



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 898 736 032
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORNER AS
Forretningsadresse: Dokkvegen 20
3920 PORSGRUNN

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Per Arne Sørlien
Dato for fastsettelse av årsregnskapet: 08.05.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 06.02.2023



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Revenue	2	95 016 161	81 426 180
Sum inntekter		95 016 161	81 426 180
Kostnader			
Cost of materials		14 510 319	10 526 499
Personnel expenses	3	49 111 077	44 003 135
Depreciation of operating and intangible assets	4, 10	2 961 789	2 461 305
Other operating expenses	3	19 155 314	16 299 545
Sum kostnader		85 738 499	73 290 484
Driftsresultat		9 277 662	8 135 696
Finansinntekter og finanskostnader			
Annen renteinntekt		14 793	5 533
Other financial income		59 565	111 674
Sum finansinntekter		74 358	117 207
Annen rentekostnad		311 130	624 470
Other financial expenses		231 106	294 150
Sum finanskostnader		542 236	918 620
Netto finans		-467 878	-801 412
Ordinært resultat før skattekostnad		8 809 784	7 334 283
Tax on ordinary result	7	1 555 999	1 484 730
Ordinært resultat etter skattekostnad		7 253 785	5 849 553
Årsresultat		7 253 785	5 849 553
Årsresultat etter minoritetsinteresser		7 253 785	5 849 553
Totalresultat		7 253 785	5 849 553
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Konsernbidrag	6	9 280 071	3 671 651
Allocated to other equity	6		2 177 902
Transferred from other equity	6	-2 026 286	
Sum overføringer og disponeringer		7 253 785	5 849 553



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	10	2 660 000	3 075 403
Sum immaterielle eiendeler		2 660 000	3 075 403
Varige driftsmidler			
Machinery and equipment	4	19 819 696	14 199 622
Equipment and other movables	4	1 290 728	389 870
Sum varige driftsmidler		21 110 423	14 589 492
Finansielle anleggsmidler			
Lån til foretak i samme konsern	9		6 523 857
Sum finansielle anleggsmidler			6 523 857
Sum anleggsmidler		23 770 423	24 188 752
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	9	14 746 369	15 647 788
Other short-term receivables	3, 9	19 791 674	14 581 224
Sum fordringer		34 538 043	30 229 012
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	8	3 474 715	2 022 113
Sum bankinnskudd, kontanter og lignende		3 474 715	2 022 113
Sum omløpsmidler		38 012 758	32 251 125
SUM EIENDELER		61 783 181	56 439 877

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Share capital	5, 6	30 000	30 000
Annen innskutt egenkapital	6	14 128 361	14 128 361
Sum innskutt egenkapital		14 158 361	14 158 361
Opptjent egenkapital			
Other equity	6	3 503 572	5 529 858
Result brought forward (aut)			
Sum opptjent egenkapital		3 503 572	5 529 858
Sum egenkapital		17 661 933	19 688 219
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	630 722	563 974
Sum avsetninger for forpliktelser		630 722	563 974
Annen langsiktig gjeld			
Gjeld til konsernselskap	9		5 285 445
Sum annen langsiktig gjeld			5 285 445
Sum langsiktig gjeld		630 722	5 849 419
Kortsiktig gjeld			
Liabilities to financial institutions			3 018 701
Leverandørgjeld	9	4 756 842	2 337 312
Public duties payable		3 095 239	3 310 874
Kortsiktig konserngjeld	9	23 108 862	9 159 125
Other current debt		12 529 583	13 076 228
Sum kortsiktig gjeld		43 490 526	30 902 239
Sum gjeld		44 121 248	36 751 659
SUM EGENKAPITAL OG GJELD		61 783 181	56 439 877



Financial statement

2019

Norner AS



Income statement

Norner AS

Amounts in NOK

Operating income and operating expenses	Note	2019	2018
Revenue	2	95 016 161	81 426 180
Total operating income		<u>95 016 161</u>	<u>81 426 180</u>
Purchase of hours, goods and materials		14 510 319	10 526 499
Personnel expenses	3	49 111 077	44 003 135
Depreciation of operating and intangible assets	4, 10	2 961 789	2 461 305
Other operating expenses	3	19 155 314	16 299 545
Total operating expenses		<u>85 738 499</u>	<u>73 290 484</u>
Operating profit		<u>9 277 662</u>	<u>8 135 696</u>
Financial income and expenses			
Other interest income		14 793	5 533
Other financial income		59 565	111 674
Other interest expenses		311 130	624 470
Other financial expenses		231 106	294 150
Net financial items		<u>-467 878</u>	<u>-801 412</u>
Operating result before tax		8 809 784	7 334 283
Tax on ordinary result	7	1 555 999	1 484 730
Ordinary result after tax		<u>7 253 785</u>	<u>5 849 553</u>
Brought forward			
Given intra-group contribution	6	9 280 071	3 671 651
Allocated to other equity	6	0	2 177 902
From other equity	6	2 026 286	0
Net brought forward		<u>7 253 785</u>	<u>5 849 553</u>



Balance sheet

Norner AS

Amounts in NOK

Assets	Note	2019	2018
Fixed assets			
Research and development	10	2 660 000	3 075 403
Total intangible assets		<u>2 660 000</u>	<u>3 075 403</u>
Tangible assets			
Machinery and equipment	4	19 819 696	14 199 622
Equipment and other movables	4	1 290 728	389 870
Total tangible assets		<u>21 110 423</u>	<u>14 589 492</u>
Financial fixed assets			
Loan to group companies	9	0	6 523 857
Total financial fixed assets		<u>0</u>	<u>6 523 857</u>
Total fixed assets		<u>23 770 423</u>	<u>24 188 752</u>
Current assets			
Debtors			
Accounts receivables	9	14 746 369	15 647 788
Other short-term receivables	3, 9	19 791 674	14 581 224
Total receivables		<u>34 538 043</u>	<u>30 229 012</u>
Investments			
Cash and bank deposits	8	3 474 715	2 022 113
Total current assets		<u>38 012 758</u>	<u>32 251 125</u>
Total assets		<u>61 783 181</u>	<u>56 439 877</u>



Balance sheet

Norner AS

Amounts in NOK

Equity and liabilities	Note	2019	2018
Paid-up equity			
Share capital	5, 6	30 000	30 000
Other paid-up equity	6	<u>14 128 361</u>	<u>14 128 361</u>
Total paid-up equity		<u>14 158 361</u>	<u>14 158 361</u>
Retained earnings			
Other equity	6	<u>3 503 572</u>	<u>5 529 858</u>
Total retained earnings		<u>3 503 572</u>	<u>5 529 858</u>
Total equity		<u>17 661 933</u>	<u>19 688 219</u>
Liabilities			
Provisions for liabilities			
Deferred tax	7	<u>630 722</u>	<u>563 974</u>
Total provisions		<u>630 722</u>	<u>563 974</u>
Loan from group companies	9	<u>0</u>	<u>5 285 445</u>
Total of other long term liabilities		<u>0</u>	<u>5 285 445</u>
Current debt			
Liabilities to financial institutions		0	3 018 701
Trade creditors	9	4 756 842	2 337 312
Public duties payable		3 095 239	3 310 874
Other short term liabilities group companies	9	23 108 862	9 159 125
Other current debt		12 529 583	13 076 228
Total current debt		<u>43 490 526</u>	<u>30 902 239</u>
Total liabilities		<u>44 121 248</u>	<u>36 751 659</u>
Total equity and liabilities		<u>61 783 181</u>	<u>56 439 877</u>

Rønningen
The board of Norner AS 8/5-20
Dermot Michael O'hare
Member of the Board
Suracha Udomsak
Member of the Board
Jorunn Sandra Nilsen
Member of the Board
Sven Arve Halvorsen
Member of the Board
Kjetil Larsen
General Manager
Tine Rørvik
Member of the board
Tanawong Areeratchakul
Chairman of the board



Norner AS

Notes for the financial Statement 2019

Note 1 Presentation of the company and accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Principal rule for valuation and classification of assets and liabilities

Assets meant for permanent ownership or use in the business are classified as fixed assets. Other assets are classified as current assets. All receivables due within one year are classified as current assets. The classification of current and long term liabilities is based on the same criteria.

Fixed assets are carried at historical purchase cost, but are written down to fair value if the reduction in value is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a straight-line depreciation schedule.

Current assets are valued at the lowest of historical cost or fair value. Current liabilities are carried at nominal value.

Revenues

Revenue is generated by delivering consulting services. Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products or services to the customer.

Revenues from sales of services is recognized in line with the project completion when the outcome of the transaction can be estimated reliably. Progress is measured as hours incurred of the total estimated hours. When the transaction can not be estimated reliably, only revenue corresponding to project costs incurred are recognized. In the period it is identified that the project will provide a negative result, the estimated loss on the contract will be recognized in full.

Costs

Costs are recognized by the amounts attributable to this financial year. Where there are no clear connection between expense and income, they are distributed judgementally. Other exceptions from the matching principle are specified.

Foreign currency

Monetary items denominated in foreign currencies are translated at balance sheet date.

Account receivables and other receivables

Trade debtors and other debtors are carried at nominal value less provision for expected loss. An estimate is made for doubtful receivables based on an individual valuation of all outstanding amounts at the year end.

Property, plant and equipment

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



Norner AS
Notes for the financial Statement 2019

Intangible assets

Expenses for intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured.

Otherwise such expenses are expensed as and when incurred. Research and development expenses capitalised in the balance sheet are depreciated on a straight-line basis over the asset's expected useful life.



Norner AS

Notes for the financial Statement 2019

Taxation

Tax expenses are matched with operating income before tax. Tax related to equity transactions, e.g. group is posted directly to equity. The tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the tax. Deferred tax liabilities and deferred tax assets are presented in the balance sheet as a net amount. Net deferred tax are presented in the balance sheet with its full potential value as the company expects to be able to utilize the tax carry forward.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurements of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date

Related parties

Companies in the same group are defined as related parties. Related party transactions are conducted with ordinary business terms.

**Norner AS****Notes for the financial Statement 2019****Note 2 Operating income, breakdown on geographical/product areas**

	2019	2018
Geographical distribution	NOK	NOK
Norway	21 452 454	12 956 058
Thailand	51 377 808	43 265 500
Great Britain	4 609 898	4 886 486
Other countries	16 668 935	20 318 136
Total	94 109 095	81 426 180

Note 3 Payroll costs, number of employees, benefits, loan to employees etc.

	2019	2018
Payroll costs	NOK	NOK
Salaries	37 191 845	33 722 370
Social security tax	5 783 746	5 312 420
Pensions (see note 7)	2 904 774	2 361 395
Other benefits	3 230 712	2 606 950
Total	49 111 077	44 003 135

Average number of employees

	44	44
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Remuneration to executives	Salaries including bonus	Pension expenses	Other remuneration
General manager in 2019, NOK	1 005 958	71 868	37 458
Board of Directors, NOK			328 750

General Manager is entitled to salary for 1 year after retirement from his position if the company wishes to terminate the employment relationship.

Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on compulsory occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirements of that law.

Defined benefit plan

The entity had a defined benefit plan with the right to defined future benefits for two employees (individual pension schemes). The company had an obligation to cover tax and social security related to these schemes, but by mistake not all was provided for in previous years. These pension schemes were terminated as of 1.1.2018.

The AFP plan established in 2011:

The company has a financial liability due to the agreement for the new AFP-plan, but the information available is not sufficient in order to recognize a pension liability in the financial statements.

The pension plan are accounted as a defined contribution plan where the premium payment are charged as an expense. There are no accruals regarding this pension plan in the financial statement.

The pension cost for the AFP plan is TNOK 476 in 2019. The costs are expected to increase in the future. When and if sufficient information is available to calculate of pension liability, it is difficult to prevent that the liability might be significant.



Norner AS

Notes for the financial Statement 2019

Note 3 Payroll costs, number of employees, benefits, loan to employees etc. (cont.)

Loans and guarantees to	Loans NOK
Employees, stockholders, members of the Board and supervisory board	484 667

Norner AS has guaranteed for employee loans.
Loans to employees are free of interest.

Remuneration to auditor:

Remuneration to auditors is NOK 257 375 and is distributed as follows:

	2019 NOK	2018 NOK
Statutory audit fees	85 000	67 740
Other services	30 820	36 490
Attestation services	141 555	17 340
	257 375	121 570

The amounts are ex. VAT.

Note 4 Fixed assets

Fixed assets	Machines	Movables	Total fixed assets
Purchase cost 01.01. NOK	42 484 981	1 715 609	44 200 590
Additions NOK	7 895 581	1 210 736	9 106 317
Disposals NOK	0	0	0
Purchase cost 31.12. NOK	50 380 562	2 926 345	53 306 907
Accumulated depreciation 31.12. NOK	30 560 866	1 635 618	32 196 484
Net book value 31.12. NOK	19 819 696	1 290 727	21 110 423
Depreciation in the year NOK	2 275 507	309 879	2 585 386
Expected useful life	10 years	3 years	
Depreciation plan	Straight line	Straight line	

Note 5 Share capital and shareholder information

The share capital of the company at 31.12.2019 consist of the following classes of shares:

The share capital consists of	Number of shares	Nominal value	
		NOK	Book value NOK
Ordinary shares	1 000	30	30 000
Total	1 000	30	30 000

List of major shareholders at 31.12:

	Number of shares	Ownership	Voting rights
Senfi Norway AS	1 000	100 %	100 %
Total number of shares	1 000	100 %	100 %



Norner AS

Notes for the financial Statement 2019

Note 6 Shareholders' equity

Equity changes in the year	Share capital	Other paid-in equity	Other equity	Total
Equity 01.01. NOK	30 000	14 128 361	5 529 858	19 688 219
Group contribution NOK			-9 280 071	-9 280 071
Profit for the year NOK			7 253 785	7 253 785
Equity 31.12. NOK	30 000	14 128 361	3 503 572	17 661 933

Note 7 Income tax expense and deferred tax

Specification of income tax expense	NOK 2019	NOK 2018
Tax payable		
Change in deferred tax assets	66 748	686 704
Tax on group contribution	1 489 251	798 026
Tax on ordinary income	1 555 999	1 484 730

Tax payable in the balance sheet as follows:	2019	2018
Annual payable taxes	1 489 251	798 026
Tax effect from group contribution	(1 489 251)	(798 026)
Tax payable	0	0

Calculation of taxable income:	2019	2018
Income before taxes	8 809 784	7 334 283
Permanent differences, including received dividend	(1 737 066)	(767 477)
Change in temporary differences	(303 398)	(3 097 129)
Group contribution with tax effect	(6 769 320)	(3 469 677)
Taxable income	0	0

Reconciliation of effective tax rate:	2019	2018
Expected tax at current tax rate 22% (23%)	1 938 152	1 686 885
Effect of permanent differences	(382 154)	(202 155)
Tax expense	1 555 999	1 484 730

Deferred tax liabilities/ deferred tax asset

Deferred tax liabilities/ deferred tax asset are estimated as shown below:

Temporary differences related to:	31.12.2019	31.12.2018	Change
Fixed assets NOK	2 866 917	2 594 474	(272 443)
Account receivables NOK	0	(30 955)	(30 955)
Pensions NOK	0	0	0
Basis for deferred tax liabilities/deferred tax asset	2 866 917	2 563 519	(303 398)
Net deferred tax liability/- (assets) NOK (22%)	630 722	563 974	(66 748)

**Norner AS****Notes for the financial Statement 2019****Note 8 Bank deposits, cash in hand, etc**

Bank deposit, cash etc. includes deduction of tax with NOK 3 474 715.

Note 9 Related party transactions and balances

	NOK	NOK
	2019	2018
Other receivables from group company		
Senfi Norway AS (long term)	2 939 343	2 588 824
SCGN AS (long term)	1 673 858	1 558 033
Co2 Technologies AS (long term)	2 702 000	2 377 000
Norner Research AS (short term)	3 657 050	6 868 818
Total	10 972 251	13 392 675
Trade receivables	2019	2018
SCG Chemicals Co. Ltd.	5 380 565	9 165 490
SCGN AS	-	-
Norner Research AS	1 374 623	-
Norner Verdandi AS	854 564	-
Total	7 609 752	9 165 490
Trade payables	2019	2018
The Siam Cement Public	-	-29 635
Total	-	-29 635
Liabilities to group companies	2019	2018
Norner Verdandi AS (short term)	-13 308 193	-9 159 125
Norner Research AS (short term)	-5 024 189	-
SCGN AS	-4 776 479	-
SCG Chemicals Co. Ltd.	-	-5 285 445
Total	-23 108 861	-14 444 570



Norner AS

Notes for the financial Statement 2019

Note 10 Intangible assets

	Research and development	Total
Purchase cost 01.01. NOK	3 839 000	3 839 000
Additions NOK	-	-
Disposals NOK	-39 000	-39 000
Purchase cost 31.12. NOK	3 800 000	3 800 000
Accumulated depreciation and amortization 31.12.	-1 140 000	-1 140 000
Net book value 31.12. NOK	2 660 000	2 660 000
Depreciation in the year NOK	376 403	376 403
Amortization in the year	-	-
Expected useful life	10 years	
Depreciation plan	Straight line	

Norner AS has capitalized R&D cost related to development of a unique technology for producing multimodal PE to be used in HDPE pipes. The is considered reasonable and well within future estimated income.

Note 11 Covid-19 situation

At the time the group has not had any financial consequence related to the Covid-19 situation.

However, there is a risk of financial consequences going forward, including, but not limited to:

- * Customers may postpone projects, resulting in lower revenues
- * Low or lack of payment ability at our customers may lead to loss of receivables
- * Delays in delivery due to reduced personnel ability to work full time resulting in lower revenues
- * Investments may become more expensive due to weak NOK currency



Norner AS

Cash Flow statement

Amounts in NOK

	2019	2018
Cash flow from operating activities		
Operating income before tax	8 809 784	7 334 283
Taxes paid this period	0	0
Depreciations of fixed assets	2 961 789	2 461 305
Changes in accounts receivables	901 419	4 941 894
Changes in accounts payable	2 419 530	-394 628
Pension liabilities, no cash flow effect	0	-2 139 195
Change in current assets/liabilities	-5 972 729	-1 367 938
Net cash flow from operating activities	9 119 793	10 835 721
Cash flow from investing activities		
Purchase of property, plant and equipment	-9 067 317	-4 407 994
Incoming cash from loans to group companies	6 523 857	0
Net cash flow from investing activities	-2 543 460	-4 407 994
Cash flow from financing activities		
Loans from group companies	3 180 415	2 491 938
Outgoing cash by payment of long-term liabilities	-5 285 445	0
Change in bank overdrafts	-3 018 701	-8 642 872
Cash flow from financing activities	-5 123 731	-6 150 934
Net change in bank deposit, cash and cash equivalents	1 452 602	276 793
Bank deposit, cash and cash equivalents 01.01.	2 022 113	1 745 320
Bank deposit, cash and cash equivalents 31.12.	3 474 715	2 022 113





Norner AS (org no. 898 736 032)

ANNUAL REPORT 2019

The company's background and location

Norner AS deliver industrial R&D services and has a research facility of 6000 m² and a wide-range of equipment and machinery for industrial research, testing and development of processes and products within polymer and plastic materials industry. Norner delivers industrial R&D services to customers to develop sustainable plastics and composite solutions. Norner AS focus on the following market segments; Polymer industry, Energy, Consumables, and Building and Infrastructure industry.

Norner AS was established in 2007 and since the start-up built a portfolio of more than 500 customers including several major international corporations. More than 65% of the revenue is generated internationally requiring high competence and ability to deliver. Norner AS is 100% owned by SENFI Norway AS.

Going concern

According to section 3-3 of the Norwegian Accounting Act the Board of Directors confirms that the assumptions for going concern is valid for Norner AS. The basis for the assumption is the sound financial position as well as expectations related to long term growth.

Future prospects

The vision of Norner is to be the global leaders in industrial R&D services within polymers - The Polymer Explorers. Norner take share of responsibility in sustainable use of our global resources. In 5 year strategy, Norner will strengthen emphasis on circular economy in the polymer value chain, as well as focusing on this aspect in all market segments. Norner is developing lightweight material solutions, bio-based raw-materials and developing solutions and competence in addressing the challenges in marine littering.

As an innovation company, Norner constantly chase new ideas, in front of the industry and predicting where we best create value for our customers in the future. A clear technology strategy has been developed considering areas where Norner strongly believe they can contribute in exploring opportunities in the future.

Furthermore, Norner Verdandi has, in close co-operation with Norner AS, concepts based on technologies developed by Norner that are being commercialized. In 2017, the first license was signed, that generated revenue in 2017, as well as for subsequent years.

In order follow our technology strategy and business plan, the Group and Norner has decided to move into new facilities over the coming two years. The Group will be part of the Powerhouse Telemark cluster being a world leading project in green building construction, as well as establishing a new application center comprising a wide range of conversion, testing and research assets.



Financial results

The operating income for Norner ended at MNOK 95.0, a growth of MNOK 13.6 compared to 2018. The annual operating profit after tax ended at MNOK 7.3. The operating profit increased with MNOK 1.5 compared to 2018.

Total assets in Norner was by year end MNOK 61.8. Total equity was at 31 December 2019, MNOK 17.7, and the equity ratio was 28.6%.

In the opinion of the Board of Directors, the financial statement provide a true and fair view of Norner's financial performance during 2019 and financial position at 31 December 2019.

Financial risk

Market risk

Norner has a low foreign currency exposure as a major part of the revenue (approx. 95%) is in Norwegian kroner. Norner has not entered into forward contracts or other agreements to reduce the companies' currency risk.

Credit risk

The risk that our clients do not have the financial ability to fulfil their liabilities is regarded as fairly low, subject to consequences described below related to Covid-19. Gross credit risk on 31 December 2019 was MNOK 14.7. There is a high focus on minimizing outstanding debt, and historically there have been minor losses on the accounts receivable.

No agreements to minimize the credit risk has been established.

Liquidity risk

In order to support the working capital needs a credit facility has been established, but not utilized at year end.

Risk related to Covid-19

Norner has not had any financial consequences related to the Covid-19 situation. However, there is a risk of financial consequences going forward, including, but not limited to:

- Customers may postpone projects, resulting in lower revenues
- Low or lack of payment ability at our customers may lead to loss of receivables
- Delays in delivery due to reduced personnel ability to work full time resulting in lower revenues
- Investments may become more expensive due to weak NOK currency

Work environment and employees

Norner has a strong focus on HSE and the regulations that are valid at Rønningen. Registered sick leave was 2.9%, which is regarded as very low. There have not been any serious employment injuries or other accidents during 2019.

The target is to have a good working environment and all employees are actively involved in issues related to quality and HSE improvements. Furthermore, Norner has an active Occupational Environment Committee (AMU) that meets regularly to deal with essential topics and future development plans.



Equal opportunities and discrimination

Norner is promoting equal opportunities and shall be a workplace with full equality between men and women. There shall be no discrimination due to gender in issues related to for example salaries, promotion and recruitment.

Norner has 69 employees (per 31.12.2019) with 26 women (38%). Working time arrangements are independent of gender. The share of employees working part-time is somewhat higher for women.

Furthermore, Norner shall be a workplace where no discrimination due to ethnicity, sexual orientation, color, language, religion or reduced functional ability shall exist.

Sustainability

Sustainable growth is the new norm for business and industry. Sustainability is high on the agenda. Sustainability underscores everything that we do – both the products that we develop and design, and the way we run our operations. We work to ensure that we meet all our own environmental responsibilities and to help our customers achieve theirs. Norner's commitment to sustainability is evident throughout our products' lifecycles.

Norner work according to ISO standards and co-operate closely with Ineos regarding waste handling. Disposal of hazardous chemicals is done by Renor.

Annual result and distribution

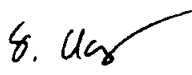
The Board of Directors proposes the following distribution of the net gain for Norner AS:

	<u>Norner AS</u>
Given intra-group contribution	9.280.071 NOK
<u>From other equity</u>	<u>2.026.286 NOK</u>
Net brought forward	7.253.785 NOK

Rønningen, May 8th, 2020


Kjetil Larsen
Managing Director


Tanawong
Areeratchakul
Chairman


Suracha Udomsak
Board member


Dermot O'Hare
Board member


Jorunn Sandra Nilssen
Board member


Tine Rørvik
Board member


Sven Arve Halvorsen
Board member





KPMG AS
Nordre Fokserød 14
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Enterprise 935 174 627 MVA

To the General Meeting of Norner AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norner AS showing a profit of NOK 7 253 785. The financial statements comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 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, we are required to report that fact. We have nothing to report in this regard.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

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



Norner AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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



Norner AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Sandefjord, 25 June 2020
KPMG AS

Thomas Alfheim
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 19.12.2014	Vår dato 06.01.2015
Telefon 22078139	Deres referanse HPW	Vår referanse 2014/976813

NORNER HOLDING AS
Asdalstrand 291
3960 STATHELLE

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 19. desember 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Norner Holding AS	org. nr. 998 735 696 og følgende 100 % eide datterselskap
Norner AS	org. nr. 898 736 032
Norner Research AS	org. nr. 912 382 200
Norner Verdandi	org. nr. 995 419 726
Norner IP AS	org. nr. 998 736 110
CO2 Technologies AS	org. nr. 997 504 658

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

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

Bakgrunn

SCG Chemicals (Singapore) PTE. LTD kjøpte 17. desember 2014 51 % av aksjene i Norner Holding AS og vil overta de resterende 49 % av aksjene 30. september 2015. All kommunikasjon og rapportering til morselskapet i Singapore vil foregå på engelsk. I tillegg vil 4 av medlemmene i styret til Norner Holding AS ikke være norske, og all kommunikasjon i styret vil derfor foregå på engelsk. Norner-selskapene driver konsulent- og rådgivningsvirksomhet innenfor plast- og materialteknologi og 50 % av omsetning er internasjonal. I tillegg er selskapene konsortiedeltager i flere forskningsprosjekter som er støttet av EU. Dette innebærer ofte krav om kopi av årsregnskap og årsberetning på engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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Postboks 9200 Grønland
0134 Oslo

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Se www.skatteetaten.no
Org.nr. 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



være på et annet språk.”

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene vil bli heleide datterselskap til et utenlandsk selskap. Eierkretsen er begrenset. Engelsk benyttes som rapporteringsspråk. Flere av styremedlemmene i holdingselskapet er utenlandske. Videre er det vektlagt at halvparten av omsetningen foregår i utlandet.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer