income tax expense	<u>11 550 115</u>	

Izomax AS was demerged from IK Norway AS with tax effect date 1. January 2022, and thereby NOK 12 389 384 of temporary differences was transferred to IZOMAZ AS.



IK-Norway AS

Notes to the accounts for 2022

Note 11 - Owners equity

	Share capital	Share premium	Other equity	Total
Owners equity 31.12.21	1 071 000	102 470	56 470 164	57 643 634
Owners equity 01.01.2022	1 071 000	102 470	56 470 164	57 643 634
Profit for the year	0	0	41 335 614	41 335 614
Group contribution	0	0	-26 940 536	-26 940 536
Demerger Izomax AS	-376 095	0	-37 077 477	-37 453 572
Owners equity 31.12.2022	694 905	102 470	33 787 765	34 585 140

Note 12 - Research and development

	2022	2021
Research and development	541 588	9 266 351

IK Norway has during 2022 transferred the AOGV product to Izomax AS. The remaining is regarding Valkyrie.

Note 13 - Inventories

	2022	2021
Inventories	612 748	830 482
Total	612 748	830 482

Note 14 - Construction contracts

Engineering and construction contract revenues are recognized using the percentage of completion method.

	2022	2021
Recognized revenue related to ongoing projects	21 369 037	10 769 350

Completion is calculated at the ratio of project cost incurred to estimated total cost for the project.

Note 15 - Bank deposit

	2022
Withheld payroll taxes	4 026 591

NOK 1 638 729 is related to the employees in the demerged company Izomax AS.



IK-Norway AS

Notes to the accounts for 2022

Note 16 - Equity

Share capital:

Number of shares	Face value	Book value
463 270	1,5	694 905

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
IK Group AS	463 270	100 %	100 %

Note 17 - Debts and receivables

<i>Long term liabilities</i>	2022	2021
Other long term liabilities	44 489	533 607

<i>Pledged assets</i>	2022	2021
Inventory	612 748	830 482
Trade Receivables	40 923 715	33 519 280
Fixed assets	3 684 165	21 204 188
Total	<u>45 220 628</u>	<u>55 553 950</u>

Note 18 - Long term provisions

	2022	2021
Warranty provision	2 119 071	2 000 000
Risk provision	2 000 000	5 000 000
Total	<u>4 119 071</u>	<u>7 000 000</u>



IK-Norway AS

Notes to the accounts for 2022

Note 19 - Demerger

IK-Norway AS has with accounting and tax effective date as of 1 January 2022, demerged the company's business related to the patented tool Add On Gate Valve to a separate company Izomax AS. The purpose is to facilitate focused and efficient development of the demerged business. The effective date under company law was 22 November 2022, when it was registered in the Companies Register.

When the demerger became effective, the share capital in IK-Norway AS was reduced from NOK 1 071 000 by NOK 376 095 to NOK 694 905 by redemption of 250 730 shares belonging to the sole shareholder IK Group AS.

The demerger was carried out at continuity in both accounting and tax terms, in accordance with Chapter 14 of the Companies Act, Chapter 11 of the Tax Act, and otherwise in accordance with the provisions of the Accounting Act.

IK Group AS owns 100% of the shares in both IK-Norway AS and Izomax AS as of 31.12.22.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of IK-Norway AS

Opinion

We have audited the financial statements of IK-Norway AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements 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 the general manager) 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.



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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Stavanger, 14 June 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Independent auditor's report - Ik-Norway AS 2022

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Stig Tore Strand

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