



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 968 446
Organisasjonsform: Aksjeselskap
Foretaksnavn: READ CH GROUP AS
Forretningsadresse: C/o Norvestor Equity AS
Hieronymus Heyerdahls gate 1
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: 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: Bruce Melvin
Dato for fastsettelse av årsregnskapet: 31.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 31.08.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	3	78 268	63 500
Sum kostnader		78 268	63 500
Driftsresultat		-78 268	-63 500
Finansinntekter og finanskostnader			
Inntekt på inv. i datterselskap og tilknyttet selskap		291 597	
Renteinntekt fra foretak i samme konsern		2 112 734	2 194 909
Annen finansinntekt		5	5 208 203
Sum finansinntekter		2 404 336	7 403 112
Nedskrivning av finansielle eiendeler	7	101 770 165	64 000 000
Annen finanskostnad		4 555 229	3 240 035
Sum finanskostnader		106 325 394	67 240 035
Netto finans		-103 921 058	-59 836 923
Ordinært resultat før skattekostnad		-103 999 326	-59 900 423
Skattekostnad på ordinært resultat	5		496 638
Ordinært resultat etter skattekostnad		-103 999 326	-60 397 061
Årsresultat		-103 999 326	-60 397 061
Overføringer og disponeringer			
Konsernbidrag	4		1 760 809
Udekket tap	4	-103 999 326	-62 157 870
Sum overføringer og disponeringer		-103 999 326	-60 397 061



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	7	0	45 890 566
Lån til foretak i samme konsern	6	100 467 906	150 929 549
Sum finansielle anleggsmidler		100 467 906	196 820 115
Sum anleggsmidler		100 467 906	196 820 115
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	6	530 310	238 713
Sum fordringer		530 310	238 713
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende		10 617	1 932
Sum omløpsmidler		540 927	240 645
SUM EIENDELER		101 008 833	197 060 760
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	2, 4	103 200	103 200
Overkurs	4	123 954 596	123 954 596
Sum innskutt egenkapital		124 057 796	124 057 796
Opptjent egenkapital			
Annen egenkapital	4	-167 999 326	-64 000 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum opptjent egenkapital		-167 999 326	-64 000 000
Sum egenkapital		-43 941 530	60 057 796
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	8	41 513 849	42 395 575
Øvrig langsiktig gjeld	6	87 753 708	73 174 275
Sum annen langsiktig gjeld		129 267 557	115 569 850
Sum langsiktig gjeld		129 267 557	115 569 850
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	8	10 638 271	16 413 096
Leverandørgjeld		2 787 088	2 762 571
Annen kortsiktig gjeld	6	2 257 447	2 257 447
Sum kortsiktig gjeld		15 682 806	21 433 114
Sum gjeld		144 950 363	137 002 964
SUM EGENKAPITAL OG GJELD		101 008 833	197 060 760



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 787283

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Brønnøysundregistrene, 09.10.2021



Organisasjonsnr: 917 968 446
READ CH GROUP AS

RESULTATREGNSKAP

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Organisasjonsnr: 917 968 446
READ CH GROUP AS

BALANSE

Beløp i: NOK Note 2020 2019

BALANSE - EIENDELER

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Immaterielle eiendeler

Finansielle anleggsmidler

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Omløpsmidler

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Fordringer

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SUM EIENDELER		101 008 833	197 060 760
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	8	41 513 849	42 395 575
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Øvrig langsiktig gjeld	6	87 753 708	73 174 275
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Organisasjonsnr: 917 968 446
READ CH GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
A shares	2400.00	43.00	103200.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Read CH Holding AS	2400.00	100.00%	Ordinary shares
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	2400.00	100.00%	

Read CH Group AS is a subsidiary of the ultimate parent company Read CH Holding AS. The consolidated accounts can be obtained at the headquarters of Read CH Holding AS.

Note
3

Lønn og ytelser

The entity have no employees and is not obliged to have an occupational pension scheme according to the Act on Mandatory Occupational Pensions.

Note

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	22500.00	16000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	40955.00	34800.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	63455.00	50800.00

Note



Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

0.00

Note

7

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
Read Cased Hole Ltd	100.00%		-104590419.0	-19880031.00
			0	

The book value of the shares in Read Cased Hole Ltd have been impaired by 109,9 million as of 31.12.2020 and the loan to Read Cased Hole Ltd have been written-down by 55,9 million.

Konsernregnskapet inngår i konsolideringen til morselskap: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Read Ch Group AS	C/o Norvestor Equity As Hieronymus Heyerdahls gate 1 0160 OSLO 0301 Oslo

Datterselskap er utelatt fra konsolideringen: Nei



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	11.12.2017	13.02.2018
Telefon	Deres referanse	Vår referanse
90076012	Max-Einar Ludvigsen	2018/29050

Ernst & Young
Postboks 1156 Sentrum
0107 OSLO

Søknad om dispensasjon etter bokføringsloven og regnskapsloven for Read CH Group AS, org.nr. 917 968 446

Vi viser til deres brev av 11. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Read CH Group AS, samt senere e-post korrespondanse.

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

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

Bakgrunn

Fra søknaden gjengis:

Read CH Group AS er et holdingsselskap, med datterselskaper i utlandet.

Selskapet opererer i sektorer og land, der engelsk er det dominerende språket. (...), og selskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet.

I lys av selskapets og konsernets situasjon, der enkelte av selskapets investorer og styremedlemmer kun behersker engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjen der selskapet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som unødvendig.

Selskapet er heleid av Read CH Holding AS. Konsernets virksomhet er innenfor oljeservice, og kundene er internasjonale oljeselskaper. En norsk oversettelse vil kun ha til formål å tilfredsstille 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 være på et annet språk."

Postadresse
Postboks 9200 Grønland
0134 Oslo

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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 vekt på at selskapet er eid av et aksjeselskap, og er del av internasjonalt konsern. Eierkretsen er begrenset. Selskapet driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4068 Stavanger

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 Read CH Group AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Read CH Group AS, which comprise the balance sheet as at 31 December 2020, the income statement, and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Material uncertainty related to going concern

According to note 9 in the financial statements and the Board of Director's Report, the Company incurred a net loss NOK 104 million during the year ended December 31, 2020 and is reliant on improved profit, continued financial support from shareholders and financial institutions. These events, along with other matters as set forth in note 9, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of 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.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles 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, 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 those charged with governance 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.

Pemneo Dokumentnøkkel: 516DB-DYF4I-G2K01-MCX5-C-XZDEC-KA1NK



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, the going concern assumption and proposal for the allocation of the result 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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Stavanger, 1 September 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Jan Kvalvik
State Authorised Public Accountant (Norway)

Pemneo Dokumentnøkkel: 516DB-DYF4I-G2K01-MCX5-CXZDEC-KA1NK



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Jan Kvalvik

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-497669

IP: 145.62.xxx.xxx

2021-09-01 14:00:08Z



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Read Ch Group AS
Org.num: 917 968 446

Annual report 2020

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

Auditors' report



The board of directors' report 2020 for Read CH Group AS

Scope of business

The READ group of companies' operations consist of data acquisition from cased oil and gas wells and data analysis on the integrity and performance of wells.

Read CH Group AS was established in 2016 and the headquarter is in Aberdeen, Scotland. The company is included in the group financial statement for Read CH Holding AS.

Comments related to the financial statements

READ CH Group AS financial statements for 2020 has been prepared in accordance with the Norwegian Accounting Act and generally accepted principles in Norway.

The company has not had any activity in 2020. Net income in 2020 was NOK -104m (loss), as last year, NOK -60.4m (loss). The main reason for the change was a write-down of financial assets of NOK 101.8m.

Interest-bearing liabilities to financial institutions was NOK 52.2m as of 31.12.2020. Total assets at year-end amounted to NOK 101m, compared to NOK 197m last year. The equity at year-end amounted to negative NOK 43.9m.

Going concern and liquidity

The liquidity situation of READ CH Holding AS and subsidiaries continues to be monitored closely. Projected cashflows for all group companies are updated and reviewed by senior management on a weekly basis. The parent company READ CH Holding AS has received additional capital of £ 1m in 2020 and shareholder loans of £0.5m in June 2021. However, the Group is in breach with the equity covenant and has a waiver for the breach of the net interest bearing debt (NIBD) /EBITDA covenant until and including December 31, 2021 (see also notes 8 and 9 to the financial statements for additional information). The parent company regularly provides liquidity information to both its equity and debt holders who remain supportive of the company. Discussions remain ongoing with both parties who have indicated their willingness to provide further funding and alter the terms of the current facilities as required. Whilst the directors are confident that the shareholder will continue to support the group, the funding is not yet committed.

At the time of finalizing these accounts the key risk to the Group's cashflows is the Covid-19 pandemic. Restrictions on the movement of people and equipment, in the countries in which the Group operates, have reduced significantly since their height in the second quarter of 2020 but this is obviously a key risk going forward until a permanent solution to the issue is found. The second half of 2021 sees a significant increase in activity following the lifting of some travel restrictions.

However, as there still are uncertainty to how the activity will develop and that there are no firm commitments for additional funding, the directors have concluded that there is material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not contain adjustments that would result if the Company were unable to continue as a going concern.

Allocation of net income

The Board of Directors has proposed the net loss of Read CH Holding AS to be attributed to:


Side 1 av 2



Transferred to accumulated losses NOK -104m

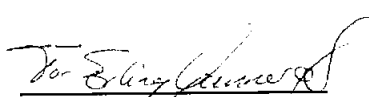
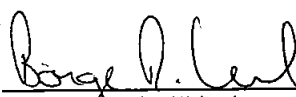
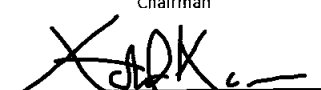
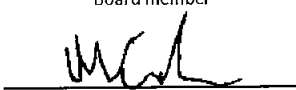
Total allocated NOK -104m

The working environment, equal opportunities and discrimination

The company did not have any employees during the financial year. The company's board consists of three men and one woman. Due to the company's size, no measures have been implemented to ensure gender equality

There are no factors in the company's operations that have an impact on the external environment.

Oslo, 31 August 2021

 Tor Erling Gunnerød Chairman	 Børge Richard Kolstad Board member
 Astrid Koppernes Board member	 Martin Gordon Perry Board member



Read Ch Group AS

Org.num: 917 968 446

Income statement 01.01. - 31.12.

	Note	2020	2019
Operating expenses			
Other operating expenses	3	<u>78 268</u>	<u>63 500</u>
Operating result		<u>-78 268</u>	<u>-63 500</u>
Financial income and expenses			
Income from investments in subsidiaries and associated companies		291 597	0
Interest income from group companies		2 112 734	2 194 909
Other financial income		5	5 208 203
Write-down on other financial assets	7	101 770 165	64 000 000
Other financial expenses		<u>4 555 229</u>	<u>3 240 035</u>
Net financial items		<u>-103 921 058</u>	<u>-59 836 923</u>
Ordinary result before tax		<u>-103 999 326</u>	<u>-59 900 423</u>
Tax on ordinary result	5	<u>0</u>	<u>496 638</u>
Net profit or loss for the year		<u>-103 999 326</u>	<u>-60 397 061</u>
Allocated as follows			
Group contribution	4	0	1 760 809
Accumulated losses	4	<u>-103 999 326</u>	<u>-62 157 870</u>
Total allocations		<u>-103 999 326</u>	<u>-60 397 061</u>



Read Ch Group AS

Org.num: 917 968 446

Balance sheet as of December 31

	Note	2020	2019
Fixed assets			
<i>Financial assets</i>			
Investments in subsidiaries	7	0	45 890 566
Loans to group companies	6	<u>100 467 906</u>	<u>150 929 549</u>
Total financial assets		<u>100 467 906</u>	<u>196 820 115</u>
Total fixed assets		<u>100 467 906</u>	<u>196 820 115</u>
Current assets			
<i>Receivables</i>			
Other receivables	6	<u>530 310</u>	<u>238 713</u>
Total accounts receivable		<u>530 310</u>	<u>238 713</u>
Cash and cash equivalents		<u>10 617</u>	<u>1 932</u>
Total current assets		<u>540 927</u>	<u>240 645</u>
Total assets		<u>101 008 833</u>	<u>197 060 760</u>



Read Ch Group AS

Org.num: 917 968 446

Balance sheet as of December 31

	Note	2020	2019
Equity			
<i>Paid-in capital</i>			
Share capital	2, 4	103 200	103 200
Share premium reserve	4	123 954 596	123 954 596
Total paid-in capital		<u>124 057 796</u>	<u>124 057 796</u>
<i>Retained earnings</i>			
Accumulated losses	4	-167 999 326	-64 000 000
Total accumulated losses		<u>-167 999 326</u>	<u>-64 000 000</u>
Total equity		<u>-43 941 530</u>	<u>60 057 796</u>
Liabilities			
<i>Other long-term liabilities</i>			
Liabilities to financial institutions	8	41 513 849	42 395 575
Other long-term liabilities	6	87 753 708	73 174 275
Total other long term liabilities		<u>129 267 557</u>	<u>115 569 850</u>
<i>Current liabilities</i>			
Liabilities to financial institutions	8	10 638 271	16 413 096
Trade creditors		2 787 088	2 762 571
Other short-term liabilities	6	2 257 447	2 257 447
Total current liabilities		<u>15 682 806</u>	<u>21 433 114</u>
Total liabilities		<u>144 950 363</u>	<u>137 002 964</u>
Total equity and liabilities		<u>101 008 833</u>	<u>197 060 760</u>

31 December 2020
Oslo, 31 August 2021,

Tor Erling Gunnerød
Chairman of the Board

Astrid Koppernæs
Member of the Board

Børge Richard Kolstad
Member of the Board

Martin Gordon Perry
Member of the Board



Read Ch Group AS

Org.num: 917 968 446

Cash flow statement

	2020	2019
Cash flow from operating activities		
Ordinary result before tax	-103 999 326	-59 900 423
Impairment of fixed assets	101 770 166	64 000 000
Changes in inventories, trade receivables and trade payables	24 517	0
Changes in other current balance sheet items	-2 404 331	-7 403 078
Net cash flow from operating activities	<u>-4 608 974</u>	<u>-3 303 501</u>
Cash flow from investing activities		
Net cash flow from investing activities	<u>0</u>	<u>0</u>
Cash flow from financing activities		
Repayment of long term loans	-881 726	-4 976 047
Net change in bank overdraft	-5 774 825	5 281 857
Change in intercompany balances	11 274 210	2 995 493
Net cash flow from financing activities	<u>4 617 659</u>	<u>3 301 303</u>
Net change in cash and cash equivalents	8 685	-2 198
Cash and cash equivalents at 01.01	1 932	4 130
Cash and cash equivalents at 31.12	<u>10 617</u>	<u>1 932</u>



Read Ch Group AS

Org.num: 917 968 446

Notes to the accounts for 2020

Note - 1 Accounting Principles

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

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification

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

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

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

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Income tax

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

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.



Read Ch Group AS

Org.num: 917 968 446

Notes to the accounts for 2020

Note 2 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Share capital
A shares	2 400	43	103 200

Shareholders per 31.12.20:

	Ordinary shares	Ownership share	Voting rights
Read CH Holding AS	2 400	100 %	100 %

Read CH Group AS is a subsidiary of the ultimate parent company Read CH Holding AS. The consolidated accounts can be obtained at the headquarter of Read CH Holding AS.

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

Management remuneration

The entity have no employees and is not obliged to have an occupational pension scheme according to the Act on Mandatory Occupational Pensions.

Auditor fee has been divided as follows

	2020
Audit fee	22 500
Other services	40 955
Total	<u>63 455</u>

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

Note 4 - Equity

	Share capital	Share premium reserve	Accumulated Losses	Total
Equity 01.01.2020	103 200	123 954 596	-64 000 000	60 057 796
Loss for the year	0	0	-103 999 326	-103 999 326
Equity 31.12.2020	<u>103 200</u>	<u>123 954 596</u>	<u>-167 999 326</u>	<u>-43 941 530</u>



Read Ch Group AS

Org.num: 917 968 446

Notes to the accounts for 2020

Note 5 - Income taxes

<i>Income tax expenses</i>	2020	2019
Tax effect on group contribution	0	496 638
Total income tax expense	0	496 638
<i>Tax base estimation</i>	2020	2019
Ordinary result before tax	-103 999 326	-59 900 423
Write-down on financial assets	101 770 165	64 000 000
Group contribution given with tax effect	0	-2 257 447
Recognized Group Contribution	-291 597	0
Carried forward loss used this year	0	-1 842 130
Total taxable income	-2 520 758	0
Received group contribution	291 597	0
Tax base	-2 229 161	0
<i>Temporary differences outlined</i>	2020	2019
Accumulated tax loss carryforwards	-2 229 160	0
Total	-2 229 160	0

Capitalization of deferred tax assets can not be justified.

Note 6 - Intercompany balance group company

<i>Receivables</i>	2020	2019
Intercompany loans	100 467 906	150 929 549
Received group contribution	530 310	238 713
Total	100 998 216	151 168 262
<i>Payables</i>	2020	2019
Long term loans	87 753 708	73 174 275

The book value of the loan to Read Cased Hole Ltd have been written-down by 55,9 million as of 31.12.2020.

Note 7 - Investment in subsidiaries

Company	Acquisition year	Location	Share owners	Net profit 2020	Equity 31.12	Book value 31.12
Read Cased Hole Ltd	2016	Aberdeen	100 %	-19 880 031	-104 590 419	0

The book value of the shares in Read Cased Hole Ltd have been impaired by 109,9 million as of 31.12.2020.



Read Ch Group AS

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Notes to the accounts for 2020

Note 8 - Debt to financial institutions

	2020	2019
<i>Long term debt to financial institutions</i>		
Bank loan A	37 529 623	38 137 770
Bank loan B	3 984 226	4 257 805
Total	<u>41 513 849</u>	<u>42 395 575</u>
	2020	2019
Short term credit facility	10 638 271	16 413 096

The bank loan A in Read CH Group AS was drawn down as part of the financing of the acquisition of Read Cased Hole Ltd. The loan runs for 5 years until maturity on 8th June 2022. The original amount of the loan was GBP 4 million.

Bank loan B of GBP 0,5 million is formally entered into by Read CH Group AS and runs for 5 years until maturity on 21st November 2022.

Read CH Group AS also has an overdraft facility of GBP 1,1 million. The facility is renewed yearly. As of 31.12.20 GBP 0,9 million (NOK 10,6 million) was drawn down on the facility.

All of the loans entered into by Read CH Group AS are towards Sparebank 1 SR Bank ASA and they contain financial covenants on group level relating to equity ratio and net interest-bearing debt over EBITDA ("NIBD/EBITDA"). The Company is in breach with the equity covenant and has a waiver for the breach of the NIBD/EBITDA covenant until and including December 31, 2021.

There is a significant uncertainty if the Group will be compliant with the covenants at this date.

A bond and floating charge agreement has been entered into, where Read Cased Hole Ltd guarantees as the primary obligant for any amount payable up to NOK 50 million to the bank from any of the group companies controlled by Read CH Group AS.

Note 9 - Going Concern and liquidity

The liquidity situation of READ CH Holding AS and subsidiaries continues to be monitored closely. Projected cashflows for all group companies are updated and reviewed by senior management on a weekly basis. The parent company READ CH Holding AS has received additional capital of £ 1m in 2020 and shareholder loans of £0.5m in June 2021. However, the Group is in breach with the equity covenant and has a waiver for the breach of the NIBD/EBITDA covenant until and including December 31, 2021 (see also note 8 for additional information). The parent company regularly provides liquidity information to both its equity and debt holders who remain supportive of the company. Discussions remain ongoing with both parties who have indicated their willingness to provide further funding and alter the terms of the current facilities as required. Whilst the directors are confident that the shareholder will continue to support the group, the funding is not yet committed.

At the time of finalizing these accounts the key risk to the Group's cashflows is the Covid-19 pandemic. Restrictions on the movement of people and equipment, in the countries in which the Group operates, have reduced significantly since their height in the second quarter of 2020 but this is obviously a key risk going forward until a permanent solution to the issue is found. The second half of 2021 sees a significant increase in activity following the lifting of some travel restrictions.



Read Ch Group AS

Org.num: 917 968 446

Notes to the accounts for 2020

However, as there still are uncertainty to how the activity will develop and that there are no firm commitments for additional funding, the directors have concluded that there is material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not contain adjustments that would result if the Company were unable to continue as a going concern.