



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	923 706 747
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	TECO 2030 ASA
Forretningsadresse:	Lysaker torg 45 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
-------------------------	-------------------------

Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Christian Johnsen
Dato for fastsettelse av årsregnskapet:	28.04.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 11.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		2 100 102	
Sum inntekter		2 100 102	
Kostnader			
Personnel expenses	2.1	17 861 860	2 221 835
Depreciation and amortisation	3.1,3.2	3 027 172	1 499 855
Other operating expenses	2.2	10 778 414	12 025 124
Sum kostnader		31 667 446	15 746 814
Driftsresultat		-29 567 344	-15 746 814
Finansinntekter og finanskostnader			
Finance income	4.8	3 032 153	479 936
Sum finansinntekter		3 032 153	479 936
Finance cost	4.6,4.8	671 399	1 090 285
Sum finanskostnader		671 399	1 090 285
Netto finans		2 360 754	-610 349
Ordinært resultat før skattekostnad		-27 206 590	-16 357 163
Ordinært resultat etter skattekostnad		-27 206 590	-16 357 163
Årsresultat		-27 206 590	-16 357 163



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	3.2	38 929 711	15 127 536
Right-of-use assets	3.3	3 158 892	
Sum immaterielle eiendeler		42 088 603	15 127 536
Varige driftsmidler			
Property, plant and equipment	3.1	542 767	193 160
Sum varige driftsmidler		542 767	193 160
Finansielle anleggsmidler			
Investering i datterselskap	6.3	2 439 578	1 060 000
Restricted deposits	4.7	2 900 000	
Finance lease receivables	3.3	32 412 434	
Sum finansielle anleggsmidler		37 752 012	1 060 000
Sum anleggsmidler		80 383 382	16 380 696
Omløpsmidler			
Varer			
Varer			6 084 475
Sum varer			6 084 475
Fordringer			
Andre fordringer	2.3,6.1	5 702 374	3 964 940
Other current assets		1 633 461	300 392
Current Financial lease receivables	3.3	3 097 112	
Konsernfordringer	6.1	80 148 094	21 214 367
Sum fordringer		90 581 041	25 479 699
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	4.7	57 259 772	40 475 846
Sum bankinnskudd, kontanter og lignende		57 259 772	40 475 846
Sum omløpsmidler		147 840 813	72 040 020



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		228 224 195	88 420 716
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4.6	1 403 699	1 200 000
Overkurs		180 264 067	83 805 377
Sum innskutt egenkapital		181 667 766	85 005 377
Opptjent egenkapital			
Other reserves		5 770 480	449 731
Retained earnings		-46 185 275	-18 978 685
Sum opptjent egenkapital		-40 414 795	-18 528 954
Sum egenkapital		141 252 971	66 476 423
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	6.1		67 338
Non-current lease liabilities	3.3	35 232 836	
Other non-current liabilities		375 000	
Sum annen langsiktig gjeld		35 607 836	67 338
Sum langsiktig gjeld		35 607 836	67 338
Kortsiktig gjeld			
Konvertible lån	4.3		10 000 000
Leverandørgjeld	2.4	5 813 046	8 376 024
Kortsiktig konserngjeld	6.1	37 357 553	23 827
Current lease liabilities	3.3	3 469 821	
Interest-bearing loans and borrowings	6.1	1 623 029	1 623 029
Other current liabilities	2.5	3 099 939	1 854 075
Sum kortsiktig gjeld		51 363 388	21 876 955



Balanse

Beløp i: NOK	Note	2021	2020
Sum gjeld		86 971 224	21 944 293
SUM EGENKAPITAL OG GJELD		228 224 195	88 420 716



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2.1	12 808 479	2 183 289
Sum inntekter		12 808 479	2 183 289
Kostnader			
Costs of goods sold		9 001 859	691 027
Personnel expenses	2.2	32 214 856	11 231 904
Depreciation and amortisation	3.1,3.2 ,3.3	7 297 230	1 969 048
Other operating expenses	2.3	16 584 682	14 860 883
Sum kostnader		65 098 627	28 752 862
Driftsresultat		-52 290 148	-26 569 573
Finansinntekter og finanskostnader			
Finance income	4.8	2 078 772	683 068
Sum finansinntekter		2 078 772	683 068
Finance cost	4.3,4.8	2 707 905	1 334 753
Sum finanskostnader		2 707 905	1 334 753
Netto finans		-629 133	-651 685
Ordinært resultat før skattekostnad		-52 919 281	-27 221 258
Skattekostnad på ordinært resultat	5.1	76 969	7 439
Ordinært resultat etter skattekostnad		-52 996 250	-27 228 697
Årsresultat		-52 996 250	-27 228 697
Items that may be reclassified to profit or loss		-14 334	29 214
Sum resultatkomponenter for IFRS-foretak		-14 334	29 214
Totalresultat		-53 010 584	-27 199 483



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	3.2	52 160 538	19 510 544
Right-of-use assets	3.3	98 566 451	1 112 449
Goodwill	6.3	2 443 557	2 482 661
Sum immaterielle eiendeler		153 170 546	23 105 654
Varige driftsmidler			
Property, plant and equipment		952 950	376 382
Sum varige driftsmidler		952 950	376 382
Finansielle anleggsmidler			
Restricted deposits		2 900 000	
Finance lease receivables	3.3	17 907 869	
Sum finansielle anleggsmidler		20 807 869	
Sum anleggsmidler		174 931 365	23 482 036
Omløpsmidler			
Varer			
Inventories		8 489 870	6 084 475
Sum varer		8 489 870	6 084 475
Fordringer			
Trade and other receivables	2.4	13 585 813	8 728 765
Other current assets		2 485 670	354 506
Current financial lease receivables	3.3	1 711 154	
Sum fordringer		17 782 637	9 083 271
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	4.7	59 618 726	43 717 208
Sum bankinnskudd, kontanter og lignende		59 618 726	43 717 208
Sum omløpsmidler		85 891 233	58 884 954



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		260 822 598	82 366 990
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4.6	1 403 699	1 200 000
Overkurs		180 243 997	83 785 307
Sum innskutt egenkapital		181 647 696	84 985 307
Opptjent egenkapital			
Other reserves	4.3	5 770 480	449 731
Currency translation differences		14 880	29 214
Retained earnings		-82 846 471	-29 850 219
Sum opptjent egenkapital		-77 061 111	-29 371 274
Sum egenkapital		104 586 585	55 614 033
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Non-current lease liabilities	3.3	117 330 509	223 276
Other non-current liabilities		375 000	
Sum annen langsiktig gjeld		117 705 509	223 276
Sum langsiktig gjeld		117 705 509	223 276
Kortsiktig gjeld			
Konvertible lån	4.3		10 000 000
Leverandørgjeld	2.5	26 040 999	10 137 345
Current lease liabilities	3.3	4 002 438	893 592
Interest-bearing loans and borrowings	4.2	1 623 029	1 623 029
Other current liabilities	2.6	6 864 039	3 875 716
Sum kortsiktig gjeld		38 530 505	26 529 682
Sum gjeld		156 236 014	26 752 958



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		260 822 599	82 366 991



TECO
2020

Annual Report 2021



Contents

In Brief	4
Letter from the CEO	5
Business Areas	7
Hydrogen Fuel Cell	8
Carbon capture and storage	10
Future funnel	11
Ballast water treatment systems	12
Corporate and finance	13
Background: Maritime industry facing stricter regulations	14
Background: Fuel cells are the engines of tomorrow	15
Background: Narvik as the hydrogen capital of Norway	16



Report from the Board of Directors	18
Financial statements	25
Independent auditor's report	117
Corporate governance	120
Sustainability	126
Members of the Board	127
Management	129

In Brief

TECO 2030: Powering the maritime industry's transition to decarbonization

Actions are needed to reduce the environmental and climate impacts of international shipping. By delivering technology solutions that help ships reduce their emissions, TECO 2030 aims to become a leading contributor to the green transition in the maritime sector.

TECO 2030's main focus is to develop hydrogen fuel cells for ships and other heavy-duty applications. Fuel cells are the engines of tomorrow and convert hydrogen into electricity while emitting nothing but water vapour and warm air.

TECO 2030 firmly believes that hydrogen will be part of the solution to combat climate change and that hydrogen fuel cells will be key to reducing greenhouse gas emissions from shipping.

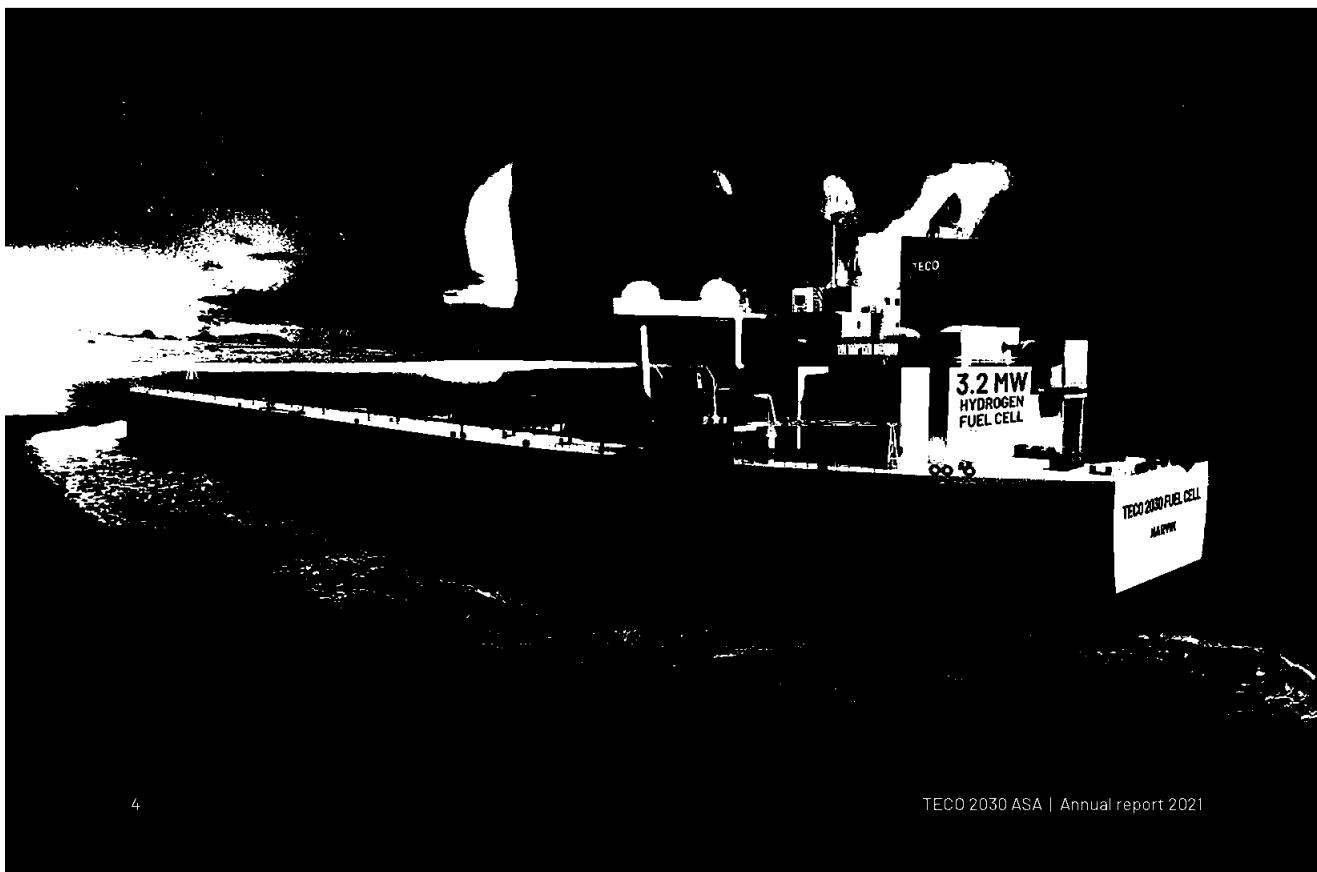
It is, however, likely to take decades before all vessels that run on fossil fuels have been phased out.

That is why TECO 2030 is also developing technology that enables ships running on fossil fuels to reduce their emissions, such as carbon capture and storage (CCS) solutions and exhaust gas cleaning systems.

28 years of experience in maritime technology

TECO 2030 was founded in the autumn of 2019 and has its roots in the TECO Maritime Group, a group that has provided technology and repair services to the global shipping industry since 1994.

TECO 2030 is headquartered at Lysaker, just outside of Oslo, and was listed on Euronext Growth on Oslo Stock Exchange in October 2020. The company currently has 23 employees.





Letter from the CEO



The importance of the shipping industry grew abundantly clear in 2021 as supply bottlenecks became the talk of the business community. The short-term disruptions will surely be sorted out, but this reminds us that shipping routes are the main arteries of global trade and provide a growing global population with inexpensive and efficient transportation.

However, there is a flip side to the continuous growth of seaborne trade: If the maritime sector were a country, it would be the sixth-largest emitter of greenhouse gases. There is a growing consensus that the current emission levels must be reduced drastically.

Leading organizations such as the International Maritime Organization (IMO) and the European Union have set clear and ambitious targets to reduce maritime emissions. We should have no illusions about this being easy. It will require hard choices and huge investments.

Without drawing the comparison too far, I'm tempted to quote John F. Kennedy when he talked about the ambitious plan to go to the moon - not because it was easy, but because it was hard, because it would focus energies and skills on a great task.

Similarly, reducing emissions of climate gases is no easy task. It's very hard. But during 2021, we have seen tremendous progress on several fronts, solar, wind, batteries and, not least, hydrogen used to store renewable energy.

Hydrogen is key

I am convinced that hydrogen will play a crucial part in decarbonizing the shipping industry. While batteries are suited for storing energy for short-haul routes such as ferries, they are too heavy to be practical for longer-distance shipping.

Therefore TECO 2030 is developing hydrogen fuel cells specifically designed for maritime and heavy-duty applications. Fuel cells have no emissions besides water and warm air.



An excellent year for TECO 2030

In 2021, we took long strides on our voyage towards zero emissions. You can read details elsewhere in this annual report, but one highlight was obviously taking over the building that will be home to our combined fuel cell factory and innovation centre in Narvik in Northern Norway.

The event was headlined by Tina Bru, minister of petroleum and energy at the time. We're thrilled by the tremendous reception in Narvik and look forward to building a thriving hydrogen technology hub here.

Other milestones in 2021 include receiving approval in principle for our fuel cell module from DNV and signing a supply frame agreement with Chemgas Shipping BV for up to 200 MW of fuel cells for vessels on the Danube river. We are also pleased that we have secured a total of approximately NOK 75 million of public funding for our technology development - illustrating the active and leading role Norwegian authorities take in the green transformation of the country's maritime industry.

Several pathways to reduced footprint

While zero-emission shipping is the future, it is also *in* the future.

So, realistically, we also need to reduce the environmental footprint of existing ships based on fossil fuels. That is why TECO 2030 also works on technologies such as carbon capture and storage, exhaust gas cleaning and ballast water treatment.

In 2021, we set up separate companies for our various activities. As we move forward, TECO 2030 will be the holding company of these cleantech businesses, which will be financed and operated in a manner that is appropriate for each of them. We believe this will provide flexibility and enhance our ability to create value for TECO 2030 shareholders.

For all of the initiatives by TECO 2030, there is one overarching ambition: Let's clean up the maritime industry! Not because it's easy, but because it's hard.

Tore Enger
Chief Executive Officer of TECO 2030 ASA

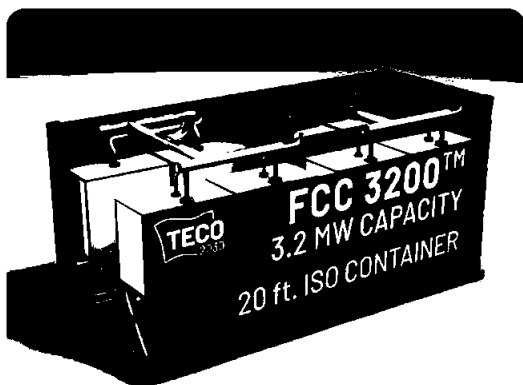
In 1874, in his famous novel *The Mysterious Island*,
Jules Verne prophesied the advent of hydrogen in response to the exhaustion of coal:

"I believe that water will one day be used as a fuel, that hydrogen and oxygen, which constitute it, used alone or simultaneously, will provide an inexhaustible source of heat and light of an intensity that coal cannot have."

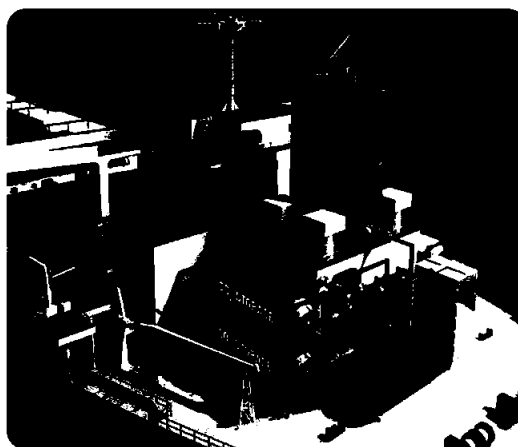


Business Areas

TECO 2030 operates within these four business areas:



**Marine & Heavy Duty
Hydrogen Fuel Cells**



Carbon Capture & Storage



**Future Funnel
SOxNOx and PM**



**Ballast Water
Treatment Systems**



Hydrogen Fuel Cells

Hydrogen fuel cells are the engines of tomorrow and convert hydrogen into electricity while emitting nothing but water vapour and warm air. The TECO 2030 Marine Fuel Cell is the first fuel cell system in the world that is specifically designed for use onboard ships and on other heavy-duty applications.

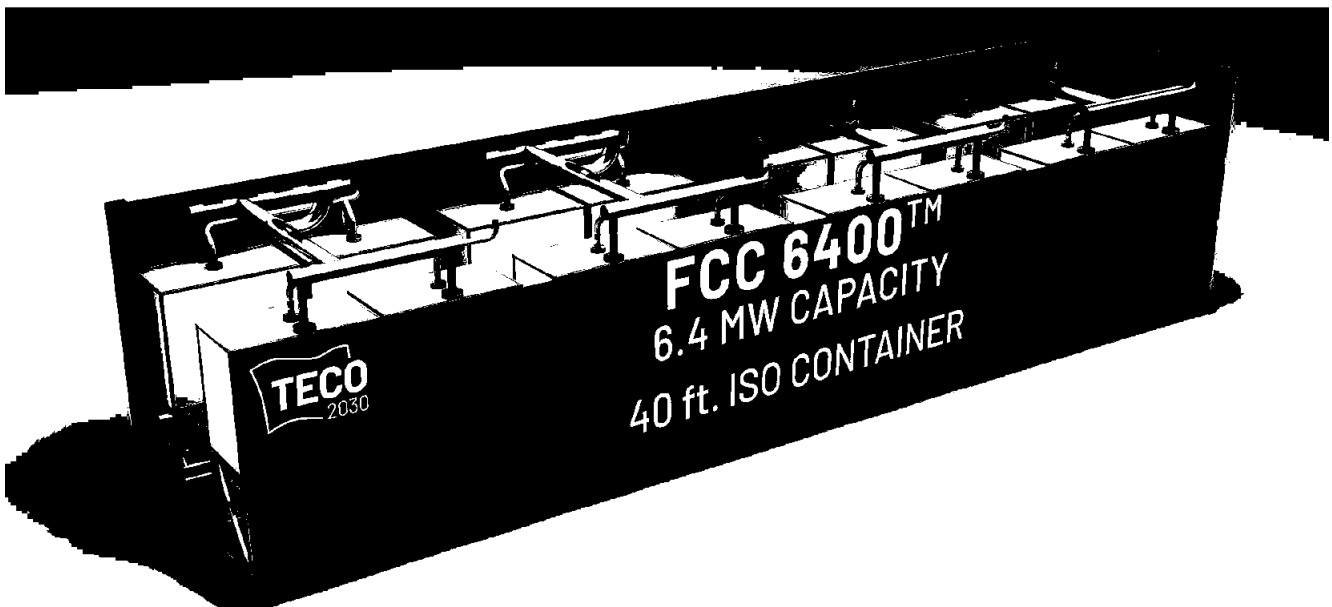
With our fuel cell technology, ships can operate emission-free, both on the whole journey or on shorter distances. By exchanging one or more of their engines with a TECO 2030 Marine Fuel Cell, ships can sail into and out of ports emissions-free. The TECO 2030 fuel cells will therefore enable vessels that are operating in different countries, such as cruise ships and ferries, to comply with any emission regulations they may encounter when crossing national borders. Hydrogen fuel cells can also be used during port-stay, loading and discharging, enabling zero-emission operation at berth without having to connect the ship to an onshore power supply.

The TECO 2030 Marine Fuel Cell can also be used on other large vehicles and applications, such as equipment used on construction sites. The system will function much like a

generator that is powered by diesel or other fossil fuels but will use hydrogen as fuel and will therefore be emissions-free.

The TECO 2030 Marine Fuel Cell will be delivered in modules, each with a capacity of 400 kW. These can easily be put together, enabling system configuration in the multi-megawatt scale. The fuel cells will be suitable for both retrofits and newbuilds and will offer a zero-emission alternative for applications for which batteries are not a good option.

TECO 2030 is developing the hydrogen fuel cells together with the Austrian powertrain technology company AVL, and these will be produced at TECO 2030's new Innovation Center and Gigafactory in Narvik in northern Norway. AVL will also contribute to the planning and establishment of the new plant in Narvik. TECO 2030 has received an "Approval in Principle" (AiP) by DNV, one of the world's leading classification and certification bodies, for its Marine Fuel Cell System and its Fuel Cell Module FCM400™, confirming that these are safe to use onboard ships.





We have taken great strides on the fuel cell project in 2021. These are some of the highlights:

Narvik chosen as site

First and foremost, we have chosen Narvik in Northern Norway as the location for our combined innovation centre and factory for fuel cells. We took over the facility in Narvik on July 1st 2021 and are now working on setting up the new plant, which will become Norway's first large-scale production of hydrogen fuel cells (see separate article).

Also in Narvik, TECO 2030 is leading a project group that will build a hydrogen-powered high-speed vessel for the Port of Narvik. The Port and eight project partners are now seeking public funding to build one of the world's first hydrogen-powered, high-speed vessels.

The boat will be equipped with hydrogen fuel cells from TECO 2030 and will be built by the shipyard Grovfjord Mekaniske Verksted (GMV), which is located near Narvik. It is planned to be completed in 2024.

Frame agreement with Chemgas

We have also signed a supply frame agreement with the Dutch shipowner Chemgas Shipping BV. The deal could lead to the delivery of fuel cell modules with a combined capacity of up to 200 megawatts.

The modules are to be installed on Chemgas Shipping's new hydrogen-powered tugboats and transport barges which will operate on the Danube River, Europe's second longest river and the longest river in the EU. The fuel cells will enable these boats to sail emissions-free.

Chemgas Shipping plans to install fuel cell modules from TECO 2030 on up to 120 transport barges and between 40-60 tugboats. The vessels will be used to transport green hydrogen produced from solar and wind energy in Romania emissions-free along the Danube to industrial buyers in Austria and Germany as part of the Green Hydrogen @ Blue Danube project, led by the Austrian energy utility Verbund, one of Europe's biggest hydropower producers.

Fuel cells for construction sites

In April 2021, TECO 2030 signed a cooperation agreement with Implenia Norway to develop and pilot hydrogen-based power solutions for construction sites. Implenia Norway is a subsidiary of Implenia, a multinational construction and real estate provider with more than 8,500 employees that is headquartered in Switzerland.

As part of the project, TECO 2030 will develop a fuel cell generator with a power production capacity of 0.8 MW, which can replace diesel generators on construction sites. The delivery of the fuel cell generator is planned to take place in the first half of 2023.

The Norwegian government targets fossil-free construction sites within the transport sector by 2025, and this strategy entails a plan to engage in pilot projects. The project has been granted funding by the Norwegian state enterprise Enova.

Carbon Capture and Storage

It will likely take decades before all vessels that run on fossil fuels have been phased out, and carbon capture and storage (CCS) solutions will therefore also play a role in reducing CO₂ emissions from ships.

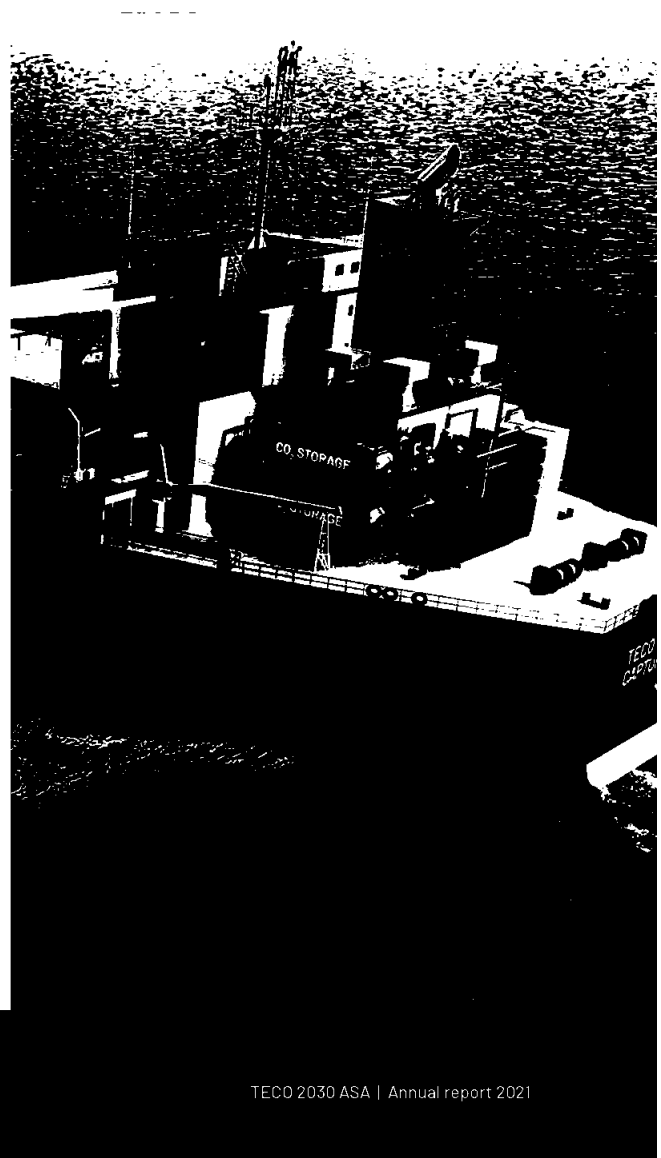
Such technology has the potential to reduce greenhouse gas emissions from the shipping industry by more than 30% by 2050, according to DNV's Maritime Forecast to 2050, published in September 2021.

In addition to reducing the ships' climate footprint, onboard carbon capture and storage solutions can contribute to economic savings, as lower emissions will result in lower costs. Many countries and regions across the world are contemplating making polluting ships pay, for example by making them buy emission allowances for each tonne of CO₂ that they emit.

In June 2021, TECO 2030 signed a memorandum of understanding with the American technology company Chart Industries, Inc. Together, we are currently developing CCS solutions for the maritime industry and plan to make these available to the market in 2023.

In addition, TECO 2030 is exploring other partners and technologies to offer the most competitive and practical solution for all segments of maritime industry.

TECO 2030 Carbon Capture and storage system will separate the CO₂ from the ship's exhaust gases, resulting in a high purity liquid CO₂ product, which will be stored onboard in cryogenic storage tanks until the ship reaches port. When offloaded, the CO₂ can either be permanently stored in geological formations underground or be reused and put to beneficial use in CO₂-consuming industries.





Future Funnel



Exhaust gas cleaning systems can also help to reduce pollution from ships. The TECO 2030 Future Funnel is a next-generation exhaust gas cleaning system that has been developed to enable ships to comply with upcoming and stricter environmental regulations.

The system reduces the amount of sulphur and nitrogen oxides (SO_x and NO_x), black carbon and particles (PM) that is emitted with ships' exhaust gases.

The TECO 2030 Future Funnel has been developed by TECO 2030 in cooperation with the Austrian powertrain company AVL. AVL holds one of Europe's most advanced R&D testing facilities and has tested the Future Funnel design through its state-of-the-art simulation system. This has been done by simulating a running time of more than 20 years through extreme conditions to design and produce the best cleaning system available.

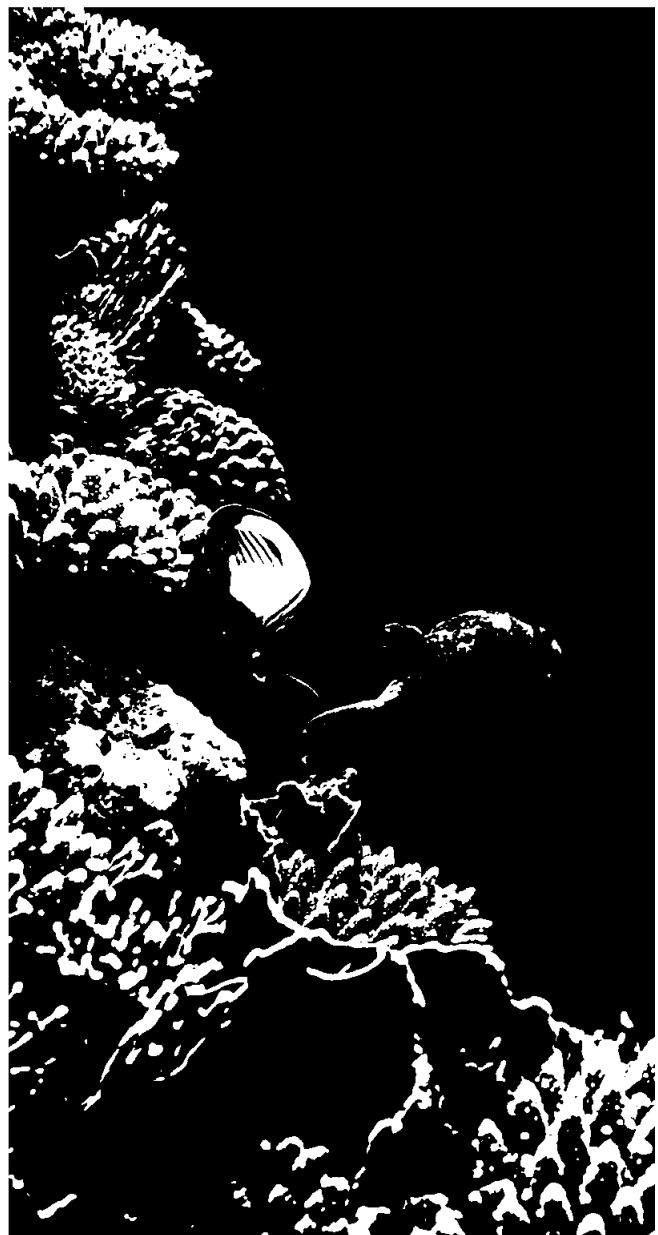
Ballast Water Treatment Systems

Ballast water treatment systems eliminate marine organisms that are present in the ballast water. Ballast is extra weight that is onboard a ship to ensure sufficient stability, and water tanks are often used for this purpose. Discharges of ballast water can lead to serious environmental problems by spreading marine species from one geographical area to another, thus out-competing and displacing native species.

To prevent this from occurring, the Ballast Water Management Convention of the International Maritime Organization (IMO) requires that ships operating in international waters must be compliant with the ballast water treatment rules by 8 September 2024. For most vessels, this means they must get a ballast water treatment system installed.

The ballast water treatment systems supplied by TECO 2030 are designed and produced by the French BIO-UV Group and by Denmark's Desmi Ocean Guard. Cooperating with these two experienced providers enables TECO 2030 to offer a wide range of ballast water treatment systems to the market.

During 2021, TECO 2030 has sold 12 ballast water treatment systems, demonstrating the short-term revenue potential of this part of the business. The sale of existing and proven technology to reduce emissions and pollution from ships means that TECO 2030 will have revenue streams while we are working on longer-term development projects.



Corporate and finance

Financing

TECO 2030 raised NOK 86.5 million from three private placements in 2021. In addition, all the holders of a NOK 10 million convertible bond exercised their rights to convert their entire bond holdings into shares.

Further, TECO 2030 has in 2021 been awarded the following in Norwegian public funding:

- NOK 50 million for the company's development of hydrogen fuel cells from Innovation Norway
- Approximately NOK 9.4 million in indirect government support from the Research Council of Norway's Skattefunn scheme, for the development of the fuel cell production line and for the CCS project.
- NOK 15.6 million from the Norwegian state enterprise Enova to develop and pilot hydrogen-powered solutions that will eliminate emissions at construction sites together with Implenia Norge AS.

Secondary listing on the OTCQB Venture Market

TECO 2030 commenced trading on the OTCQB Venture Market in New York at the end of June 2021 under the symbol "TECFF". This gives U.S.-based investors increased access to our shares and expands our financial flexibility through exposure in a broader marketplace.

Moved to a new location

In September 2021, TECO 2030 moved into a new and bigger office at Lysaker, just outside of Norway's capital Oslo, after having outgrown its old premises near by. TECO 2030 also has offices in Narvik (Northern Norway), Miami (Florida, USA) and Singapore.





Background:

Maritime industry facing stricter regulations

International shipping is an important enabler of world trade, but also causes greenhouse gas emissions and pollution. The industry is therefore facing increasingly more stringent environmental restrictions. This regulatory background is key to TECO 2030's strategy.

The oceans provide the main transport arteries for global trade, and around 90% of traded goods are today carried over the waves.

To create a more sustainable maritime industry, the International Maritime Organization (IMO) aims to reduce carbon intensity in international shipping by 40% by 2030, and to cut the total annual greenhouse gas emissions from the sector by at least 50% by 2050 compared to 2008.

In the EU, many ships will soon have to pay to pollute

The EU and several countries have introduced emission reduction goals for shipping that are more ambitious than the IMO targets.

The EU has introduced a firm target of at least 55% emission reduction by 2030, and the maritime industry will also have to play their part in achieving this goal.

In July 2021, the European Commission presented its new "Fit for 55" climate package, which contains concrete proposals for how the EU's emissions should be more than halved by 2030.

One of the Commission's proposals is to include shipping in the EU Emissions Trading System (ETS) from 2023. If this happens, many ships operating in European waters will from 2023 have to pay to emit CO₂.

The European Commission also proposed to impose maximum limits on the greenhouse gas content of energy used by ships arriving to or departing from EU ports, and to tighten the limits over time to encourage ships to switch to more sustainable fuels.

Moreover, to reduce air pollution in port areas, the Commission proposed to introduce legislation that from 2030 will make it mandatory for most polluting ships to connect to onshore power supply or use zero emission technologies at berth.

The EU is also taking steps to reduce emissions from ships operating on rivers in Europe. In June 2021, the EU Commission put forward the Naiades 3 action plan, which is intended to both shift more freight transport to the European inland waterways, and to facilitate the transition towards zero-emission inland waterways transport.

Green transition in the Norwegian maritime industry

Norway aims to reduce emissions from domestic shipping by at least 50% by 2030, compared with 1990. This target should be reached through a stronger focus on the development of low- and zero-emission solutions, and by setting emission requirements for ships operating in Norwegian fjords.

Norway plans to introduce requirements for low- and zero-emission solutions in public tenders to speed up the green transition in the maritime industry. Such requirements will be introduced in 2023 in new public tenders for ferry connections, and in 2025 for high-speed vessels.

Moreover, from 2026 only zero-emission cruise ships and ferries will be allowed entry into the Norwegian world heritage fjords.



Background:

Fuel cells are the engines of tomorrow

Hydrogen fuel cells are the engines of tomorrow and convert hydrogen into electricity while emitting nothing but water vapour and warm air.

There has been increasing interest in hydrogen across the world over the past few years, and in the potential of hydrogen to replace fossil fuels and thereby reducing greenhouse gas emissions.

Several countries have in the last couple of years adopted their own hydrogen strategies, and the EU has announced that the use of hydrogen and other innovative energy carriers will play a key role in achieving the goal of reducing Europe's emissions by 55% by 2030.

Zero-emission solutions for maritime transport are still in an early stage, and it has been battery-powered solutions that have so far received the most attention. The world's first

battery-powered ferry, the MF Ampere, started operating in 2015, and many more battery-powered ships have been launched since then.

However, batteries are big and heavy, have limited range and take a long time to recharge. They are therefore not suitable for all ships, and for many, hydrogen fuel cells can be a far better solution.

Fuel cells have a longer range, weigh less, and take up less space than large batteries. They do not need to be recharged, and can instead be refuelled with hydrogen, almost in the same way as with traditional fossil fuels.

Furthermore, fuel cells do also not need to be connected to the power grid. They are just as mobile and flexible as traditional diesel generators and produce much less noise.





Background:

Narvik as the hydrogen capital of Norway

By establishing a combined innovation centre and factory in Narvik for the production of hydrogen fuel cells, TECO 2030 wants to make Narvik Norway's hydrogen capital and contribute to the creation of new jobs in northern Norway.

TECO 2030 took over the building that will become home to the TECO 2030 Innovation Center in Narvik on 1 July 2021. The company is now working to set up the new plant, which will become Norway's first large-scale production of hydrogen fuel cells.

Over the next ten years, TECO 2030 expects total investments in the plant to amount to up to NOK 1 billion.

Northern Norway is the perfect place to establish TECO 2030's new combined fuel cell factory and innovation center. The region is endowed with an abundance of renewable energy and has among the lowest electricity prices in both Norway and Europe.

Found the perfect building in Narvik

In the city of Narvik, TECO 2030 found the perfect building for the new plant. Instead of constructing a new building, the company was able to take over one that already existed and was available. In addition to reducing the costs involved in setting up the plant, this solution is also much better for the environment.

Narvik is a hub for goods transport in northern Norway, and is accessible by rail, road, air and sea. The city even has a deep-water port which is ice-free all year round. Narvik also has a positive attitude towards industry and business development, and a skilled workforce.

All these factors will greatly benefit the new TECO 2030 Innovation Center in Narvik. TECO 2030 hopes and believes that its establishment will create significant ripple effects in the city and region related to hydrogen and other climate-friendly energy sources and technology.

1.6 GW of fuel cells

TECO 2030 plans to start pilot production of fuel cells at the new factory towards the end of 2022. The aim is that by 2030, the factory will be able to produce up to 1.6 GW of fuel cells every year, which could lead to several billions of NOK in annual turnover.

Fuel cells with a combined capacity of 1.6 GW can produce as much electricity as a large nuclear power plant. When ships replace their diesel engines with these fuel cells, the result will be annual emission savings of around 5 million tonnes of CO₂.

That is equivalent to the total annual emissions of approximately 1,100,000 diesel and petrol cars, according to numbers from the U.S. Environmental Protection Agency.

Value creation in northern Norway

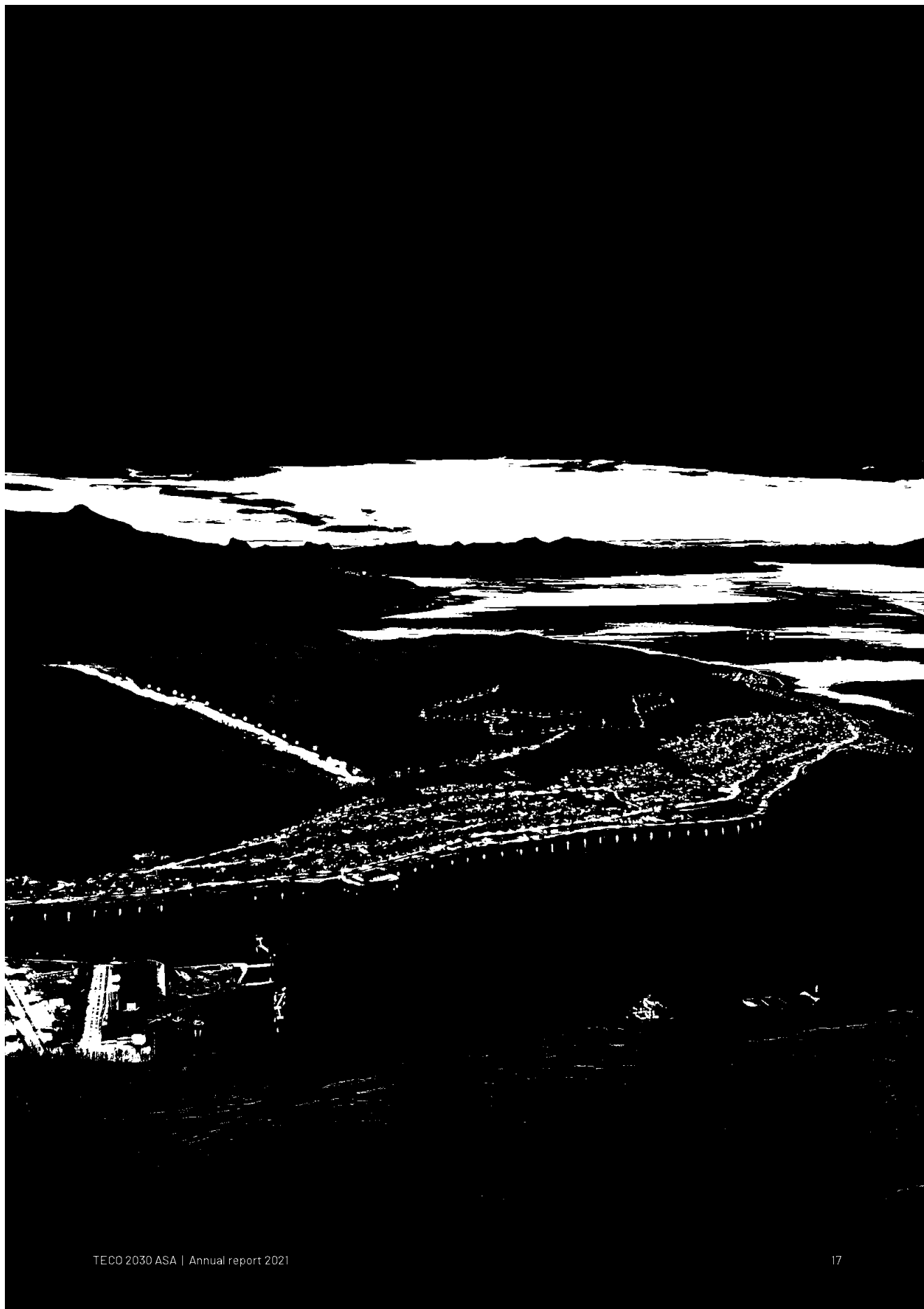
TECO 2030 expects to have around 100 employees at the plant before the end of 2025, and up to 500 by 2030. As many of these as possible will be recruited locally.

Sustainability is in TECO 2030's DNA, and going forward, the company will do its best to be as environmentally friendly as possible, and to use local and Norwegian suppliers whenever possible.

The production of fuel cells for use within the maritime industry is still in early stages. TECO 2030 will therefore seek to cooperate with universities and research organisations with the aim to increase competence in Norway in the production of fuel cell systems.

TECO 2030 has signed an agreement with UiT The Arctic University of Norway - which has a campus in Narvik - to cooperate on enhancing research and education in Norway on hydrogen and fuel cells.

As part of the agreement, TECO 2030 will in cooperation with UiT give research communities the opportunity to use the fuel cell element testing facilities at the TECO 2030 Innovation Center during periods when they are not used in the production.



Report from the Board of Directors

History and background

TECO 2030 ASA ("the Company" or "TECO 2030") is the parent company of the TECO 2030 group ("the Group"). The head office is located at Lysaker, outside Oslo, Norway, with branches in Narvik, Miami and Singapore.

TECO 2030 ASA was established in 2019 whereas the Group for all practical reasons was established in 2020. In October 2020, TECO 2030 went public on Euronext Growth Oslo after successfully raising NOK 80 million in new equity prior to the listing. During 2021, the Company raised an additional NOK 86.5 million in new equity through three private placements. The share price closed at NOK 4.775 on 31st December 2021.

Operations, research and development

TECO 2030 is a lean and efficient organisation which employs people with a proactive approach, always searching for improved solutions towards our common goal: a cleaner and

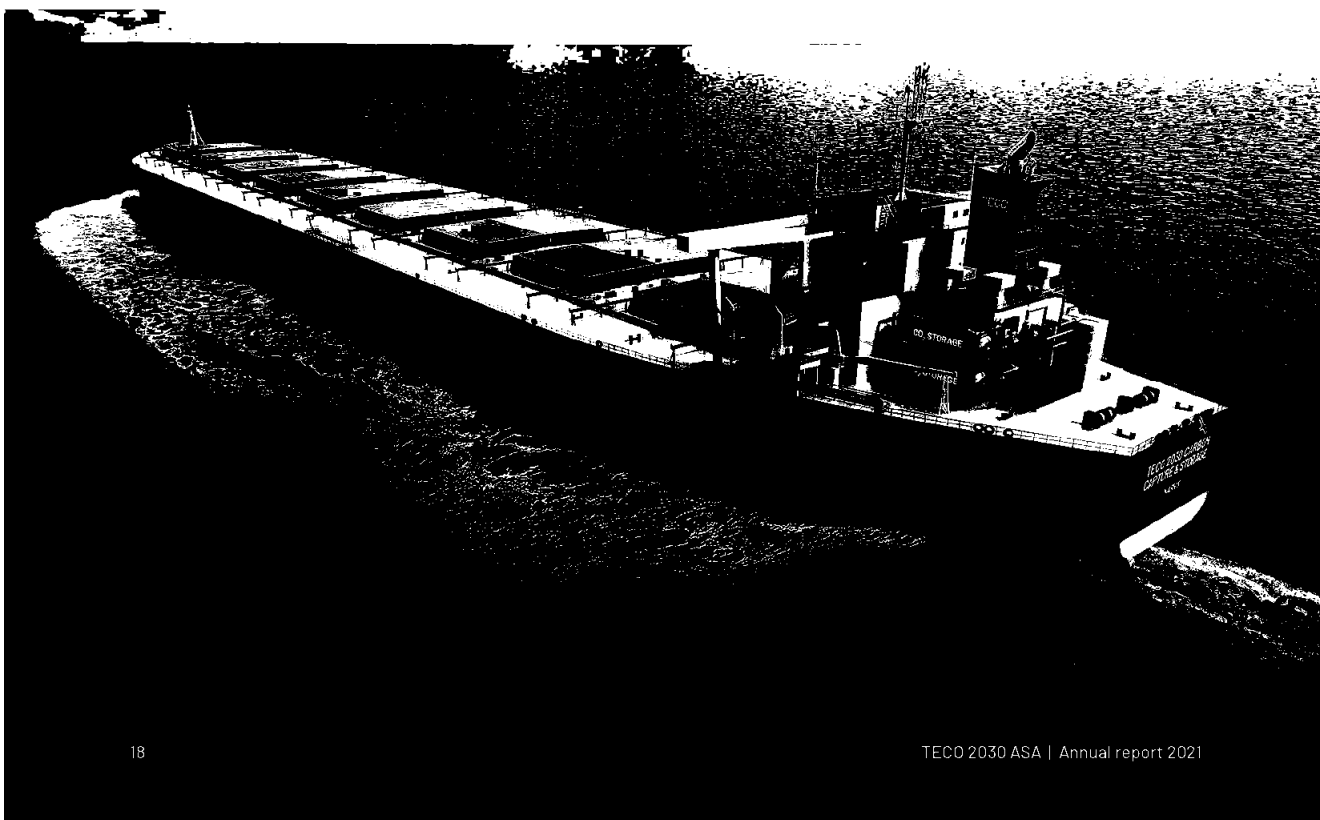
better environment. In pursuing this ambitious goal, TECO 2030 has developed important products and is constantly moving forwards with new technologies together with its collaborating partners.

The TECO 2030-group is currently working on the following development programs:

- TECO 2030 PEM Fuel Cells for marine and heavy applications
- TECO 2030 Carbon Capture & Storage for marine applications

Further, the Group has the following products ready for sale:

- TECO 2030 Future Funnel (through TECO 2030 Future Funnel AS)
- TECO 2030 Ballast Water Treatment Systems





Strategy

TECO 2030's primary goal is to become a leading provider of green technology for the maritime industry as we move towards a zero-emission society. By developing tomorrow's technology today in close cooperation with sophisticated and experienced partners and the maritime industry, TECO 2030 aims to become a profitable and successful player in the important shift towards a greener and cleaner maritime industry.

IMO predicts an increase in maritime global trade by 50-250% by 2050. Despite this increase, IMO has a goal of reducing CO₂ emissions by at least 40% by 2030, and 70% by 2050 when comparing to 2008 emission levels. TECO 2030 has a goal of being a preferred provider for ship owners to meet these goals through strategic partnerships. Such collaborations provide TECO 2030 with the possibilities to develop leading industry technologies that will help ship owners comply with IMO's emission regulations.

TECO 2030 will maintain a lean, highly skilled, and efficient organization and rather purchase services and competence from cooperating partners when needed. This will enable the Group to reach its ambitious targets without building a large internal R&D organization.

Through this strategy, TECO 2030 reduces the Company's financial and operational risk as it enables the Company to select between various technological developments before committing itself to significant expenses. TECO 2030's strategy of being a lean organization and flexible in terms of new developments provides the Company with potentially good cash flow and increased financial flexibility.

TECO 2030-Group Consolidated financial position and cash flow

Statements of Comprehensive Income

The Group is still in a start-up phase and most of the focus during 2021 has been on the ongoing and demanding development projects. 2021 is the TECO 2030 Group's first full year in operation and the financial results are somewhat

marked by this. As the Group was established during the third quarter of 2020, the comparison between the financial figures for 2020 and 2021 provides limited relevance.

Most of the Group's revenues of NOK 12.8 million come from the sale of 11 ballast water treatment systems delivered during 2021. One more system was sold during the year, but delivery was in January 2022. This represents an increase from one system in 2020 (NOK 1.2 million). Other revenues of NOK 1.4 million include some consultancy services towards related parties and sub-lease income from the premises in Narvik (2020: NOK 0.97 million).

The Group's total operating expenses were NOK 65.1 million and was primarily made up of NOK 32 million in personnel expenses (2020: NOK 11.2 million) and NOK 16.6 million in other operating expenses (2020: 14.9 million). The Group's depreciation expenses are primarily related to the basic development of the future funnel, which was considered complete in 2020. The Group's operating loss was NOK 52.3 million (2020: NOK - 26.6 million). Net financial expenses were NOK 0.6 million and is mainly related interest expenses on the Group's lease agreements.

Total loss for the year was NOK 53 million after tax (2020: NOK 27.2 million).

Statements of Financial Position

Total assets have increased substantially during 2021 to NOK 260.8 million, up from NOK 82.4 million in 2020. A major component is the intangible assets of NOK 52.2 million, which to a large extent, consist of capitalized development expenses (NOK 19.5 million in 2020) and right-of-use assets (NOK 98.6 million) and finance lease receivables (NOK 17.9 million), the latter two related to the Group's production facility in Narvik and the head office on Lysaker. The production facility in Narvik is a 15.500 m² building where the Group's future fuel cell production will take place. Current assets are only subject to minor changes.

Non-current liabilities have increased from NOK 0.2 million in 2020 to NOK 117.7 million in 2021. This significant increase is related to the rental obligations of the premises in Narvik and



Lysaker. Total current liabilities were NOK 38.5 million per end of 2021, an increase of NOK 12 million from 2020 (NOK 26.5 million). This is primarily related to an increase in trade and other payables (NOK 16 million) from 2020 and current lease liabilities (NOK 4 million). The convertible bonds of NOK 10 million per year end 2020 was converted into equity in January 2021.

The Group's total equity amounts to NOK 104.6 million. This represents an increase from NOK 55.6 million per end 2020. Throughout 2021 TECO 2030 raised a total of 86.5 million in new equity through three private placements. The equity/total assets ratio has been reduced from 67.5% in 2020 to 40.1 % in 2021 due to the increased non-current assets related to lease agreements for the premises in Narvik and Lysaker, as explained previously.

Statements of Cash Flows

The cash flow from operating activities was NOK - 38 million in 2021. This represents a reduction of NOK 13.9 million from 2020 and is primarily related to the increased loss during the 12 months period in 2021 compared to 2020.

The cash flow from investing activities increased by 17.4 million from NOK 19.3 million in 2020 to NOK 36.7 million in 2021. This increase is explained by the capitalized development expenses for the year which amounted to NOK 35.4 million.

Net cash flow from financing activities was NOK 90.6 million in 2021 (2020: NOK 83.5 million). The increase is a result of the three private placements of totally NOK 86.5 million and the conversion of the NOK 10 million convertible bond loan. Net cash at the end of the period ended on NOK 59.6 million by the end of 2021 compared to NOK 43.7 million in 2020.





TECO 2030 ASA

TECO 2030 ASA is the parent company in the Group, and the Company has developed more in the direction of becoming a holding company with management functions and little external sales. The development of fuel cells is still taking place in the Company. The Company's revenue amounted to NOK 2.1 million and contains primarily sub-lease of offices on Lysaker. Total operating expenses were NOK 31.7 million in 2021 compared to NOK 15.7 million in 2020. The Company's operating loss was NOK 30.3 million in 2021 versus NOK 15.7 in 2020.

The Company's total assets were, per end of 2021, NOK 228.2 million. This is an increase of NOK 139.8 million and is related to rental lease agreement for the Company's headquarter on Lysaker, outside Oslo and capitalization of fuel cell development expenses.

The Company's total equity was NOK 141.3 million, an increase of 74.8 million from 2020. The increase is related to the three private placements that took place in 2021. In addition to the conversion of the NOK 10 million convertible bond which was converted in January 2021.

The Company's non-current debt has increased from NOK 0.1 million in 2020 to NOK 35.6 million in 2021. The increase relates to non-current lease liabilities for the offices in Lysaker where the Company entered into a 10-year rental agreement in mid-2021. Current debt has increased from NOK 21.9 million to 51.4 million and is primarily related to intra-group loans.

The Company's net cash flow is positive by NOK 16.8 million during the year, mainly due to a net cash flow from issuance of equity (net cash flow from financing activities) of NOK 95 million. Net cash flow from operating activities is negative by NOK 40.6 million and is mainly a consequence of the net loss of NOK 27.2 million and a change in trade and other receivables of NOK 63.4 million related to inter-company receivables.

The BoD proposes the net loss of NOK 27 206 590 to be allocated to Losses brought forward.

The financial statements are prepared in accordance with IFRS as adopted by the EU.

Risk factors

The TECO 2030 Group is, like all companies and groups of companies, subject to several risk factors. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, a young group of companies, a fact which by itself represents and increases a number of risk factors compared to companies with a longer track record. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

Risk factors that are especially relevant for TECO 2030 include:

- Development risk related to the technical development of the Group's technology and product portfolio.
- Market risk related to the fact that the Group's main product portfolio consists of new technologies to the marine industry.
- Risks related to regulations and political risk as well as risks related to key personnel and competence.

Further, the Group is exposed to various financial risks such as foreign exchange risk, interest risk, credit risk, and liquidity and financing risk. As the Group's development projects are not fully financed the Group needs to raise additional funding during 2022. The risk factors are thoroughly described in note 4.5 of the financial statements.

The BoD and management team of TECO 2030 are monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical.



Working environment and external environment

At the end of 2021, the Group had a total of 23 full-time equivalents. Absence due to illness during 2021 was approximately 1.55% for the TECO 2030 Group and is considered satisfactory. The BoD considers the working environment to be healthy and good. The market in which TECO 2030 operates is dominated by male employees, but the Group is actively working towards a diversified working environment, and the share of female employees (26 % per year-end) is increasing. 60% of the BoD members are female. Among the 23 employees that made up the TECO 2030 team per 31.12.2021, eight different nationalities were represented.

The Company strongly respects and supports diversity in general and see this as a competitive advantage to create value for the Company and its shareholders. The Company is a strong supporter of the UN's Sustainable Development Goals, which includes tackling global challenges such as poverty, inequality (gender, ethnicity, sexual preferences etc.), climate change, environmental degradation, peace and justice.

The Company works towards the goal of securing environmentally sustainable and healthy solutions for the maritime industry. As such, the Company attempts through all its activities to reduce the environmental impact to a minimum. None of the Company's activities during 2021 have had any negative impact on the environment beyond an expected minimum. TECO 2030 has also issued an ESG-report for 2021 in parallel with the Annual Report.

Members of the BoD and the CEO are covered by a liability insurance. The insurance covers all Group-companies, and it covers the insured's personal liability for property damage which the insured can be imposed to on the basis of negligence. The insurance covers up to NOK 10 million per incident.

Corporate Governance

The BoD has adopted policies for corporate governance to safeguard the interests of shareholders, employees and other stakeholders. TECO 2030 intends to comply with the Norwegian Code of Practice for Corporate Governance and explain any deviations from the code.

The BoD's review on corporate governance is presented in a separate section of the Annual report.

Events after the end of the financial year

On 20 February, the Company announced a private placement of USD 750,000 (NOK 6.7 million) towards one of its existing shareholders. The capital increase was registered on 15 March. Following the private placement, the total number of shares in the Company increased by 1,608,827 to 141,978,641.

The Group has announced two separate sales of ballast water treatment system to two different ship owners. One of the sales was announced in February and one in April. Both sales have a value of approx. NOK 1 million each.

There are no other significant events after the reporting period.

Going concern

Based on current forecast and working plans the company's working capital is sufficient to fund existing current liabilities per year end, however, to fund the growth plan of the Company, several strategic initiatives have been commenced. The Company is optimistic on the ongoing initiatives to be able to continue its growth. The financial statements are prepared under the going concern assumption.





Outlook

The regulatory outlook remains highly supportive of hydrogen and other emission-reducing technologies in the maritime sector. The International Maritime Organization (IMO) has set quantified targets for emission reductions, and the European Commission has proposed that the maritime sector be included in the EU's gradually tightening quota system, indicating that zero-emission shipping will become increasingly competitive.

The Covid-19 pandemic has, to very little extent, had any impact on the Groups development projects in 2021 and the BoD expect continued significant progress for the major development programs; fuel cell, and carbon capture and storage. The fuel cell program is expected to reach a level where the first prototype systems are ready for delivery early 2023. Further, the BoD expects the Group to be in the position of securing the first firm sales of fuel cell systems during 2022. The same applies for the maritime carbon capture and storage system; however, the first prototypes are expected in 2023. Both programs will strengthen the Group's position as an upcoming leading provider of green technology to the marine market.

2022 will also be important and a breakthrough for the planning and installation of the factory in Narvik, preparing it for commercial production, which is expected to take place in the second half of 2023.

Although the pandemic still was considered a potential threat to the world economy by the end of 2021, oil prices were at their highest level of the last five-year period. Further, the price spread between high-sulphur and low-sulphur fuel oils was back to levels which makes the exhaust gas cleaning system (Future Funnel) an attractive investment case for a wide variety of ship owners. Consequently, the BoD believes that 2022 can be a successful year for these systems, which are considered important temporary solutions on the way to a future of zero-emission shipping.

The BoD expects that the Group will continue to sell an increasing number of ballast water treatment systems throughout 2022 and, hopefully, also the first future funnels.

Lysaker, 28 April 2022

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Birgit Marie Liodden
Member of the Board

Marit Elise Kirkhusmo
Member of the Board

John Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



Financial Statements

Consolidated financial statements	26
Notes to the consolidated financial statements	32
Financial statements TECO 2030 ASA	76
Notes to the financial statements TECO 2030 ASA	82
Responsibility statement	116
Independent auditor's report	117



TECO 2030 Group

Statements of Comprehensive Income

Amounts in NOK	Notes	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Revenue from contracts with customers	2.1	12,122,704	1,968,525
Other income	2.1	685,775	214,764
Costs of goods sold		-9,001,859	-691,027
Personnel expenses	2.2	-32,214,856	-11,231,904
Other operating expenses	2.3	-16,584,682	-14,860,883
Depreciation and amortisation	3.1,3.2,3.3	-7,297,230	-1,969,048
Total operating expenses		-65,098,628	-28,752,862
Operating profit (loss)		-52,290,149	-26,569,573
Finance income	4.8	2,078,772	683,068
Finance cost	4.3, 4.8	-2,707,905	-1,334,753
Net financial income (expense)		-629,133	-651,685
Profit (loss) before tax		-52,919,282	-27,221,258
Income tax expense	5.1	-76,968	-7,439
Profit (loss) for the year		-52,996,250	-27,228,697
<i>Other comprehensive income:</i>			
Items that may be reclassified to profit or loss		-14,334	29,214
Total other comprehensive income for the period		-14,334	29,214
Comprehensive income for the year		-53,010,584	-27,199,483
<i>Earnings per share</i>			
Basic EPS, profit (loss) for the year attributable to ordinary equity holders	4.6	-0.42	-0.56
Diluted EPS, profit (loss) for the year attributable to ordinary equity holders	4.6	-0.42	-0.56



TECO 2030 Group

Statements of Financial Position

Amounts in NOK	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
		-	
Property, plant and equipment	3.1	952,950	376,382
Intangible assets	3.2	52,160,538	19,510,544
Goodwill	6.3	2,443,557	2,482,661
Restricted deposits		2,900,000	
Right-of-use assets	3.3	98,566,451	1,112,449
Finance lease receivables	3.3	17,907,869	
Total non-current assets		174,931,365	23,482,036
Current assets			
Trade and other receivables	2.4	13,585,813	8,728,765
Inventories		8,489,870	6,084,475
Other current assets		2,485,670	354,506
Current financial lease receivables	3.3	1,711,154	
Cash and cash equivalents	4.7	59,618,726	43,717,208
Total current assets		85,891,233	58,884,954
TOTAL ASSETS		260,822,599	82,366,989



Amounts in NOK	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	1,403,699	1,200,000
Share premium		180,243,997	83,785,307
Other reserves	4.3	5,770,480	449,731
Currency translation differences		14,880	29,214
Retained earnings		-82,846,471	-29,850,219
Total equity		104,586,581	55,614,031
Non-current liabilities			
Non-current lease liabilities	3.3	117,330,509	223,276
Other non-current liabilities		375,000	-
Total non-current liabilities		117,705,509	223,276
Current liabilities			
Current lease liabilities	3.3	4,002,441	893,592
Interest-bearing loans and borrowings	4.2	1,623,029	1,623,029
Convertible bonds	4.3	-	10,000,000
Trade and other payables	2.5	26,040,999	10,137,345
Other current liabilities	2.6	6,864,039	3,875,716
Total current liabilities		38,530,508	26,529,682
Total liabilities		156,236,017	26,752,958
TOTAL EQUITY AND LIABILITIES		260,822,599	82,366,989

Lysaker, 28 April 2022

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Birgit Marie Liodden
Member of the Board

Marit Elise Kirkhusmo
Member of the Board

John Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



TECO 2030 Group Statements of Changes in Equity

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2020		111,111	9,988,879	-	-	-2,621,522	7,478,468
Issuance of shares 19.08.2020		888,889	-888,889	-	-	-	-
Issuance of shares 09.10.2020		200,000	79,800,000	-	-	-	80,000,000
Transaction costs - Issuance of shares		-	-5,114,683	-	-	-	-5,114,683
Conversion rights	6.3	-	-	449,731	-	-	449,731
Profit (loss) for the year		-	-	-	-	-27,228,697	-27,228,697
Other comprehensive income		-	-	-	29,214	-	29,214
Balance as of 31 December 2020		1,200,000	83,785,307	449,731	29,214	-29,850,219	55,614,031

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2021		1,200,000	83,785,307	449,731	29,214	-29,850,219	55,614,033
Issuance of shares 13.01.2021		40,000	9,950,000	-	-	-	9,990,000
Issuance of shares 02.07.2021		32,446	19,967,539	-	-	-	19,999,985
Issuance of shares 20.10.2021		41,253	21,448,920	-	-	-	21,490,172
Issuance of shares 23.12.2021		90,000	44,910,000	-	-	-	45,000,000
Transaction costs - Issuance of shares		-	-267,500	-	-	-	-267,500
Share-based payments	2.2	-	-	5,770,480	-	-	5,770,480
Conversion rights	6.3	-	449,731	-449,731	-	-	-
Profit (loss) for the year		-	-	-	-	-52,996,250	-52,996,250
Other comprehensive income		-	-	-	-14,334	-	-14,336
Balance as of 31 December 2021		1,403,699	180,243,997	5,770,480	14,880	-82,846,471	104,586,581



TECO 2030 Group

Statements of Cash Flows

Amounts in NOK

	Notes	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Cash flows from operating activities			
Profit or loss before tax		-52,996,250	-27,221,258
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net financial income/expense		-1,296,969	-201,954
Other financial income		-	-349,835
Conversion rights	4.3	-	449,731
Share based payments		5,770,480	-
Depreciation, amortisation and impairment		7,297,230	1,969,048
<i>Changes in working capital:</i>			
Changes in trade receivables and other receivables	2.4	-4,418,693	82,699
Changes in trade and other payables	2.5	15,903,654	6,489,192
Change in inventories		-2,405,395	-6,084,475
Changes in other current assets and current liabilities		-1,487,048	746,990
Other adjustments		-4,381,000	-
Net cash flows from operating activities		-38,013,990	-24,119,862
Cash flow from investing activities			
Purchase of property, plant and equipment	3.1	-849,630	-291,567
Investment in business combinations, net of cash acquired	6.3	-	-5,724,692
Transaction cost business combinations	6.3	-	-100,000
Development expenditures	3.2	-35,430,516	-13,269,444
Loans to related parties		-438,355	-
Interest received		1,521	66,925
Net cash flows from investing activities		-36,716,980	-19,318,778



Cash flows from operating activities	Notes	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Cash flow from financing activities			
Cash proceeds from issuance of equity		96,212,658	74,885,317
Proceeds from convertible debt	4.3	-	10,000,000
Repayment of principal		-	-6,933,756
Repayment of interest		-	-140,863
New borrowings in connection with business combination	6.3	-	6,133,756
Proceeds from public funding		375,000	-
Cash payments for the principal portion of the lease liability	3.3	-1,794,832	-446,490
Cash payments for the interest portion of the lease liability	3.3	-2,186,425	-32,079
Cash received for the principal portion of the sublease receivables	3.3	667,290	-
Cash received for the Interest portion of the sublease receivables	3.3	258,801	-
Restricted deposits on lease premises		-2,900,000	-
Net cash flows from financing activities		90,632,491	83,465,885
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year/period	4.7	43,717,208	3,689,963
Cash and cash equivalents, end of year		59,618,726	43,717,208

The statement of cash flows are prepared using the indirect method.



TECO 2030 Group

Notes to financial statements

Section 1 - Overview

1.1 Corporate information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on the 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. The registered office address of TECO 2030 is Lysaker torg 12, 1366 Lysaker, Norway.

TECO 2030 ASA or the Group is hereafter referred to as "the Group" TECO 2030 ASA as parent and TECO 2030 Pte Ltd, TECO 2030 INC, TECO Fuel Cell AS, TECO 2030 AS, TECO 2030 Future Funnel AS, TECO 2030 Carbon Capture AS and TECO 2030 Innovation Center AS as its subsidiaries. TECO 2030 ASA shares are traded on Euronext Growth (Oslo Norway).

The Group financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board on 28 April 2022.

1.2 Basis of preparation

The Group financial statements of TECO 2030 consist of the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated

statement of cash flows, consolidated statement of changes in equity, and related notes. The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) additional disclosure requirements in the Norwegian Accounting Act as effective as of 31 December 2021.

The Group financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK). The financial statements are prepared on a going concern basis.

1.3 Estimates, judgements and assumptions

The preparation of the Group financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the



next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Reference is made to note 5.1 for information on the Group's recognised and unrecognised deferred tax assets.

Going concern

Based on current forecast and working plans the company's working capital is sufficient to fund existing current liabilities per year end, however, to fund the growth plan of the Company, several strategic initiatives have been commenced. The Company is optimistic on the ongoing initiatives to be able to continue its growth. The financial statements are prepared under the going concern assumption.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.4 Significant accounting policies

Foreign currency translation

Items included in the Group's financial statements are measured using the functional currency of the individual entities. The Group's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss on a net basis within other gains/(losses). Subsidiaries with a functional currency that is not NOK are converted into the presentation currency using the exchange rate at the date of the transaction for the profit or loss statement and for the statement of financial position using the exchange rate at the end of the reporting period.

Current/non-current classification

An asset is classified as current when it is expected to be realised, or is intended for sale or consumption, in the Group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.



Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits. Cash and cash equivalents excludes cash that is not readily available for short-term liquidity needs. The cash given as a deposit in connection with the leasing of premises is not readily available and is therefore excluded from cash and cash equivalents.

Trade receivables

The Group initially recognises trade receivables at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised in the consolidated statement of comprehensive income over the useful life of a depreciable asset as a reduced depreciation expense.

Statement of cash flows

The consolidated statement of cash flows of the Group is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

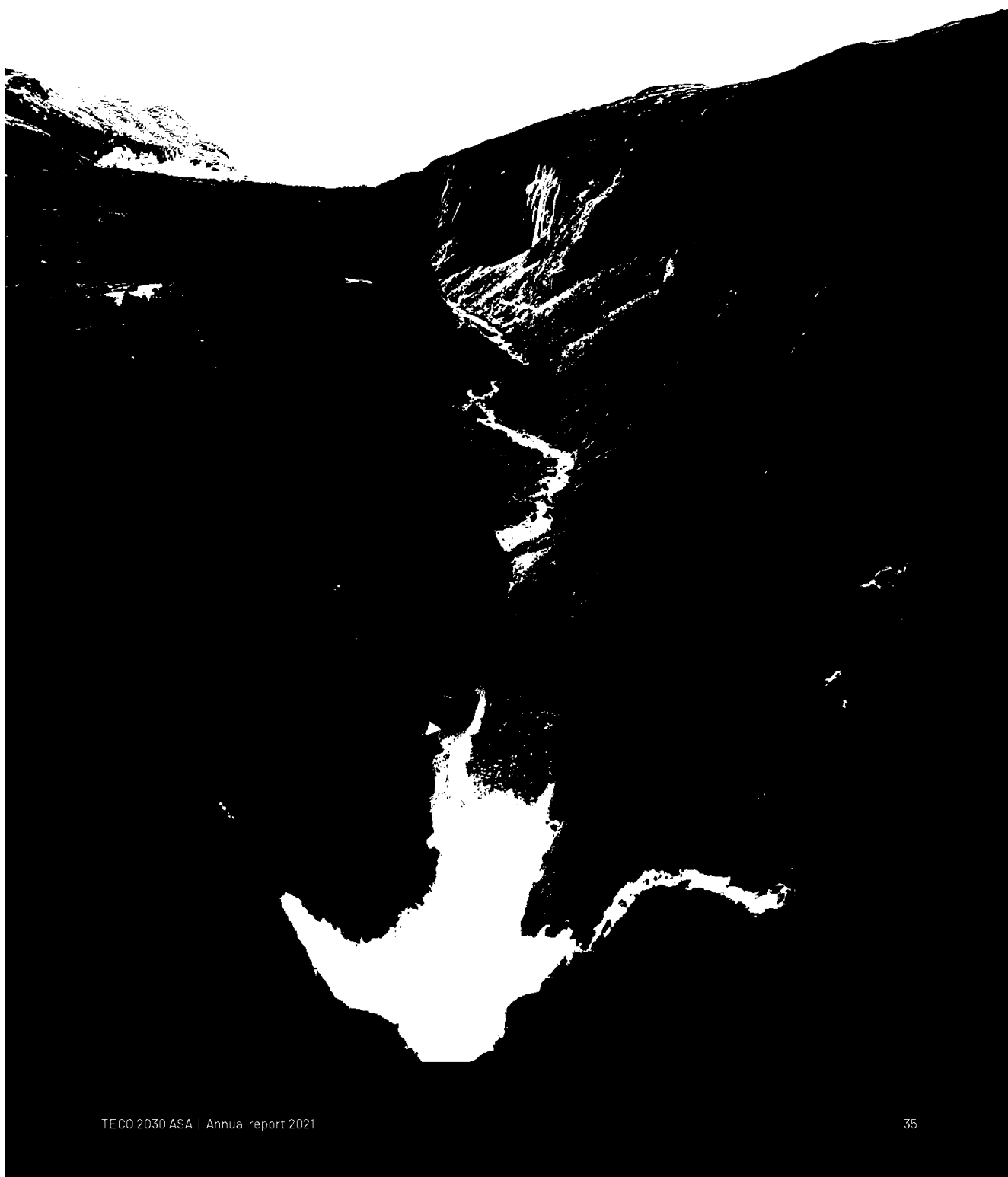
1.5 New standards and amendments

New standards and amendments that are effective for the first time for periods commencing on or after 1 January 2020 (ie years ending 31 December 2020), and forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2021 and might have an effect on the Groups reporting are disclosed below.

New standards and amendments

The new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2021 (i.e. years ending 31 December 2021) were adopted by the Group but did not have any impact or were not relevant to the Group's financial statements upon adoption.

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to impact the Group's financial statements materially, or are not expected to be relevant to the Group's financial statements upon adoption.





Section 2 - Operating performance

2.1 Segment information and operating income

ACCOUNTING POLICIES

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The Company has determined that the board of directors is collectively the chief operating decision maker.

Currently, the Group is organized into one reporting segment, and for this reason segment information is not provided.

The segment information is reported in accordance with the reporting to board of directors (chief operating decision makers) and is consistent with financial information used for

assessing performance and allocating resources. EBITDA is defined as the segment profit or loss measure.

ACCOUNTING POLICIES

Revenue from contracts with customers

Revenue from contracts with customers consists of the Group's ballast water treatment system sales as well as the delivery of consultancy hours. Consultancy work is delivered to companies which are considered as related parties. Revenue from sales of ballast water treatment systems and hours for consultancy work is recognised at a point in time which is at delivery to the customer.

Products

Ballast water treatment system (BWTS)

The UV Ballast Water Treatment System for ships addresses the issue related to the spreading of flora in the sea through ballast water. The BWTS is offered by the Group through distribution agreements with BIO UV and Desmi Ocean Guard A/S. The product payments are paid partly upfront and partly at the delivery. The revenue is recognised at the time of delivery to the customer.

Disaggregation of revenue

(NOK)	01.01.2021- 31.12.2021	30.09.2020- 31.12.2020
Revenue from customers - Ballast water treatment system	11,381,150	1,211,112
Revenue from customers - Consultancy	741,554	757,414
Total revenue from contracts with customers	12,122,704	1,968,525
Other income	685,775	214,764
Total	12,808,479	2,183,289
Revenue from contracts with customer based on geography ¹⁾ (NOK)	01.01.2021- 31.12.2021	30.09.2020- 31.12.2020
United States of America	10,996,695	1,677,847
Malaysia	733,878	290,678
Other	392,131	-
	12,122,704	1,968,525

¹⁾ Based on customer location



The Group has two customers in 2021 where the revenue individually exceeds 10% of total Group revenue from customers. In 2020 there were 4 customers where the revenue individually exceeded 10% of Group revenue from contracts with customers.

Revenue in % of group revenue	2021
Company E	75%
Company B	10%

Revenue in % of group revenue	2020
Company A	49%
Company B	35%
Company C	15%
Company D	11%

2.2 Employee benefit expenses

Employee benefit expense	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Salaries and wages	28,247,150	9,707,000
Share-based payments	5,770,480	-
Social security tax	4,125,526	1,332,094
Pension	1,192,654	238,669
Other personnel costs	2,061,145	1,395,869
Capitalised personnel expenses	-8,356,575	-1,441,728
Reimbursed personnel expenses	-311,985	-
Reimbursement - Government grants (Skattefunn)	-513,538	-
Total employee benefit expenses	32,214,856	11,231,904

By the end of 2021, the Group employed altogether 23 employees. The Group employed 18 employees at year-end 2020. The Group did not have any employees prior to August 2020.

In August 2020, following the restructuring and transaction described in note 6.3, the Group had an increase of 13 employees.

Pensions

Both in Norway and in the US the Group has a defined contribution plan. TECO 2030 ASA (the parent company) and the subsidiaries TECO 2030 AS and TECO 2030 Innovation Center AS are obligated to follow the stipulations in the Norwegian mandatory occupational pensions act. The companies' pension scheme adheres to the requirements as set out in the act.



The Group's payments are recognised in the income statement as employee benefit expenses for the year to which the contribution applies.

Share-based payments

TECO 2030 accounts for share-based compensation in accordance with IFRS 2 Share-based Payments. Share-based compensation expense is measured at fair value using a Black-Scholes model over the service period and includes social security taxes that will be paid by the Company at the settlement date. All changes in fair value are recognized in the statement of comprehensive income.

The Board of Directors has implemented a share incentive scheme for employees and board members of the Company for the period 2020 - 2022. The first grant was made in 2021. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions

for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options.

There are at least two exercise periods each calendar year. Under the plan, participants are granted options which vest at 12, 24 and 36 months from the date of the grant. Options were granted in February 2021. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The options once vested remain exercisable until 48 months after the date of the grant letter. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share at the stated exercise price in the stock option agreement. Exercised options are settled in shares, not cash. The exercise price of the options is NOK 4 for options vesting 12 months after grant date (February 2022), NOK 8 for options vesting 24 months after grant date (February 2023) and NOK 10 for options vesting 36 months after grant date (February 2024).

Set out below are summaries of options granted under the plan during 2021, the first year of the Option Incentive Scheme, in total and for key management:

Share-based compensation to key management	Options			Options expired in 2021	Total options outstanding 31.12.2021
	Options granted 2021	vested and exercisable as of 31.12.2021	Options exercised in 2021		
Tore Enger (CEO)	1,500,000	-	-	-	1,500,000
Pål Christian Johnsen (CFO)	450,000	-	-	-	450,000
Tor-Erik Hoftun (EVP Operation)	900,000	-	-	-	900,000
Erling Hoftun (VP Special Projects)	200,000	-	-	-	200,000
Total options granted to key management	3,050,000	-	-	-	3,050,000



Options granted during 2021 to all employees	
Options granted during 2021	7,210,000
Options exercised during 2021	-
Options expired or terminated during 2021	-300,000
Total options outstanding 31.12.2021	6,910,000
Total options vested and exercisable as of 31.12.2021	-

2.3 Other operating expenses

Other operating expenses (NOK)	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Management fees ¹⁾	-	5,576,176
Legal, audit and professional fees	7,094,353	5,559,944
Facilities	2,527,429	736,116
Other operating expenses	6,962,900	2,988,647
Total other operating expenses	16,584,682	14,860,883

¹⁾ Management fees in 2020 reflects the costs from TECO Technologies AS January - August 2020. In addition NOK 2,3 million was capitalised and is recognised in the intangible assets.

Auditor fees	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Statutory audit (excl. VAT)	450,344	461,200
Audit related services and attestation (excl. VAT)	167,225	393,000
Tax compliance (excl. VAT)	10,583	103,309
Other services (excl. VAT)	-	447,629
Total remuneration to the auditor	628,152	1,405,138



2.4 Trade and other receivables

Trade and other receivables (NOK)	31.12.2021	31.12.2020
Trade receivables	7,539,587	4,272,645
Interest bearing loans related parties ¹⁾	3,331,812	2,893,457
Deposits	389,868	389,669
VAT receivable	820,017	1,172,994
Government grants receivable (Skattefunn)	1,504,529	-
Total trade and other receivables	13,585,813	8,728,765

¹⁾ See note 6.1 for additional information.

2.5 Trade and other payables

Trade and other payables (NOK)	31.12.2021	31.12.2020
Trade payables	23,598,197	8,555,700
Public duties payable	2,442,802	1,574,206
Taxes payable		7,439
Total trade and other payables	26,040,999	10,137,345

2.6 Other current liabilities

Other current liabilities (NOK)	31.12.2021	31.12.2020
Salaries payable and board remuneration payable	2,240,038	1,592,322
Contract liabilities	2,344,207	
Other accrued expenses	2,279,794	2,283,395
Total current liabilities	6,864,039	3,875,716



Section 3 - Asset base

3.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Equipment and movables	Total
Acquisition cost 31.12.2019	164,909	164,909
Additions	292,254	292,254
Business combination	12,282	12,282
Disposals	-	-
Reclassifications	-	-
Currency translation effects	-11,876	-11,876
Acquisition cost 31.12.2020	457,569	457,569
Accumulated depreciation & impairment 31.12.2019	-	-
Depreciation for the year	-92,376	-92,376
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Currency translation effects	11,189	11,189
Accumulated depreciation & impairment 31.12.2021	-81,187.1	-81,187.1
Carrying amount 31.12.2020	376,381	376,381



	Equipment and movables	Total
Acquisition cost 31.12.2020	457,569	457,569
Additions	849,630	849,630
Business combination	-	-
Disposals	-	-
Reclassifications	-	-
Currency translation effects	6,478	6,478
Acquisition cost 31.12.2021	1,313,677	1,313,677
Accumulated depreciation & impairment 31.12.2020	-81,187	-81,187
Depreciation for the year	-273,315	-273,315
Disposals	-	-
Reclassifications	-	-
Currency translation effects	-6,223	-6,223
Accumulated depreciation & impairment 31.12.2021	-360,725	-360,725
Carrying amount 31.12.2021	952,950	952,950
Economic life (years)	5	
Depreciation plan	Straight-line method	



3.2 Intangible assets

Nature of the Group's intangible assets

The Group has recognised intangible assets comprising internal development projects related to the Group's solutions:

- TECO Smart Scrubber - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements
- TECO PEM Fuel cells

ACCOUNTING POLICIES

Intangible assets acquired in a business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalised no amortization is recognised and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortised using the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired and on an annual basis. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as prospective changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for

impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- Its ability to use or sell the intangible asset

Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.



	Development	Completed development	Sales and distribution agreements	Production plant design development	Goodwill	Website	Total
Acquisition cost 31.12.2019	3,909,237	-	-	-	-	-	3,909,237
Additions	5,128,824	8,090,220	-	-	-	50,400	13,269,444
Business combination	-	-	3,750,000	-	2,482,661	-	6,232,661
Disposals	-	-	-	-	-	-	-
Reclassifications	-3,909,237	3,909,237	-	-	-	-	-
Acquisition cost 31.12.2020	5,128,824	11,999,457	3,750,000	-	2,482,661	50,400	23,411,342
Accumulated amortisation & impairment 31.12.2019	-	-	-	-	-	-	-
Amortisation for the year	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Accumulated amortisation & impairment 31.12.2020	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Carrying amount 31.12.2020	5,128,824	10,895,500	3,437,500	-	2,482,661	48,720	21,993,205





	Development	Completed development	Sales and distribution agreements ¹⁾	Production plant design development	Goodwill	Website	Total
Acquisition cost 31.12.2020	5,128,824	11,999,457	3,750,000	-	2,482,661	50,400	23,411,342
Additions	34,186,965	1,026,098	-	1,208,445	-	-	36,421,508
Business combination	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Reimbursement							
- Government grants (Skattefunn)	-761,387	-	-	-229,605	-	-	-990,992
Currency translation effects	-	-	-	-	-39,103	-	-39,103
Acquisition cost 31.12.2021	38,554,402	13,025,555	3,750,000	978,840	2,443,558	50,400	58,802,755
Accumulated amortisation & impairment 31.12.2020	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Amortisation for the year	-	-2,020,442	-750,000	-	-	-10,080	-2,780,522
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Accumulated amortisation & impairment 31.12.2021	-	-3,124,399	-1,062,500	-	-	-11,760	-4,198,659
Carrying amount 31.12.2021	38,554,402	9,901,156	2,687,500	978,840	2,443,558	38,640	54,604,095
Economic life (years)		7	5			5	
Amortisation plan		Straight-line method	Straight-line method			Straight-line method	

¹⁾See note 6.3 Business combination on goodwill recognised in 2020.



Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalised are included in the statement of comprehensive income as other operating expenses.

Goodwill and intangible assets with indefinite useful lives - Impairment considerations

Goodwill
Goodwill, and CGUs where goodwill has been allocated, are required to be tested for impairment annually. Impairment losses are recognised where the recoverable amount is less than the carrying amount. As part of the Group-structuring, described in note 6.3, that took place in August 2020, a goodwill item of NOK 2 482 661 as of 31 December 2020 was recognised. The Group performed its annual impairment test of the goodwill in December 2021 by using a discounted cash flow model.

The impairment test was based on conservative forecasts for the next five years and management's best estimate of cash flows for the following years. Sales forecasts for 2022 and 2023 have taken into consideration the underlying uncertainty related to the consequences of the Covid-19 pandemic. A terminal value beyond the 5-year forecast period has been included in the calculated VIU. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC considers the cost of debt and equity and was set at 12%.

Based on these assumptions the value exceeds the carrying value of NOK 2.4 million.

Intangible assets

Intangible assets include capitalised development costs and sales and distribution agreement as well as a strategic cooperation agreement with the Group's major development partner. As of 31 December 2021, the Group has capitalised approximately NOK 10 million in completed development and capitalised approximately NOK 38 million of in-process development.

Future Funnel

The Group has, by the end of 2021, capitalised a total of approx. NOK 13 million of development expenses for the 10 MW Future Funnel-project. These include internal as well as external development expenses. This product was considered ready for sale from Q2 2020. Despite the lack of sales in 2021, the capitalised amount is considered to be low compared to the value of the product and its anticipated future potential for generating revenues and positive cash flows. The Covid-19 pandemic, with its implications on various factors such as oil prices, and especially the price gap between high- and low sulphur fuel oil, is considered to be the main reason for the lack of sale of Future Funnels in 2021. As per year-end 2021, the price gap between the various fuel oils have increased towards pre-pandemic levels and the market for exhaust gas cleaning systems seems more promising for 2022 and onwards.

Future Funnel-related projects include capitalised development expenses of approximately NOK 1 million and are considered still to be in a relatively early development phase and the considerations for the 10 MW very much applies for these projects as well.

Fuel Cell

The Group has capitalised both internal and external development costs related to the TECO Fuel Cells during 2021. The board of directors and management have a strong believe in the hydrogen and Fuel Cell technology and its future possibilities and considers this to be a major step towards an emission free maritime sector with the potential to be a major contributor to the Group's future revenues and cash flow.

Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Group's major development partner. As such, this agreement is considered to be vital in the future development of the Group and its product portfolio.



The Sales and Distribution Agreement is necessary for the Group to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2024. The sales level in 2020, 2021 and expected future sales support the balance sheet value of the sales and distribution agreement.

Government grants receivable (Innovation Norway)

The Company received a grant of NOK 50 million from Innovation Norway for the development of the PEM fuel cells to the marine industry. A requirement from Innovation Norway before releasing the funds is that the Company raises an additional NOK 200 million in new equity and/or loans. As per 31.12.2021, the Company has raised NOK 86.5 million out of the NOK 200 million. If not released and paid prior to 30.6.2023, the grant will lapse. The Group has not off-set an amounts towards this grant per 31.12.2021.

Government grants receivable (Skattefunn)

The Group has received approval in 2021 from Skattefunn for the funding of two projects that will be under development from 1 January 2021 through 31 December 2022. The projects relate to the development of the production lines at the Narvik factory and development of Carbon Capture & Storage on board ships. These are standard Skattefunn-funded projects. The Group will receive 19% deduction for the projects for tax purposes and a reimbursement of NOK 700 for hours worked. The Group has recognised a Government grants receivable (Skattefunn) in the balance sheet for an accrued amount of NOK 1 504 529 as of year-end with a comparable reduction in the capitalised costs for the intangible assets under development (NOK 990 992) and reduction in salary expense (NOK 513 538).

3.3 Leases

Accounting policies

Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is measured at present value of unpaid lease payment which includes the following

- Fixed rental payments less incentives
- Variable lease payments based on an index or rate
- Purchase option price (reasonably certain)
- Guaranteed Residual Value
- Penalty for termination of lease



The lease liability is subsequently measured by increasing the carrying amount to reflect interest charges and reducing the carrying amount to reflect lease payments. The carrying amount of lease liability is remeasured to reflect any reassessments or lease modifications that have been made during the reporting period.

Measuring the right-of-use asset

Right of use of asset is Initially measured at COST. Cost includes

- The amount of initial lease liability
- Lease payments made on or before commencement
- Initial direct costs incurred
- Estimated costs of dismantling or site restoration
- Less: Incentives

The right-of-use of asset is subsequently measured using cost model i.e. cost less accumulated depreciation and impairment losses. The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company has elected to not apply the revaluation model for its right of use asset for leased buildings. The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Interest Rate

Interest rate for the calculation of present value of future lease payments is either

- Interest rate implicit in a lease OR
- Incremental borrowing rate by lessee

Right-of-use assets

The Group leases premises, vehicles and other equipment. For personal computers, IT equipment and machinery the Group has elected to apply the practical expedient related to the leasing of low value assets (primarily leases of personal computers, IT equipment and other office equipment) and does not recognise a lease liability or right-of-use assets for these items. The lease payments are expensed when they incur.

Significant judgements related to leasing agreements – Narvik production facility

The Group signed a lease in 2021 for a production facility in Narvik, Norway. The lease has an original term of fifteen years, with an extension option for an additional ten years. There is also a purchase option in effect during years 3-10 of the lease term where the Group can purchase the facility for ten times the amount of the annual lease payments. In 2023 (year 3 of the lease) the annual lease payments are NOK 6 million, and the purchase price would be NOK 60 million. Every year the lease payments increase and the purchase price increases correspondingly. Management has evaluated the terms of the lease in accordance with IFRS 16 in connection with the recognition of the lease liability for the Narvik production facility. Management's judgement is that a lease term of 15 years is appropriate for the measurement of the lease liability as it is unlikely the extension term will be exercised. Management's intention is to purchase the building during the first 15 years term of the lease, however the purchase is dependent on the sales developments for the Group over the next few years. As this is still considered uncertain, management has not included any anticipated exercise of the purchase option in the measurement of the lease liability at the inception of the lease.



Right-of-use assets	Premises	Vehicles	Total
Acquisition cost 31.12.2020	1,075,275	495,708	1,570,983
Addition of right-of use asset	100,965,034	1,201,563	102,166,597
Terminated lease agreements	-320,529	-153,988	-474,517
Acquisition cost 31 December 2021	101,719,779	1,543,283	103,263,062
Accumulated depreciation 31.12.2020	-312,980	-145,555	-458,535
Depreciation	-3,814,764	-428,623	-4,243,387
Currency exchange differences	-	5,309	5,309
Accumulated depreciation 31 December 2021	-4,127,744	-568,869	-4,696,613
Carrying amount of right-of use assets 31 December 2021	97,592,036	974,414	98,566,451

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	2021	2020
Less than 1 year	8,800,253	273,658
1-2 years	10,531,409	868,739
2-3 years	11,139,999	-
3-4 years	11,209,295	-
4-5 years	11,480,375	-
Beyond 2026 / Later than 5 years	105,627,522	-
Total undiscounted lease liabilities at 31 December	158,788,853	1,142,397



Summary of the lease liabilities in the financial statements			
	Statement of:	2021	2020
Lease liabilities 01.01		1,116,868	-
New lease liabilities recognised during the year		122,452,910	1,563,358
Contract modifications		-	-
Terminated lease agreements		460,031	-
Cash payments for the principal portion of the lease liability	Cash flows	1,794,832	446,490
Cash payments for the interest portion of the lease liability	Cash flows	2,186,425	32,079
Interest expense on lease liabilities	Profit and loss	2,186,425	32,079
Reassessment of the discount rate on previous lease liabilities	Profit and loss	-	-
Currency exchange differences	Profit and loss and OCI	18,037	-12,546
Total lease liabilities at 31 December		121,332,951	1,116,868

Total lease liabilities at 31 December			
		2021	2020
Current lease liabilities	Balance sheet	4,002,441	893,592
Non-current lease liabilities	Balance sheet	117,330,509	223,276
Total cash outflows for leases	Cash flows	3,981,258	478,569

TECO 2030 ASA subleases the office location Lysaker Torg 45 to various companies, including one of the subsidiaries, over the same time period as the head lease. The Current financial lease receivables related to this sublease as of 31 December 2021 on group level is NOK 1 711 154, the non-current financial lease receivable is NOK 17 907 869. The sublease also includes several related parties, see note 6.1 related parties for more information.





Section 4 - Financial instruments, risk and equity

4.1 Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group measures its financial assets at amortised cost. At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Group's financial instruments are grouped in the following categories:

Financial assets measured at amortised cost:

- Includes mainly trade receivables, cash and cash equivalent and loans to related parties.

Financial liabilities measured at amortised cost:

- Represent the Group's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables.

Financial liabilities measured at fair value:

- includes the conversion option derivative recognised in 2019. Upon redemption of the convertible bond loan conversion option that was at fair value, the Company does not have any financial liabilities measured at fair value over profit or loss.

All of the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Group's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Group does not buy or sell or hold any derivative financial instruments.

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.



The carrying amount of the Group's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

31.12.2021	Note	Financial instruments at amortised cost	Total
Assets			
Loan to related parties	6.1	3,822,925	3,822,925
Trade receivables	2.4	7,539,587	7,539,587
Government grants receivable (Skattefunn)	2.4	1,504,529	-
Cash and cash equivalents	4.7	59,618,726	59,618,726
Total financial assets		72,485,767	70,981,238

Liabilities

Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Current and non-current lease liabilities	3.3	121,332,950	121,332,950
Trade payables	2.5	23,598,197	23,598,197
Total financial liabilities		146,554,176	146,554,176

31.12.2020	Note	Financial instruments at amortised cost	Total
Assets			
Loan to related parties	6.1	2,893,457	2,893,457
Trade receivables	2.4	4,272,645	4,272,645
Cash and cash equivalents	4.7	43,717,208	43,717,208
Total financial assets		50,883,310	50,883,310

Liabilities

Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Convertible bond loan	4.3	10,000,000	10,000,000
Current and non-current lease liabilities	3.3	1,116,868	1,116,868
Trade payables	2.5	8,555,700	8,555,700
Total financial liabilities		21,295,597	21,295,597



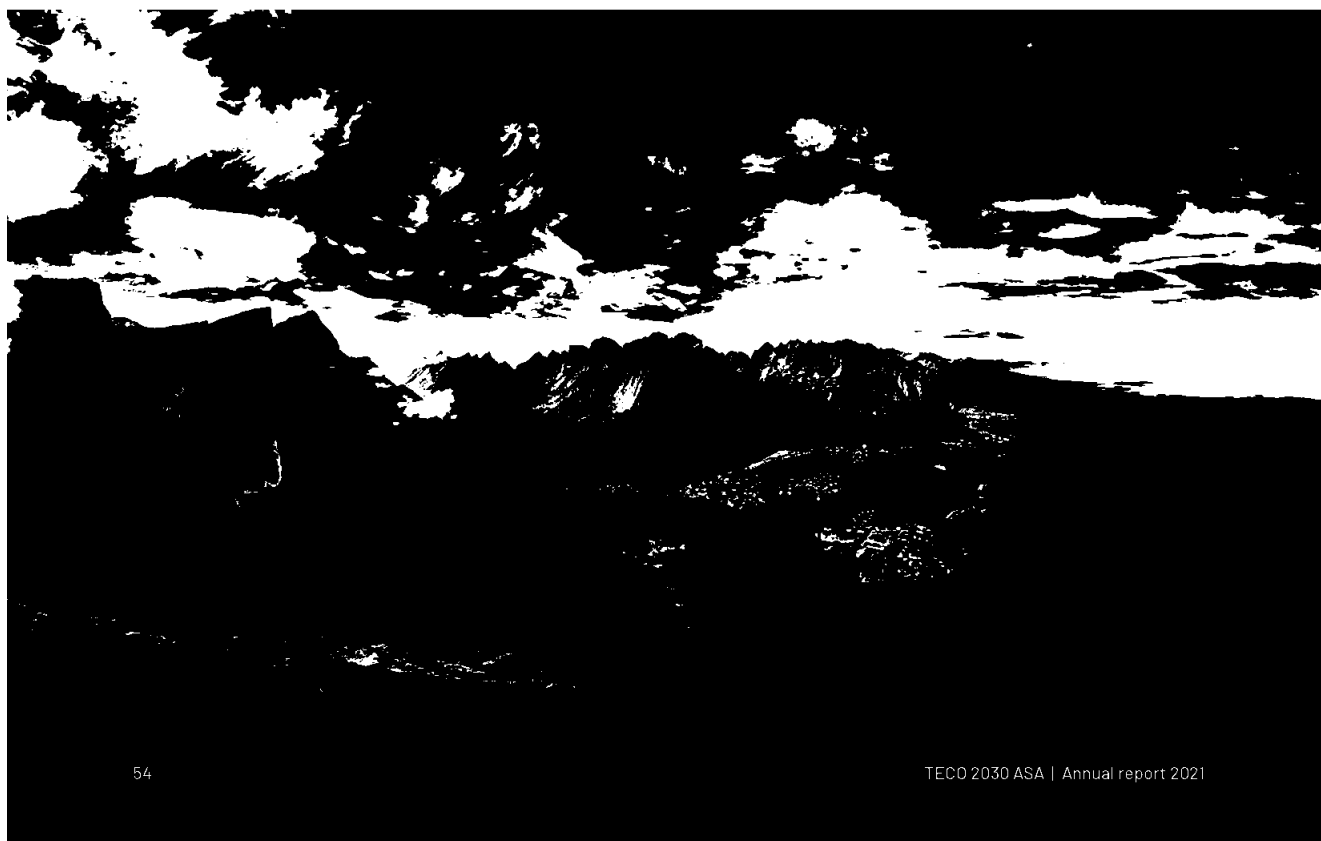
4.2 Interest-bearing loans and borrowings

Current interest bearing loans and borrowings	Note	31.12.2021	31.12.2020
Borrowings from related parties	6.1	1,623,029	1,623,029
Convertible bond loan			10,000,000
Net total current interest bearing loans and borrowings		1,623,029	1,623,029

The Group does not have any non-current interest bearing loans and borrowings. The convertible bond loan was converted in January 2021, see note 4.3 for further information.

The Group did not provide any guarantees to or on behalf of third parties as of 31 December 2021, or as of 31 December 2020. The Company does not have significant commitments.

The Group has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.





	Loans and borrowings	Borrowings related parties	Total
Balance 31.12.2019	0	4,722,251	4,722,251
<i>Changes from financing cash flows</i>			
Repayment of principal		-6,933,756	-6,933,756
Repayment of interest		-54,852	-54,852
New borrowings from related parties (See note 6.3 Business combination)		6,133,756	6,133,756
Proceed from borrowings	10,000,000		10,000,000
Interest			-
Total changes from financing cash flows	10,000,000	3,867,399	9,145,148
<i>Non-cash changes</i>			
Reclassification assets against liabilities		-2,497,768	-2,497,768
Other non-cash		253,398	253,398
Finance expense conversion rights	449,731		449,731
Derivative conversion liability transferred to equity	-449,731		-449,731
Accrued interest convertible bonds	684,595		684,595
Reversal of accrued interest convertible bonds upon notification of conversion	-684,595		-684,595
Total non-cash changes	-	-2,244,370	-2,244,370
Balance 31.12.2020	10,000,000	1,623,029	11,623,029
Balance 31.12.2020	10,000,000	1,623,029	11,623,029
<i>Changes from financing cash flows</i>			
Total changes from financing cash flows	-	-	-
<i>Non-cash changes</i>			
Redemption of convertible bond loan for shares	-10,000,000		-10,000,000
Total non-cash changes	-	-	-10,000,000
Balance 31.12.2021	-	1,623,029	1,623,029



4.3 Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loans in July 2021. Each bondholder can give notification and convert the loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The fair value of the convertible bonds at initial recognition reflects the fair value of the liability ("the loan") and the fair value of the conversion rights. At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The full fair value was measured using an option pricing model. The conversion right liability was recognized at a total fair value of NOK 5,8 million and NOK 5,4 million loss is presented in the P&L as a financial item. The NOK 5,8 million liability was reclassified against equity at the time of the IPO when the conversion share price of NOK 25 was fixed. No subsequent remeasurement is required for the conversion rights following the recognition against equity at the date of the IPO. The convertible bond loan is subsequently measured at amortised cost.

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end 2020. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bonds as of 31 December 2020 is NOK 10 million.

The bonds were converted in January 2021 and after the conversion the total number of outstanding shares of TECO 2030 ASA was 12 400 000 shares, each with a nominal value of NOK 0,10. The new shares are listed on Euronext Growth (Oslo, Norway) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.

4.4 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based



on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowings from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

4.5 Risk management

Risk factors

The TECO 2030 Group is, like all companies and groups of companies, subject to several risk factors. These are related to business areas such as operational risks, financial risks (credit, liquidity, interest etc.), and market risks. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, a young group of companies, a fact which by itself represents and increases a number of risk factors compared to companies with a longer track record. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

The BoD and management team of TECO 2030 are monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical.

Operational risk factors

As TECO 2030 is in an early stage and to a substantial extent depends on external partners for development and production, the internal operational risks are limited. However, the Group is dependent on recruiting and retaining highly qualified personnel with deep knowledge of the maritime industry and relevant technologies.

The Group will also need to maintain close relationships with its key business partners.

Development risk

Developing new technologies is always associated with development risk. The development of the TECO 2030 Fuel Cells is done in close cooperation with AVL, a major development company with a long track record of developing new technologies within the areas of in which TECO 2030 operates. TECO 2030 also has strong development competence within the organization. Even so, there is a risk that developed products do not function as well as anticipated, either due to technical failures or other technical or design challenges, or that competing and superior technologies emerge, leading to TECO 2030's products being outperformed by competitors. Although relying on already available patents from AVL and/or jointly developed patents by AVL and TECO 2030, the risk of patent restrictions might occur.

The development of the TECO 2030 Carbon Capture solution is made in close cooperation with the US-based company Chart Energy & Chemicals, Inc. This cooperation is still in an early phase, and it is expected to increase substantially throughout 2022.

Market risk

Green technology is in constant change and is dependent on factors such as major fluctuations in oil prices, as low oil prices increase ship owners return on investment for scrubber installations and other low-emission technologies; the global economy in general and shipping companies in particular; and national and international regulations. Stricter regulations will increase the pressure and the financial incentives for



ship owners to choose new and cleaner technologies. For TECO 2030's Fuel Cell technology, important factors such as availability of sufficient volumes of hydrogen at a reasonable cost will be decisive for ship owners' willingness to invest in such technology.

Interest rate risk

As per end of 2021, TECO 2030 is to a very limited extent exposed to interest risk. The Company had per 31 December 2021 no interest-bearing loans. It has a leasing agreement of approximately NOK 4 million related to various equipment.

Liquidity risk/Financing risk

TECO 2030 has throughout 2021 successfully raised approximately NOK 86,5 million in three private placements.

The cash from these share issues secures the Group's liquidity needs for approximately the first half of 2022. The Group needs to secure further funding during 2022 as the cash position as per end of December 2021 is insufficient to meet the Group's ongoing development program. It is also a prerequisite from Innovation Norway that the Group secures another NOK 113,5 million in order to release the provided grant of NOK 50 million. The Group's success, or lack of success, in selling TECO 2030 Future Funnels and ballast water treatment systems will affect the Group's cash position in 2022.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

As at 31 December 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings from related parties (Note 4.2)	1,623,029	-	-	1,623,029
Trade payables (Note 2.5)	23,598,197	-	-	23,598,197
Total contractual undiscounted payments	25,221,226	-	-	25,221,226

As at 31 December 2020	< 1 year	1 to 5 years	> 5 years	Total
Borrowings from related parties (Note 4.2)	1,623,029	-	-	1,623,029
Trade payables (Note 2.5)	8,555,700	-	-	8,555,700
Convertible loan ¹⁾	10,000,000	-	-	10,000,000
Total contractual undiscounted payments	20,178,729	-	-	20,178,729

¹⁾ See note 4.3

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations,

properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has a limited number of customers as per the end of 2021 and has established internal guidelines in order to minimise the credit risk related to our customer receivables. TECO 2030 INC has a relatively large receivable from two related parties in USA. As per year-end, the companies have signed a loan agreement and the parties are aiming towards a final down payment by June 30, 2022.



Risks related to regulations and political risk

Governmental regulations in the jurisdictions in which TECO 2030 operates, relating to issues such as health, security, environment, and tax, will affect the Company's business going forwards. New or changing regulations implemented by EU and IMO, the United Nations authority to serve as a regulator of all vessels sailing in international waters, may affect the market for products in the markets in which TECO 2030 operates. Additionally, regulations might be imposed from by flag states and local authorities.

Risks related to key personnel and competence

TECO 2030's future success will partly depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. TECO 2030's total number of employees is limited and retaining key personnel is therefore important.

Foreign exchange risk

Throughout 2021, TECO 2030 was exposed to foreign exchange transaction risk as its funding primarily was made in NOK, whereas major cooperating partners are located in central Europe with Euro as currency. The sales of ballast water treatment systems were primarily made in Euro with corresponding system purchases in the same currency, hence reducing the foreign exchange risk on these sales. In 2022 the Group will have substantial expenses in Euro to cooperating partners, and the Group will consider raising additional funding in Euro. Possible future sales will primarily be in Euro and USD, and the Group will, to the extent possible, secure the majority of production expenses in the corresponding currency. Some of the production costs will, however, be in NOK together with a large part of the Group's overhead expenses and, as such, lead to an increased exposure to the EUR/USD versus NOK exchange rates.

In addition, the Group will, from project to project, be exposed to a limited number of other currencies (mainly USD). The Company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the Group's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Covid-19

Although the pandemic still was considered a potential threat to the world economy by the end of 2021, oil prices were at their highest level of the last five-year period. Further, the price spread between high-sulphur and low-sulphur fuel oils was back to levels which makes the exhaust gas cleaning system (Future Funnel) an attractive investment case for a wide variety of ship owners. Consequently, the board of directors believes that 2022 can be a successful year for these systems, which are considered important temporary solutions on the way to a future of zero-emission shipping.

War in Ukraine

The ongoing war in Ukraine has already had a significant impact on companies and people around the world, and especially in Europe. For TECO 2030, the situation is, nevertheless, relatively unchanged and the war has had little, or no impact.

A further escalation or a long-lasting war may increase the impact and consequences beyond what we are able to foresee today and may lead to shortage of raw materials and equipment such as microchips necessary for TECO 2030's future fuel cell production. On the other hand, the conflict has significantly increased Europe's focus on becoming independent from Russian fossil energy and to increase the progress towards green energy.



4.6 Equity and shareholders

Date	Number of shares authorised and fully paid	Par value per share (NOK)	Carrying amount (NOK)
At 31 December 2019	1,111,111	0.1	111,111
Equity issue 19 August 2020	8,888,889	0.1	888,889
Equity issue 9 October 2020	2,000,000	0.1	200,000
At 31 December 2020	12,000,000	0.1	1,200,000
Equity issue 13. January 2021	400,000	0.1	40,000
At 2. March 2021	12,400,000	0.1	1,240,000
Share split 3. March 2021	124,000,000	0.01	1,240,000
Equity issue 2 July 2021	3,244,644	0.01	32,446
Equity issue 20 October 2021	4,125,170	0.01	41,252
Equity issue 23 December 2020	9,000,000	0.01	90,000
At 31 December 2021	140,369,814	0.01	1,403,698

As described in the convertible bonds note, 400 000 shares at NOK 25 per share were issued in a conversion of bonds. The new share capital was registered on 13 January 2021.

At a general meeting held on 19 February 2021, it was resolved to split the shares outstanding in the Company in the ratio of 1:10. Following the completion of the share split there were 124 000 000 shares in the company, each with a par value of NOK 0.01. The shares were traded with the 1/10 split from 3 March 2021.

In June 2021 the Company raised NOK 20 million through a private placement of 3 244 644 new shares at an issuance price of NOK 6.164. The share capital increase was registered on 2 July 2021.

In October 2021 the Company raised NOK 21,5 million through a private placement of 4 125 170 new shares at an issuance price of NOK 5.2095. The share capital increase was registered on 20 October 2021.

In December 2021 the Company completed a private placement through an allocation of 9 000 000 shares at an issuance price of NOK 5.00 per share giving a gross proceeds of NOK 45 million. The share capital increase was registered on 23 December 2021. The share capital after the December share issuance was NOK 1 403 699 with 140 369 814 shares outstanding at a nominal value per share of NOK 0.01.



The Company's 20 largest shareholders as of 31 December 2021 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	37.07%
CLEARSTREAM BANKING S.A.	25,604,324	18.24%
CITIBANK, N.A.	15,663,841	11.16%
JAKOB HATTELAND HOLDING AS	8,000,000	5.70%
UBS SWITZERLAND AG	4,471,289	3.19%
SOLVIK HOLDING AS	3,500,000	2.49%
HANSEN EIENDOM OG KONSULT AS	2,983,484	2.13%
TECO MARITIME GROUP AS	2,885,250	2.06%
EQUITOR AS	2,645,140	1.88%
JAHATT AS	2,128,201	1.52%
TECO TECH HOLDING AS	1,624,130	1.16%
SAXO BANK A/S	1,558,840	1.11%
MORGAN STANLEY & CO. INT. PLC.	1,279,586	0.91%
KBC Bank NV	1,122,991	0.80%
MEDIKOM AS	1,052,860	0.75%
PCJ INVEST AS	860,870	0.61%
ESRO INVEST AS	805,580	0.57%
CANICA AS	518,287	0.37%
SOD INVEST AS	505,000	0.36%
MARCUSSEN SHIPPING AS	494,410	0.35%
20 largest shareholders	129,745,513.0	92.43%
Other shareholders	10,624,301	7.57%
Total shareholders	140,369,814	100%



The Company's 20 largest shareholders as of 31 December 2020 are shown in the table below.

Shareholder	# shares ¹⁾	%
TECO GROUP AS	52,041,430	43.37%
CITIBANK, N.A.	8,963,640	7.47%
SIX SIS AG	8,059,430	6.72%
HANSEN EIENDOM OG KONSULT AS	7,326,700	6.11%
CLEARSTREAM BANKING S.A.	5,918,010	4.93%
JAKOB HATTELAND HOLDING AS	3,907,320	3.26%
CANICA AS	3,750,000	3.13%
TECO MARITIME GROUP AS	2,885,250	2.40%
SOLVIK HOLDING AS	2,800,100	2.33%
EQUITOR AS	2,645,140	2.20%
JAHATT AS	2,443,220	2.04%
TECO TECH HOLDING AS	1,724,690	1.44%
MICHAEL NYGAARD RASMUSSEN	1,398,000	1.17%
MEDIKOM AS	1,337,860	1.11%
STAVERN HELSE OG FORVALTNING AS	1,256,280	1.05%
NORDNET LIVSFORSIKRING AS	1,073,590	0.89%
PCJ INVEST AS	860,870	0.72%
ASTRUP FEARNLEY AS	700,000	0.58%
HØGÅSEN HOLDING AS	699,000	0.58%
BLOMS OPPMÅLING AS	610,000	0.51%
20 largest shareholders	110,400,530	92.00%
Other shareholders	9,599,470	8.00%
Total shareholders	120,000,000	100%

¹⁾ The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.



Earnings per share

Basic EPS is calculated by dividing the profit or loss for the year attributable to holders of ordinary equity by the weighted average number of ordinary shares outstanding during the year.

shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of ordinary

The following table reflects the profit (loss) and shares outstanding used in the EPS calculations:

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 ¹⁾
Profit (loss) attributable to ordinary equity holders - for basic EPS	-52,996,250	-27,228,697
Profit (loss) attributable to ordinary equity holders adjusted for the effect of dilution	-52,996,250	-27,228,697
Total shares outstanding at year-end ¹⁾	140,369,814	120,000,000
Weighted average number of ordinary shares - for basic EPS ¹⁾	126,504,224	48,217,680
Weighted average number of ordinary shares adjusted for the effect of dilution ¹⁾	126,504,224	48,217,680
Basic EPS, profit (loss) for the year ¹⁾	-0.42	-0.56
Diluted EPS, profit (loss) for the year ¹⁾	-0.42	-0.56

¹⁾ The comparative number of total outstanding and weighted-average shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

The share options and RSUs once issued will have a potential dilutive effect on earnings per share.

share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. Hence, no dilutive effect has been recognised in the calculation of diluted EPS for 2021.

Share options and RSUs shall be treated as dilutive only if their conversion to ordinary shares would decrease earnings per





4.7 Cash and cash equivalents

For the purpose of presentation in the Group financial statements, cash and cash equivalents includes cash and bank deposits.

Cash and cash equivalents	31.12.2021	31.12.2020
Bank deposits	59,618,726	43,717,208
Total cash and cash equivalents	59,618,726	43,717,208

Restricted cash included in the cash and cash equivalents above:

Withheld tax in relation to employee benefits	1,274,539	1,522,059
---	-----------	-----------

The Group has a non-current restricted rental deposit of NOK 2 900 000 connected with the lease of office space in Lysaker. The Group also has a current deposit of NOK 385 000 at year-end related to a terminated lease agreement. The restricted cash deposits related to leases are not included as part of cash and cash equivalents.

4.8 Financial income and expenses

The Group's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

Finance income and finance costs	Class of financial instrument	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Finance income			
Interest income	Cash and cash equivalents	1,521	1,890
Interest income on sub-lease	Finance lease receivables	258,801	
Interest income - related party	Loan to related parties		65,035
Loan forgiven	Other financial liabilities		349,835
Foreign exchange gains	Liabilities and receivables	1,818,450	266,308
Total finance income		2,078,772	683,068



Finance income and finance costs	Class of financial instrument	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Finance costs			
Interest expenses - related party	Interest-bearing liabilities		100,817
Interest expense leases	Lease liabilities	2,186,424	
Interest expense debt	Other financial liabilities		72,126
Fair value adjustment - conversion rights	Convertible bond loan		449,731
Foreign exchange loss	Liabilities and receivables	516,431	675,550
Other financial expenses	Other financial liabilities	5,050	36,530
Total finance costs		2,707,905	1,334,753
Net financial income (expense)		-629,133	-651,685

Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Income tax expense	31.12.2021	31.12.2020
Current income tax expense	76,968	7,439
Deferred income tax expense	-	-
Total income tax expense	76,968	7,439

Current tax	31.12.2021	31.12.2020
Profit before taxes	-52,919,282	-27,221,258
Permanent differences	268,159	421,695
Change in temporary differences	53,017,637	26,834,988
Tax basis 31.12	368,514	35,425
Current tax 22% (21% Inc)	76,968	7,439
Current tax in the financial position	76,968	7,439

Temporary differences	31.12.2021	31.12.2020
Property, plant and equipment	-726,145	42,767
Intangible assets	1,393,369	2,222,370
Lease agreements	-34,223	
Accumulated loss carried forward	-77,614,709	-31,638,821
Basis for deferred tax liabilities (assets)	-76,981,708	-29,373,684
Not included in the calculation of deferred tax*	76,981,708	29,373,684
Deferred tax liabilities(assets) recognised in balance sheet	-	-

* Until commencement of sale/agreement has reach a profitable level, the group will not record any deferred tax asset related to its tax loss carried forward and other temporary differences There are no time limitation in Norway for utilization of historical tax losses.

Reconciliation of income tax expense	31.12.2021	31.12.2020
Profit (losses) before taxes	-52,919,282	-27,221,258
22% of profit before tax	-11,642,242	-5,970,807
22% of permanent differences	58,995	92,773
Not included in the calculation of deferred tax*	11,660,215	5,885,473
Not included in the calculation of deferred tax	76,968	7,439
Recognised income tax expense	76,968	7,439



Section 6 - Other disclosures

6.1 Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation, and are not disclosed in this note.

Remuneration to key management 2021	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO)	3,705,775	74,116	382,711	4,162,602
Pål Christian Johnsen (CFO)	1,175,002	23,500	18,089	1,216,591
Bettina Nowak (CEO, USA)	1,909,114	115,759	31,083	2,055,956
Tor-Erik Hoftun (EVP Operations)	1,310,579	26,212	18,089	1,354,880
Erling Hoftun (VP Special Projects)	1,150,002	23,000	136,356	1,309,358
Total remuneration to key management	9,250,472	262,586	586,328	10,099,386

Remuneration to key management 2020	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO) ¹⁾	1,641,667	33,200	119,388	1,794,255
Pål Christian Johnsen (CFO) ¹⁾	547,333	29,000	9,993	586,326
Bettina Nowak (CEO, USA) ¹⁾	878,174	37,722	12,734	928,631
Tor-Erik Hoftun (BDO) ¹⁾	562,499	33,200	9,993	605,692
Arild Eiken (CTO) ²⁾	116,667	7,000	831	124,498
Total remuneration to key management	3,746,340	140,122	152,939	4,039,402

1) Tore Enger, Pål Christian Johnsen, Bettina Nowak, Tor-Erik Hoftun are Group employees as of 1 August 2020.

2) Arild Eiken was employed on 1 December 2020.

Tore Enger has a six-month notice period.

Remuneration to the board of directors in the parent company was NOK 1 295 835 in 2021.

Remuneration to the board of directors in the parent company was NOK 687 500 in 2020.



Number of shares held by the key management and the Board of Directors	2021 Shares	2020 Shares *
Tore Enger (CEO) ¹⁾	43,926,328	43,926,328
Pål Christian Johnsen (CFO) ²⁾	860,870	860,870
Bettina Nowak (CEO, USA) ³⁾	8,007,430	8,007,430
Tor-Erik Hoftun (BDO) ⁴⁾	2,645,140	2,645,140
Arild Eiken (CTO)	14,250	14,250
Sigurd G. Lange (Chairman) ⁵⁾	3,294,475	3,294,475
Pia Meling (board member)	3,220	3,220
Bigit Marie Liodden (board member)	2,000	2,000
Marit Elise Kirkhusmo (board member)	-	-
John Herman Marcussen (Board member) ⁶⁾	494,410	494,410

*) The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

- 1) Tore Enger controls, via his 100 % owned company TECO Holding AS, approx. 80 % of TECO Group. TECO Group is in control of 52 041 430 shares in TECO 2030 ASA, approx. 2 062 780 shares through TECO Group's ownership of approx. 71.5 % in TECO Maritime Group AS and approx. 803 700 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.
- 2) Pål Christian Johnsen is in control of 860 870 shares through his fully owned company PCJ Invest AS.
- 3) Bettina Nowak is in control of 8 077 430 shares via her nominee account in Citibank, N.A. in Dublin/Ireland.
- 4) Tor-Erik Hoftun is in control of 2 645 140 shares through his fully owned company Equitor AS.
- 5) Sigurd G. Lange controls, via his 100 % owned company, Lange Industries AS, approx. 6 % of TECO Group. TECO Group is in control of 52 041 430 shares in TECO 2030 ASA, approx. 2 062 780 shares through TECO Group's ownership of approx. 71.5 % in TECO Maritime Group AS and approx. 803 700 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.
- 6) John Herman Marcussen is in control of 494 410 shares through his fully owned company Marcussen Shipping AS.





Profit or loss items

Related party - Services sold	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
BLOM Maritime AS ¹⁾	Advisory services	2800	-
BLOM Maritime Inc ¹⁾	Consultancy, facilities	399,905	163,410
Nordic Made Inc ¹⁾	Personnel related	1,932	37,425
Rubber innovation AS ¹⁾	Personnel related	-	22,456
Rubber innovation AS	Project related work	171,275	-
Rubber Innovation Inc ¹⁾	Personnel insurance costs	25,147	-
TECO Chemicals AS ¹⁾	Consultancy, facilities	26,098	-
TECO Maritime Group AS ¹⁾	Advisory services	39,750	-
TECO Maritime Inc ²⁾	Consultancy, facilities	467,507	741,326
TECO Technologies AS ²⁾	Interest income	-	65,035
Total		1,134,414	1,029,651

Related party - Services purchased	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
BLOM Maritime AS	Advisory services	1,758,764	23,699
BLOM Maritime Inc	Reimbursement of travel expenses	13,002	-
Nordic Made Inc	Over payments	-4,058	-
Rubber Innovation Holding AS ¹⁾	Interest cost	-	77,684
Rubber Innovation Holding AS	Marketing cost	-	11,968
Rubber Innovation Holding AS	Reimbursement of travel expenses	107,948	-
TECO Maritime Group AS	Advisory services	-	115,000
TECO Maritime Group AS	Personnel	67,577	142,246
TECO Maritime Group AS	Car leasing	322,438	-
TECO Maritime Group AS	Office related costs	1,791	-
TECO Maritime Inc	Personnel insurance costs	689,692	-
TECO Solutions AS ¹⁾	Accounting Services	137,499	-
TECO Technologies AS	Management fee	-	5,576,176
TECO Technologies AS	Personnel and facilities cost	-	1,000,080
TECO Technologies AS	Rent of premises	403,026	-
TECO Technologies AS	Purchase of vehicle	110,000	-
TECO Technologies AS	Interest cost	-	23,132
Tore Enger	Rent of premises	276,000	115,000
Total		3,883,679	7,084,986



Balance sheet items

Related party - Assets	Balance type	31.12.2021	31.12.2020
BLOM Maritime AS	Trade and other receivables	321,546	-
BLOM Maritime Inc	Trade and other receivables	744,970	495,948
Nordic Made Inc	Trade and other receivables	125,908	35,187
Rubber innovation AS	Trade and other receivables	797,068	-
Rubber innovation Inc	Trade and other receivables	25,792	-
TECO Chemicals AS ¹⁾	Trade and other receivables	146,033	-
TECO Maritime Group AS	Trade and other receivables	362,465	-
TECO Maritime Inc	Trade and other receivables	1,887,106	1,308,600
TECO Solutions AS	Trade and other receivables	437,314	-
TECO Technologies AS	Trade and other receivables	1,540,575	-
TECO Technologies AS	Interest-bearing loan	3,822,925	2,893,457
Total		10,211,702	4,733,191

Related party - Liabilities	Balance type	31.12.2021	31.12.2020
BLOM Maritime AS	Trade and other Payables	3,619	23,699
BLOM Maritime Inc	Trade and other Payables	-	3,420
Nordic Made Inc	Trade and other Payables	-	79,479
Rubber Innovation Holding AS	Interest-bearing loans and borrowings	1,623,029	1,623,029
TECO Maritime Group AS	Trade and other Payables	-	93,298
TECO Maritime Inc	Trade and other Payables	7,969	44,516
TECO Solutions AS	Trade and other Payables	44,256	-
TECO Technologies AS	Interest-bearing loans and borrowings	-	-
TECO Technologies AS	Other current liabilities	87,169	-
TECO Technologies AS	Trade and other Payables	-	609,745
TECO Technologies AS	Trade and other Payables	-	87,169
Total		1,766,042	2,540,655



Financial lease receivables includes related parties as specified below :

	% of finance lease receivable	NOK finance lease receivables 31.12.2021	NOK current finance lease receivables 31.12.2021
TECO Solutions AS	38%	8,013,771	765,741
BLOM Maritime AS	27%	3,729,620	356,377
TECO Maritime Group AS	10%	2,718,921	259,802
TECO Chemicals AS	10%	1,024,934	97,936
External company	14%	1,024,934	97,936
Total current and non-current finance lease receivables	100%	16,512,180	1,577,791

- 1) CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Maritime Group AS, Blom Maritime AS, BLOM Maritime Inc, TECO Maritime INC and Nordic Made INC, which are all a part of the TECO Maritime Group.
- 2) The CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Tech Holding AS and its two fully owned subsidiaries TECO Technologies AS and Rubber Innovation AS.

In 2020 the Group was invoiced NOK 7,9 million in management fees from TECO Technologies AS where a total of NOK 2,3 million has been capitalised as development in 2020.

The Group entered agreements that were finalised in August 2020 with related parties described in note 6.3.

6.2 Events after the reporting period

On 20 February, the Company announced a private placement of USD 750,000 (NOK 6.7 million) towards one of its existing shareholders. The capital increase was registered on 15 March. Following the private placement, the total number of shares in the Company increased by 1,608,827 to 141,978,641.

The Group has announced two separate sales of ballast water treatment system to two different ship owners. One of the sales was announced in February and one in April. Both sales have a value of approx. NOK 1 million each.

The are no other significant events after the reporting period.

6.3 Business combinations

Acquisitions in 2020

Agreement with TECO Tech Holding AS (related party and former parent company)

On 5 August 2020 the Company acquired 100 % of the voting shares of TECO 2030 Inc., and TECO 2030 Pte Ltd., in addition to one strategic cooperation agreement and one distribution agreement. As part of the agreement, the subsidiary TECO 2030 AS acquired part of the business performed in TECO Technologies AS (a subsidiary of TECO Tech Holding), these transactions together referred to as the business



combination. The business acquired performs sales and marketing activities of ballast water treatment systems, scrubber and maritime COVID-19 disinfection products, the business acquired also have strategic geographical locations in Singapore and Miami.

The transaction is recorded as a business combination in accordance with IFRS 3. The transaction was closed 7 August 2020.

The business acquired, their assets, technology and employees' technical capabilities fit the business model of the Company and the acquired synergies are expected to leverage the combined entity's position in providing products to the market.

The acquisition-date fair value of the total consideration transferred was NOK 6,1 million in the form of a seller's credit.

Transaction costs estimated at NOK 100 thousand will be expensed and included in other operating expenses.

If the acquisition date for the business combination had occurred as of 1 January 2020, the combined entity would have total revenues of NOK 6,2 million in the current reporting period, and a loss of NOK 35,7 million.

The following intangible assets, excluding goodwill, were identified in the business combination, including management's preliminary expectation of economic useful life:

- Sales and distribution agreements (5 years)

No liability nor any deferred tax was identified in the business combination.

The valuation as given outlined below is based on information available at the transaction date. There have been no updates or new information after the acquisition date and the Group has not changed or updated the fair value assessment in the PPA in the 12 months after the acquisition date.





The fair values of identifiable assets and liabilities at the acquisition date are presented below:

NOK	Fair value recognised on acquisition
ASSETS	
Non-current assets	
Property, plant and equipment	12,282
Sales and distribution agreements	3,750,000
Other long term receivable	383,756
Total non-current assets	4,146,038
Current assets	
Trade and other receivables	4,165,386
Cash and cash equivalents	409,064
Total non-current assets	4,574,450
Total assets	8,720,488
Non-current liabilities	
Non-current provisions and other liabilities	1,638,146
Total non-current liabilities	1,638,146
Current liabilities	
Trade and other payables	1,565,914
Current provisions and other liabilities	1,865,333
Total current liabilities	3,431,247
Total liabilities	5,069,393
Total identifiable net assets at fair value	3,651,095
Purchase consideration	6,133,756
Goodwill arising on acquisition	2,482,661

The fair value of the trade receivables is equal to its gross amount as none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The entire purchase consideration was in a form of a sellers credit which was paid in full in October 2020.

The tax value of assets acquired equals to the book value of assets acquired, accordingly no deferred tax liability is identified.



Goodwill related to synergies & employees - residual goodwill	2,482,661
Net goodwill from acquisition	2,482,661

The tax base is considered to be equal to the fair value of the acquired assets and assumed liabilities, accordingly, no deferred tax liability is identified as part of this transaction. Further, of the Goodwill, NOK 1 million is expected to be tax deductible in the future. The goodwill of NOK 2,48 million comprises the value of expected synergies arising from the acquisition and assembled workforce. Assembled workforce includes the technical skillset of the employees and their ability to generate future excess returns, which is not separately recognised.

There are no transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with IFRS 3.B51 and IFRS 3.B64 (l).

Analysis of cash flows on acquisition

Net cash acquired (included in the cash flows from operating activities)	409,064
Cash paid (included in the cash flows from investing activities)	6,133,756
Net cash flow from acquisition	-5,724,692

6.4 Investments in subsidiaries

Name of entity	Year of acquisition / incorporation	Place of incorporation	Ownership %
TECO 2030 AS	2020	Norway	100%
TECO 2030 Fuel Cell AS	2020	Norway	100%
TECO 2030 INC	2020	USA	100%
TECO 2030 PTE LTD	2020	Singapore	100%
TECO 2030 Carbon Capture AS ¹⁾	2021	Norway	100%
TECO 2030 Future Funnel AS ²⁾	2021	Norway	100%
TECO 2030 Innovation Center AS ³⁾	2021	Norway	100%

- 1) The shares in TECO 2030 Carbon Capture AS was acquired in September 2021, the company named Athomstart Invest 625 AS at the time of the transaction was a dormant company.
- 2) The shares in TECO 2030 Future Funnel AS was acquired in September 2021, the company named Athomstart Invest 626 AS at the time of the transaction was a dormant company.
- 3) The shares in TECO 2030 Innovation Center AS was acquired in March 2021, the company named Athomstart Invest 536 AS at the time of the transaction was a dormant company.





TECO 2030 ASA

Statements of Comprehensive Income

Amounts in NOK	Notes	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Total revenue		2,100,102	-
Personnel expenses	2.1	-17,861,860	-2,221,835
Other operating expenses	2.2	-10,778,414	-12,025,124
Depreciation and amortisation	3.1.3.2	-3,027,172	-1,499,855
Total operating expenses		-31,667,446	-15,746,814
Operating profit (loss)		-29,567,344	-15,746,814
Finance income	4.8	3,032,153	479,936
Finance cost	4.6,4.8	-671,399	-1,090,285
Net financial income (expense)		2,360,754	-610,350
Profit (loss) before tax		-27,206,590	-16,357,164
Profit (loss) before tax		-27,206,590	-16,357,164
<i>Other comprehensive income:</i>		-	-
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the period		-	-
Comprehensive income for the year		-27,206,590	-16,357,164



TECO 2030 ASA

Statements of Financial Position

Amounts in NOK	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	542,767	193,160
Intangible assets	3.2	38,929,711	15,127,536
Restricted deposits	4.7	2,900,000	-
Right-of-use assets	3.3	3,158,892	-
Finance lease receivables	3.3	32,412,434	-
Shares in subsidiaries	6.3	2,439,578	1,060,000
Total non-current assets		80,383,382	16,380,696
Current assets			
Trade and other receivables	2.3.6.1	5,702,374	3,964,940
Inventories	3.4	-	6,084,475
Other receivables group companies	6.1	80,148,094	21,214,367
Other current assets		1,633,461	300,392
Current Financial lease receivables	3.3	3,097,112	-
Cash and cash equivalents	4.7	57,259,772	40,475,846
Total current assets		147,840,813	72,040,020
TOTAL ASSETS		228,224,195	88,420,716



Amounts in NOK	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	1,403,699	1,200,000
Share premium		180,264,067	83,805,377
Other reserves		5,770,480	449,731
Retained earnings		-46,185,275	-18,978,685
Total equity		141,252,971	66,476,423
Non-current liabilities			
Non-current lease liabilities	3.3	35,232,836	-
Other non-current liabilities		375,000	-
Non-current Liabilities to group companies	6.1	-	67,338
Total non-current liabilities		35,607,836	67,338
Current liabilities			
Current lease liabilities	3.3	3,469,825	-
Current Liabilities to group companies	6.1	37,357,553	23,827
Interest-bearing loans and borrowings	6.1	1,623,029	1,623,029
Trade and other payables	2.4	5,813,046	8,376,024
Convertible bonds	4.3	-	10,000,000
Other current liabilities	2.5	3,099,939	1,854,075
Total current liabilities		51,363,392	21,876,955
Total liabilities		86,971,228	21,944,293
TOTAL EQUITY AND LIABILITIES		228,224,195	88,420,716

Lysaker, 28 April 2022

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Birgit Marie Liodden
Member of the Board

Marit Elise Kirkhusmo
Member of the Board

John Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



TECO 2030 ASA

Statements of Changes in Equity

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity as of 01.01.2020		111,111	9,988,879	-	-2,621,522	7,478,468
Issuance of shares 19.08.2020		888,889	-888,889	-	-	-
Issuance of shares 09.10.2020		200,000	79,800,000	-	-	80,000,000
Transaction costs on share issue		-	-5,094,613	-	-	-5,094,613
Conversion rights		-	-	449,731	-	449,731
Profit (loss) for the year		-	-	-	-16,357,164	-16,357,164
Profit (loss) for the year		1,200,000	83,805,377	449,731	-18,978,686	66,476,423

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021		1,200,000	83,805,377	449,731	-18,978,686	66,476,423
Issuance of shares 13.01.2021		40,000	9,950,000	-	-	9,990,000
Issuance of shares 02.07.2021		32,446	19,967,539	-	-	19,999,985
Issuance of shares 20.10.2021		41,253	21,448,920	-	-	21,490,173
Issuance of shares 23.12.2021		90,000	44,910,000	-	-	45,000,000
Share-base payment		-	-	5,770,480	-	5,770,480
Transaction costs on share issue		-	-267,500	-	-	-267,500
Conversion rights		-	449,731	-449,731	-	-
Profit (loss) for the year		-	-	-	-27,206,590	-27,206,590
Balance as of 31 December 2021		1,403,699	180,264,067	5,770,480	-46,185,275	141,252,971



TECO 2030 ASA

Statements of Cash Flows

Amounts in NOK

Cash flows from operating activities	Notes	01.01.2021- 31.12.2021	01.01.2020 - 31.12.2020
Profit or loss before tax		-27,206,590	-16,357,164
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net financial income/expense		-60	319,272
Conversion right		12,315	449,731
Share based payments		5,770,480	
Depreciation, amortisation and impairment	3.1,3.2	3,027,172	1,499,855
<i>Changes in working capital:</i>			
Changes in trade receivables and other receivables	2.4	-63,696,465	-20,411,538
Changes in trade and other payables	2.5	35,949,272	7,012,575
Change in inventories		6,084,475	-6,084,475
Other changes in operating activities		-567,353	
Net cash flows from operating activities		-40,626,754	-33,571,744
Cash flow from investing activities			
Purchase of property, plant and equipment	3.1	-496,170	-109,969
Development expenditures	3.2	-35,691,083	-8,836,037
Transaction cost acquisition of shares		-	-100,000
Purchase and acquisition of intangible assets	3.2	-978,840	-3,800,400
Purchase of shares and investments in other companies	6.3	-1,379,578	-1,060,000
Interest received	4.8	904	241,924
Net cash flows from investing activities		-38,544,767	-13,864,482



Cash flows from operating activities	Notes	01.01.2021- 31.12.2021	01.01.2020 - 31.12.2020
Cash flow from financing activities			
Net proceeds from issuance of equity		96,662,389	74,905,387
Proceeds from convertible debt	4.3	-	10,000,000
Repayment of principal		-	-6,933,765
Repayment of interest		-969	-83,270
Proceeds from public funding		375,000	
New borrowings		-	6,133,756
Cash payments for the principal portion of the lease liability		-1,503,220	-
Cash payments for the interest portion of the lease liability		-538,894	-
Net cash flows from financing activities		94,994,308	84,022,108
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year/period	4.7	40,475,846	3,689,963
Effects of exchange rate changes on cash and cash equivalents		961,140	
Cash and cash equivalents, end of year		57,259,772	40,475,846

The statement of cash flows are prepared using the indirect method.



TECO 2030 ASA

Notes to financial statements

Section 1 - Overview

1.1 Corporate information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. TECO 2030 ASA shares are traded on Euronext Growth (Oslo, Norway). The registered office address of TECO 2030 is Lysaker Torg 12, 1366 Lysaker, Norway.

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board on 28 April 2022. Until this date the Board of Directors has the authority to amend the financial statements.

1.2 Basis of preparation

The financial statements of TECO 2030 consist of the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU) and additional disclosure requirements in the Norwegian Accounting Act as effective as of 31 December 2021.

The financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK). The financial statements are prepared on a going concern basis.

1.3 Estimates, judgements and assumptions

The preparation of the financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the 's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

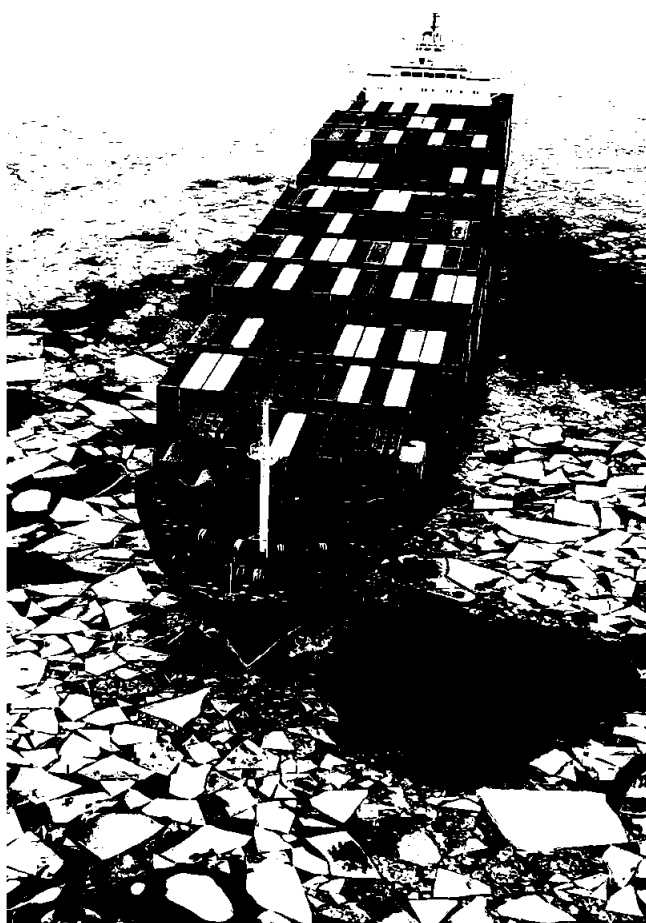
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Reference is made to note 5.1 for information on recognised and unrecognised deferred tax assets.

Going concern

The Company is still in a ramp-up phase, and the Company's development programs as well as completion of the factory plant in Narvik is not fully funded. Historically, the Group's projects have been funded with proceeds from private placement on a step-by-step basis. Subject to conditions related to receiving full funding, the Company will receive a NOK 50 million grant from Innovation Norway. Management is currently assessing various strategic initiatives in order to be able to finance the continuation of its expansive development programs. The Company will need to obtain additional funding before mid-2022. Based on the development of the Company's projects, interest in the market as well as the historical track record from obtaining funding for next phase, the Board is confident that additional funding will be raised, and the financial statements are prepared under the going concern assumption. However, with the current prevailing market, there exists a material uncertainty related to obtaining sufficient funding in a timely matter.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.





1.4 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are described in the respective note, or if not, set out below.

Foreign currency translation

Items included in the financial statements are measured using the functional currency. The Company's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss on a net basis within other gains/(losses).

Current/non-current classification

An asset is classified as current when it is expected to be realised, or is intended for sale or consumption, in the Company's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current.

Subsidiaries

Investments in subsidiaries are recognised at acquisition cost.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits. Cash and cash equivalents excludes cash that is not readily available for short-term liquidity needs. The cash given as a deposit in connection with the leasing of premises is not readily available and is therefore excluded from cash and cash equivalents.

Trade receivables

The Company initially recognises trade receivables at the amount of unconditional consideration to which the Company is contractually entitled. The receivables are subsequently measured at amortised cost using the effective interest method, less any loss allowance. The Company applies the simplified loss allowance approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the date of the initial recognition of the receivables.

Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs. The inventory at the end of 2020 consisted of two 10 MW scrubbers. During 2021 this inventory was transferred to a subsidiary at book value. As of the end of 2021, the Company does not own any inventory.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the time period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the amount of the grant in arriving at the carrying amount of



the asset. The receipt of the grant is then recognised in the statement of comprehensive income over the useful life of that asset as a reduction in the depreciation expense.

Statement of cash flows

The statement of cash flows is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

Distribution to shareholders

TECO 2030 ASA recognises a liability to make distributions to its shareholder when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per

the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity, net of current income tax.

Employee benefits, guarantees and remuneration to management, board of directors and shareholders

The Company have a defined occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon") which is described in Note 2.2. Any details of loans or issued guarantees to board members, the CEO, shareholders or other related parties along with the board and the CEO remuneration has been disclosed in note 6.1.





1.5 New standards and amendments

The new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2021 (i.e. years ending 31 December 2021) were adopted by the Company but did not have any impact or were not relevant to the Company's financial statements upon adoption.

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to impact the Company's financial statements materially, or are not expected to be relevant to the Company's financial statements upon adoption.

Section 2 - Operating performance

2.1 Employee benefit expenses

Employee benefit expense	01.01.2021- 31.12.2021	31.12.2020- 31.12.2020
Salaries and wages	10,794,843	1,322,347
Social security tax	2,016,722	293,095
Pension	455,235	41,000
Other personnel costs	204,010	441,573
Share-based payments	4,570,902	-
Capitalized personnel expense	-1,156,215	-123,821
Reimbursed personnel expenses	-121,500	-
Reimbursement - Government grants (Skattefunn)	1,097,863	
Total employee benefit expenses	17,861,860	2,221,835

The Company has 6 employees as of year-end 2021.

Capitalised personnel expense

Personal expense of NOK 1 156 215 has been capitalised as development.

Pensions

The Company is obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Company's pension scheme adheres to the legal requirements. The Company has a defined contribution plan.

Share-based payments

TECO 2030 accounts for share-based compensation in accordance with IFRS 2 Share-based Payments. Share-based compensation expense is measured at fair value using a Black-Scholes model over the service period and includes social security taxes that will be paid by the Company at the

settlement date. All changes in fair value are recognized in the statement of comprehensive income.

The Board of Directors has implemented a share incentive scheme for employees and board members of the Company for the period 2020 - 2022. The first grant was made in 2021. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options.



There are at least two exercise periods each calendar year. Under the plan, participants are granted options which vest at 12, 24 and 36 months from the date of the grant. Options were granted in February 2021. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The options once vested remain exercisable until 48 months after the date of the grant letter. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share at the stated exercise price in the

stock option agreement. Exercised options are settled in shares, not cash. The exercise price of the options is NOK 4 for options vesting 12 months after grant date (February 2022), NOK 8 for options vesting 24 months after grant date (February 2023) and NOK 10 for options vesting 36 months after grant date (February 2024).

Set out below are summaries of options granted under the plan during 2021, the first year of the Option Incentive Scheme in total and for key management:

Share-based compensation to key management	Options granted 2021	Options vested and exercisable as of 31.12.2021	Options exercised in 2021	Options expired in 2021	Total options outstanding 31.12.2021
Tore Enger (CEO)	1,500,000	-	-	-	1,500,000
Pål Christian Johnsen (CFO)	450,000	-	-	-	450,000
Tor-Erik Hoftun (EVP Operation)	900,000	-	-	-	900,000
Erling Hoftun (VP Special Projects)	200,000	-	-	-	200,000
Total options granted to key management	3,050,000	-	-	-	3,050,000

Total options granted 01.01.2021	
Options granted during 2021	7,210,000
Options exercised during 2021	-
Options expired or terminated during 2021	-300,000
Total options outstanding 31.12.2021	6,910,000
Total options vested and exercisable as of 31.12.2021	-

2.2 Other operating expenses

Other operating expenses (NOK)	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Management fees	-	5,576,176
Legal, audit and professional fees	4,685,332	4,440,753
Other operating expenses	6,295,666	2,008,195
Reimbursement - Government grants (Skattefunn)	-202,584	
Total other operating expenses	10,778,414	12,025,124



Auditor fees	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Statutory audit (excl. VAT)	322,225	461,200
Audit related services and attestation (excl. VAT)	177,500	393,000
Tax compliance (excl. VAT)	-	93,826
Other services (excl. VAT)	-	447,649
Total remuneration to the auditor	499,725	1,395,675

2.3 Trade and other receivables

Trade and other receivables	31.12.2021	31.12.2020
Trade receivables	1,863,015	-
VAT receivable	-	1,071,483
Other receivables	3,296,116	-
Government grants receivable (Skattefunn)	543,243	-
Interest bearing loans related parties	-	2,893,457
Total other receivables	5,702,374	3,964,940

2.4 Trade and other payables

Trade and other payables (NOK)	31.12.2021	31.12.2020
Trade payables	4,436,267	7,730,088
Public duties payable	1,376,779	645,936
Total trade and other payables	5,813,046	8,376,024

2.5 Other current liabilities

	31.12.2021	31.12.2020
Salaries payable and board remuneration payable	1,095,024	877,225
Other accrued expenses	2,004,915	976,851
Total other current liabilities	3,099,939	1,854,075





Section 3 - Asset base

3.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual

values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Equipment and movables	Total
Carrying amount 01.01.2020	164,909	164,909
Additions	109,969	109,969
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.2020	274,878	274,878
Accumulated depreciation & impairment 31.12.2020	-	-
Depreciation for the year	-81,718.0	-81,718.0
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2019	-81,718.0	-81,718.0
Carrying amount 31.12.2020	193,160	193,160



	Equipment and movables	Total
Acquisition cost 01.01.2021	274,878	274,878
Additions	577,888	577,888
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.2021	852,766	852,766
Accumulated depreciation & impairment 31.12.2021	-81,718	-81,718
Depreciation for the year	-228,281	-228,281
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2021	-309,999	-309,999
Carrying amount 31.12.2021	542,767	542,767
Economic life (years)	3-5	
Depreciation plan	Straight-line method	

3.2 Intangible assets

Nature of the Company's intangible assets

The Company has recognised intangible assets comprising internal development projects related to the Company's solutions:

- TECO Smart Scrubber - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements
- TECO PEM Fuel cells

ACCOUNTING POLICIES

Intangible assets acquired in a business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalised no

amortization is recognised and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortised using the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired and on an annual basis. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as prospective changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.



SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.
- Its ability to use or sell the intangible asset.

Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit. The Company concluded that the Smart Scrubber was available for use from 1 April 2020 and therefore is now amortised over its estimated useful life. No indicators for impairment of intangible assets were identified in the current or prior period.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.

	Development	Completed development	Sales and distribution agreement	Website	Total
Carrying amount 01.01.2020	3,909,237	-	-	-	3,909,237
Additions	745,817	8,090,220	3,750,000	50,400	12,636,437
Disposals	-	-	-	-	-
Reclassifications	-3,909,237	3,909,237	-	-	-
Acquisition cost 31.12.2020	745,817	11,999,457	3,750,000	50,400	16,545,674
Accumulated amortisation & impairment 31.12.2020	-	-	-	-	-
Amortisation for the year	-	-1,103,958	-312,500	-1,680	-1,418,138
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Accumulated depreciation & impairment 31.12.2020	-	1,103,958	312,500	1,680	1,418,138
Carrying amount 31.12.2020	745,817	10,895,499	3,437,500	48,720	15,127,536



	Development	Completed development	Sales and distribution agreement	Production plant design development	Website	Total
Acquisition cost 01.01.2021	745,817	11,999,457	3,750,000		50,400	16,545,674
Additions	34,482,638	-	-	1,208,445	-	35,691,083
Disposals	-	-	-		-	-
Reimbursement - Government grants (Skattefunn)	-3,724			-229,605		-233,329
Reclassifications		-	-		-	-
Acquisition cost 31.12.2021	35,224,731	11,999,457	3,750,000	978,840	50,400	52,003,428
Accumulated amortisation & impairment 01.01.2021	-	-1,103,958	-312,500		-1,680	-1,418,138
Amortisation for the year	-	-1,790,851	-750,000		-10,080	-2,550,931
Impairment	-	-	-		-	-
Disposals	-	-	-		-	-
Reclassifications	-	-	-		-	-
Transferred to Subsidiaries		-9,104,649				-9,104,649
Accumulated amortisation & impairment 31.12.2020	-	-2,894,808	-1,062,500	-	-11,760	-13,073,717
Carrying amount 31.12.2021	35,224,731	-0	2,687,500	978,840	38,640	38,929,710
Economic life (years)		7	5		5	5
Amortisation plan		Straight-line method	Straight-line method		Straight-line method	Straight-line method

Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalized are included in the statement of comprehensive income as other operating expenses.

Intangible assets with indefinite useful lives - Impairment considerations

Intangible assets

Intangible assets include capitalised development costs and a sales and distribution agreement as well as a strategic cooperation agreement with the Company's major development partner. The Development and Completed development capitalised costs were transferred to subsidiaries at net book value on 31 December 2021.



Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Company's major development partner. As such, this agreement is considered to be vital in the future development of the Company and its product portfolio.

The Sales and Distribution Agreement is necessary for the Company to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2024. The sales level in the Group in 2020, 2021 and expected future sales support the balance sheet value of the sales and distribution agreement.

3.3 Leases

Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Company recognises the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is measured at present value of unpaid lease payment which includes the following:

- Fixed rental payments less incentives
- Variable lease payments based on an index or rate
- Purchase option price (reasonably certain)
- Guaranteed Residual Value
- Penalty for termination of lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest charges and reducing the carrying amount to reflect lease payments. The carrying amount of lease liability is remeasured to reflect any reassessments or lease modifications that have been made during the reporting period.

Measuring the right-of-use asset

Right of use of asset is Initially measured at Cost. Cost includes:

- The amount of initial lease liability
- Lease payments made on or before commencement
- Initial direct costs incurred
- Estimated costs of dismantling or site restoration
- Less: Incentives

The right-of-use of asset is subsequently measured using cost model i.e. cost less accumulated depreciation and impairment losses. The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company has elected to not apply



the revaluation model for its right of use asset for leased buildings. The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Interest Rate

Interest rate for the calculation of present value of future lease payments is either

- Interest rate implicit in a lease OR
- Incremental borrowing rate by lessee

Right-of-use assets

The Company leases office space (premis) and vehicles. The Company has elected to apply the practical expedient related to the leasing of low value assets (primarily leases of personal computers, IT equipment and other office equipment) and does not recognise a lease liability or right-of-use assets for these items. The lease payments are expensed when they incur. The Company did not have any leasing agreements during 2020.

Right - of use assets	Premises	Vehicles	Total
Acquisition cost 01.01.2021	0	0	0
Addition of right-of use assets	2,287,007	1,201,563	3,488,570
Acquisition cost 31 December 2021	2,287,007	1,201,563	3,488,570
Depreciation and impairment 31 December 2021	-	-	-
Depreciation	-76,234	-253,444	-329,678
Accumulated depreciation and impairment 31 December 2021	-76,234	-253,444	-329,678
Carrying amount of right-of use assets 31 December 2021	2,210,773	948,119	3,158,893

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	3,623,029
1-2 years	3,754,694
2-3years	3,891,625
3-4 years	3,702,625
4-5years	3,850,730
Beyond 2026 / Later than 5 years	19,911,180
Total undiscounted lease liabilities at 31 December 2021	38,733,882



Summary of the lease liabilities in the financial statements	Statement of:	Total
Changes in contracts		-
New lease liabilities recognised in the year		40,205,881
Cash payments for the principal portion of the lease liability	Cash flows	1,503,220
Cash payments for the interest portion of the lease liability	Cash flows	538,894
Interest expense on lease liabilities	Profit and loss	538,894
Reassessment of the discount rate on previous lease liabilities	Profit and loss	
Total lease liabilities at 31 December 2021		38,702,861
Current lease liabilities	Balance sheet	3,469,825
Non-current lease liabilities	Balance sheet	35,232,836
Total cash outflows for leases	Cash flows	2,042,114

TECO 2030 ASA subleases the office location Lysaker Torg 45 to various companies over the same time period as the head lease. The Current financial lease receivables related to this sublease as of 31.12 2021 is NOK 3 097 112, the non-current financial lease receivable is NOK 3 097 112.





Section 4 - Financial instruments, risk and equity

4.1 Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company measures its financial assets at amortised cost. At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Company's financial instruments are grouped in the following categories:

Financial assets measured at amortised cost:

- Includes trade receivables, cash and cash equivalents and loans to related parties and intercompany loans.

Financial liabilities measured at amortised cost:

- Represents the Company's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables and borrowings from related parties.

Financial liabilities measured at fair value:

- Includes the conversion option derivative recognised in 2019. Upon redemption of the convertible bond loan the Company does not have any financial liabilities measured at fair value over profit or loss.

All of the Company's financial assets are part of the Company's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest

on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Company's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Company does not buy or sell or hold any derivative financial instruments.

Initial recognition and subsequent measurement

The Company's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Company bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

The carrying amount of the Company's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:



31.12.2021	Note	Financial instruments at amortised cost	Total
Assets			
Other receivables intercompany	6.1	80,148,094	80,148,094
Trade receivables	2.3,6.1	1,863,015	1,863,015
Current finance lease receivables	3.3	3,097,112	3,097,112
Cash and cash equivalents *	4.7	57,259,772	57,259,772
Government grants receivable (Skattefunn)	2.3	543,243	543,243
Total financial assets		142,911,236	142,911,236
Liabilities			
Interest bearing loans and borrowings	4.2	1,623,029	1,623,029
Current and non-current lease liabilities	3.3	38,702,661	38,702,661
Current liabilities to group companies	6.1	37,357,553	37,357,553
Trade payables	2.4	4,436,267	4,436,267
Total financial liabilities		82,119,510	82,119,510

31.12.2020	Note	Financial instruments at amortised cost	Total
Assets			
Receivables related parties	6.1	2,893,457	2,893,457
Other receivables intercompany	6.1	21,214,367	21,214,367
Trade receivables	2.3,6.1	1,863,015	1,863,015
Cash and cash equivalents	4.6	40,475,846	40,475,846
Total financial assets		66,446,685	66,446,685
Liabilities			
Current liabilities to group companies	6.1	23,827	23,827
Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Convertible bond loan	4.3	10,000,000	10,000,000
Trade payables	2.4	7,730,088	8,376,024
Total financial liabilities		19,376,944	20,022,880



4.2 Interest-bearing loans and borrowings

Current interest bearing loans and borrowings	31.12.2021	31.12.2020
Borrowings from related parties	1,623,029	1,623,029
Convertible bond loan	-	10,000,000
Net total current interest bearing loans and borrowings	1,623,029	11,623,029

The Company does not have any non-current interest bearing loans and borrowings. The convertible bond loan was converted in January 2021, see note 4.3 for further information.

The Company did not provide any guarantees to or on behalf of third parties as of 31 December 2021, or as of 31 December 2020. The Company does not have significant commitments.

The Company has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.

	Convertible bond loan	Borrowings related parties	Total
Balance at 01.01.2020	-	4,722,251	4,722,251
<i>Changes from financing cash flows</i>	-	-	-
Repayment of borrowings	-	-6,933,765	-6,933,765
New borrowings from related parties	-	6,133,756	6,133,756
Interest paid	-	-54,852	-54,852
Proceed from borrowings	10,000,000	-	10,000,000
Total changes from financing cash flows	10,000,000	-854,861	9,145,139
<i>Non-cash changes</i>			
Interest expense using effective interest method	-	-2,497,768	-2,497,768
Other non-cash	-	253,398	253,398
Interest expense (effective interest) convertible bonds	449,731	-	449,731
Derivative conversion liability transferred to equity	-449,731	-	-449,731
Accrued interest convertible bonds	684,595	-	684,595
Reversal of accrued interest convertible bonds upon notification of conversion	-684,595	-	-684,595
Total non-cash changes	-	-2,244,370	-2,244,370



	Convertible bond loan	Borrowings related parties	Total
Balance 01.01.2021	10,000,000	1,623,020	11,623,020
<i>Changes from financing cash flows</i>	-	-	-
Total changes from financing cash flows	-	-	-
<i>Non-cash changes</i>	-	-	-
Redemption of convertible bond loan for shares	-10,000,000	-	-10,000,000
Total non-cash changes	-10,000,000	-	-10,000,000
Balance 31.12.2021	-	1,623,020	1,623,020

4.3 Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loans in July 2021. Each bondholder can give notification and convert the loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The fair value of the convertible bonds at initial recognition reflects the fair value of the liability ("the loan") and the fair value of the conversion rights. At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The full fair value was measured using an option pricing model. The conversion right liability was recognized at a total fair value of NOK 5,8 million and NOK 5,4 million loss is presented in the P&L as a financial item. The NOK 5,8 million liability was reclassified against equity at the time of the IPO when the conversion share price of NOK 25 was fixed. No subsequent remeasurement is required for the

conversion rights following the recognition against equity at the date of the IPO. The convertible bond loan is subsequently measured at amortised cost.

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end 2020. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bonds as of 31 December 2020 is NOK 10 million.

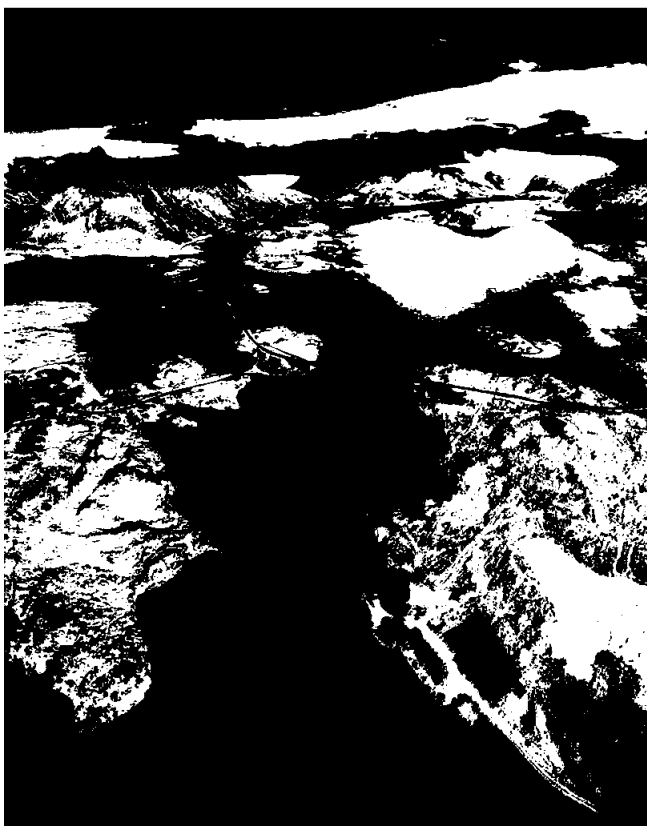
The bonds were converted in January 2021 and after the conversion the total number of outstanding shares of TECO 2030 ASA was 12 400 000 shares, each with a nominal value of NOK 0.10. The new shares are listed on Euronext Growth (Oslo, Norway) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.

4.4 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowing from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.



4.5 Risk management

Risk factors

The TECO 2030 Group is, like all companies and groups of companies, subject to several risk factors. These are related to business areas such as operational risks, financial risks (credit, liquidity, interest etc.), and market risks. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, a young group of companies, a fact which by itself represents and increases a number of risk factors compared to companies with a longer track record. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

The BoD and management team of TECO 2030 are constantly monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical.

Operational risk factors

As TECO 2030 is in an early stage and to a substantial extent depends on external partners for development and production, the internal operational risks are limited. However, the Group is dependent on recruiting and retaining highly qualified personnel with deep knowledge of the maritime industry and relevant technologies.

The Group will also need to maintain close relationships with its key business partners.

Development risk

Developing new technologies is always associated with development risk. The development of the TECO 2030 Fuel Cells is done in close cooperation with AVL, a major development company with a long track record of developing new technologies within the areas of in which TECO 2030 operates. TECO 2030 also has strong development

competence within the organization. Even so, there is a risk that developed products do not function as well as anticipated, either due to technical failures or other technical or design challenges, or that competing and superior technologies emerge, leading to TECO 2030's products being outperformed by competitors. Although relying on already available patents from AVL and/or jointly developed patents by AVL and TECO 2030, the risk of patent restrictions might occur.

The development of the TECO 2030 Carbon Capture solution is made in close cooperation with the US-based company Chart Energy & Chemicals, Inc. This cooperation is still in an early phase, and it is expected to increase substantially throughout 2022.

Market risk

Green technology is in constant change and is dependent on factors such as major fluctuations in oil prices, as low oil prices increase ship owners return on investment for scrubber installations and other low-emission technologies; the global economy in general and shipping companies in particular; and national and international regulations. Stricter regulations will increase the pressure and the financial incentives for ship owners to choose new and cleaner technologies. For TECO 2030's Fuel Cell technology, important factors such as availability of sufficient volumes of hydrogen at a reasonable cost will be decisive for ship owners' willingness to invest in such technology.

Interest rate risk

As per end of 2021, TECO 2030 is to a very limited extent exposed to interest risk. The Company had per 31 December 2021 no interest-bearing loans. It has an approx. NOK 4 million leasing agreement related to various equipment.



Liquidity risk/Financing risk

The Company has throughout 2021 successfully raised NOK 86.5 million in three private placements. The cash from these share issues secures the Company's liquidity needs. In order to secure sufficient funding for the rest of the Group, the Company needs to secure further funding during 2022 as the cash position as per end of December 2021 is insufficient to meet the Group's ongoing development program. It is also a prerequisite from Innovation Norway that the Company secures another NOK 113.5 million in order to release the

provided grant of NOK 50 million. The Group's success, or lack of success, in selling TECO 2030 Future Funnels and ballast water treatment systems may also affect the Group's cash position in 2022.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

As at 31 December 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings related parties (Note 4.2)	1,623,029			1,623,029
Intercompany borrowings (Note 6.1)	37,357,553			37,357,553
Trade payables (Note 2.5)	5,813,046	-	-	5,813,046
Total contractual undiscounted payments	44,793,628	-	-	44,793,628

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has a limited number of customers as per the end of 2021 and has established internal guidelines in order to minimise the credit risk related to our customer receivables.

Risks related to regulations and political risk

Governmental regulations in the jurisdictions in which TECO 2030 operates, relating to issues such as health, security, environment, and tax, will affect the Company's business going forwards. New or changing regulations implemented by EU and IMO, the United Nations authority to serve as a regulator of all vessels sailing in international waters, may affect the market for products in the markets in which TECO 2030 operates. Additionally, regulations might be imposed from by flag states and local authorities.

Risks related to key personnel and competence

TECO 2030's future success will partly depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. TECO 2030's total number of employees is limited and retaining key personnel is therefore important.

Foreign exchange risk

Throughout 2021, TECO 2030 was exposed to foreign exchange transaction risk as its funding primarily was made in NOK, whereas major cooperating partners are located in central Europe with Euro as currency. The sales of ballast water treatment systems were primarily made in Euro with corresponding system purchases in the same currency, hence reducing the foreign exchange risk on these sales. For In 2022 the Group will have substantial expenses in Euro to cooperating partners, and the Company will consider raising additional funding in Euro. Possible future sales will primarily be in Euro and USD, and the Company will, to the



extent possible, secure the majority of production expenses in the corresponding currency. Some of the production costs will, however, be in NOK together with a large part of the Company's overhead expenses and, as such, lead to an increased exposure to the EUR/USD versus NOK exchange rates.

In addition, the Company will, from project to project, be exposed to a limited number of other currencies (mainly USD). The Company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the Company's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Covid-19

Although the pandemic still was considered a potential threat to the world economy by the end of 2021, oil prices were at their highest level of the last five-year period. Further, the price spread between high-sulphur and low-sulphur fuel oils was back to levels which makes the exhaust gas cleaning system (Future Funnel) an attractive investment case for a wide variety of ship owners. Consequently, the board of directors believes that 2022 can be a successful year for these systems, which are considered important temporary solutions on the way to a future of zero-emission shipping.

4.6 Equity and shareholders

	Number of shares authorised and fully paid	Par value per share (NOK)	Carrying amount (NOK)
31 December 2019	1,111,111	0.1	111,111
Equity issue 19 August 2020	8,888,889	0.1	888,889
Equity issue 9 October 2020	2,000,000	0.1	200,000
31 December 2020	12,000,000	0.1	1,200,000
Equity issue 13 January 2021	400,000	0.1	40,000
2 March 2021	12,400,000	0.1	1,240,000
Sharesplit 3 March 2021	124,000,000	0.01	1,240,000
Equity issue 2 July 2021	3,244,644	0.01	32,446
Equity issue 20 October 2021	4,125,170	0.01	41,252
Equity issue 23 December 2020	9,000,000	0.01	90,000
31 December 2021	140,369,814	0.01	1,403,698

As described in the convertible bonds note, 400 000 shares at NOK 25 per share were issued in a conversion of bonds. The new share capital was registered on 13 January 2021.

At a general meeting held on 19 February 2021, it was resolved to split the shares outstanding in the Company in the ratio of

1:10. Following the completion of the share split there were 124 000 000 shares in the company, each with a par value of NOK 0.01. The shares were traded with the 1/10 split from 3 March 2021.



In June 2021 the Company raised NOK 20 million through a private placement of 3 244 644 new shares at an issuance price of NOK 6.164. The share capital increase was registered on 2 July 2021.

In October 2021 the Company raised NOK 21,5 million through a private placement of 4 125 170 new shares at an issuance price of NOK 5.2095. The share capital increase was registered on 20 October 2021.

In December 2021 the Company completed a private placement through an allocation of 9 000 000 shares at an issuance price of NOK 5.00 per share giving a gross proceeds of NOK 45 million. The share capital increase was registered on 23 December 2021. The share capital after the December share issuance was NOK 1 403 699 with 140 369 814 shares outstanding at a nominal value per share of NOK 0.01.

The Company's 20 largest shareholders as of 31 December 2021 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	37.07%
CLEARSTREAM BANKING S.A.	25,604,324	18.24%
CITIBANK, N.A.	15,663,841	11.16%
JAKOB HATTELAND HOLDING AS	8,000,000	5.70%
UBS SWITZERLAND AG	4,471,289	3.19%
SOLVIK HOLDING AS	3,500,000	2.49%
HANSEN EIENDOM OG KONSULT AS	2,983,484	2.13%
TECO MARITIME GROUP AS	2,885,250	2.06%
EQUITOR AS	2,645,140	1.88%
JAHATT AS	2,128,201	1.52%
TECO TECH HOLDING AS	1,624,130	1.16%
SAXO BANK A/S	1,558,840	1.11%
MORGAN STANLEY & CO. INT. PLC.	1,279,586	0.91%
KBC Bank NV	1,122,991	0.80%
MEDIKOM AS	1,052,860	0.75%
PCJ INVEST AS	860,870	0.61%
ESRO INVEST AS	805,580	0.57%
CANICA AS	518,287	0.37%
SOO INVEST AS	505,000	0.36%
MARCUSSEN SHIPPING AS	494,410	0.35%
20 largest shareholders	129,745,513	92.43%
Other shareholders	10,624,301	8.00%
Total shareholders	140,369,814	100%



The Company's 20 largest shareholders as of 31 December 2020 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	43.37%
CITIBANK, N.A.	8,963,640	7.47%
SIX SIS AG	8,059,430	6.72%
HANSEN EIENDOM OG KONSULT AS	7,326,700	6.11%
CLEARSTREAM BANKING S.A.	5,918,010	4.93%
JAKOB HATTELAND HOLDING AS	3,907,320	3.26%
CANICA AS	3,750,000	3.13%
TECO MARITIME GROUP AS	2,885,250	2.40%
SOLVIK HOLDING AS	2,800,100	2.33%
EQUITOR AS	2,645,140	2.20%
JAHATT AS	2,443,220	2.04%
TECO TECH HOLDING AS	1,724,690	1.44%
MICHAEL NYGAARD RASMUSSEN	1,398,000	1.17%
MEDIKOM AS	1,337,860	1.11%
STAVERN HELSE OG FORVALTNING AS	1,256,280	1.05%
NORDNET LIVSFORSIKRING AS	1,073,590	0.89%
PCJ INVEST AS	860,870	0.72%
ASTRUP FEARNLEY AS	700,000	0.58%
HØGÅSEN HOLDING AS	699,000	0.58%
BLOMS OPPMÅLING AS	610,000	0.51%
20 largest shareholders	110,400,530	92%
Others	9,599,470	8%
Total shareholders	120,000,000	100%

1) The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.



4.7 Cash and cash equivalents

For the purpose of presentation in the Company financial statements, cash and cash equivalents includes cash and bank deposits.

Cash and cash equivalents	31.12.2021	31.12.2020
Bank deposits	57,259,772	40,475,846
Total cash and cash equivalents	57,259,772	40,475,846

Restricted cash included in the deposits above:

Withheld tax in relation to employee benefits	679,906	352,842
Other	-	-

The Company has a restricted rental deposit of NOK 2 900 000 connected with the lease of office space in Lysaker. The restricted cash deposit is not included as part of cash and cash equivalents.





4.8 Finance Income and finance cost

The Company's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

Finance income and finance costs	Class of financial instrument	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Finance income			
Interest income		-	-
Interest income -Inter company	Cash and cash equivalents	1,482,465	176,706
Interest income - related party	Loan to related parties	904	65,218
Foreign exchange gains	Liabilites and receivables	1,080,366	162,806
Interest income on sub-lease	Finance lease receivables	468,418	
Other financial income		-	75,206
Total finance income		3,032,153	479,936
Finance costs			
Interest expenses - related party	Interest-bearing liabilities		77,684
Fair value adjustment - conversion rights	Convertible bond loan	12,315	449,731
Interest expense debt	Other financial liabilities	969	5,586
Interest expense leases	Lease liabilities	538,894	-
Foreign exchange loss	Other financial liabilities	119,221	557,284
Total finance costs		671,399	1,090,285
Net financial income (expense)		2,360,754	-610,350



Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income tax expense	31.12.2021	31.12.2020
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax expense	-	-

Current tax	31.12.2021	31.12.2020
Profit before taxes	-27,206,590	-16,357,164
Permanent differences	144,161	414,886
Change in temporary differences	27,062,429	15,942,278
Tax basis 31.12	-	-

Current tax 22%

Current tax in the financial position



Temporary differences	31.12.2021	31.12.2020
Property, plant and equipment	-8,982	-357
Intangible assets	1,390,536	2,126,537
Lease agreements	-34,223	
Accumulated loss carried forward	-46,973,571	-20,689,990
Basis for deferred tax liabilities (assets)	-45,626,240	-18,563,810
Not included in the calculation of deferred tax*	45,626,240	18,563,810
Deferred tax liabilities recognised in balance sheet	-	-

* Until commencement of sale/agreement has reach a profitable level, the Company will not record any deferred tax asset related to its tax loss carried forward and other temporary differences There are no time limitation in Norway for utilization of historical tax losses.

Reconciliation of income tax expense	31.12.2021	31.12.2020
Profit before taxes	-27,983,859	-16,357,164
22% of profit before tax	-5,985,450	-3,598,576
22% of permanent differences	31,715	91,275
Not included in the calculation of deferred tax*	5,953,734	3,507,301
Not included in the calculation of deferred tax	-	0
Recognised income tax expense	-	-





Section 6 - Other disclosures

6.1 Related party transactions

2021

Remuneration to key management	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO)	3,705,775	74,116	382,711	4,162,602
Pål Christian Johnsen (CFO)	1,175,002	23,500	18,089	1,216,591
Tor-Erik Hoftun (EVP Operation)	1,310,579	26,212	18,089	1,354,880
Erling Hoftun (VP Special Projects)	1,150,002	23,000	136,356	1,309,358
Total other operating expenses	7,341,358	146,827	555,245	8,043,430

2020

Remuneration to key management	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO) ¹⁾	683,333	14,100	52,119	749,552
Pål Christian Johnsen (CFO) ¹⁾	255,666	12,800	8,361	276,827
Tor-Erik Hoftun (BDO) ¹⁾	241,666	14,100	8,361	264,127
Total other operating expenses	1,180,665	41,000	68,841	1,290,506

¹⁾ Remuneration to key management for 2020 is only for a partial year, as the employment agreements for Tore Enger, Pål Christian Johnsen and Tor-Erik Hoftun were transferred from Teco 2030 AS to the parent company in November 2020.

Tore Enger has a six-month notice period.

Remuneration to the board of directors in the parent company was NOK 687 500 in 2020 and NOK 1 295 835 for 2021.

The Company started a share-based compensation program for key management and other employees in 2021. See note 4.1 for details about the plan and the share-based compensation awarded to key management.

Profit or loss items

Related parties	Type of service	01.01.2021-31.12.2021	01.01.2020-31.12.2020
TECO Technologies AS	Interest income		48,734
Rubber Innovation AS ¹⁾	Project related work	112,775	
BLOM Maritime AS ¹⁾	Consultancy Fees	2,800	
TECO Maritime Group AS ¹⁾	Consultancy Fees	21,000	-
Total		136,575	48,734



Related parties - Purchase of services	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
TECO Technologies AS ¹⁾	Consultancy Fees		-5,576,176
TECO Tech Holding AS ¹⁾	Interest cost		-77,684
BLOM Maritime AS ¹⁾	Consultancy Fees	-349,375	-
BLOM Maritime INC ²⁾	Reimbursement of travel expenses	-13,002	-
Total		-362,377	-5,653,860
Total		-225,802	-5,605,126

Subsidiary - Sales of services	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
TECO 2030 AS	Personell		38,910
TECO 2030 AS	Interest on receivables	1,283,532	95,922
TECO 2030 Fuel Cell AS	Interest on receivables	53,161	-
TECO 2030 Fuel Cell AS	Development services	205,281	-
TECO 2030 Innovation Center	Interest on receivables	23,356	-
TECO 2030 Innovation Center	Development services	78,610	-
TECO 2030 Carbon Capture AS	Development services	150,702	-
TECO 2030 INC	Interest on receivables	161,840	-
TECO 2030 PTE LTD	Interest on receivables	-39,425	55,666
Total		1,917,058	190,498

Subsidiary - Purchase of services	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
TECO 2030 AS	Costs forwarded	41,355	-
TECO 2030 INC	Travel expenses	766,172	24,087
Total		807,527	24,087



Balance sheet items

Subsidiary - Assets	Balance type	31.12.2021	31.12.2020
TECO 2030 AS	Other receivable Inter Company	49,895,649	16,886,965
TECO 2030 INC	Other receivable Inter Company	4,163,362	3,762,397
TECO 2030 PTE LTD	Other receivable Inter Company	532,670	565,005
TECO 2030 Fuel Cell AS	Other receivable Inter Company	8,258,021	-
TECO 2030 Innovation Center AS	Other receivable Inter Company	1,523,356	-
TECO 2030 Future Funnel AS	Other receivable Inter Company	15,775,036	-
Total		80,148,094	21,214,367

Subsidiary - Liabilities	Balance type	31.12.2021	31.12.2020
TECO 2030 AS	Debts	10,563,179	-
TECO 2030 Innovation Center AS	Debts	1,337,820	-
TECO 2030 Fuel Cell AS	Debts	25,189,854	-
TECO 2030 INC	Payables	266,700	-
Total		37,357,553	-

Related parties - Assets	Balance type	31.12.2021	31.12.2020
TECO Technologies AS ¹⁾	Interest-bearing loans and borrowings	3,282,679	2,893,457
Rubber Innovation AS ¹⁾	Receivables	303,901	-
BLDM Maritime AS ¹⁾	Receivables	321,546	-
TECO Chemicals AS ¹⁾	Receivables	119,266	-
TECO Solutions AS ¹⁾	Receivables	437,314	-
TECO Maritime Group AS ¹⁾	Receivables	145,516	-
Total		4,610,222	2,893,457



Related parties - Liabilities	Balance type	31.12.2021	31.12.2020
TECO Tech Holding AS ¹⁾	Interest-bearing loans and borrowings	1,623,029	1,623,029
Total		1,623,029	1,623,029

Financial lease receivables includes intercompany and related parties as specified below :

		% of finance lease receivable	NOK finance lease receivables 31.12.2021	NOK current finance lease receivables 31.12.2021
TECO 2030 AS	Inter company	44.75%	8,013,771	765,741
TECO Solutions AS	Related party	20.83%	3,729,620	356,377
BLOM Maritime AS	Related party	15.18%	2,718,921	259,802
TECO Maritime Group AS	Related party	5.72%	1,024,934	97,936
TECO Chemicals AS	Related party	5.72%	1,024,934	97,936
External company	External	7.79%	1,395,049	133,301
Total current and non-current finance lease receivables		100.00%	17,907,228	1,711,093

¹⁾ The CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Technologies AS and TECO Energy AS.

²⁾ TECO Maritime INC is a subsidiary of TECO Maritime Group AS where the CEO in TECO 2030 ASA Tore Enger is the chairman of the group.

The interest rate associated with the loans and receivables is four per cent annum.

In 2021 the Company has not been invoiced any management fees. In 2020 the Company was invoiced NOK 5,7 million in management fees where a total of NOK 2,3 million has been capitalised as development in 2020.

6.2 Events after the reporting period

On 20 February, the Company announced a private placement of USD 750,000 (NOK 6.7 million) towards one of its existing shareholders. The capital increase was registered on 15 March. Following the private placement, the total number of shares in the Company increased by 1,608,827 to 141,978,641.

There are no other significant events after the reporting period.

6.3 Investments in subsidiaries

Subsidiaries	Year of acquisition / incorporation	Place of incorporation	Ownership
TECO 2030 AS ¹⁾	2020	Norway	100%
TECO 2030 Fuel Cell AS ²⁾	2020	Norway	100%
TECO 2030 Innovation Center AS ³⁾	2021	Norway	100%
TECO 2030 Future Funnel AS ⁴⁾	2021	Norway	100%
TECO 2030 Carbon Capture AS ⁵⁾	2021	Norway	100%

Subsidiaries held by subsidiaries

TECO 2030 AS	Year of acquisition / incorporation	Place of incorporation	Ownership
TECO 2030 INC ⁶⁾	2020	USA	100%
TECO 2030 PTE LTD ⁶⁾	2020	Singapore	100%

¹⁾ The shares in TECO 2030 AS were acquired in July 2020.

²⁾ TECO Fuel Cell AS was founded in November 2020 with an equity of NOK 1 million. The name of the company changed to TECO 2030 Fuel Cell AS on 9 September 2021.

³⁾ TECO 2030 Innovation Center AS was acquired in May 2021.

⁴⁾ TECO 2030 Future Funnel AS was acquired in October 2021.

⁵⁾ TECO 2030 Carbon Capture AS was acquired in October 2021.

⁶⁾ Shares in TECO 2030 INC and TECO 2030 PTE LTD were acquired by TECO 2030 ASA in August 2020. On 1 December 2020 the shares were transferred to TECO 2030 AS.





Responsibility statement

We confirm, to the best of our knowledge, that:

- the financial statements for 2021 have been prepared in accordance with IFRS as adopted by the EU as well as additional information requirements in accordance with the Norwegian Accounting Act.
- the financial statements for 2021 give a true and fair view of the assets, liabilities, financial position and profit as a whole as of December 31, 2021 for the group as a whole.
- the report from the Board of Directors gives a true and fair view of the development, performance and financial position of the parent company and the group as a whole and includes a description of the principal risks and uncertainties.

Lysaker, 28 April 2022

Sigurd Gaarder Lange
Chairman of the Board

Pia Meling
Member of the Board

Birgit Marie Liodden
Member of the Board

Marit Elise Kirkhusmo
Member of the Board

John Herman Marcussen
Member of the Board

Tore Enger
Chief Executive Officer



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 M/VA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Teco 2030 ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Teco 2030 ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2021 and 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. The consolidated financial statements of the Group comprise the financial position as at 31 December 2021, Statements of comprehensive income, statement of cash flows and statement of 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,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group 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 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.

A member firm of Ernst & Young Global Limited

Perinco Dokumentnøkkel: Yo/OP-PH/LA2-EN/5J-02/SXS-DXZK3-6D/HYX



Building a better
working world

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 and the statement on corporate social responsibility contain the information required by applicable 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 applicable 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 and the statement on corporate social responsibility are consistent with the financial statements and contain 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 of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, 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 and the Group'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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

Independent auditor's report - Teco 2030 ASA 2021

A member firm of Ernst & Young Global Limited

Finanso Dokumentasjonskøi: Y6,0P PHLL,2 EASUJ 0ZSXS DXZK3 #DHYX



Building a better
working world

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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Oslo, 28 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Finanso Dokumentasjonskøi: Y6,OP PH-L,2 EASUJ 025XS DXZK3 8DHXX

Independent auditor's report - Teco 2030 ASA 2021

A member firm of Ernst & Young Global Limited



Corporate governance

1 – Report on corporate governance:

In order to secure sound and sustainable corporate governance, it is important that the Company ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with applicable legislation and regulations across the Group structure.

This review is based on the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "Code"), which is available here: www.nues.no. In accordance with the Code and the Accounting Act, the Company will annually report on its compliance with corporate governance requirements and recommendations.

The Code is based on a "comply or explain principle", meaning that listed companies must comply with the Code or explain why they have chosen to deviate from the recommendations set out in the Code. While the Company is listed on Euronext Growth Oslo, the company is obliged to report according to the Norwegian Code of Practice for Corporate Governance to strengthen confidence in listed companies and thereby promote value creation over time for the benefit of stakeholders.

Furthermore, a description of the most important corporate governance principles of the Company shall be made available on the Company's website. By publishing an overview of all aspects of the Company's corporate governance policy, shareholders, employees, and other stakeholders are more equipped to evaluate the extent to which the Company follows principles of good corporate governance.

2 – Business:

The Company's operations shall comply with the business objectives set forth in the Company's articles of association, which together with other core objectives and strategies of the Group. The board of directors has defined objectives, strategies and risk profiles for the Company's business

activities as an effort to create value for its shareholders. These objectives, strategies and risk profiles shall be evaluated annually. The Company's business objective reads as follows: "To develop, sell and distribute technology and products which is intended to reduce energy use and negative effect on the environment, including to participate in companies with the same objectives."

3 – Equity and dividends:

The company's registered share capital as of 31 December 2021 consisted of 140,369,814 shares with a par value of NOK 0.01 per share.

The Company will strive to follow a dividend policy favorable to the shareholders. The amount of any dividend to be distributed will depend on, inter alia, the Company's investment requirements and rate of growth. As per end of 2021, the Company is in a growth phase and will most likely not be in a position to pay dividends in the foreseeable future.

4 – Equal treatment of shareholders and transactions with close associates:

The company has one class of shares. Each share in the Company carries one vote and all shares carry equal rights, including the right to participate in general meetings and the right to dividend. All shareholders shall be treated on an equal basis.

Transactions between the Company and its shareholders, a shareholder's parent company, members of the board of directors, executive management or close associates to any such party that are deemed material under the Norwegian Public Limited Liability Companies Act, are subject to approval by the general meeting. Furthermore, the board of directors is required to arrange for an independent auditor valuation of the transaction. Pursuant to the Code, independent third-party valuations shall also be procured for



(i) transactions with shareholders and other close associates that are deemed non-immaterial to either party involved (i.e., transactions that are below the materiality threshold set out in the Norwegian Public Limited Liability Companies Act, but still not deemed immaterial), and (ii) transactions between companies within the Group if any of the companies involved have minority shareholders. In such cases, the third party does not necessarily have to be an independent auditor.

All material transactions with shareholders and other close associates, as described in the paragraph above, shall be publicly announced without delay after conclusion of the agreement.

5 – Shares and negotiability:

The shares of the Company are freely transferable and there are no limitations on any party's ability to own or vote for shares in the Company.

6 – General meetings:

Shareholders can exercise their rights at general meetings, and the company wants general meetings to be a meeting place for shareholders and the board of directors. The company will seek to enable as many shareholders as possible to participate in general meetings. Meeting documents will be published on the company's website no later than 14 days before a general meeting. The company endeavors to ensure that meeting documents are sufficiently detailed to enable shareholders to take a view on all matters to be considered. The deadline for notifying attendance at a general meeting is set as close to the meeting as possible.

Shareholders who are unable to participate themselves may vote by proxy. The proxy form will be designed so that it can be used to vote on all matters up for consideration, and on candidates for election.

The company will encourage board members and nomination committee to attend general meetings. The external auditors are also invited to attend.

In accordance with the articles of association, general meetings are chaired by the board chair if no-one else is elected to do so. Minutes of general meetings are published in the form of stock exchange notifications and on the company's website.





7 – Nomination Committee:

The Company shall have a nomination committee, cf. the Company's articles of association section 8. The general meeting elects the members, including the chair, of the nomination committee and determines their remuneration.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Company, which are described in the Company's "Instructions for the Nomination Committee" adopted by the extraordinary general meeting in September 2020. The Company shall ensure that shareholders have information about the composition of the nomination committee and deadlines for submitting proposals to the nomination committee.

Nomination Committee members are elected for a one-year term. At an extraordinary general meeting in September 2020 the following persons were elected to the nomination committee and serve until the 2022 annual general meeting:

- Marius Blom, chair
- Birgit Liodden, member

The nomination committee shall be independent from the Company's board of directors and executive management. No more than one member of the nomination committee shall also be a member of the board of directors, and any such member should not offer him- or herself for re-election to the board of directors. Neither the CEO, nor any other member of the executive management, shall also be members of the nomination committee.

8 – Board of Directors: composition and independence:

The composition of the board of directors should ensure that the board of directors has the expertise, capacity and

diversity needed to achieve the Company's goals, handle its main challenges and promote the common interests of all shareholders.

Each board member should have **sufficient time available** to devote to his or her appointment as a board member. The number of board members should be decided on this basis, but the board of directors must in any event consist of **minimum three board members**. The members of the board of directors shall be willing and able to work as a team, thereby enabling the board of directors to work efficiently as a **collegiate body**.

All members of the board of directors, including whom shall be positioned as the chair, shall be elected by the Company's general meeting. The term of office for the respective board members shall not be longer than two years at a time. Members of the board of directors may be re-elected. The re-election of the members of the board of directors should be phased, to prevent that the entire board of directors is replaced at once.

At the extraordinary general meeting in September 2020 the following members for the Board of Directors were elected:

- Sigurd Lange, chair (Elected September 2020)
- Pia Meling, member (Elected September 2020)
- Birgit Liodden, member (Elected September 2020)
- Marit Kirkhusmo, member (Elected September 2020)
- Herman Marcussen, member (Elected September 2020)

The shareholdings of directors and senior management are outlined in note 6.1.

Neither the CEO, nor any member of the Company's executive management, shall also be a member of the board of directors.



9 – The work of the Board of Directors:

The board of directors shall produce an annual plan for its own work, with particular focus on objectives, strategy and implementation. The board of directors shall implement instructions for its own work and the work of the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the board of directors and the CEO shall be in compliance with rules and standards applicable to the Company, which are described in the Company's "Instructions for the Board of Directors".

Members of the board of directors and executive management cannot consider matters in which they have a special and prominent interest. Each board member shall ensure that the board of directors and executive management are aware of any material interests that they may have in matters to be considered by the board of directors, so that these can be considered on an unbiased and satisfactory manner.

10 – Risk management and internal controls:

The board of directors shall annually review the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed.

Risk management and internal controls are important to TECD 2030. They enable the company to achieve its strategic objectives, and are an integral part of management decision-making processes, the organizational structure, and internal procedures and systems. Board meetings shall be held frequently, and management reports shall be provided to the board of directors as a minimum on a monthly basis. Financial performance shall be reported on a quarterly basis.

11 – Remuneration of the Board of Directors:

The remuneration of the board of directors is determined by the shareholders at the Company's annual general meeting based on the proposal from the nomination committee.

The remuneration of the board of directors shall reflect:

- the board of directors' **responsibility** and **expertise**;
- the **complexity** of the Company and its business; and
- the **time spent** and the **level of activity** performed in the board of directors and any board committee that members of the board of directors participate in.

The remuneration and share options to the board of directors shall not be linked to the Company's performance. The remuneration to the board of directors shall be such that their independence is protected.

Members of the board of directors, or companies associated with a board member, shall not engage in specific assignments for the Company in addition to their appointment as members of the board of directors. If a board member nonetheless takes on any such assignment, the entire board of directors must be informed, and the fees shall be approved by the board of directors.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the board of directors. This includes a specification of any consideration paid to members of the board of directors in addition to their ordinary board remuneration.



12 – Remuneration of executive personnel:

The Company's guidelines for determining remunerations to the CEO and other member of the executive management as set out in the "Instructions for the Remuneration Committee" should at all times support prevailing strategy and values in the Company. These guidelines shall be communicated to the annual general meeting and include the main principles for the Company's remuneration policy as well as contribute to align the interests of the shareholders and executive management.

The salary and remuneration of the CEO is determined by the board of directors in a board meeting. Based on the guidelines communicated to the annual general meeting and the recommendations of the remuneration committee, the board of directors shall produce a statement in the Company's report on corporate governance on how the salary and remuneration of the Company's CEO is determined in addition to the remuneration strategy for the executive management, as well as provide an account of the Company's remuneration policy the previous financial year. This statement shall be considered by the Company's annual general meeting before a final resolution regarding remuneration is made by the board of directors.

13 – Information and communication:

The board of directors shall establish guidelines for its reporting of financial and other information based on transparency and taking into account the rules on good stock exchange practice and the general requirement of equal treatment in the securities market. The Company is obliged to continually provide its shareholders, Oslo Børs and the securities and financial market in general with timely and precise information about the Company and its operations. This information shall be published in accordance with Oslo Børs' information system.

Relevant information will be given in the form of annual reports, half-year reports, quarterly reports, press releases, notices to the stock exchange and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Such information shall be published through Oslo Børs' information system and/or be published on the Company's website.

The insider lists are maintained by the CFD, and separate guidelines have been drawn up for handling of inside information.





In addition to the board of directors' dialogue with the Company's shareholders at the general meetings, the board of directors shall make suitable arrangements for shareholders to communicate with the Company at other times. This will enable the board of directors to develop an understanding of which matters regarding the Company that are of a particular concern or interest to its shareholders. Communication with the shareholders shall always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of shareholders.

14 – Take-overs:

The board of directors shall have established the main principles for its actions in the event of a takeover offer. In a takeover process, the board of directors and the executive management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The board of directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

15 – Auditor:

The Company's auditor shall annually present the main features of the plan for the audit of the Company to the board of directors. The auditor shall participate in meeting(s) of the board of directors where any of the following topics are on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and other matters of importance where there have been disagreement between the auditor and the Company's executive management. The auditor shall at least once a year present to the board of directors a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The board of directors shall specify the executive management's right to use the auditor for other purposes than auditing.



Sustainability

Sustainability is the core of our business operations and is encountered in everything we do. Through 2021 we have made significant progress on our business operations and aim to progress with further implementations of key performance indicators in development of our standards of sustainability reporting. For the fiscal year of 2021, we have engaged external advisors to assist us with our reporting. This will allow us to excel with high-quality ESG-reporting standards from the very beginning of the company's history and enhance our future ESG-reports as the ground foundation is built.

Together with our external advisors, we aim to provide you with a sustainability report that we can build a sustainable company's future on. The report is inspired by and follow the pillars of the World Economic Forum's IBC common metrics. In addition, the report has been supplemented with other standards where relevant, such as the recommendation from Task Force on Climate Related Financial Disclosures (TCFD), the GRI Standards and the Euronext guidance on ESG reporting.

For further details on our ESG-reporting, please see the separate report on our webpage: <https://teco2030.no/sustainability/>.



Members of the Board



Sigurd Gaarder Lange
Chairman

Mr. Lange joined the TECO Group of Companies in 2000 and became a partner in TECO Group from 2005. Lange has held various positions, such as CEO, CFO and board member, in TECO Group controlled companies.

Among these several stock listed companies in Norway and Canada, such as Davie Shipyard Inc and Scanship Holding ASA (Vow ASA today). He also served as CFO and Director for a major Nordic importer and producer of alcoholic beverages in Norway, Sweden and Finland, CASK/Moestue. He has from 2018 held the position as TECO Group COO, and from July 2019 the position as Group CEO for the marine solution provider TECO Maritime Group AS. Mr. Lange holds a business degree from BI Norwegian Business School, Oslo.



Pia Meling
Board Member

Pia Meling joined the Company as member of the Board of Directors in early September 2020. Meling has broad management experience from the shipping and the maritime industry. She is currently the Vice President of Massterly; a Kongsberg Wilhelmsen joint venture offering services for the entire value chain for zero emission, autonomous ships.

Furthermore, her experience includes positions within chartering and commercial management of vessels at the dry bulk operator Klaveness, as the General Manager of Nav/Com service provider Radio Holland, Marketing & Communications Manager for scrubber manufacturer Clean Marine and as Area Sales Director for Marine Products in Wilhelmsen Ships Service. Meling is also Board member of port operator Westport AS, of software company Dolittle AS and a member of the Ocean portfolio board in The Research Council of Norway. Meling holds an MBA from the Norwegian School of Economics.



Birgit Marie Liodden
Board Member

Birgit Marie Liodden joined the Company as member of the Board of Directors in early September 2020. For the past 15 years, Liodden has promoted the next generation, diversity, sustainability and the need for change across the maritime industry.

Liodden is one of the most profiled young shipping female executives globally. She holds executive board roles in The Norwegian Society for Sea Rescue, The Factory, Greenstat and Bellona Foundation. She is the Founder & CEO of The Ocean Opportunity Lab. Her maritime background involves five years in Wilh. Wilhelmsen head office, Project Manager Global

Systems & Processes, 4.5 years as an entrepreneur working with Nor-Shipping, OECD, Wilh. Maritime and Sea Trucks Nigeria. This includes Director of Nor-Shipping, Founder & SG of YoungShip International, Director of Sustainability, Ocean Industries & Communication at Oslo Business Region, and Project Manager for Oslo European Green Capital's cross-industry Business program. She has received plural awards & rankings for her leadership in Norway and abroad. In 2012 Liodden was awarded Shipping Name of The Year in Norway and she was a finalist for World Economic Forum's Young Global Leaders in 2018.



Marit Kirkhusmo

Board Member

Kirkhusmo is a shipping, offshore and finance lawyer with approximately 25 years of experience from major law firms in Oslo and London in addition to management positions from the international shipping industry.

She is Master of Law from the University of Oslo and currently partner in the Energy, Shipping and Offshore department in SANDS Law firm DA. She has many years of practice as General Counsel of a large international shipping group consisting of several stock listed companies which a diversified fleet and bulk vessels, chemical tankers, gas vessels and conducting ship supply services and technical management of vessels. Kirkhusmo has extensive experience as Board member from private and public companies, hereunder from the Board of Directors of GIEK – the Norwegian Export Credit Agency.



Herman Marcussen

Board Member

Herman Marcussen joined the Company as member of the Board of Directors in September 2020. Mr. Marcussen has more than 30 years experience in the shipping industry and is presently working with SeaLeague AS, where he is a partner and member of the board.

Mr. Marcussen has a wide experience from shipping finance, secondhand and newbuilding transactions as well as corporate transactions. He has previously been a partner and board member with P.F.Bassoe AS / Pareto for several years. Furthermore, Mr. Marcussen has been a board member of Scanship ASA. Mr. Marcussen has a business degree from Oslo Business School / BI.

Management



Tore Enger
Chief Executive Officer

Tore Enger, born in 1963, founded TECO Group in 1994. Mr. Enger is a true entrepreneur and has initiated a number of products and services for the maritime Industry throughout the past 25 years. He has an extensive network in the industry and is thus crucial for TECO 2030's access to shipowners. Mr. Enger was also the Chairman and major shareholder of Scanship Holding ASA (now Vow ASA), which is listed on the Oslo Stock Exchange, for approximately 10 years (2008 – 2017).



Pål Christian Johnsen
Chief Financial Officer

Pål Christian Johnsen holds a Master of Finance and Accounting from The Flinders University of South Australia. He has previously worked for TECO Group in various projects from 2006 to 2010 in addition to, amongst others, Økokrim (Special Investigator) and AS Naturbetong (CFO), before rejoining TECO Group in October 2018.



Bettina Nowak
Chief Executive Officer, USA

Bettina Nowak is an Austrian citizen who has lived in the US since 2000. She holds a Degree in Hotel Management from Austria and has been working in the hospitality industry in Europe and the US until 2004, when she started working in the cruise industry. In 2007, Ms. Nowak entered the position as Managing Director for Scanship Americas, a position she held for 11 years until she joined TECO as CEO of TECO 2030 Inc. in Miami in 2018.



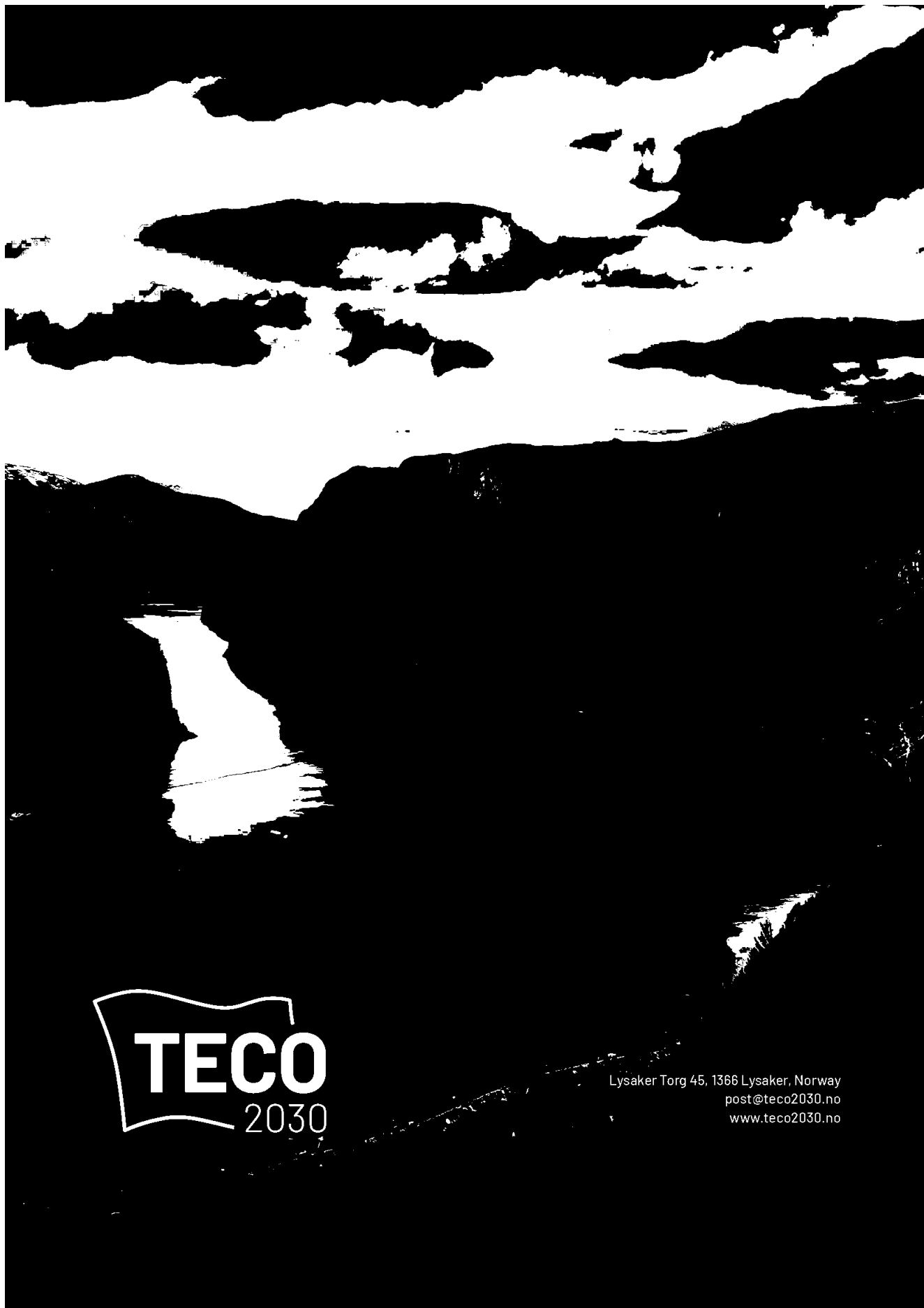
Tor-Erik Hoftun
EVP Operations

Tor-Erik Hoftun holds a Bachelor's degree in Nautical Studies from Vestfold University College, Arctic Specialization University of Norway (UIT) and The University Centre Svalbard (UNIS). He worked as Project Engineer and Project Development Manager at Scanship AS with focus on waste handling and water purification. Mr. Hoftun joined TECO Group in March 2018 and has been an important part of the development team of TECO 2030.



Erling Hoftun
CEO - TECO 2030 AS

Erling Hoftun has extensive experience with Green Maritime Technologies, among 19 years of project management and sales and marketing experience within Scanship ASA. Mr. Hoftun also has several years of projects within offshore activities. Mr. Hoftun is responsible for building the Innovation Center in Narvik. He joined TECO 2030 in January 2021.



TECO
2030

Lysaker Torg 45, 1366 Lysaker, Norway
post@teco2030.no
www.teco2030.no



List of Signatures Page 1/1

TECO 2030 Konsemregnskap 2021.pdf

Name	Method	Signed at
Enger, Tore	BANKID	2022-04-28 17:57 GMT+02
Lange, Sigurd Gaarder	BANKID_MOBILE	2022-04-28 17:41 GMT+02
Liudden, Birgit Marie	BANKID_MOBILE	2022-04-28 17:37 GMT+02
Marcussen, John Herman	BANKID_MOBILE	2022-04-28 17:37 GMT+02
Meling, Pia	BANKID_MOBILE	2022-04-28 17:36 GMT+02
Kirkhusmo, Marit Elise	BANKID	2022-04-28 18:39 GMT+02

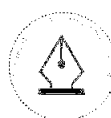


This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.
External reference: 3243F05ADD524CFA83EB6CF3A74ED0E5



TECO 2030 Group

Consolidated Annual Report 2021



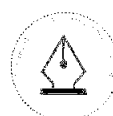
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Contents

Statement of comprehensive income	3		
Statement of financial position	4		
Statement of equity	5		
Statement of cash flows	6		
Section 1 - Overview	7	Section 5 - Tax	29
1.1 Corporate information	7	5.1 Taxes	29
1.2 Basis of preparation	7		
1.3 Estimates, judgements and assumptions	8		
1.4 Significant accounting policies	9		
1.5 New standards and amendments	10		
Section 2 - Operating performance	11	Section 6 - Other disclosures	30
2.1 Segment information and operating income	11	6.1 Related party transactions	30
2.2 Employee benefit expenses	12	6.2 Events after the reporting period	32
2.3 Other operating expenses	12	6.3 Business combinations	33
2.4 Trade and other receivables	13	6.4 Investments in subsidiaries	36
2.5 Trade and other payables	13		
2.6 Other current liabilities	13		
Section 3 - Asset base	14		
3.1 Property, plant and equipment	14		
3.2 Intangible assets	16		
3.3 Leases	17		
Section 4 - Financial instruments, risk and equity	20		
4.1 Financial instruments	20		
4.2 Interest-bearing loans and borrowings	22		
4.3 Convertible bonds	23		
4.4 Fair value measurement	24		
4.5 Financial risk management	25		
4.6 Equity and shareholders	27		
4.7 Cash and cash equivalents	28		
4.8 Financial income and expenses	28		



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

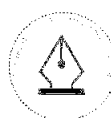
Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Statements of consolidated comprehensive income

Amounts in NOK	Notes	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Revenue from contracts with customers	2.1	12,122,704	1,968,525
Other income	2.1	685,775	214,764
Costs of goods sold		-9,001,859	-691,027
Personnel expenses	2.2	-32,214,856	-11,231,904
Other operating expenses	2.3	-16,584,682	-14,860,883
Depreciation and amortisation	3.1, 3.2, 3.3	-7,297,230	-1,969,048
Total operating expenses		-65,098,628	-28,752,862
Operating profit (loss)		-52,290,149	-26,569,573
Finance income	4.8	2,078,772	683,068
Finance cost	4.3, 4.8	-2,707,905	-1,334,753
Net financial income (expense)		-629,133	-651,685
Profit (loss) before tax		-52,919,282	-27,221,258
Income tax expense	5.1	-76,968	-7,439
Profit (loss) for the year		-52,996,250	-27,228,697
Other comprehensive income:			
Items that may be reclassified to profit or loss		-14,334	29,214
Total other comprehensive income for the period		-14,334	29,214
Comprehensive income for the year		-53,010,584	-27,199,483
Earnings per share			
Basic EPS, profit (loss) for the year attributable to ordinary equity holders	4.6	-0.42	-0.56
Diluted EPS, profit (loss) for the year attributable to ordinary equity holders	4.6	-0.42	-0.56

3



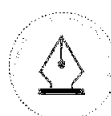
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Statements of consolidated financial position

Amounts in NOK	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	952,950	376,382
Intangible assets	3.2	52,160,538	19,510,544
Goodwill	6.3	2,443,557	2,482,661
Restricted deposits		2,900,000	
Right-of-use assets	3.3	98,566,451	1,112,449
Finance lease receivables	3.3	17,907,869	
Total non-current assets		174,931,365	23,482,036
Current assets			
Trade and other receivables	2.4	13,585,813	8,728,765
Inventories		8,489,870	6,084,475
Other current assets		2,485,670	354,506
Current financial lease receivables	3.3	1,711,154	
Cash and cash equivalents	4.7	59,618,726	43,717,208
Total current assets		85,891,233	58,884,954
TOTAL ASSETS		260,822,599	82,366,989



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Statements of consolidated financial position

Amounts in NOK	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	1,403,699	1,200,000
Share premium		180,243,997	83,785,307
Other reserves	4.3	5,770,480	449,731
Currency translation differences		14,880	29,214
Retained earnings		-82,846,471	-29,850,219
Total equity		104,586,581	55,614,031
Non-current liabilities			
Non-current lease liabilities	3.3	117,330,509	223,276
Other non-current liabilities		375,000	-
Total non-current liabilities		117,705,509	223,276
Current liabilities			
Current lease liabilities	3.3	4,002,441	893,592
Interest-bearing loans and borrowings	4.2	1,623,029	1,623,029
Convertible bonds	4.3	-	10,000,000
Trade and other payables	2.5	26,040,999	10,137,345
Other current liabilities	2.6	6,864,039	3,875,716
Total current liabilities		38,530,508	26,529,682
Total liabilities		156,236,017	26,752,958
TOTAL EQUITY AND LIABILITIES		260,822,599	82,366,989

Oslo, 28 April, 2022

Sigurd G Lange
Chairman of the board

Pia Meling
Member of the board

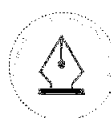
Bigit Marie Liødden
Member of the board

Marit Elise Kirkhusmo
Member of the board

John Herman Marcussen
Member of the board

Tore Enger
Chief executive officer

5



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

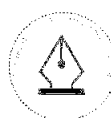
Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Statements of changes in equity

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2020		111,111	9,988,879	-	-	-2,621,522	7,478,468
Issuance of shares 19.08.2020		888,889	-888,889	-	-	-	-
Issuance of shares 09.10.2020		200,000	79,800,000	-	-	-	80,000,000
Transaction costs - Issuance of shares		-	-5,114,683	-	-	-	-5,114,683
Conversion rights	6.3	-	-	449,731	-	-	449,731
Profit (loss) for the year		-	-	-	-	-27,228,697	-27,228,697
Other comprehensive income		-	-	-	29,214	-	29,214
Balance as of 31 December 2020		1,200,000	83,785,307	449,731	29,214	-29,850,219	55,614,031

Amounts in NOK		Share capital	Share premium	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2021		1,200,000	83,785,307	449,731	29,214	-29,850,219	55,614,033
Issuance of shares 13.01.2021		40,000	9,950,000	-	-	-	9,990,000
Issuance of shares 02.07.2021		32,446	19,967,539	-	-	-	19,999,985
Issuance of shares 20.10.2021		41,253	21,448,920	-	-	-	21,490,172
Issuance of shares 23.12.2021		90,000	44,910,000	-	-	-	45,000,000
Transaction costs - Issuance of shares		-	-267,500	-	-	-	-267,500
Share-based payments	2.2	-	-	5,770,480	-	-	5,770,480
Conversion rights	6.3	-	449,731	-449,731	-	-	-
Profit (loss) for the year		-	-	-	-	-52,996,250	-52,996,250
Other comprehensive income		-	-	-	-14,334	-	-14,336
Balance as of 31 December 2021		1,403,699	180,243,997	5,770,480	14,880	-82,846,471	104,586,581



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



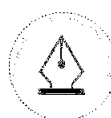
Statements of consolidated cash flows

Amounts in NOK

	Notes	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cash flows from operating activities			
Profit or loss before tax		-52,996,250	-27,221,258
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net financial income/expense		-1,296,969	-201,954
Other financial income		-	-349,835
Conversion rights	4.3	-	449,731
Share based payments		5,770,480	-
Depreciation, amortisation and impairment		7,297,230	1,969,048
<i>Changes in working capital:</i>			
Changes in trade receivables and other receivables	2.4	-4,418,693	82,699
Changes in trade and other payables	2.5	15,903,654	6,489,192
Change in inventories		-2,405,395	-6,084,475
Changes in other current assets and current liabilities		-1,487,048	746,990
Other adjustments		-4,381,000	-
Net cash flows from operating activities		-38,013,990	-24,119,862
Cash flow from investing activities			
Purchase of property, plant and equipment	3.1	-849,630	-291,567
Investment in business combinations, net of cash acquired	6.3	-	-5,724,692
Transaction cost business combinations	6.3	-	-100,000
Development expenditures	3.2	-35,430,516	-13,269,444
Loans to related parties		-438,355	-
Interest received		1,521	66,925
Net cash flows from investing activities		-36,716,980	-19,318,778
Cash flow from financing activities			
Cash proceeds from issuance of equity		96,212,658	74,885,317
Proceeds from convertible debt	4.3	-	10,000,000
Repayment of principal		-	-6,933,756
Repayment of interest		-	-140,863
New borrowings in connection with business combination	6.3	-	6,133,756
Proceeds from public funding		375,000	-
Cash payments for the principal portion of the lease liability	3.3	-1,794,832	-446,490
Cash payments for the interest portion of the lease liability	3.3	-2,186,425	-32,079
Cash received for the principal portion of the sublease receivables	3.3	667,290	-
Cash received for the interest portion of the sublease receivables	3.3	258,801	-
Restricted deposits on lease premises		-2,900,000	-
Net cash flows from financing activities		90,632,491	83,465,885
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year/period	4.7	15,901,521	40,027,246
Cash and cash equivalents, end of year		59,618,726	43,717,208

The statement of cash flows are prepared using the indirect method.

7



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Section 1 - Overview

1.1 Corporate information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on the 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. The registered office address of TECO 2030 is Lysaker torg 12, 1366 Lysaker, Norway.

TECO 2030 ASA or the Group is hereafter referred to as "the Group" TECO 2030 ASA as parent and TECO 2030 Pte Ltd, TECO 2030 INC, TECO Fuel Cell AS, TECO 2030 AS, TECO 2030 Future Funnel AS, TECO 2030 Carbon Capture AS and TECO 2030 Innovation Center AS as its subsidiaries. TECO 2030 ASA shares are traded on Euronext Growth (Oslo Norway).

The Group financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board on 28 April 2022.

1.2 Basis of preparation

The Group financial statements of TECO 2030 consist of the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) additional disclosure requirements in the Norwegian Accounting Act as effective as of 31 December 2021.

The Group financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK). The financial statements are prepared on a going concern basis.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

1.3 Estimates, judgements and assumptions

The preparation of the Group financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Reference is made to note 5.1 for information on the Group's recognised and unrecognised deferred tax assets.

Going concern

The Group is still in a ramp-up phase, and the Group's development programs as well as completion of the factory plant in Narvik is not fully funded. Historically, the Group's projects have been funded with proceeds from private placement on a step-by-step basis. Subject to conditions related to receiving full funding, the Parent Company will receive a NOK 50 million grant from Innovation Norway. Management is currently assessing various strategic initiatives in order to be able to finance the continuation of its expansive development programs. The Group will need to obtain additional funding before mid-2022. Based on the development of the Group's projects, interest in the market as well as the historical track record from obtaining funding for next phase, the board of directors is confident that additional funding will be raised, and the financial statements are prepared under the going concern assumption. However, with the current prevailing market, there exists a material uncertainty related to obtaining sufficient funding in a timely matter.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.





1.4 Significant accounting policies

Foreign currency translation

Items included in the Group's financial statements are measured using the functional currency of the individual entities. The Group's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss on a net basis within other gains/(losses). Subsidiaries with a functional currency that is not NOK are converted into the presentation currency using the exchange rate at the date of the transaction for the profit or loss statement and for the statement of financial position using the exchange rate at the end of the reporting period.

Current/non-current classification

An asset is classified as current when it is expected to be realised, or is intended for sale or consumption, in the Group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits. Cash and cash equivalents excludes cash that is not readily available for short-term liquidity needs. The cash given as a deposit in connection with the leasing of premises is not readily available and is therefore excluded from cash and cash equivalents.

Trade receivables

The Group initially recognises trade receivables at the amount of consideration that is unconditional. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised in the consolidated statement of comprehensive income over the useful life of a depreciable asset as a reduced depreciation expense.

Statement of cash flows

The consolidated statement of cash flows of the Group is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

1.5 New standards and amendments

New standards and amendments that are effective for the first time for periods commencing on or after 1 January 2020 (ie years ending 31 December 2020), and forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2021 and might have an effect on the Groups reporting are disclosed below.

New standards and amendments

The new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2021 (i.e. years ending 31 December 2021) were adopted by the Group but did not have any impact or were not relevant to the Group's financial statements upon adoption.

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to impact the Group's financial statements materially, or are not expected to be relevant to the Group's financial statements upon adoption.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Section 2 - Operating performance

2.1 Segment information and operating income

ACCOUNTING POLICIES

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The Company has determined that the board of directors is collectively the chief operating decision maker.

Currently, the Group is organized into one reporting segment, and for this reason segment information is not provided.

The segment information is reported in accordance with the reporting to board of directors (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. EBITDA is defined as the segment profit or loss measure.

ACCOUNTING POLICIES

Revenue from contracts with customers

Revenue from contracts with customers consists of the Group's ballast water treatment system sales as well as the delivery of consultancy hours. Consultancy work is delivered to companies which are considered as related parties. Revenue from sales of ballast water treatment systems and hours for consultancy work is recognised at a point in time which is at delivery to the

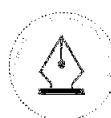
Products

Ballast water treatment system (BWTS)

The UV Ballast Water Treatment System for ships addresses the issue related to the spreading of flora in the sea through ballast water. The BWTS is offered by the Group through distribution agreements with BIO UV and Desmi Ocean Guard A/S. The product payments are paid partly upfront and partly at the delivery. The revenue is recognised at the time of delivery to the customer.

Disaggregation of revenue

(NOK)	01.01.2021-	30.09.2020-
Revenue from customers - Ballast water treatment system	11,381,150	1,211,112
Revenue from customers - Consultancy	741,554	757,414
Total revenue from contracts with customers	12,122,704	1,968,525
Other income	685,775	214,764
Total	12,808,479	2,183,289





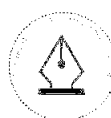
Revenue from contracts with customer based on geography ¹⁾ (NOK)	01.01.2021-	30.09.2020-
United States of America	10,996,695	1,677,847
Malaysia	733,878	290,678
Other	392,131	-
	12,122,704	1,968,525

1) Based on customer location

The Group has two customers in 2021 where the revenue individually exceeds 10% of total Group revenue from customers. In 2020 there were 4 customers where the revenue individually exceeded 10% of Group revenue from contracts with customers.

Revenue in % of group revenue	2,021
Company E	75%
Company B	10%

Revenue in % of group revenue	2,020
Company A	49%
Company B	35%
Company C	15%
Company D	11%



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



2.2 Employee benefit expenses

	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Employee benefit expense		
Salaries and wages	28,247,150	9,707,000
Share-based payments	5,770,480	-
Social security tax	4,125,526	1,332,094
Pension	1,192,654	238,669
Other personnel costs	2,061,145	1,395,869
Capitalised personnel expenses	-8,356,575	-1,441,728
Reimbursed personnel expenses	-311,985	-
Reimbursement - Government grants (Skattefunn)	-513,538	-
Total employee benefit expenses	32,214,856	11,231,904

By the end of 2021, the Group employed altogether 23 employees. The Group employed 18 employees at year-end 2020. The Group did not have any employees prior to August 2020.

In August 2020, following the restructuring and transaction described in note 6.3, the Group had an increase of 13 employees.

Pensions

Both in Norway and in the US the Group has a defined contribution plan. TECO 2030 ASA (the parent company) and the subsidiaries TECO 2030 AS and TECO 2030 Innovation Center AS are obligated to follow the stipulations in the Norwegian mandatory occupational pensions act. The companies' pension scheme adheres to the requirements as set out in the act.

The Group's payments are recognised in the income statement as employee benefit expenses for the year to which the contribution applies.

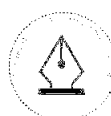
Share-based payments

TECO 2030 accounts for share-based compensation in accordance with IFRS 2 *Share-based Payments*. Share-based compensation expense is measured at fair value using a Black-Scholes model over the service period and includes social security taxes that will be paid by the Company at the settlement date. All changes in fair value are recognized in the statement of comprehensive income.

The Board of Directors has implemented a share incentive scheme for employees and board members of the Company for the period 2020 – 2022. The first grant was made in 2021. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options.

There are at least two exercise periods each calendar year. Under the plan, participants are granted options which vest at 12, 24 and 36 months from the date of the grant. Options were granted in February 2021. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The options once vested remain exercisable until 48 months after the date of the grant letter. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share at the stated exercise price in the stock option agreement. Exercised options are settled in shares, not cash. The exercise price of the options is NOK 4 for options vesting 12 months after grant date (February 2022), NOK 8 for options vesting 24 months after grant date (February 2023) and NOK 10 for options vesting 36 months after grant date (February 2024).



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Set out below are summaries of options granted under the plan during 2021, the first year of the Option Incentive Scheme, in total and for key management:

	Options granted 2021	Options vested and exercisable as of 31.12.2021	Options exercised in 2021	Options expired in 2021	Total options outstanding 31.12.2021
Share-based compensation					
Tore Enger (CEO)	1,500,000	-	-	-	1,500,000
Pål Christian Johnsen (CFO)	450,000	-	-	-	450,000
Tor-Erik Hoftun (EVP Opera)	900,000	-	-	-	900,000
Erling Hoftun (VP Special Pr)	200,000	-	-	-	200,000
Total options granted to key management	3,050,000	-	-	-	3,050,000

Options granted during 2021 to all employees

Options granted during 2021	7,210,000
Options exercised during 2021	-
Options expired or terminated during 2021	-300,000
Total options outstanding 31.12.2021	6,910,000
Total options vested and exercisable as of 31.12.2021	-

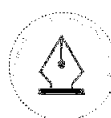
2.3 Other operating expenses

	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Other operating expenses (NOK)	31.12.2021	31.12.2020
Management fees ¹⁾	-	5,576,176
Legal, audit and professional fees	7,094,353	5,559,944
Facilities	2,527,429	736,116
Other operating expenses	6,962,900	2,988,647
Total other operating expenses	16,584,682	14,860,883

1) Management fees in 2020 reflects the costs from TECO Technologies AS January - August 2020. In addition NOK 2,3 million was capitalised and is recognised in the intangible assets.

	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Auditor fees	31.12.2021	31.12.2020
Statutory audit (excl. VAT)	450,344	461,200
Audit related services and attestation (excl. VAT)	167,225	393,000
Tax compliance (excl. VAT)	10,583	103,309
Other services (excl. VAT)	-	447,629
Total remuneration to the auditor	628,152	1,405,138

15



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



2.4 Trade and other receivables

Trade and other receivables (NOK)	31.12.2021	31.12.2020
Trade receivables	7,539,587	4,272,645
Interest bearing loans related parties ¹⁾	3,331,812	2,893,457
Deposits	389,868	389,669
VAT receivable	820,017	1,172,994
Government grants receivable (Skattefunn)	1,504,529	-
Total trade and other receivables	13,585,813	8,728,765

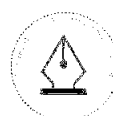
1) See note 6.1 for additional information.

2.5 Trade and other payables

Trade and other payables (NOK)	31.12.2021	31.12.2020
Trade payables	23,598,197	8,555,700
Public duties payable	2,442,802	1,574,206
Taxes payable		7,439
Total trade and other payables	26,040,999	10,137,345

2.6 Other current liabilities

Other current liabilities (NOK)	31.12.2021	31.12.2020
Salaries payable and board remuneration payable	2,240,038	1,592,322
Contract liabilities	2,344,207	
Other accrued expenses	2,279,794	2,283,395
Total current liabilities	6,864,039	3,875,716



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Section 3 - Asset base

3.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

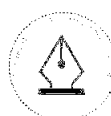
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Equipment and movables	Total
Acquisition cost 31.12.2019	164,909	164,909
Additions	292,254	292,254
Business combination	12,282	12,282
Disposals	-	-
Reclassifications	-	-
Currency translation effects	-11,876	-11,876
Acquisition cost 31.12.2020	457,569	457,569
Accumulated depreciation & impairment 31.12.2019	-	-
Depreciation for the year	-92,376	-92,376
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Currency translation effects	11,189	11,189
Accumulated depreciation & impairment 31.12.2021	-81,187.1	-81,187.1
Carrying amount 31.12.2020	376,381	376,381

17

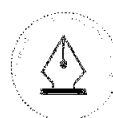


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



	Equipment and movables	Total
Acquisition cost 31.12.2020	457,569	457,569
Additions	849,630	849,630
Business combination	-	-
Disposals	-	-
Reclassifications	-	-
Currency translation effects	6,478	6,478.0
Acquisition cost 31.12.2021	1,313,677	1,313,677
Accumulated depreciation & impairment 31.12.2020	-81,187	-81,187
Depreciation for the year	-273,315	-273,315
Disposals	-	-
Reclassifications	-	-
Currency translation effects	-6,223	-6,223
Accumulated depreciation & impairment 31.12.2021	-360,725	-360,725
Carrying amount 31.12.2021	952,950	952,950
Economic life (years)	5	
Depreciation plan	Straight-line method	



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



3.2 Intangible assets

Nature of the Group's intangible assets

The Group has recognised intangible assets comprising internal development projects related to the Group's solutions:

- TECO Smart Scrubber - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements
- TECO PEM Fuel cells

ACCOUNTING POLICIES

Intangible assets acquired in a business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalised no amortisation is recognised and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortised using the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired and on an annual basis. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as prospective changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- Its ability to use or sell the intangible asset

Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



3.2 Intangible assets (continued)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.

	Development	Completed development	Sales and distribution agreements	Production plant design development	Goodwill	Website	Total
Acquisition cost 31.12.2019	3,909,237	-	-	-	-	-	3,909,237
Additions	5,128,824	8,090,220	-	-	-	50,400	13,269,444
Business combination	-	-	3,750,000	-	2,482,661	-	6,232,661
Disposals	-	-	-	-	-	-	-
Reclassifications	-3,909,237	3,909,237	-	-	-	-	-
Acquisition cost 31.12.2020	5,128,824	11,999,457	3,750,000	-	2,482,661	50,400	23,411,342
Accumulated amortisation & impairment 31.12.2019	-	-	-	-	-	-	-
Amortisation for the year	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Accumulated amortisation & impairment 31.12.2020	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Carrying amount 31.12.2020	5,128,824	10,895,500	3,437,500	-	2,482,661	48,720	21,993,205
	Development	Completed development	Sales and distribution agreements ¹⁾	Production plant design development	Goodwill	Website	Total
Acquisition cost 31.12.2020	5,128,824	11,999,457	3,750,000	-	2,482,661	50,400	23,411,342
Additions	34,186,965	1,026,098	-	1,208,445	-	-	36,421,508
Business combination	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Reimbursement - Government grants (Skattefunn)	-761,387	-	-	-229,605	-	-	-990,992
Currency translation effects	-	-	-	-	-39,103	-	-39,103
Acquisition cost 31.12.2021	38,554,402	13,025,555	3,750,000	978,840	2,443,558	50,400	58,802,755
Accumulated amortisation & impairment 31.12.2020	-	-1,103,957	-312,500	-	-	-1,680	-1,418,137
Amortisation for the year	-	-2,020,442	-750,000	-	-	-10,080	-2,780,522
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Accumulated amortisation & impairment 31.12.2021	-	-3,124,399	-1,062,500	-	-	-11,760	-4,198,659
Carrying amount 31.12.2021	38,554,402	9,901,156	2,687,500	978,840	2,443,558	38,640	54,604,095
Economic life (years)		7	5			5	
Amortisation plan		Straight-line method	Straight-line method			Straight-line method	

See note 6.3 Business combination on goodwill recognised in 2020.

Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalised are included in the statement of comprehensive income as other operating expenses.

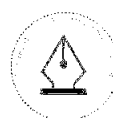
Goodwill and intangible assets with indefinite useful lives - Impairment considerations

Goodwill

Goodwill, and CGUs where goodwill has been allocated, are required to be tested for impairment annually. Impairment losses are recognised where the recoverable amount is less than the carrying amount. As part of the Group-structuring, described in note 6.3, that took place in August 2020, a goodwill item of NOK 2 482 661 as of 31 December 2020 was recognised. The Group performed its annual impairment test of the goodwill in December 2021 by using a discounted cash flow model.

The impairment test was based on conservative forecasts for the next five years and management's best estimate of cash flows for the following years. Sales forecasts for 2022 and 2023 have taken into consideration the underlying uncertainty related to the consequences of the Covid-19 pandemic. A terminal

20



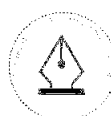
This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



value beyond the 5-year forecast period has been included in the calculated VIU. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC considers the cost of debt and equity and was set at 12%.

Based on these assumptions the value exceeds the carrying value of NOK 2,4 million.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Intangible assets

Intangible assets include capitalised development costs and sales and distribution agreement as well as a strategic cooperation agreement with the Group's major development partner. As of 31 December 2021, the Group has capitalised approximately NOK 10 million in completed development and capitalised approximately NOK 38 million of in-process development.

Future Funnel

The Group has, by the end of 2021, capitalised a total of approx. NOK 13 million of development expenses for the 10 MW Future Funnel-project. These include internal as well as external development expenses. This product was considered ready for sale from Q2 2020. Despite the lack of sales in 2021, the capitalised amount is considered to be low compared to the value of the product and its anticipated future potential for generating revenues and positive cash flows. The Covid-19 pandemic, with its implications on various factors such as oil prices, and especially the price gap between high- and low sulphur fuel oil, is considered to be the main reason for the lack of sale of Future Funnels in 2021. As per year-end 2021, the price gap between the various fuel oils have increased towards pre-pandemic levels and the market for exhaust gas cleaning systems seems more promising for 2022 and onwards.

Future Funnel-related projects include capitalised development expenses of approximately NOK 1 million and are considered still to be in a relatively early development phase and the considerations for the 10 MW very much applies for these projects as well.

Fuel Cell

The Group has capitalised both internal and external development costs related to the TECO Fuel Cells during 2021. The board of directors and management have a strong believe in the hydrogen and Fuel Cell technology and its future possibilities and considers this to be a major step towards an emission free maritime sector with the potential to be a major contributor to the Group's future revenues and cash flow.

Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Group's major development partner. As such, this agreement is considered to be vital in the future development of the Group and its product portfolio.

The Sales and Distribution Agreement is necessary for the Group to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2024. The sales level in 2020, 2021 and expected future sales support the balance sheet value of the sales and distribution agreement.

Government grants receivable (Innovation Norway)

The Company received a grant of NOK 50 million from Innovation Norway for the development of the PEM fuel cells to the marine industry. A requirement from Innovation Norway before releasing the funds is that the Company raises an additional NOK 200 million in new equity and/or loans. As per 31.12.2021, the Company has raised NOK 86.5 million out of the NOK 200 million. If not released and paid prior to 30.6.2023, the grant will lapse. The Group has not off-set an amounts towards this grant per 31.12.2021.

Government grants receivable (Skattefunn)

The Group has received approval in 2021 from Skattefunn for the funding of two projects that will be under development from 1 January 2021 through 31 December 2022. The projects relate to the development of the production lines at the Narvik factory and development of Carbon Capture & Storage on board ships. These are standard Skattefunn-funded projects. The Group will receive 19% deduction for the projects for tax purposes and a reimbursement of NOK 700 for hours worked. The Group has recognised a Government grants receivable (Skattefunn) in the balance sheet for an accrued amount of NOK 1 504 529 as of year-end with a comparable reduction in the capitalised costs for the intangible assets under development (NOK 990 992) and reduction in salary expense (NOK 513 538).



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



3.3 Leases

Accounting policies

Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is measured at present value of unpaid lease payment which includes the following

- Fixed rental payments less incentives
- Variable lease payments based on an index or rate
- Purchase option price (reasonably certain)
- Guaranteed Residual Value
- Penalty for termination of lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest charges and reducing the carrying amount to reflect lease payments. The carrying amount of lease liability is remeasured to reflect any reassessments or lease modifications that have been made during the reporting period.

Measuring the right-of-use asset

Right of use of asset is Initially measured at COST. Cost includes

- The amount of initial lease liability
- Lease payments made on or before commencement
- Initial direct costs incurred
- Estimated costs of dismantling or site restoration
- Less: Incentives

The right-of-use of asset is subsequently measured using cost model i.e. cost less accumulated depreciation and impairment losses. The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company has elected to not apply the revaluation model for its right of use asset for leased buildings. The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.





Interest Rate

Interest rate for the calculation of present value of future lease payments is either

- Interest rate implicit in a lease OR
- Incremental borrowing rate by lessee

Right-of-use assets

The Group leases premises, vehicles and other equipment. For personal computers, IT equipment and machinery the Group has elected to apply the practical expedient related to the leasing of low value assets (primarily leases of personal computers, IT equipment and other office equipment) and does not recognise a lease liability or right-of-use assets for these items. The lease payments are expensed when they incur.

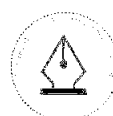
Significant judgements related to leasing agreements – Narvik production facility

The Group signed a lease in 2021 for a production facility in Narvik, Norway. The lease has an original term of fifteen years, with an extension option for an additional ten years. There is also a purchase option in effect during years 3-10 of the lease term where the Group can purchase the facility for ten times the amount of the annual lease payments. In 2023 (year 3 of the lease) the annual lease payments are NOK 6 million, and the purchase price would be NOK 60 million. Every year the lease payments increase and the purchase price increases correspondingly. Management has evaluated the terms of the lease in accordance with IFRS 16 in connection with the recognition of the lease liability for the Narvik production facility. Management's judgement is that a lease term of 15 years is appropriate for the measurement of the lease liability as it is unlikely the extension term will be exercised. Management's intention is to purchase the building during the first 15 years term of the lease, however the purchase is dependent on the sales developments for the Group over the next few years. As this is still considered uncertain, management has not included any anticipated exercise of the purchase option in the measurement of the lease liability at the inception of the lease.

Right-of-use assets	Premises	Vehicles	Total
Acquisition cost 31.12.2020	1,075,275	495,708	1,570,983
Addition of right-of use asset	100,965,034	1,201,563	102,166,597
Terminated lease agreements	-320,529	-153,988	-474,517
Acquisition cost 31 December 2021	101,719,779	1,543,283	103,263,062
Accumulated depreciation 31.12.2020	-312,980	-145,555	-458,535
Depreciation	-3,814,764	-428,623	-4,243,387
Currency exchange differences	-	5,309	5,309
Accumulated depreciation 31 December 2021	-4,127,744	-568,869	-4,696,613
Carrying amount of right-of use assets 31 December 2021	97,592,036	974,414	98,566,451

Lease liabilities	2021	2020
Undiscounted lease liabilities and maturity of cash outflows		
Less than 1 year	8,800,253	273,658
1-2 years	10,531,409	868,739
2-3 years	11,139,999	-
3-4 years	11,209,295	-
4-5 years	11,480,375	-
Beyond 2026 / Later than 5 years	105,627,522	-
Total undiscounted lease liabilities at 31 December	158,788,853	1,142,397

24



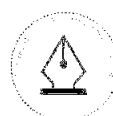
This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Summary of the lease liabilities in the financial statements	Statement of:	2021	2020
Lease liabilities 01.01		1,116,868	-
New lease liabilities recognised during the year		122,452,910	1,563,358
Contract modifications		-	-
Terminated lease agreements		460,031	-
Cash payments for the principal portion of the lease liability	Cash flows	1,794,832	446,490
Cash payments for the interest portion of the lease liability	Cash flows	2,186,425	32,079
Interest expense on lease liabilities	Profit and loss	2,186,425	32,079
Reassessment of the discount rate on previous lease liabilities	Profit and loss	-	-
Currency exchange differences	Profit and loss and OCI	18,037	-12,546
Total lease liabilities at 31 December		121,332,951	1,116,868
Total lease liabilities at 31 December		2021	2020
Current lease liabilities	Balance sheet	4,002,441	893,592
Non-current lease liabilities	Balance sheet	117,330,509	223,276
Total cash outflows for leases	Cash flows	3,981,258	478,569

TECO 2030 ASA subleases the office location Lysaker Torg 45 to various companies, including one of the subsidiaries, over the same time period as the head lease. The Current financial lease receivables related to this sublease as of 31 December 2021 on group level is NOK 1 711 154, the non-current financial lease receivable is NOK 17 907 869. The sublease also includes several related parties, see note 6.1 related parties for more information



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

Section 4 - Financial instruments, risk and equity

4.1 Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group measures its financial assets at amortised cost. At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Group's financial instruments are grouped in the following categories:

Financial assets measured at amortised cost:

- Includes mainly trade receivables, cash and cash equivalent and loans to related parties.

Financial liabilities measured at amortised cost:

- Represent the Group's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables

Financial liabilities measured at fair value:

- includes the conversion option derivative recognised in 2019. Upon redemption of the convertible bond loan conversion option that was at fair value, the Company does not have any financial liabilities measured at fair value over profit or loss.

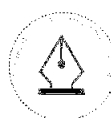
All of the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Group's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Group does not buy or sell or hold any derivative financial instruments.

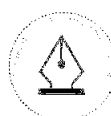
Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group bases its ECLs on its historical losses (if any), adjusted for forward-looking factors specific to the customer and the economic environment.





This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income. The carrying amount of the Group's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

12/31/2021	Note	Financial instruments at amortised cost	Total
Assets			
Loan to related parties	6.1	3,822,925	3,822,925
Trade receivables	2.4	7,539,587	7,539,587
Government grants receivable (Skattefunn)	2.4	1,504,529	-
Cash and cash equivalents	4.7	59,618,726	59,618,726
Total financial assets		72,485,767	70,981,238

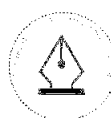
Liabilities

Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Current and non-current lease liabilities	3.3	121,332,950	121,332,950
Trade payables	2.5	23,598,197	23,598,197
Total financial liabilities		146,554,176	146,554,176

12/31/2020	Note	Financial instruments at amortised cost	Total
Assets			
Loan to related parties	6.1	2,893,457	2,893,457
Trade receivables	2.4	4,272,645	4,272,645
Cash and cash equivalents	4.7	43,717,208	43,717,208
Total financial assets		50,883,310	50,883,310

Liabilities

Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Convertible bond loan	4.3	10,000,000	10,000,000
Current and non-current lease liabilities	3.3	1,116,868	1,116,868
Trade payables	2.5	8,555,700	8,555,700
Total financial liabilities		21,295,597	21,295,597





4.2 Interest-bearing loans and borrowings

Current interest bearing loans and borrowings	Note	31.12.2021	31.12.2020
Borrowings from related parties	6.1	1,623,029	1,623,029
Convertible bond loan			10,000,000
Net total current interest bearing loans and borrowings		1,623,029	1,623,029

The Group does not have any non-current interest bearing loans and borrowings. The convertible bond loan was converted in January 2021, see note 4.3 for further information.

The Group did not provide any guarantees to or on behalf of third parties as of 31 December 2021, or as of 31 December 2020. The Company does not have significant commitments.

The Group has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.

	Loans and borrowings	Borrowings related parties	Total
Balance 31.12.2019	0	4,722,251	4,722,251
<i>Changes from financing cash flows</i>			
Repayment of principal		-6,933,756	-6,933,756
Repayment of interest		-54,852	-54,852
New borrowings from related parties (See note 6.3 Business combination)		6,133,756	6,133,756
Proceed from borrowings	10,000,000		10,000,000
Interest			-
Total changes from financing cash flows	10,000,000	3,867,399	9,145,148
<i>Non-cash changes</i>			
Reclassification assets against liabilities		-2,497,768	-2,497,768
Other non-cash		253,398	253,398
Finance expense conversion rights	449,731		449,731
Derivative conversion liability transferred to equity	-449,731		-449,731
Accrued interest convertible bonds	684,595		684,595
Reversal of accrued interest convertible bonds upon notification of conversion	-684,595		-684,595
Total non-cash changes	-	-2,244,370	-2,244,370
Balance 31.12.2020	10,000,000	1,623,029	11,623,029
Balance 31.12.2020	10,000,000	1,623,029	11,623,029
<i>Changes from financing cash flows</i>			
Total changes from financing cash flows	-	-	-
<i>Non-cash changes</i>			
Redemption of convertible bond loan for shares	-10,000,000		-10,000,000
Total non-cash changes	-	-	-10,000,000
Balance 31.12.2021	-	1,623,029	1,623,029



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

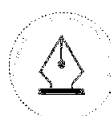
4.3 Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loans in July 2021. Each bondholder can give notification and convert the loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The fair value of the convertible bonds at initial recognition reflects the fair value of the liability ("the loan") and the fair value of the conversion rights. At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The full fair value was measured using an option pricing model. The conversion right liability was recognized at a total fair value of NOK 5,8 million and NOK 5.4 million loss is presented in the P&L as a financial item. The NOK 5,8 million liability was reclassified against equity at the time of the IPO when the conversion share price of NOK 25 was fixed. No subsequent remeasurement is required for the conversion rights following the recognition against equity at the date of the IPO. The convertible bond loan is subsequently measured at amortised cost.

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end 2020. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bonds as of 31 December 2020 is NOK 10 million.

The bonds were converted in January 2021 and after the conversion the total number of outstanding shares of TECO 2030 ASA was 12 400 000 shares, each with a nominal value of NOK 0.10. The new shares are listed on Euronext Growth (Oslo, Norway) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.





4.4 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

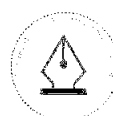
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowings from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



4.5 Risk management

Risk factors

The TECO 2030 Group is, like all companies and groups of companies, subject to several risk factors. These are related to business areas such as operational risks, financial risks (credit, liquidity, interest etc.), and market risks. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, a young group of companies, a fact which by itself represents and increases a number of risk factors compared to companies with a longer track record. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

The BoD and management team of TECO 2030 are monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical.

Operational risk factors

As TECO 2030 is in an early stage and to a substantial extent depends on external partners for development and production, the internal operational risks are limited. However, the Group is dependent on recruiting and retaining highly qualified personnel with deep knowledge of the maritime industry and relevant technologies.

The Group will also need to maintain close relationships with its key business partners.

Development risk

Developing new technologies is always associated with development risk. The development of the TECO 2030 Fuel Cells is done in close cooperation with AVL, a major development company with a long track record of developing new technologies within the areas of in which TECO 2030 operates. TECO 2030 also has strong development competence within the organization. Even so, there is a risk that developed products do not function as well as anticipated, either due to technical failures or other technical or design challenges, or that competing and superior technologies emerge, leading to TECO 2030's products being outperformed by competitors. Although relying on already available patents from AVL and/or jointly developed patents by AVL and TECO 2030, the risk of patent restrictions might occur.

The development of the TECO 2030 Carbon Capture solution is made in close cooperation with the US-based company Chart Energy & Chemicals, Inc. This cooperation is still in an early phase, and it is expected to increase substantially throughout 2022.

Market risk

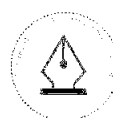
Green technology is in constant change and is dependent on factors such as major fluctuations in oil prices, as low oil prices increase ship owners return on investment for scrubber installations and other low-emission technologies; the global economy in general and shipping companies in particular; and national and international regulations. Stricter regulations will increase the pressure and the financial incentives for ship owners to choose new and cleaner technologies. For TECO 2030's Fuel Cell technology, important factors such as availability of sufficient volumes of hydrogen at a reasonable cost will be decisive for ship owners' willingness to invest in such technology.

Interest rate risk

As per end of 2021, TECO 2030 is to a very limited extent exposed to interest risk. The Company had per 31 December 2021 no interest-bearing loans. It has a leasing agreement of approximately NOK 4 million related to various equipment.

Liquidity risk/Financing risk

32



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

TECO 2030 has throughout 2021 successfully raised approximately NOK 86,5 million in three private placements. The cash from these share issues secures the Group's liquidity needs for approximately the first half of 2022. The Group needs to secure further funding during 2022 as the cash position as per end of December 2021 is insufficient to meet the Group's ongoing development program. It is also a prerequisite from Innovation Norway that the Group secures another NOK 113,5 million in order to release the provided grant of NOK 50 million. The Group's success, or lack of success, in selling TECO 2030 Future Funnels and ballast water treatment systems will affect the Group's cash position in 2022.

4.5 Risk management (continued)

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

As at 31 December 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings from related parties (Note 4.2)	1,623,029	-	-	1,623,029
Trade payables (Note 2.5)	23,598,197	-	-	23,598,197
Total contractual undiscounted payments	25,221,226	-	-	25,221,226

As at 31 December 2020	< 1 year	1 to 5 years	> 5 years	Total
Borrowings from related parties (Note 4.2)	1,623,029	-	-	1,623,029
Trade payables (Note 2.5)	8,555,700	-	-	8,555,700
Convertible loan ¹⁾	10,000,000	-	-	10,000,000
Total contractual undiscounted payments	20,178,729	-	-	20,178,729

1) See note 4.3

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has a limited number of customers as per the end of 2021 and has established internal guidelines in order to minimise the credit risk related to our customer receivables. TECO 2030 INC has a relatively large receivable from two related parties in USA. As per year-end, the companies have signed a loan agreement and the parties are aiming towards a final down payment by June 30, 2022.

Risks related to regulations and political risk

Governmental regulations in the jurisdictions in which TECO 2030 operates, relating to issues such as health, security, environment, and tax, will affect the Company's business going forwards. New or changing regulations implemented by EU and IMO, the United Nations authority to serve as a regulator of all vessels sailing in international waters, may affect the market for products in the markets in which TECO 2030 operates. Additionally, regulations might be imposed from by flag states and local authorities.

Risks related to key personnel and competence

TECO 2030's future success will partly depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. TECO 2030's total number of employees is limited and retaining key personnel is therefore important.

Foreign exchange risk

33



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Foreign exchange risk

Throughout 2021, TECO 2030 was exposed to foreign exchange transaction risk as its funding primarily was made in NOK, whereas major cooperating partners are located in central Europe with Euro as currency. The sales of ballast water treatment systems were primarily made in Euro with corresponding system purchases in the same currency, hence reducing the foreign exchange risk on these sales. In 2022 the Group will have substantial expenses in Euro to cooperating partners, and the Group will consider raising additional funding in Euro. Possible future sales will primarily be in Euro and USD, and the Group will, to the extent possible, secure the majority of production expenses in the corresponding currency. Some of the production costs will, however, be in NOK together with a large part of the Group's overhead expenses and, as such, lead to an increased exposure to the EUR/USD versus NOK exchange rates.

In addition, the Group will, from project to project, be exposed to a limited number of other currencies (mainly USD). The Company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the Group's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Covid-19

Although the pandemic still was considered a potential threat to the world economy by the end of 2021, oil prices were at their highest level of the last five-year period. Further, the price spread between high-sulphur and low-sulphur fuel oils was back to levels which makes the exhaust gas cleaning system (Future Funnel) an attractive investment case for a wide variety of ship owners. Consequently, the board of directors believes that 2022 can be a successful year for these systems, which are considered important temporary solutions on the way to a future of zero-emission shipping.

War in Ukraine

The ongoing war in Ukraine has already had a significant impact on companies and people around the world, and especially in Europe. For TECO 2030, the situation is, nevertheless, relatively unchanged and the war has had little, or no impact. A further escalation or a long-lasting war may increase the impact and consequences beyond what we are able to foresee today and may lead to shortage of raw materials and equipment such as microchips necessary for TECO 2030's future fuel cell production. On the other hand, the conflict has significantly increased Europe's focus on becoming independent from Russian fossil energy and to increase the progress towards green energy.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



4.6 Equity and shareholders

Date	Number of shares authorised and fully paid	Par value per share (NOK)	Carrying amount (NOK)
At 31 December 2019	1,111,111	0.1	111,111
Equity issue 19 August 2020	8,888,889	0.1	888,889
Equity issue 9 October 2020	2,000,000	0.1	200,000
At 31 December 2020	12,000,000	0.1	1,200,000
Equity issue 13. January 2021	400,000	0.1	40,000
At 2. March 2021	12,400,000	0.1	1,240,000
Share split 3. March 2021	124,000,000	0.01	1,240,000
Equity issue 2 July 2021	3,244,644	0.01	32,446
Equity issue 20 October 2021	4,125,170	0.01	41,252
Equity issue 23 December 2020	9,000,000	0.01	90,000
At 31 December 2021	140,369,814	0.01	1,403,698

As described in the convertible bonds note, 400 000 shares at NOK 25 per share were issued in a conversion of bonds. The new share capital was registered on 13 January 2021.

At a general meeting held on 19 February 2021, it was resolved to split the shares outstanding in the Company in the ratio of 1:10. Following the completion of the share split there were 124 000 000 shares in the company, each with a par value of NOK 0.01. The shares were traded with the 1/10 split from 3 March 2021.

In June 2021 the Company raised NOK 20 million through a private placement of 3 244 644 new shares at an issuance price of NOK 6.164. The share capital increase was registered on 2 July 2021.

In October 2021 the Company raised NOK 21,5 million through a private placement of 4 125 170 new shares at an issuance price of NOK 5.2095. The share capital increase was registered on 20 October 2021.

In December 2021 the Company completed a private placement through an allocation of 9 000 000 shares at an issuance price of NOK 5.00 per share giving a gross proceeds of NOK 45 million. The share capital increase was registered on 23 December 2021. The share capital after the December share issuance was NOK 1 403 699 with 140 369 814 shares outstanding at a nominal value per share of NOK 0.01.

35



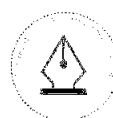
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



The Company's 20 largest shareholders as of 31 December 2021 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	37.07%
CLEARSTREAM BANKING S.A.	25,604,324	18.24%
CITIBANK, N.A.	15,663,841	11.16%
JAKOB HATTELAND HOLDING AS	8,000,000	5.70%
UBS SWITZERLAND AG	4,471,289	3.19%
SOLVIK HOLDING AS	3,500,000	2.49%
HANSEN EIENDOM OG KONSULT AS	2,983,484	2.13%
TECO MARITIME GROUP AS	2,885,250	2.06%
EQUITOR AS	2,645,140	1.88%
JAHATT AS	2,128,201	1.52%
TECO TECH HOLDING AS	1,624,130	1.16%
SAXO BANK A/S	1,558,840	1.11%
MORGAN STANLEY & CO. INT. PLC.	1,279,586	0.91%
KBC Bank NV	1,122,991	0.80%
MEDIKOM AS	1,052,860	0.75%
PCJ INVEST AS	860,870	0.61%
ESRO INVEST AS	805,580	0.57%
CANICA AS	518,287	0.37%
SOO INVEST AS	505,000	0.36%
MARCUSSEN SHIPPING AS	494,410	0.35%
20 largest shareholders	129,745,513.0	92.43%
Other shareholders	10,624,301	7.57%
Total shareholders	140,369,814	100%



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



The Company's 20 largest shareholders as of 31 December 2020 are shown in the table below.

Shareholder	# shares ¹⁾	%
TECO GROUP AS	52,041,430	43.37%
CITIBANK, N.A.	8,963,640	7.47%
SIX SIS AG	8,059,430	6.72%
HANSEN EIENDOM OG KONSULT AS	7,326,700	6.11%
CLEARSTREAM BANKING S.A.	5,918,010	4.93%
JAKOB HATTELAND HOLDING AS	3,907,320	3.26%
CANICA AS	3,750,000	3.13%
TECO MARITIME GROUP AS	2,885,250	2.40%
SOLVIK HOLDING AS	2,800,100	2.33%
EQUITOR AS	2,645,140	2.20%
JAHATT AS	2,443,220	2.04%
TECO TECH HOLDING AS	1,724,690	1.44%
MICHAEL NYGAARD RASMUSSEN	1,398,000	1.17%
MEDIKOM AS	1,337,860	1.11%
STAVERN HELSE OG FORVALTNING AS	1,256,280	1.05%
NORDNET LIVSFORSIKRING AS	1,073,590	0.89%
PCJ INVEST AS	860,870	0.72%
ASTRUP FEARNLEY AS	700,000	0.58%
HØGÅSEN HOLDING AS	699,000	0.58%
BLOMS OPPMÅLING AS	610,000	0.51%
20 largest shareholders	110,400,530	92.00%
Other shareholders	9,599,470	8.00%
Total shareholders	120,000,000	100%

1) The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

Earnings per share

Basic EPS is calculated by dividing the profit or loss for the year attributable to holders of ordinary equity by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit (loss) and shares outstanding used in the EPS calculations:

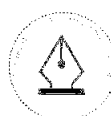
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 ¹⁾
Profit (loss) attributable to ordinary equity holders - for basic EPS	-52,996,250	-27,228,697
Profit (loss) attributable to ordinary equity holders adjusted for the effect of dilution	-52,996,250	-27,228,697
Total shares outstanding at year-end ²⁾	140,369,814	120,000,000
Weighted average number of ordinary shares - for basic EPS ³⁾	126,504,224	48,217,680
Weighted average number of ordinary shares adjusted for the effect of dilution ³⁾	126,504,224	48,217,680
Basic EPS, profit (loss) for the year¹⁾	-0.42	-0.56
Diluted EPS, profit (loss) for the year¹⁾	-0.42	-0.56

1) The comparative number of total outstanding and weighted-average shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

The share options and RSUs once issued will have a potential dilutive effect on earnings per share.

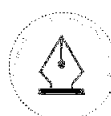
Share options and RSUs shall be treated as dilutive only if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. Hence, no dilutive effect has been recognised in the calculation of diluted EPS for 2021.

37



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



4.7 Cash and cash equivalents

For the purpose of presentation in the Group financial statements, cash and cash equivalents includes cash and bank deposits.

Cash and cash equivalents	31.12.2021	31.12.2020
Bank deposits	59,618,726	43,717,208
Total cash and cash equivalents	59,618,726	43,717,208

Restricted cash included in the cash and cash equivalents above:

Withheld tax in relation to employee benefits	1,274,539	1,522,059
---	-----------	-----------

The Group has a non-current restricted rental deposit of NOK 2 900 000 connected with the lease of office space in Lysaker.

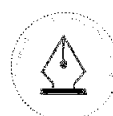
The Group also has a current deposit of NOK 385 000 at year-end related to a terminated lease agreement.

The restricted cash deposits related to leases are not included as part of cash and cash equivalents.

4.8 Financial income and expenses

The Group's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

Finance income and finance costs	Class of financial instrument	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Finance income			
Interest income	Cash and cash equivalents	1,521	1,890
Interest income on sub-lease	Finance lease receivables	258,801	
Interest income - related party	Loan to related parties		65,035
Loan forgiven	Other financial liabilities		349,835
Foreign exchange gains	Liabilities and receivables	1,818,450	266,308
Total finance income		2,078,772	683,068
Finance costs			
Interest expenses - related party	Interest-bearing liabilities		100,817
Interest expense leases	Lease liabilities	2,186,424	
Interest expense debt	Other financial liabilities		72,126
Fair value adjustment - conversion rights	Convertible bond loan		449,731
Foreign exchange loss	Liabilities and receivables	516,431	675,550
Other financial expenses	Other financial liabilities	5,050	36,530
Total finance costs		2,707,905	1,334,753
Net financial income (expense)		-629,133	-651,685



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

	31.12.2021	31.12.2020
Income tax expense		
Current income tax expense	76,968	7,439
Deferred income tax expense	-	-
Total income tax expense	76,968	7,439
Current tax	31.12.2021	31.12.2020
Profit before taxes	-52,919,282	-27,221,258
Permanent differences	268,159	421,695
Change in temporary differences	53,017,637	26,834,988
Tax basis 31.12	366,514	35,425
Current tax 22% (21% Inc)	76,968	7,439
Current tax in the financial position	76,968	7,439
Temporary differences	31.12.2021	31.12.2020
Property, plant and equipment	-726,145	42,767
Intangible assets	1,393,369	2,222,370
Lease agreements	-34,223	
Accumulated loss carried forward	-77,614,709	-31,638,821
Basis for deferred tax liabilities (assets)	-76,981,708	-29,373,684
Not included in the calculation of deferred tax*	76,981,708	29,373,684
Deferred tax liabilities/assets recognised in balance sheet	-	-

* Until commencement of sale/agreement has reach a profitable level, the group will not record any deferred tax asset related to its tax loss carried forward and other temporary differences There are no time limitation in Norway for utilization of historical tax losses.

40

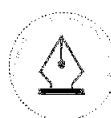


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Reconciliation of income tax expense	31.12.2021	31.12.2020
Profit (losses) before taxes	-52,919,282	-27,221,258
22% of profit before tax	-11,642,242	-5,970,807
22% of permanent differences	58,995	92,773
Not included in the calculation of deferred tax*	11,660,215	5,885,473
Not included in the calculation of	76,968	7,439
Recognised income tax expense	76,968	7,439



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Section 6 - Other disclosures

6.1 Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation, and are not disclosed in this note.

Remuneration to key management 2021	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO)	3,705,775	74,116	382,711	4,162,602
Pål Christian Johnsen (CFO)	1,175,002	23,500	18,089	1,216,591
Bettina Nowak (CEO, USA)	1,909,114	115,759	31,083	2,055,956
Tor-Erik Hoftun (EVP Operations)	1,310,579	26,212	18,089	1,354,880
Erling Hoftun (VP Special Projects)	1,150,002	23,000	136,356	1,309,358
Total remuneration to key management	9,250,472	262,586	586,328	10,099,386

Remuneration to key management 2020	Salary	Pension expense	Other expensed benefits	Total
Tore Enger (CEO) ¹⁾	1,641,667	33,200	119,388	1,794,255
Pål Christian Johnsen (CFO) ¹⁾	547,333	29,000	9,993	586,326
Bettina Nowak (CEO, USA) ¹⁾	878,174	37,722	12,734	928,631
Tor-Erik Hoftun (BDO) ¹⁾	562,499	33,200	9,993	605,692
Arild Eiken (CTO) ²⁾	116,667	7,000	831	124,498
Total remuneration to key management	3,746,340	140,122	152,939	4,039,402

1) Tore Enger, Pål Christian Johnsen, Bettina Nowak, Tor-Erik Hoftun are Group employees as of 1 August 2020.

2) Arild Eiken was employed on 1 December 2020.

Tore Enger has a six-month notice period.

Remuneration to the board of directors in the parent company was NOK 1 295 835 in 2021.

Remuneration to the board of directors in the parent company was NOK 687 500 in 2020.

Number of shares held by the key management and the Board of Directors	2021 Shares	2020 Shares *
Tore Enger (CEO) ¹⁾	43,926,328	43,926,328
Pål Christian Johnsen (CFO) ²⁾	860,870	860,870
Bettina Nowak (CEO, USA) ³⁾	8,007,430	8,007,430
Tor-Erik Hoftun (EVP Operations) ⁴⁾	2,645,140	2,645,140
Arild Eiken (CTO)	14,250	14,250
Sigurd G. Lange (Chairman) ⁵⁾	3,294,475	3,294,475
Pia Meling (board member)	3,220	3,220
Bigit Marie Liødden (board member)	2,000	2,000
Marit Elise Kirkhusmo (board member)	-	-
John Herman Marcussen (Board member) ⁶⁾	494,410	494,410

*) The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

1) Tore Enger controls, via his 100 % owned company TECO Holding AS, approx. 80 % of TECO Group. TECO Group is in control of 52 041 430 share sin TECO 2030 ASA, approx. 2 062 780 shares through TECO Group's ownership of approx. 71.5 % in TECO Maritime Group AS and approx. 803 700 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.

2) Pål Christian Johnsen is in control of 860 870 shares through his fully owned company PCI Invest AS.

3) Bettina Nowak is in control of 8 077 430 shares via her nominee account in Citibank, N.A. in Dublin/Ireland.

4) Tor-Erik Hoftun is in control of 2 645 140 shares through his fully owned company Equitor AS.

5) Sigurd G. Lange controls, via his 100 % owned company, Lange Industries AS, approx. 6 % of TECO Group. TECO Group is in control of 52 041 430 share sin TECO 2030 ASA, approx. 2 062 780 shares through TECO Group's ownership of approx. 71.5 % in TECO Maritime Group AS and approx. 803 700 through TECO Group's 46.6 % ownership in TECO Tech Holding AS.

6) John Herman Marcussen is in control of 494 410 shares though his fully owned company Marcussen Shipping AS.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

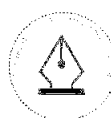
Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Profit or loss items

Related party - Services sold	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Blom Maritime AS ¹⁾	Advisory services	2800	-
BLOM Maritime Inc ¹⁾	Consultancy, facilities	399,905	163,410
Nordic Made Inc ¹⁾	Personnel related	1,932	37,425
Rubber innovation AS ¹⁾	Personnel related	-	22,456
Rubber innovation AS	Project related work	171,275	-
Rubber Innovation Inc ¹⁾	Personnel insurance costs	25,147	-
TECO Chemicals AS ¹⁾	Consultancy, facilities	26,098	-
TECO Maritime Group AS ¹⁾	Advisory services	39,750	-
TECO Maritime Inc ²⁾	Consultancy, facilities	467,507	741,326
TECO Technologies AS ²⁾	Interest income	-	65,035
Total		1,134,414	1,029,651

Related party - Services purchased	Type of service	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Blom Maritime AS	Advisory services	1,758,764	23,699
BLOM Maritime Inc	Reimbursement of travel expenses	13,002	-
Nordic Made Inc	Over payments	-4,058	-
Rubber Innovation Holding AS ¹⁾	Interest cost	-	77,684
Rubber Innovation Holding AS	Marketing cost	-	11,968
Rubber Innovation Holding AS	Reimbursement of travel expenses	107,948	-
TECO Maritime Group AS	Advisory services	-	115,000
TECO Maritime Group AS	Personnel	67,577	142,246
TECO Maritime Group AS	Car leasing	322,438	-
TECO Maritime Group AS	Office related costs	1,791	-
TECO Maritime Inc	Personnel insurance costs	689,692	-
TECO Solutions AS ¹⁾	Accounting Services	137,499	-
TECO Technologies AS	Management fee	-	5,576,176
TECO Technologies AS	Personnel and facilities cost	-	1,000,080
TECO Technologies AS	Rent of premises	403,026	-
TECO Technologies AS	Purchase of vehicle	110,000	-
TECO Technologies AS	Interest cost	-	23,132
Tore Enger	Rent of premises	276,000	115,000
Total		3,883,679	7,084,986



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5



Balance sheet items

Related party - Assets	Balance type	31.12.2021	31.12.2020
Blom Maritime AS	Trade and other receivables	321,546	-
BLOM Maritime Inc	Trade and other receivables	744,970	495,948
Nordic Made Inc	Trade and other receivables	125,908	35,187
Rubber innovation AS	Trade and other receivables	797,068	-
Rubber innovation Inc	Trade and other receivables	25,792	-
TECO Chemicals AS 1)	Trade and other receivables	146,033	-
TECO Maritime Group AS	Trade and other receivables	362,465	-
TECO Maritime Inc	Trade and other receivables	1,887,106	1,308,600
TECO Solutions AS	Trade and other receivables	437,314	-
TECO Technologies AS	Trade and other receivables	1,540,575	-
TECO Technologies AS	Interest-bearing loan	3,822,925	2,893,457
Total		10,211,702	4,733,191

Related party - Liabilities	Balance type	31.12.2021	31.12.2020
BLOM Maritime AS	Trade and other Payables	3,619	23,699
BLOM Maritime Inc	Trade and other Payables	-	3,420
Nordic Made Inc	Trade and other Payables	-	79,479
Rubber Innovation Holding AS	Interest-bearing loans and borrowings	1,623,029	1,623,029
TECO Maritime Group AS	Trade and other Payables	-	93,298
TECO Maritime Inc	Trade and other Payables	7,969	44,516
TECO Solutions AS	Trade and other Payables	44,256	-
TECO Technologies AS	Interest-bearing loans and borrowings	-	-
TECO Technologies AS	Other current liabilities	87,169	-
TECO Technologies AS	Trade and other Payables	-	609,745
TECO Technologies AS	Trade and other Payables	-	87,169
Total		1,766,042	2,540,655

Financial lease receivables includes related parties as specified below :

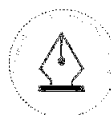
	% of finance lease receivable	NOK finance lease receivables 31.12.2021	NOK current finance lease receivables 31.12.2021
TECO Solutions AS	38%	8,013,771	765,741
Blom Maritime AS	27%	3,729,620	356,377
TECO Maritime Group AS	10%	2,718,921	259,802
TECO Chemicals AS	10%	1,024,934	97,936
External company	14%	1,024,934	97,936
Total current and non-current finance lease receivables	100%	16,512,180	1,577,791

1) CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Maritime Group AS, Blom Maritime AS, Blom Maritime Inc, TECO Maritime INC and Nordic Made INC, which are all a part of the TECO Maritime Group.

2) The CEO in TECO 2030 ASA, Tore Enger, is the chairman of the board in TECO Tech Holding AS and its two fully owned subsidiaries TECO Technologies AS and Rubber Innovation AS.

In 2020 the Group was invoiced NOK 7,9 million in management fees from TECO Technologies AS where a total of NOK 2,3 million has been capitalised as development in 2020.

The Group entered agreements that were finalised in August 2020 with related parties described in note 6.3.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

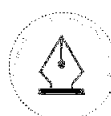


6.2 Events after the reporting period

On 20 February, the Company announced a private placement of USD 750,000 (NOK 6.7 million) towards one of its existing shareholders. The capital increase was registered on 15 March. Following the private placement, the total number of shares in the Company increased by 1,608,827 to 141,978,641.

On 24 February, the Group announced a sale of one ballast water treatment system to CMI Ship Management, for the ship Ocean Nova, worth approximately NOK 0.9 million

There are no other significant events after the reporting period.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3243F05ADD524CFA83EB6CF3A74ED0E5

6.3 Business combinations

Acquisitions in 2020

Agreement with TECO Tech Holding AS (related party and former parent company)

On 5 August 2020 the Company acquired 100 % of the voting shares of TECO 2030 Inc., and TECO 2030 Pte Ltd., in addition to one strategic cooperation agreement and one distribution agreement. As part of the agreement, the subsidiary TECO 2030 AS acquired part of the business performed in TECO Technologies AS (a subsidiary of TECO Tech Holding), these transactions together referred to as the business combination. The business acquired performs sales and marketing activities of ballast water treatment systems, scrubber and maritime COVID-19 disinfection products, the business acquired also have strategic geographich locations in Singapore and Miami.

The transaction is recorded as a business combination in accordance with IFRS 3. The transaction was closed 7 August 2020.

The business acquired, their assets, technology and employees' technical capabilities fit the business model of the Company and the acquired synergies are expected to leverage the combined entity's position in providing products to the market.

The acquisition-date fair value of the total consideration transferred was NOK 6,1 million in the form of a seller's credit.

Transaction costs estimated at NOK 100 thousand will be expensed and included in other operating expenses.

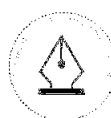
If the acquisition date for the business combination had occurred as of 1 January 2020, the combined entity would have total revenues of NOK 6,2 million in the current reporting period, and a loss of NOK 35,7 million.

The following intangible assets, excluding goodwill, were identified in the business combination, including management's preliminary expectation of economic useful life:

- Sales and distribution agreements (5 years)

No liability nor any deferred tax was identified in the business combination.

The valuation as given outlined below is based on information available at the transaction date. There have been no updates or new information after the acquisition date and the Group has not changed or updated the fair value assessment in the PPA in the 12 months after the acquisition date.





Admincontrol

List of Signatures Page 1/1

TECO 2030 ASA - Selskapsregnskap 2021.pdf

Name	Method	Signed at
Meling, Pia	BANKID_MOBILE	2022-04-28 18:13 GMT+02
Enger, Tore	BANKID	2022-04-28 17:57 GMT+02
Lange, Sigurd Gaarder	BANKID_MOBILE	2022-04-28 17:42 GMT+02
Marcussen, John Herman	BANKID_MOBILE	2022-04-28 17:42 GMT+02
Liudden, Birgit Marie	BANKID_MOBILE	2022-04-28 17:40 GMT+02
Kirkhusmo, Marit Elise	BANKID	2022-04-28 18:38 GMT+02



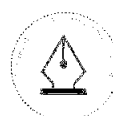
This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: 15769239D96C46A0A9FC523082C3AC44



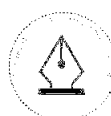
TECO 2030 ASA

Annual report 2021



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



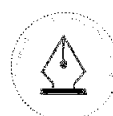
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Contents

Statement of comprehensive income	3		
Statement of financial position	4		
Statement of equity	5		
Statement of cash flows	6		
Section 1 - Overview	7	Section 5 - Tax	25
1.1 Corporate information	7	5.1 Taxes	25
1.2 Basis of preparation	7		
1.3 Estimates, judgements and assumptions	7-8		
1.4 Significant accounting policies	9		
1.5 New standards and amendments	10		
Section 2 - Operating performance		Section 6 - Other disclosures	26
2.1 Employee benefit expenses	11	6.1 Related party transactions	26
2.2 Other operating expenses	11	6.2 Events after the reporting period	26
2.3 Trade and other receivables	12	6.3 Investments in subsidiaries	27
2.4 Trade and other payables	12		
2.5 Other current liabilities	12		
Section 3 - Asset base			
3.1 Property, plant and equipment	13		
3.2 Intangible assets			
3.3 Leases			
Section 4 - Financial instruments, risk and equity			
4.1 Financial instruments	16-17		
4.2 Interest-bearing loans and borrowings	18		
4.3 Convertible bonds	19		
4.4 Fair value measurement	20		
4.5 Financial risk management	21-22		
4.7 Cash and cash equivalents	24		
4.8 Finance Income and finance cost	24		



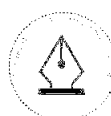
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Statements of comprehensive income

Amounts in NOK	Notes	01.01.2021 - 01.01.2020 -	
		31.12.2021	31.12.2020
Total revenue		2,100,102	-
Personnel expenses	2.1	-17,861,860	-2,221,835
Other operating expenses	2.2	-10,778,414	-12,025,124
Depreciation and amortisation	3.1,3.2	-3,027,172	-1,499,855
Total operating expenses		-31,667,446	-15,746,814
Operating profit (loss)		-29,567,344	-15,746,814
Finance income	4.8	3,032,153	479,936
Finance cost	4.6,4.8	-671,399	-1,090,285
Net financial income (expense)		2,360,754	-610,350
Profit (loss) before tax		-27,206,590	-16,357,164
Profit (loss) before tax		-27,206,590	-16,357,164
<i>Other comprehensive income:</i>		-	-
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the period		-	-
Comprehensive income for the year		-27,206,590	-16,357,164



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

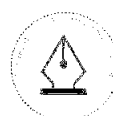
Document ID:
15769239D96C46A0A9FC523082C3AC44



Statements of financial positions

Amounts in NOK	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	542,767	193,160
Intangible assets	3.2	38,929,711	15,127,536
Restricted deposits	4.7	2,900,000	-
Right-of-use assets	3.3	3,158,892	-
Finance lease receivables	3.3	32,412,434	-
Shares in subsidiaries	6.3	2,439,578	1,060,000
Total non-current assets		80,383,382	16,380,696
Current assets			
Trade and other receivables	2.3,6.1	5,702,374	3,964,940
Inventories	3.4	-	6,084,475
Other receivables group companies	6.1	80,148,094	21,214,367
Other current assets		1,633,461	300,392
Current Financial lease receivables	3.3	3,097,112	-
Cash and cash equivalents	4.7	57,259,772	40,475,846
Total current assets		147,840,813	72,040,020
TOTAL ASSETS		228,224,195	88,420,716

4



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Statements of financial positions

Amounts in NOK	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	1,403,699	1,200,000
Share premium		180,264,067	83,805,377
Other reserves		5,770,480	449,731
Retained earnings		-46,185,275	-18,978,685
Total equity		141,252,971	66,476,423
Non-current liabilities			
Non-current lease liabilities	3.3	35,232,836	-
Other non-current liabilities		375,000	-
Non-current Liabilities to group companies	6.1	-	67,338
Total non-current liabilities		35,607,836	67,338
Current liabilities			
Current lease liabilities	3.3	3,469,825	-
Current Liabilities to group companies	6.1	37,357,553	23,827
Interest-bearing loans and borrowings	6.1	1,623,029	1,623,029
Trade and other payables	2.4	5,813,046	8,376,024
Convertible bonds	4.3	-	10,000,000
Other current liabilities	2.5	3,099,939	1,854,075
Total current liabilities		51,363,392	21,876,955
Total liabilities		86,971,228	21,944,293
TOTAL EQUITY AND LIABILITIES		228,224,195	88,420,716

Oslo, 28 April, 2022

Sigurd G Lange
Chairman of the board

Pia Meling
member of the board

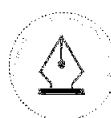
Bigit Marie Liodden
Member of the board

Marit Elise Kirkhusmo
Member of the board

John Herman Marcussen
Member of the board

Tore Enger
Chief executive officer

5



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



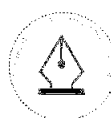
Statements of cash flows

Amounts in NOK

	Notes	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cash flows from operating activities			
Profit or loss before tax		-27,206,590	-16,357,164
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net financial income/expense		-60	319,272
Conversion right		12,315	449,731
Share based payments		5,770,480	
Depreciation, amortisation and impairment	3.1,3.2	3,027,172	1,499,855
<i>Changes in working capital:</i>			
Changes in trade receivables and other receivables	2.4	-63,696,465	-20,411,538
Changes in trade and other payables	2.5	35,949,272	7,012,575
Change in inventories		6,084,475	-6,084,475
Other changes in operating activities		-567,353	
Net cash flows from operating activities		-40,626,754	-33,571,744
Cash flow from investing activities			
Purchase of property, plant and equipment	3.1	-496,170	-109,969
Development expenditures	3.2	-35,691,083	-8,836,037
Transaction cost acquisition of shares		-	-100,000
Purchase and acquisition of intangible assets	3.2	-978,840	-3,800,400
Purchase of shares and investments in other companies	6.3	-1,379,578	-1,060,000
Interest received	4.8	904	241,924
Net cash flows from investing activities		-38,544,767	-13,664,482
Cash flow from financing activities			
Net proceeds from issuance of equity		96,662,389	74,905,387
Proceeds from convertible debt	4.3	-	10,000,000
Repayment of principal		-	-6,933,765
Repayment of interest		-969	-83,270
Proceeds from public funding		375,000	
New borrowings		-	6,133,756
Cash payments for the principal portion of the lease liability		-1,503,220	-
Cash payments for the interest portion of the lease liability		-538,894	-
Net cash flows from financing activities		94,994,306	84,022,108
Net increase/(decrease) in cash and cash equivalents		15,822,785	36,785,882
Cash and cash equivalents at beginning of the year/period	4.7	40,475,846	3,689,963
Effects of exchange rate changes on cash and cash equivalents		961,140	
Cash and cash equivalents, end of year		57,259,772	40,475,846

The statement of cash flows are prepared using the indirect method.

6



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44

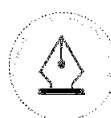


Statements of changes in equity

Amounts in NOK	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity as of 01.01.2020		111,111	9,988,879	-	-2,621,522	7,478,468
Issuance of shares 19.08.2020		888,889	-888,889	-	-	-
Issuance of shares 09.10.2020		200,000	79,800,000	-	-	80,000,000
Transaction costs on share issue		-	-5,094,613	-	-	-5,094,613
Conversion rights		-	-	449,731	-	449,731
Profit (loss) for the year		-	-	-	-16,357,164	-16,357,164
Profit (loss) for the year		1,200,000	83,805,377	449,731	-18,978,686	66,476,423

Amounts in NOK	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021	1,200,000	83,805,377	449,731	-18,978,686	66,476,423
Issuance of shares 13.01.2021	40,000	9,950,000	-	-	9,990,000
Issuance of shares 02.07.2021	32,446	19,967,539	-	-	19,999,985
Issuance of shares 20.10.2021	41,253	21,448,920	-	-	21,490,173
Issuance of shares 23.12.2021	90,000	44,910,000	-	-	45,000,000
Share-base payment	-	-	5,770,480	-	5,770,480
Transaction costs on share issue	-	-267,500	-	-	-267,500
Conversion rights	-	449,731	-449,731	-	-
Profit (loss) for the year	-	-	-	-27,206,590	-27,206,590
Balance as of 31 December 2021	1,403,699	180,264,067	5,770,480	-46,185,275	141,252,971

7



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Section 1 - Overview

1.1 Corporate information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company with focus on a greener and cleaner environment. The Company is working to identify and develop high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on 30 September 2019, as a limited liability company, under the name TECO EGCS AS, before it subsequently changed its name to TECO 2030 AS. On 5 August 2020 an extraordinary general meeting approved conversion from a limited liability company to a public limited company under the name TECO 2030 ASA. TECO 2030 ASA shares are traded on Euronext Growth (Oslo, Norway). The registered office address of TECO 2030 is Lysaker Torg 12, 1366 Lysaker, Norway.

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board on 28 April 2022. Until this date the Board of Directors has the authority to amend the financial statements.

1.2 Basis of preparation

The financial statements of TECO 2030 consist of the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU) and additional disclosure requirements in the Norwegian Accounting Act as effective as of 31 December 2021. The financial statements have been prepared on a historical cost basis and are presented in Norwegian Kroner (NOK). The financial statements are prepared on a going concern basis.

1.3 Estimates, judgements and assumptions

The preparation of the financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Judgements

In the process of applying the 's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of internal development costs

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed. A detailed description of the judgements applied is presented in note 3.2.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve significant estimates related to the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. A detailed description of the significant estimates and assumptions is presented in note 3.2.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Reference is made to note 5.1 for information on recognised and unrecognised deferred tax assets.

Going concern

The Company is still in a ramp-up phase, and the Company's development programs as well as completion of the factory plant in Narvik is not fully funded. Historically, the Group's projects have been funded with proceeds from private placement on a step-by-step basis. Subject to conditions related to receiving full funding, the Company will receive a NOK 50 million grant from Innovation Norway. Management is currently assessing various strategic initiatives in order to be able to finance the continuation of its expansive development programs. The Company will need to obtain additional funding before mid-2022. Based on the development of the Company's projects, interest in the market as well as the historical track record from obtaining funding for next phase, the Board is confident that additional funding will be raised, and the financial statements are prepared under the going concern assumption. However, with the current prevailing market, there exists a material uncertainty related to obtaining sufficient funding in a timely matter.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.4 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are described in the respective note, or if not, set out below.

Foreign currency translation

Items included in the financial statements are measured using the functional currency. The Company's financial statements are presented in Norwegian Kroner (NOK), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss on a net basis within other gains/(losses).

Current/non-current classification

An asset is classified as current when it is expected to be realised, or is intended for sale or consumption, in the Company's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current.

Subsidiaries

Investments in subsidiaries are recognised at acquisition cost.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash and bank deposits. Cash and cash equivalents excludes cash that is not readily available for short-term liquidity needs. The cash given as a deposit in connection with the leasing of premises is not readily available and is therefore excluded from cash and cash equivalents.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Trade receivables

The Company initially recognises trade receivables at the amount of unconditional consideration to which the Company is contractually entitled. The receivables are subsequently measured at amortised cost using the effective interest method, less any loss allowance. The Company applies the simplified loss allowance approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the date of the initial recognition of the receivables.

Inventories

Inventory consists of purchased finished goods, which are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to individual items of inventory on the basis of weighted average costs. The inventory at the end of 2020 consisted of two 10 MW scrubbers. During 2021 this inventory was transferred to a subsidiary at book value. As of the end of 2021, the Company does not own any inventory.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the time period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the amount of the grant in arriving at the carrying amount of the asset. The receipt of the grant is then recognised in the statement of comprehensive income over the useful life of that asset as a reduction in the depreciation expense.

Statement of cash flows

The statement of cash flows is presented using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items.

Distribution to shareholders

TECO 2030 ASA recognises a liability to make distributions to its shareholder when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity, net of current income tax.

Employee benefits, guarantees and remuneration to management, board of directors and shareholders

The Company have a defined occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenstepensjon") which is described in Note 2.2. Any details of loans or issued guarantees to board members, the CEO, shareholders or other related parties along with the board and the CEO remuneration has been disclosed in note 6.1.

1.5 New standards and amendments

The new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2021 (i.e. years ending 31 December 2021) were adopted by the Company but did not have any impact or were not relevant to the Company's financial statements upon adoption.

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to impact the Company's financial statements materially, or are not expected to be relevant to the Company's

11

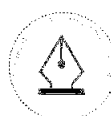


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



financial statements upon adoption.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



2.1 Employee benefit expenses

	01.01.2020-	31.12.2020-
Employee benefit expense	31.12.2020	31.12.2020
Salaries and wages	10,794,843	1,322,347
Social security tax	2,016,722	293,095
Pension	455,235	41,000
Other personnel costs	204,010	441,573
Share-based payments	4,570,902	-
Capitalized personnel expense	-1,156,215	-123,821
Reimbursed personnel expenses	-121,500	-
Reimbursement - Government grants (Skattefunn)	1,097,863	-
Total employee benefit expenses	17,861,860	2,221,835

The Company has 6 employees as of year-end 2021.

Capitalised personnel expense

Personal expense of NOK 1 156 215 has been capitalised as development.

Pensions

The Company is obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Company's pension scheme adheres to the legal requirements. The Company has a defined contribution plan.

Share-based payments

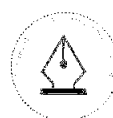
TECO 2030 accounts for share-based compensation in accordance with IFRS 2 *Share-based Payments*. Share-based compensation expense is measured at fair value using a Black-Scholes model over the service period and includes social security taxes that will be paid by the Company at the settlement date. All changes in fair value are recognized in the statement of comprehensive income.

The Board of Directors has implemented a share incentive scheme for employees and board members of the Company for the period 2020 – 2022. The first grant was made in 2021. Each option gives the option holder the right, but not the obligation, to subscribe to or purchase (at the Company's choice) one Share in the Company. The number of options, vesting period, strike price and the date(s) of exercise and expiry will be set out in each individual grant letter.

Any vested options not exercised during an exercise period can be exercised during subsequent exercise periods until the expiry date of the Options, provided that the conditions for exercise are fulfilled. As a main rule, the option holder must be employed at the time of exercising the options.

There are at least two exercise periods each calendar year. Under the plan, participants are granted options which vest at 12, 24 and 36 months from the date of the grant. Options were granted in February 2021. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The options once vested remain exercisable until 48 months after the date of the grant letter. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share at the stated exercise price in the

13



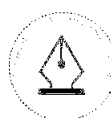
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



exercisable, each option is convertible into one ordinary share at the stated exercise price in the stock option agreement. Exercised options are settled in shares, not cash. The exercise price of the options is NOK 4 for options vesting 12 months after grant date (February 2022), NOK 8 for options vesting 24 months after grant date (February 2023) and NOK 10 for options vesting 36 months after grant date (February 2024).

Set out below are summaries of options granted under the plan during 2021, the first year of the Option Incentive Scheme in total and for key management:



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Share-based compensation to key management	Options granted 2021	Options vested and exercisable as of 31.12.2021	Options exercised in 2021	Options expired in 2021	Total options outstanding 31.12.2021
Tore Enger (CEO)	1,500,000	-	-	-	1,500,000
Pål Christian Johnsen (CFO)	450,000	-	-	-	450,000
Tor-Erik Hoftun (EVP Operation)	900,000	-	-	-	900,000
Erling Hoftun (VP Special Projects)	200,000	-	-	-	200,000
Total options granted to key management	3,050,000	-	-	-	3,050,000

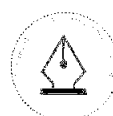
Total options granted 01.01.2021

Options granted during 2021	7,210,000
Options exercised during 2021	-
Options expired or terminated during 2021	-300,000
Total options outstanding 31.12.2021	6,910,000
Total options vested and exercisable as of 31.12.2021	-

2.2 Other operating expenses

Other operating expenses (NOK)	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Management fees	-	5,576,176
Legal, audit and professional fees	4,685,332	4,440,753
Other operating expenses	6,295,666	2,008,195
Reimbursement - Government grants (Skattefunn)	-202,584	
Total other operating expenses	10,778,414	12,025,124

Auditor fees	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Statutory audit (excl. VAT)	322,225	461,200
Audit related services and attestation (excl. VAT)	177,500	393,000
Tax compliance (excl. VAT)	-	93,826
Other services (excl. VAT)	-	447,649
Total remuneration to the auditor	499,725	1,395,675



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



2.3 Trade and other receivables

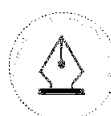
Trade and other receivables	31.12.2021	31.12.2020
Trade receivables	1,863,015	-
VAT receivable	-	1,071,483
Other receivables	3,296,116	-
Government grants receivable (Skattefunn)	543,243	-
Interest bearing loans related parties	-	2,893,457
Total other receivables	5,702,374	3,964,940

2.4 Trade and other payables

Trade and other payables (NOK)	31.12.2021	31.12.2020
Trade payables	4,436,267	7,730,088
Public duties payable	1,376,779	645,936
Total trade and other payables	5,813,046	8,376,024

2.5 Other current liabilities

	31.12.2021	31.12.2020
Salaries payable and board remuneration payable	1,095,024	877,225
Other accrued expenses	2,004,915	976,851
Total other current liabilities	3,099,939	1,854,075



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Section 3 - Asset base

3.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

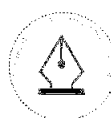
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Equipment and movables	Total
Carrying amount 01.01.2020	164,909	164,909
Additions	109,969	109,969
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.2020	274,878	274,878
Accumulated depreciation & impairment 31.12.2020	-	-
Depreciation for the year	-81,718.0	-81,718.0
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2019	-81,718.0	-81,718.0
Carrying amount 31.12.2020	193,160	193,160
	Equipment and movables	Total
Acquisition cost 01.01.2021	274,878	274,878
Additions	577,888	577,888
Disposals	-	-
Reclassifications	-	-
Acquisition cost 31.12.2021	852,766	852,766
Accumulated depreciation & impairment 31.12.2021	-81,718	-81,718
Depreciation for the year	-228,281	-228,281
Disposals	-	-
Impairment	-	-
Reclassifications	-	-
Accumulated depreciation & impairment 31.12.2021	-309,999	-309,999
Carrying amount 31.12.2021	542,767	542,767
Economic life (years)	3-5	

17



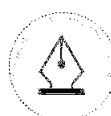
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Depreciation plan

Straight-line method



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



3.2 Intangible assets

Nature of the Company's intangible assets

The Company has recognised intangible assets comprising internal development projects related to the Company's solutions:

- TECO Smart Scrubber - Exhaust Gas Cleaning Systems
- Capitalised value of acquired sales and distribution agreements.
- TECO PEM Fuel cells

ACCOUNTING POLICIES

Intangible assets acquired in a business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, until the development of the intangible asset is finalised no amortisation is recognised and the carrying amount will be tested for impairment at least once a year, or more often if there are indicators of impairment. When finalized, the patented technology will be amortised using the straight-line method over the estimated useful life.

Intangible assets with finite useful lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired and on an annual basis. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as prospective changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Capitalisation of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.
- Its ability to use or sell the intangible asset.

Other costs are classified as research and are expensed as incurred.

Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit. The Company concluded that the Smart Scrubber was available for use from 1 April 2020 and therefore is now amortised over its estimated useful life. No indicators for impairment of intangible assets were identified in the current or prior period.

3.2 Intangible assets (continued)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments.

Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.

	Development	d development	Sales and distribution	Website	Total
Carrying amount 01.01.2020	3,909,237	-	-	-	3,909,237
Additions	745,817	8,090,220	3,750,000	50,400	12,636,437
Disposals	-	-	-	-	-
Reclassifications	-3,909,237	3,909,237	-	-	-
Acquisition cost 31.12.2020	745,817	11,999,457	3,750,000	50,400	16,545,674
Accumulated amortisation & impairment 31.12.2020	-	-	-	-	-
Amortisation for the year	-	-1,103,958	-312,500	-1,680	-1,418,138
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Accumulated depreciation & impairment 31.12.2020	-	1,103,958	312,500	1,680	1,418,138
Carrying amount 31.12.2020	745,817	10,895,499	3,437,500	48,720	15,127,536

19



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



	Development	Completed development	Sales and distribution agreements	Production plant design development	Website	Total
Acquisition cost 01.01.2021	745,817	11,999,457	3,750,000		50,400	16,545,674
Additions	34,482,638	-	-	1,208,445	-	35,691,083
Disposals	-	-	-	-	-	-
Reimbursement - Government grants (Skattefunn)	-3,724	-	-	-229,605	-	-233,329
Reclassifications	-	-	-	-	-	-
Acquisition cost 31.12.2021	35,224,731	11,999,457	3,750,000	978,840	50,400	52,003,428
Accumulated amortisation & impairment 01.01.2021	-	-1,103,958	-312,500	-	-1,680	-1,418,138
Amortisation for the year	-	-1,790,851	-750,000	-	-10,080	-2,550,931
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Transferred to Subsidiaries	-	-9,104,649	-	-	-	-9,104,649
Accumulated amortisation & impairment 31.12.2020	-	-2,894,808	-1,062,500	-	-11,760	-13,073,717
Carrying amount 31.12.2021	35,224,731	-0	2,687,500	978,840	38,640	38,929,710
Economic life (years)		7	5		5	5
Amortisation plan		Straight-line method	Straight-line method		Straight-line method	Straight-line method

Research and development

The Company performs a range of research and development projects related to the Company's technology and solutions. Research and development expenses that were not capitalized are included in the statement of comprehensive income as other operating expenses.

Intangible assets with indefinite useful lives - Impairment considerations

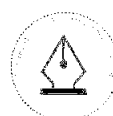
Intangible assets

Intangible assets include capitalised development costs and a sales and distribution agreement as well as a strategic cooperation agreement with the Company's major development partner. The Development and Completed development capitalised costs were transferred to subsidiaries at net book value on 31 December 2021.

Strategic Agreements

The Company purchased two agreements (Sales and Distribution Agreement and Strategic Cooperation Agreement) from its previous parent company in August 2020 for a total price of NOK 3.75 million. The Strategic Cooperation Agreement is considered very important as it forms the foundation for the close cooperation with the Company's major development partner. As such, this agreement is considered to be vital in the future development of the Company and its product portfolio.

The Sales and Distribution Agreement is necessary for the Company to have access to BIO UV's ballast water treatment systems. The demand for such systems is considered to increase towards the final implementation of the Ballast Water Convention in 2024. The sales level in the Group in 2020, 2021 and expected future sales support the balance sheet value of the sales and distribution agreement.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44

3.3 Leases

Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Company recognises the lease payments as Other operating expenses in the statement of profit or loss when they incur.

Measuring the lease liability

The lease liability is measured at present value of unpaid lease payment which includes the following

- Fixed rental payments less incentives
- Variable lease payments based on an index or rate
- Purchase option price (reasonably certain)
- Guaranteed Residual Value
- Penalty for termination of lease

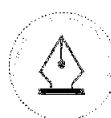
The lease liability is subsequently measured by increasing the carrying amount to reflect interest charges and reducing the carrying amount to reflect lease payments. The carrying amount of lease liability is remeasured to reflect any reassessments or lease modifications that have been made during the reporting period.

Measuring the right-of-use asset

Right of use of asset is Initially measured at Cost. Cost includes:

- The amount of initial lease liability
- Lease payments made on or before commencement
- Initial direct costs incurred
- Estimated costs of dismantling or site restoration
- Less: Incentives

The right-of-use of asset is subsequently measured using cost model i.e. cost less accumulated depreciation and impairment losses. The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company has elected to not apply the revaluation model for its right of use asset for leased buildings. The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.





Interest Rate

Interest rate for the calculation of present value of future lease payments is either

- Interest rate implicit in a lease OR
- Incremental borrowing rate by lessee

Right-of-use assets

The Company leases office space (premis) and vehicles. the Company has elected to apply the practical expedient related to the leasing of low value assets (primarily leases of personal computers, IT equipment and other office equipment) and does not recognise a lease liability or right-of-use assets for these items. The lease payments are expensed when they incur. The Company did not have any leasing agreements during 2020.

Right - of use assets	Premises	Vehicles	Total
Acquisition cost 01.01.2021	0	0	0
Addition of right-of use assets	2,287,007	1,201,563	3,488,570
Acquisition cost 31 December 2021	2,287,007	1,201,563	3,488,570
Depreciation and impairment 31 December 2021	-	-	-
Depreciation	-76,234	-253,444	-329,678
Accumulated depreciation and impairment 31 December 2021	-76,234	-253,444	-329,678
Carrying amount of right-of use assets 31 December 2021	2,210,773	948,119	3,158,893

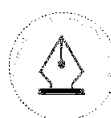
Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	3,623,029
1-2 years	3,754,694
2-3years	3,891,625
3-4 years	3,702,625
4-5years	3,850,730
Beyond 2026 / Later than 5 years	19,911,180
Total undiscounted lease liabilities at 31 December 2021	38,733,882

Summary of the lease liabilities in the financial statements	Statement of:	Total
Changes in contracts		-
New lease liabilities recognised in the year		40,205,881
Cash payments for the principal portion of the lease liability	Cash flows	1,503,220
Cash payments for the interest portion of the lease liability	Cash flows	538,894
Interest expense on lease liabilities	Profit and loss	538,894
Reassessment of the discount rate on previous lease liabilities	Profit and loss	
Total lease liabilities at 31 December 2021		38,702,661
Current lease liabilities	Balance sheet	3,469,825
Non-current lease liabilities	Balance sheet	35,232,836
Total cash outflows for leases	Cash flows	2,042,114

TECO 2030 ASA subleases the office location Lysaker Torg 45 to various companies over the same time period as the head lease. The Current financial lease receivables related to this sublease as of 31.12 2021 is NOK 3 097 112, the non-current

22

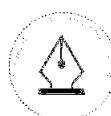


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



financial lease receivable is NOK 3 097 112.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44

Section 4 - Financial instruments, risk and equity

4.1 Financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments:

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company measures its financial assets at amortised cost. At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Company's financial instruments are grouped in the following categories:

Financial assets measured at amortised cost:

- Includes trade receivables, cash and cash equivalents and loans to related parties and intercompany loans.

Financial liabilities measured at amortised cost:

- Represents the Company's interest-bearing liabilities including loans from related parties and non-interest bearing liabilities such as trade payables and borrowings from related parties.

Financial liabilities measured at fair value:

- includes the conversion option derivative recognised in 2019. Upon redemption of the convertible bond loan the Company does not have any financial liabilities measured at fair value over profit or loss.

All of the Company's financial assets are part of the Company's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost. None of the Company's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost. The Company does not buy or sell or hold any derivative financial instruments.

Initial recognition and subsequent measurement

The Company's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

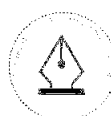
Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Company bases its ECLs on its historical losses (if any) adjusted for forward-looking factors specific to the customer and the economic environment





any, adjusted for forward looking factors specific to the customer and the economic environment.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

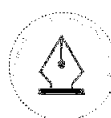
4.1 Financial instruments (continued)

The carrying amount of the Company's financial assets and liabilities are presented in the table below at their gross amount unless otherwise stated:

12/31/2021	Note	Financial instruments at amortised cost	Total
Assets			
Other receivables intercompany	6.1	80,148,094	80,148,094
Trade receivables	2.3,6.1	1,863,015	1,863,015
Current finance lease receivables	3.3	3,097,112	3,097,112
Cash and cash equivalents *	4.7	57,259,772	57,259,772
Government grants receivable (Skattefunn)	2.3	543,243	543,243
Total financial assets		142,911,236	142,911,236
Liabilities			
Interest bearing loans and borrowings	4.2	1,623,029	1,623,029
Current and non-current lease liabilities	3.3	38,702,661	38,702,661
Current liabilities to group companies	6.1	37,357,553	37,357,553
Trade payables	2.4	4,436,267	4,436,267
Total financial liabilities		82,119,510	82,119,510

12/31/2020	Note	Financial instruments at amortised cost	Total
Assets			
Receivables related parties	6.1	2,893,457	2,893,457
Other receivables intercompany	6.1	21,214,367	21,214,367
Trade receivables	2.3,6.1	1,863,015	1,863,015
Cash and cash equivalents	4.6	40,475,846	40,475,846
Total financial assets		66,446,685	66,446,685
Liabilities			
Current liabilities to group companies	6.1	23,827	23,827
Current interest bearing liabilities to related parties	4.2	1,623,029	1,623,029
Convertible bond loan	4.3	10,000,000	10,000,000

26

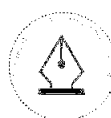


This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Trade payables	2.4	7,730,088	8,376,024
Total financial liabilities		19,376,944	20,022,880



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



4.2 Interest-bearing loans and borrowings

	31.12.2021	31.12.2020
Current interest bearing loans and borrowings		
Borrowings from related parties	1,623,029	1,623,029
Convertible bond loan	-	10,000,000
Net total current interest bearing loans and borrowings	1,623,029	11,623,029

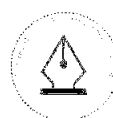
The Company does not have any non-current interest bearing loans and borrowings. The convertible bond loan was converted in January 2021, see note 4.3 for further information.

The Company did not provide any guarantees to or on behalf of third parties as of 31 December 2021, or as of 31 December 2020. The Company does not have significant commitments.

The Company has not pledged assets as security for its borrowings and there are no specific capital restrictions or covenants related to its borrowings.

	Convertible bond loan	Borrowings related parties	Total
Balance at 01.01.2020	-	4,722,251	4,722,251
Changes from financing cash flows			
Repayment of borrowings	-	-6,933,765	-6,933,765
New borrowings from related parties	-	6,133,756	6,133,756
Interest paid	-	-54,852	-54,852
Proceed from borrowings	10,000,000	-	10,000,000
Total changes from financing cash flows	10,000,000	-854,861	9,145,139
Non-cash changes			
Interest expense using effective interest method	-	-2,497,768	-2,497,768
Other non-cash	-	253,398	253,398
Interest expense (effective interest) convertible bonds	449,731	-	449,731
Derivative conversion liability transferred to equity	-449,731	-	-449,731
Accrued interest convertible bonds	684,595	-	684,595
Reversal of accrued interest convertible bonds upon notification of conversion	-684,595	-	-684,595
Total non-cash changes	-	-2,244,370	-2,244,370
Balance 01.01.2021	10,000,000	1,623,020	11,623,020
Changes from financing cash flows			
Total changes from financing cash flows			
Non-cash changes			
Redemption of convertible bond loan for shares	-10,000,000	-	-10,000,000
Total non-cash changes	-10,000,000	-	-10,000,000
Balance 31.12.2021	-	1,623,020	1,623,020

28



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



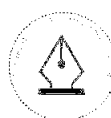
4.3 Convertible bonds

On 6 July 2020, the Company (as issuer), entered into a convertible bond loan agreement with certain bondholders for issuance of bonds in the aggregate amount of NOK 10,000,000. The convertible bonds carry a fixed nominal interest rate of 10% per annum and the interest is payable at maturity of the loans in July 2021. Each bondholder can give notification and convert the loan to equity anytime during the period from 31 October 2020 to 30 June 2021. The conversion rate is fixed at NOK 25. If all NOK 10 million of the bonds are fully converted, a total of 400 000 shares will be issued.

The fair value of the convertible bonds at initial recognition reflects the fair value of the liability ("the loan") and the fair value of the conversion rights. At initial recognition the fair value of the loan was measured at the net present value of the cash flows using an implied market interest rate of 15,18%, based on interest rates for similar bonds without a conversion feature. The value of the conversion rights at initial recognition was NOK 0,4 million reflecting the difference between the nominal and market interest rate. The full fair value was measured using an option pricing model. The conversion right liability was recognized at a total fair value of NOK 5,8 million and NOK 5.4 million loss is presented in the P&L as a financial item. The NOK 5,8 million liability was reclassified against equity at the time of the IPO when the conversion share price of NOK 25 was fixed. No subsequent remeasurement is required for the conversion rights following the recognition against equity at the date of the IPO. The convertible bond loan is subsequently measured at amortised cost.

At the end of December 2020 bondholders representing NOK 3,7 million gave notice for conversion of debt into equity. Bondholders representing the remaining NOK 6,3 million gave notice for conversion in early January 2021. Based on the receipt of notification of conversion and the loan agreement, which specifies that the issuer shall not pay any interest on any bond that has been converted, the nominal 10% interest expense that would have been paid at maturity of the bond is not accrued as of year-end 2020. NOK 0,45 million of interest expense, that represents the difference between the nominal and market interest rate, has been recognised in the P&L for 2020. The book value of the convertible bonds as of 31 December 2020 is NOK 10 million.

The bonds were converted in January 2021 and after the conversion the total number of outstanding shares of TECO 2030 ASA was 12 400 000 shares, each with a nominal value of NOK 0.10. The new shares are listed on Euronext Growth (Oslo, Norway) as of the date of the registration of the share capital increase in the Norwegian Register of Business Enterprises. The new share capital was registered on 13 January 2021.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44

4.4 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities as well as borrowing from related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



4.5 Risk management

Risk factors

The TECO 2030 Group is, like all companies and groups of companies, subject to several risk factors. These are related to business areas such as operational risks, financial risks (credit, liquidity, interest etc.), and market risks. TECO 2030 is, despite the extensive experience represented by the BoD, employees and major shareholders, a young group of companies, a fact which by itself represents and increases a number of risk factors compared to companies with a longer track record. Limited history will entail increased risk within certain areas and provide challenges that are rarely relevant to established companies. On the other hand, this might also be an advantage as the Group, for instance, does not carry with it historical obligations and associated risks.

The BoD and management team of TECO 2030 are constantly monitoring the various risk factors in order to control these and to foresee and prevent various sources of risks from becoming critical.

Operational risk factors

As TECO 2030 is in an early stage and to a substantial extent depends on external partners for development and production, the internal operational risks are limited. However, the Group is dependent on recruiting and retaining highly qualified personnel with deep knowledge of the maritime industry and relevant technologies.

The Group will also need to maintain close relationships with its key business partners.

Development risk

Developing new technologies is always associated with development risk. The development of the TECO 2030 Fuel Cells is done in close cooperation with AVL, a major development company with a long track record of developing new technologies within the areas of in which TECO 2030 operates. TECO 2030 also has strong development competence within the organization. Even so, there is a risk that developed products do not function as well as anticipated, either due to technical failures or other technical or design challenges, or that competing and superior technologies emerge, leading to TECO 2030's products being outperformed by competitors. Although relying on already available patents from AVL and/or jointly developed patents by AVL and TECO 2030, the risk of patent restrictions might occur.

The development of the TECO 2030 Carbon Capture solution is made in close cooperation with the US-based company Chart Energy & Chemicals, Inc. This cooperation is still in an early phase, and it is expected to increase substantially throughout 2022.

Market risk

Green technology is in constant change and is dependent on factors such as major fluctuations in oil prices, as low oil prices increase ship owners return on investment for scrubber installations and other low-emission technologies; the global economy in general and shipping companies in particular; and national and international regulations. Stricter regulations will increase the pressure and the financial incentives for ship owners to choose new and cleaner technologies. For TECO 2030's Fuel Cell technology, important factors such as availability of sufficient volumes of hydrogen at a reasonable cost will be decisive for ship owners' willingness to invest in such technology.

Interest rate risk

As per end of 2021, TECO 2030 is to a very limited extent exposed to interest risk. The Company had per 31 December 2021 no interest-bearing loans. It has an approx. NOK 4 million leasing agreement related to various equipment.

Liquidity risk/Financing risk

TECO 2030 has throughout 2021 successfully raised approx. NOK 86.5 million in three private placements. The cash from these share issues secures the Company's liquidity needs for approximately the first half of 2022. The

31

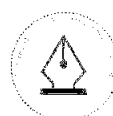


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Company needs to secure further funding during 2022 as the cash position as per end of December 2021 is insufficient to meet the Company's ongoing development program. It is also a prerequisite from Innovation Norway that the Group secures another NOK 113.5 million in order to release the provided grant of NOK 50 million. The Group's success, or lack of success, in selling TECO 2030 Future Funnels and ballast water treatment systems will affect the Group's cash position in 2022.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44

4.5 Risk management (continued)

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

As at 31. December 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings related parties (Note 4.2)	1,623,029	-	-	1,623,029
Intercompany borrowings (Note 6.1)	37,357,553	-	-	37,357,553
Trade payables (Note 2.5)	5,813,046	-	-	5,813,046
Total contractual undiscounted payments	44,793,628	-	-	44,793,628

There was no significant non-cash flow effects on the liabilities presented in financing activities in the current or prior period.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has a limited number of customers as per the end of 2021 and has established internal guidelines in order to minimise the credit risk related to our customer receivables.

Risks related to regulations and political risk

Governmental regulations in the jurisdictions in which TECO 2030 operates, relating to issues such as health, security, environment, and tax, will affect the Company's business going forwards. New or changing regulations implemented by EU and IMO, the United Nations authority to serve as a regulator of all vessels sailing in international waters, may affect the market for products in the markets in which TECO 2030 operates. Additionally, regulations might be imposed from by flag states and local authorities.

Risks related to key personnel and competence

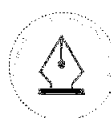
TECO 2030's future success will partly depend upon its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its current business and its ambitious future development plans. TECO 2030's total number of employees is limited and retaining key personnel is therefore important.

Foreign exchange risk

Throughout 2021, TECO 2030 was exposed to foreign exchange transaction risk as its funding primarily was made in NOK, whereas major cooperating partners are located in central Europe with Euro as currency. The sales of ballast water treatment systems were primarily made in Euro with corresponding system purchases in the same currency, hence reducing the foreign exchange risk on these sales. For in 2022 the Group will have substantial expenses in Euro to cooperating partners, and the Company will consider raising additional funding in Euro. Possible future sales will primarily be in Euro and USD, and the Company will, to the extent possible, secure the majority of production expenses in the corresponding currency. Some of the production costs will, however, be in NOK together with a large part of the Company's overhead expenses and, as such, lead to an increased exposure to the EUR/USD versus NOK exchange rates.

In addition, the Company will, from project to project, be exposed to a limited number of other currencies (mainly

33



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

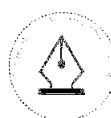
Document ID:
15769239D96C46A0A9FC523082C3AC44



USD). The Company has not secured any foreign exchange trades by the signing of the financial statements but is constantly monitoring the foreign exchange market and the Company's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, TECO 2030's current reporting and functional currency.

Covid-19

Although the pandemic still was considered a potential threat to the world economy by the end of 2021, oil prices were at their highest level of the last five-year period. Further, the price spread between high-sulphur and low-sulphur fuel oils was back to levels which makes the exhaust gas cleaning system (Future Funnel) an attractive investment case for a wide variety of ship owners. Consequently, the board of directors believes that 2022 can be a successful year for these systems, which are considered important temporary solutions on the way to a future of zero-emission shipping.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



4.6 Equity and shareholders

	Number of shares authorised and fully paid	Par value per share (NOK)	Carrying amount (NOK)
31 December 2019	1,111,111	0.1	111,111
Equity issue 19 August 2020	8,888,889	0.1	888,889
Equity issue 9 October 2020	2,000,000	0.1	200,000
31 December 2020	12,000,000	0.1	1,200,000
Equity issue 13 January 2021	400,000	0.1	40,000
2 March 2021	12,400,000	0.1	1,240,000
Sharesplit 3 March 2021	124,000,000	0.01	1,240,000
Equity issue 2 July 2021	3,244,644	0.01	32,446
Equity issue 20 October 2021	4,125,170	0.01	41,252
Equity issue 23 December 2020	9,000,000	0.01	90,000
31 December 2021	140,369,814	0.01	1,403,698

As described in the convertible bonds note, 400 000 shares at NOK 25 per share were issued in a conversion of bonds. The new share capital was registered on 13 January 2021.

At a general meeting held on 19 February 2021, it was resolved to split the shares outstanding in the Company in the ratio of 1:10. Following the completion of the share split there were 124 000 000 shares in the company, each with a par value of NOK 0.01. The shares were traded with the 1/10 split from 3 March 2021.

In June 2021 the Company raised NOK 20 million through a private placement of 3 244 644 new shares at an issuance price of NOK 6.164. The share capital increase was registered on 2 July 2021.

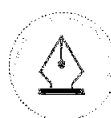
In October 2021 the Company raised NOK 21,5 million through a private placement of 4 125 170 new shares at an issuance price of NOK 5.2095. The share capital increase was registered on 20 October 2021.

In December 2021 the Company completed a private placement through an allocation of 9 000 000 shares at an issuance price of NOK 5.00 per share giving a gross proceeds of NOK 45 million. The share capital increase was registered on 23 December 2021. The share capital after the December share issuance was NOK 1 403 699 with 140 369 814 shares outstanding at a nominal value per share of NOK 0.01.

The Company's 20 largest shareholders as of 31 December 2021 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	37.07%
CLEARSTREAM BANKING S.A.	25,604,324	18.24%
CITIBANK, N.A.	15,663,841	11.16%
JAKOB HATTELAND HOLDING AS	8,000,000	5.70%
UBS SWITZERLAND AG	4,471,289	3.19%
SOLVIK HOLDING AS	3,500,000	2.49%
HANSEN EIENDOM OG KONSULT AS	2,983,484	2.13%
TECO MARITIME GROUP AS	2,885,250	2.06%
EQUITOR AS	2,645,140	1.88%
JAHATT AS	2,128,201	1.52%
TECO TECH HOLDING AS	1,624,130	1.16%
SAXO BANK A/S	1,558,840	1.11%
MORGAN STANLEY & CO. INT. PLC.	1,279,586	0.91%
KBC Bank NV	1,122,991	0.80%
MEDIKOM AS	1,052,860	0.75%
PCJ INVEST AS	860,870	0.61%

35

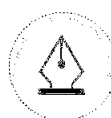


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



ESRO INVEST AS	805,580	0.57%
CANICA AS	518,287	0.37%
SOO INVEST AS	505,000	0.36%
MARCUSSEN SHIPPING AS	494,410	0.35%
20 largest shareholders	129,745,513	92.43%
Other shareholders	10,624,301	8.00%
Total shareholders	140,369,814	100%



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



The Company's 20 largest shareholders as of 31 December 2020 are shown in the table below.

Shareholder	# shares	%
TECO GROUP AS	52,041,430	43.37%
CITIBANK, N.A.	8,963,640	7.47%
SIX SIS AG	8,059,430	6.72%
HANSEN EIENDOM OG KONSULT AS	7,326,700	6.11%
CLEARSTREAM BANKING S.A.	5,918,010	4.93%
JAKOB HATTELAND HOLDING AS	3,907,320	3.26%
CANICA AS	3,750,000	3.13%
TECO MARITIME GROUP AS	2,885,250	2.40%
SOLVIK HOLDING AS	2,800,100	2.33%
EQUITOR AS	2,645,140	2.20%
JAHATT AS	2,443,220	2.04%
TECO TECH HOLDING AS	1,724,690	1.44%
MICHAEL NYGAARD RASMUSSEN	1,398,000	1.17%
MEDIKOM AS	1,337,860	1.11%
STAVERN HELSE OG FORVALTNING AS	1,256,280	1.05%
NORDNET LIVSFORSIKRING AS	1,073,590	0.89%
PCJ INVEST AS	860,870	0.72%
ASTRUP FEARNLEY AS	700,000	0.58%
HØGÅSEN HOLDING AS	699,000	0.58%
BLOMS OPPMÅLING AS	610,000	0.51%
20 largest shareholders	110,400,530	92%
Others	9,599,470	8%
Total shareholders	120,000,000	100%

1) The comparative number of shares for 2020 has been adjusted to reflect the 10:1 share split that occurred in March 2021.

4.7 Cash and cash equivalents

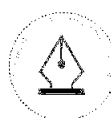
For the purpose of presentation in the Company financial statements, cash and cash equivalents includes cash and bank deposits.

Cash and cash equivalents	12/31/2021	12/31/2020
Bank deposits	57,259,772	40,475,846
Total cash and cash equivalents	57,259,772	40,475,846

Restricted cash included in the deposits above:

Withheld tax in relation to employee benefits	679,906	352,842
Other	-	-

The Company has a restricted rental deposit of NOK 2 900 000 connected with the lease of office space in Lysaker. The restricted cash deposit is not included as part of cash and cash equivalents.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

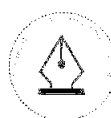
Document ID:
15769239D96C46A0A9FC523082C3AC44



4.8 Finance Income and finance cost

The Company's finance income and finance costs, including the related class of financial instrument that generated income and costs are presented in the table below:

Finance income and finance costs	Class of financial instrument	01.01.2021 -	01.01.2020 -
Finance income			
Interest income		-	-
Interest income -Inter company	Cash and cash equivalents	1,482,465	176,706
Interest income - related party	Loan to related parties	904	65,218
Foreign exchange gains	Liabilites and receivables	1,080,366	162,806
Interest income on sub-lease	Finance lease receivables	468,418	
Other financial income		-	75,206
Total finance income		3,032,153	479,936
Finance costs			
Interest expenses - related party	Interest-bearing liabilities		77,684
Fair value adjustment - conversion rights	Convertible bond loan	12,315	449,731
Interest expense debt	Other financial liabilities	969	5,586
Interest expense leases	Lease liabilities	538,894	-
Foreign exchange loss	Other financial liabilities	119,221	557,284
Total finance costs		671,399	1,090,285
Net financial income (expense)		2,360,754	-610,350



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Similarly, tax related to items recognised in other comprehensive income are also presented in other comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

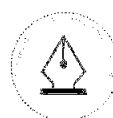
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

Income tax expense	31.12.2021	31.12.2020
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax expense	-	-

Current tax	31.12.2021	31.12.2020
Profit before taxes	-27,206,590	-16,357,164
Permanent differences	144,161	414,886
Change in temporary differences	27,062,429	15,942,278
Tax basis 31.12	-	-
Current tax 22%		
Current tax in the financial position		

Temporary differences	31.12.2021	31.12.2020
Property, plant and equipment	-8,982	-357
Intangible assets	1,390,536	2,126,537
Lease agreements	-34,223	
Accumulated loss carried forward	-46,973,571	-20,689,990
Basis for deferred tax liabilities (assets)	-45,626,240	-18,563,810
Not included in the calculation of deferred tax*	45,626,240	18,563,810
Deferred tax liabilities recognised in balance sheet	-	-

39

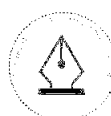


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



* Until commencement of sale/agreement has reach a profitable level, the Company will not record any deferred tax asset related to its tax loss carried forward and other temporary differences There are no time limitation in Norway for utilization of historical tax losses.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
15769239D96C46A0A9FC523082C3AC44



Skatteetaten

TECO EGCS AS
Postboks 462
1327 LYSAKER

Att: Pål Christian Johnsen

Vår dato
29.11.2019

800 80 000
Skatteetaten.no

Org.nr
974761076

Din/Deres dato
04.11.2019

Din/Deres referanse

Vår referanse
2019/6668178

Saksbehandler
Katerina Stepanenko

Telefon
94523587

Postadresse
Postboks 9200 Grønland
0134 OSLO

13 DES. 2019

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for TECO EGCS AS, org.nr. 923 706 747

Vi viser til deres brev av 4. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for TECO EGCS AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

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

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

Bakgrunn

TECO EGCS AS er 100 % eid av TECO Tech Holding AS. Morselskapet har 31 % utenlandske aksjonærer. Selskapet utvikler og selger utstyr til maritim sektor globalt. Engelsk er selskapets arbeidsspråk. Selskapet har bedriftskunder som behersker engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Morselskapet og søsterselskapet har fått tillatelse til å benytte engelsk ved utarbeidelse av årsregnskap og årsberetning.

Skattekontorets vurdering

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

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



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapets morselskap har tillatelse til å benytte engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere i bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Katerina Stepanenko
spesialrevisor
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

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

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Teco 2030 ASA

Opinion

We have audited the financial statements of Teco 2030 ASA (the Company), which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statements of financial positions as at 31 December 2021, statements of comprehensive income, statements of cash flows, statements of 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 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the group 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 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 and the statement on corporate social responsibility contain the information required by applicable 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 applicable 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 and the statement on corporate social responsibility are consistent with the financial statements and contain 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 International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Building a better
working world

Oslo, 28 April 2022
ERNST & YOUNG AS

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)