



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	916 928 092
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HYDRAWELL HOLDING AS
Forretningsadresse:	Norsea Base Bygg 104 4056 TANANGER

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Stian Vemmestad
Dato for fastsettelse av årsregnskapet:	28.06.2022

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, 25.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	
Kostnader			
Annen driftskostnad	2	1 099 026	1 253 394
Sum kostnader		1 099 026	1 253 394
Driftsresultat		-1 099 026	-1 253 394
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		5 049 606	
Renteinntekt fra foretak i samme konsern		50 158	204 510
Annen renteinntekt		6 196	566
Sum finansinntekter		5 105 960	205 076
Rentekostnad til foretak i samme konsern			137 145
Annen rentekostnad			95 908
Sum finanskostnader			233 053
Netto finans		5 105 960	-27 977
Ordinært resultat før skattekostnad		4 006 934	-1 281 371
Skattekostnad på ordinært resultat	3	881 525	-881 525
Ordinært resultat etter skattekostnad		3 125 409	-399 846
Årsresultat		3 125 409	-399 846
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	4	3 125 409	399 846
Sum overføringer og disponeringer		3 125 409	399 846



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel			881 525
Sum immaterielle eiendeler		0	881 525
Finansielle anleggsmidler			
Investering i datterselskap	5	368 109 054	368 109 054
Lån til foretak i samme konsern		1 234 291	2 312 883
Sum finansielle anleggsmidler		369 343 345	370 421 937
Sum anleggsmidler		369 343 345	371 303 462
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		70 500	38 349
Konsernfordringer		5 049 606	
Sum fordringer		5 120 106	38 349
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	6	45 519	19 350
Sum bankinnskudd, kontanter og lignende		45 519	19 350
Sum omløpsmidler		5 165 625	57 699
SUM EIENDELER		374 508 970	371 361 161
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	4,7	101 697	101 697
Overkurs	4	373 578 823	423 563 823



Balanse

Beløp i: NOK	Note	2021	2020
Sum innskutt egenkapital		373 680 520	423 665 520
Opptjent egenkapital			
Annen egenkapital	4		-53 110 409
Sum opptjent egenkapital			-53 110 409
Sum egenkapital		373 680 520	370 555 111
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		165 000	163 750
Annen kortsiktig gjeld		663 450	642 300
Sum kortsiktig gjeld		828 450	806 050
Sum gjeld		828 450	806 050
SUM EGENKAPITAL OG GJELD		374 508 970	371 361 161



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	105 641 917	94 452 172
Sum inntekter		105 641 917	94 452 172
Kostnader			
Varekostnad		20 258 627	9 325 026
Lønnskostnad	3	34 351 466	34 385 476
Avskrivning	5,4	63 823 991	65 213 304
Annen driftskostnad	3,12	21 950 810	20 458 349
Sum kostnader		140 384 894	129 382 155
Driftsresultat		-34 742 977	-34 929 983
Finansinntekter og finanskostnader			
Annen renteinntekt		1 390	272 467
Annen finansinntekt	13	1 225 897	3 445 295
Sum finansinntekter		1 227 287	3 717 762
Annen rentekostnad		3 491 498	4 433 052
Annen finanskostnad	13	487 444	3 867 268
Sum finanskostnader		3 978 942	8 300 320
Netto finans		-2 751 655	-4 582 558
Ordinært resultat før skattekostnad		-37 494 632	-39 512 541
Skattekostnad på ordinært resultat	6	-4 192 094	-9 567 001
Ordinært resultat etter skattekostnad		-33 302 538	-29 945 540
Årsresultat		-33 302 538	-29 945 540
Minoritetsinteresser	11		



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker o.l.	4	181 133 333	222 933 333
Goodwill	4	79 263 035	97 554 503
Sum immaterielle eiendeler		260 396 368	320 487 836
Varige driftsmidler			
Maskiner og anlegg	5	2 207 743	3 796 206
Driftsløsøre, inventar, verktøy, kontormaskiner	5	6 965 429	3 247 090
Sum varige driftsmidler		9 173 172	7 043 296
Sum anleggsmidler		269 569 540	327 531 132
Omløpsmidler			
Varer			
Varer		11 966 456	10 692 616
Sum varer		11 966 456	10 692 616
Fordringer			
Kundefordringer		14 950 518	15 245 023
Andre fordringer		2 879 133	3 755 456
Sum fordringer		17 829 651	19 000 479
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	10 604 629	5 973 617
Sum bankinnskudd, kontanter og lignende		10 604 629	5 973 617
Sum omløpsmidler		40 400 736	35 666 712
SUM EIENDELER		309 970 276	363 197 844

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Innskutt egenkapital			
Aksjekapital	10,11	101 697	101 697
Overkurs	11	184 654 552	423 563 823
Sum innskutt egenkapital		184 756 249	423 665 520
Opptjent egenkapital			
Udekket tap	11		205 077 186
Sum opptjent egenkapital			-205 077 186
Sum egenkapital		184 756 249	218 588 334
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	38 797 193	45 969 269
Andre avsetninger for forpliktelser		47 768	49 427
Sum avsetninger for forpliktelser		38 844 961	46 018 696
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	42 000 000	58 918 921
Sum annen langsiktig gjeld		42 000 000	58 918 921
Sum langsiktig gjeld		80 844 961	104 937 617
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		28 723 050	25 680 276
Leverandørgjeld		5 619 761	4 378 270
Betalbar skatt	6	3 057 122	975 706
Skyldige offentlige avgifter		1 953 372	1 865 007
Annen kortsiktig gjeld		5 015 761	6 772 634
Gjeld til aksjonærer	12		
Sum kortsiktig gjeld		44 369 066	39 671 893
Sum gjeld		125 214 027	144 609 510
SUM EGENKAPITAL OG GJELD		309 970 276	363 197 844



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 732832

Enheten

Organisasjonsnummer: 916 928 092
Organisasjonsform: Aksjeselskap
Foretaksnavn: HYDRAWELL HOLDING AS
Forretningsadresse: Norsea Base Bygg 104
4056 TANANGER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stian Vemmestad
Dato for fastsettelse av årsregnskapet: 28.06.2022

Grunnlag for avgivelse

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

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Brønnøysundregistrene, 30.07.2022



Organisasjonsnr: 916 928 092
HYDRAWELL HOLDING AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	
Kostnader			
Annen driftskostnad	2	1 099 026	1 253 394
Sum kostnader		1 099 026	1 253 394
Driftsresultat		-1 099 026	-1 253 394
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		5 049 606	
Renteinntekt fra foretak i samme konsern		50 158	204 510
Annen renteinntekt		6 196	566
Sum finansinntekter		5 105 960	205 076
Rentekostnad til foretak i samme konsern			137 145
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Ordinært resultat før skattekostnad		4 006 934	-1 281 371
Skattekostnad på ordinært resultat	3	881 525	-881 525
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Overføringer og disponeringer			
Overføring til/fra annen egenkapital	4	3 125 409	399 846
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Organisasjonsnr: 916 928 092
HYDRAWELL HOLDING AS

BALANSE

Beløp i: NOK Note 2021 2020

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 881 525
Sum immaterielle eiendeler 0 881 525

Finansielle anleggsmidler

Investering i datterselskap 5 368 109 054 368 109 054
Lån til foretak i samme
konsern 1 234 291 2 312 883
Sum finansielle
anleggsmidler 369 343 345 370 421 937

Sum anleggsmidler 369 343 345 371 303 462

Omløpsmidler

Varer

Fordringer

Andre fordringer 70 500 38 349
Konsernfordringer 5 049 606
Sum fordringer 5 120 106 38 349

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 6 45 519 19 350
Sum bankinnskudd,
kontanter og lignende 45 519 19 350

Sum omløpsmidler 5 165 625 57 699

SUM EIENDELER 374 508 970 371 361 161

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital 4, 7 101 697 101 697
Overkurs 4 373 578 823 423 563 823
Sum innskutt egenkapital 373 680 520 423 665 520

Opptjent egenkapital

Annen egenkapital 4 -53 110 409
Sum opptjent egenkapital -53 110 409

Sum egenkapital 373 680 520 370 555 111



Sum langsiktig gjeld	0	0
Kortsiktig gjeld		
Leverandørgjeld	165 000	163 750
Annen kortsiktig gjeld	663 450	642 300
Sum kortsiktig gjeld	828 450	806 050
Sum gjeld	828 450	806 050
SUM EGENKAPITAL OG GJELD	374 508 970	371 361 161



Organisasjonsnr: 916 928 092
HYDRAWELL HOLDING AS

KONSERNRESULTATREGNSKAP

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Sum inntekter		105 641 917	94 452 172
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Sum finanskostnader		3 978 942	8 300 320
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Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	6	-4 192 094	-9 567 001
Ordinært resultat etter skattekostnad		-33 302 538	-29 945 540
Årsresultat		-33 302 538	-29 945 540
Minoritetsinteresser	11		



Organisasjonsnr: 916 928 092
HYDRAWELL HOLDING AS

KONSERNBALANSE

Beløp i: NOK **Note** **2021** **2020**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Konsesjoner, patenter, lisenser, varemerker o.l.	4	181 133 333	222 933 333
Goodwill	4	79 263 035	97 554 503
Sum immaterielle eiendeler		260 396 368	320 487 836

Varige driftsmidler

Maskiner og anlegg	5	2 207 743	3 796 206
Driftsløsøre, inventar, verktøy, kontormaskiner	5	6 965 429	3 247 090
Sum varige driftsmidler		9 173 172	7 043 296

Sum anleggsmidler		269 569 540	327 531 132
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Omløpsmidler

Varer

Varer		11 966 456	10 692 616
Sum varer		11 966 456	10 692 616

Fordringer

Kundefordringer		14 950 518	15 245 023
Andre fordringer		2 879 133	3 755 456
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Sum bankinnskudd, kontanter og lignende		10 604 629	5 973 617

Sum omløpsmidler		40 400 736	35 666 712
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SUM EIENDELER		309 970 276	363 197 844
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital	10,11	101 697	101 697
Overkurs	11	184 654 552	423 563 823
Sum innskutt egenkapital		184 756 249	423 665 520

Opptjent egenkapital

Udekket tap	11		205 077 186
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Sum opptjent egenkapital			-205 077 186
Sum egenkapital		184 756 249	218 588 334
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	38 797 193	45 969 269
Andre avsetninger for forpliktelseser		47 768	49 427
Sum avsetninger for forpliktelseser		38 844 961	46 018 696
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	42 000 000	58 918 921
Sum annen langsiktig gjeld		42 000 000	58 918 921
Sum langsiktig gjeld		80 844 961	104 937 617
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		28 723 050	25 680 276
Leverandørgjeld		5 619 761	4 378 270
Betalbar skatt	6	3 057 122	975 706
Skyldige offentlige avgifter		1 953 372	1 865 007
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Sum gjeld		125 214 027	144 609 510
SUM EGENKAPITAL OG GJELD		309 970 276	363 197 844



Organisasjonsnr: 916 928 092
HYDRAWELL HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

General The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company is the parent company of the group and prepares consolidated annual accounts. Use of estimates The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Balance sheet valuation and 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. Subsidiaries and investment in associate Subsidiaries and investments in associates 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. Accounts receivable and other receivables Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Income tax The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Cash flow statement The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments.

Note

4,7

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	101697.00	1.00	101697.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>



Norvestor VII L.P	43435.00	42.70%
Norvestor VII OS L.P	13740.00	13.50%
Emo Invest AS	10030.00	9.90%
RR Invest Holding AS	9905.00	9.70%
Tananger Investering AS	4952.00	4.90%
Fonsmagna Invest AS	4952.00	4.90%
Sernet Invest AS	2476.00	2.40%
Pahs Holding AS	2476.00	2.40%
Ages Consulting AS	2476.00	2.40%
MG Southhome AS	1697.00	1.70%
Wellwork Innovation AS	1190.00	1.20%
Ors Invest AS	990.00	1.00%
Mamema Invest AS	990.00	1.00%
Andre	2388.00	2.30%
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>
	101697.00	100.00%

Some of the members of management/directors have ownership shares and rights through private holding companies: Odd Engelsgjerd (Board Member) has 10 030 shares (10%) and 10% voting share.

The company does not have any employees and are therefore the law of mandatory pension arrangements is not applicable.

Note

2

Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl. Andre godtgj.</u>
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The general manager receives a salary from the subsidiary Hydra Well Intervention AS.

Note

2

Ytelser til andre ledende personer

Remuneration to the board of directors has in 2021 been NOK 872 100.

Note

2

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	155000.00	189696.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	92298.00	182550.00



<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	247298.00	372246.00

VAT is not included in the fees specified above

Note
2

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note
2

Obligatorisk tjenestepensjon

The company does not have any employees and are therefore the law of mandatory pension arrangements is not applicable.

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

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>
Hydra Well	100.00%	100.00%	-164359320.0	-38849131.00
Intervention AS			0	
Hydra Systems AS	100.00%	100.00%	2222991.00	5600636.00
HydraWell UK Ltd	100.00%	100.00%	13690121.00	-1028778.00
Hydrawell USA Inc	77.00%	77.00%	-26491358.00	-779924.00

Subsidiaries: Hydra Well Intervention AS Subsidiaries held through subsidiaries: Hydra Systems AS HydraWell UK Ltd Hydrawell USA Inc Hydrawell Canada Ltd is liquidated in 2021
Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Hydrawell Holding AS	Norsea Base Bygg 104, 4056 TANANGER



Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



Organisasjonsnr: 916 928 092
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NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The parent company was established the 15. March 2016, and the group was established the 29. April 2016 through the acquisition of HydraWell Group AS and its subsidiaries. The group sells technology and provides services to the Oil & Gas industry. The Group's consolidated financial statements comprise HydraWell Holding AS and companies in which HydraWell Holding AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary. The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases. Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value. Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flow from the asset is used. Goodwill on acquisitions is valued at cost. This constitutes the part of the total purchase cost that exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities. After the initial capitalization, goodwill is valued at cost less any accumulated depreciation and impairment losses. Capitalized goodwill is tested for impairment and is reviewed against the recoverable amount for indicators of impairment that is not deemed to be temporary in nature. Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred. Accounts



receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss. Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period. Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred. For equipment used in well, the risk and return are considered transferred when the equipment is put to use by the client. Service income is recognized when the service is rendered. The proportion of sales revenues related to future services is recorded as unearned revenue when sold, and recorded as unearned revenue when sold, and recognized as income when the service is rendered.

Note
10,11

Antall aksjer og aksjeeiere

Aksjeklasse	Ant. aksjer	Pålydende	Bokført verdi
Ordinære aksjer	101697.00	1.00	101697.00

Aksjeeiere - fritekst	Antall	Eierandel	Aksjeklasse
Norvestor VII L.P	43435.00	42.70%	
Norvestor VII OS L.P	13740.00	13.50%	
Emo Invest AS	10030.00	9.90%	
RR Invest Holding AS	9905.00	9.70%	
Tananger Investering AS	4952.00	4.90%	
Fonsmagna Invest AS	4952.00	4.90%	
Sernet Invest AS	2476.00	2.40%	
Pahs Holding AS	2476.00	2.40%	
Ages Consulting AS	2476.00	2.40%	
MG Southhome AS	1697.00	1.70%	
Wellwork Innovation AS	1190.00	1.20%	
Ors Invest AS	990.00	1.00%	
Mamema Invest AS	990.00	1.00%	
Andre	2388.00	2.30%	

Sum	Sum antall	Sum eierandel
	101697.00	100.00%

Some of the members of management/directors have ownership shares and rights through private holding companies: Odd Engelsgjerd (Board Member) has 10 030 shares (10%) and 10% voting share.

Note
3

Lønn og ytelser

Lønn	Årets	Fjorårets
	28373159.00	28767017.00



<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	4220259.00	3460018.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	1229909.00	1355451.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	528139.00	802990.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	34351466.00	34385476.00

Management remuneration The board member Odd Engelsgjerd is employed in the subsidiary Hydra Well Intervention AS. Mark Sørheim has been employed as the general manager since 01.07.2017.

Note
3

Ytelser til ledende personer

Ytelser til daglig leder

Note
3

Ytelser til andre ledende personer

<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
Odd Engelsgjerd	292761.00	15586.00	141031.00
Mark Sørheim	2235826.00	75526.00	18931.00
<u>Sum ytelse andre led.pers.</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
	2528587.00	91112.00	159962.00

Note
3

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	271500.00	380217.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	201794.00	534163.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	473294.00	914380.00

VAT is not included in the fees specified above.

Note



3

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
29.00

Note
3

Obligatorisk tjenstepensjon

Er virksomheten pliktig til å ha tjenstepensjonsordning etter lov:
Ja

Oppfyller pensjonsordning lovkravene: Ja

The group is required to have pension arrangement for all Norwegian employees ("tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon"). The group pension arrangements (defined contribution plans) fulfil the requirements of the law.

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei
Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Hydrawell Holding AS	Norsea Base Bygg 104, 4056 TANANGER

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
---------------------	------------------	------------------	----------------

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



Hydrawell Holding AS

Org. nr. 916928092

Kontantstrømoppstilling	2021	2020
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	4 006 934	-1 281 371
Endring i kundefordringer	-32 151	19 899
Endring i leverandørgjeld	1 250	70 000
Endring i andre tidsavgrensingsposter	-5 028 456	150 543
Netto kontantstrøm fra operasjonelle aktiviteter	-1 052 423	-1 040 929
Kontantstrømmer fra finansieringsaktiviteter		
Innbetalinger ved opptak av ny langsiktig gjeld	1 078 592	4 504 135
Utbetalinger ved nedbetaling av langsiktig gjeld	0	474 000
Utbetalinger ved nedbetaling av kortsiktig gjeld	0	3 000 000
Netto kontantstrøm fra finansieringsaktiviteter	1 078 592	1 030 135
Netto endring i kontanter og kontantekvivalenter	26 169	-10 794
Beholdning av kontanter og kontantekvivalenter 1.1	19 350	30 144
Beholdning av kontanter og kontantekvivalenter 31.12	45 519	19 350

Tilleggsopplysninger

Kontanter og kontantekvivalenter består av kontanter, bank og postgiro.



Hydrawell Holding AS

Org. nr. 916928092

Konsern

Kontantstrømoppstilling	2021	2020
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	-37 494 632	-39 512 541
Periodens betalte skatter	900 620	5 028 759
Ordinære avskrivninger	63 823 993	65 213 304
Endring i varelager	-1 273 840	-153 160
Endring i kundefordringer	294 505	6 992 104
Endring i leverandørgjeld	1 241 491	-2 419 393
Effekt av valutakursendringer	-473 154	498 847
Endring i andre tidsavgrensningposter	-594 950	1 623 218
Netto kontantstrøm fra operasjonelle aktiviteter	24 622 793	27 213 620
Kontantstrømmer fra investeringsaktiviteter		
Innbetalinger ved salg av varige driftsmidler	72 133	86 130
Utbetalinger ved kjøp av varige driftsmidler	5 990 926	4 651 095
Netto kontantstrøm fra investeringsaktiviteter	-5 918 793	-4 564 965
Kontantstrømmer fra finansieringsaktiviteter		
Utbetalinger ved nedbetaling av langsiktig gjeld	17 115 762	12 420 516
Netto endring i kassekreditt	3 042 774	-15 247 195
Netto kontantstrøm fra finansieringsaktiviteter	-14 072 988	-27 667 711
Netto endring i kontanter og kontantekvivalenter	4 631 012	-5 019 056
Beholdning av kontanter og kontantekvivalenter 1.1	5 973 617	10 992 673
Beholdning av kontanter og kontantekvivalenter 31.12	10 604 629	5 973 617

Tilleggsopplysninger

Kontanter og kontantekvivalenter består av kontanter, bank og postgiro.



Skatteetaten

Vår dato 28.08.2018	Din dato 20.08.2018	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din referanse Mark Sørheim	Telefon 22078139
Org.nr 996250318	Vår referanse 2018/1014044	Postadresse Postboks 9200 Grønland 0134 Oslo

HYDRAWELL HOLDING AS
Postboks 182
4098 TANANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Hydrawell Holding AS, org.nr. 916 928 092

Vi viser til deres brev av 20. august 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hydrawell Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret vurdering Hydrawell Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Hydrawell Holding AS er et holdingselskap med datterselskap i utlandet. Selskapets hovedaksjonær er et utenlandsk private equity fond, og selskapet eies for øvrig av utenlandske og norske investorer. Konsernet leverer oljeservice tjenester tilknyttet plugging og permanent stenging av oljebrønner. Kundene er internasjonale oljeselskaper og konsernets tjenester tilbys og leveres til kunder i hele verden. Selskapet opererer i en internasjonal bransje hvor kommunikasjonen foregår på engelsk. Selskapets arbeidsspråk er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om 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 selskapets hovedaksjonær er et utenlandsk private equity fond. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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HydraWell Holding AS - 2021 Board Report.pdf

Name	Method	Signed at
Jensen, Roy Inge	BANKID_MOBILE	2022-06-28 16:01 GMT+02
Teesdale, Christopher	BANKID	2022-06-28 15:45 GMT+02
Grant, Shona Macfarlane	BANKID_MOBILE	2022-06-28 15:10 GMT+02
Engelsjerd, Odd	BANKID_MOBILE	2022-06-28 14:43 GMT+02
Baalerud, Per-Ola	BANKID_MOBILE	2022-06-28 14:42 GMT+02
Kolstad, Børge Richard	BANKID	2022-06-28 20:05 GMT+02
Sørheim, Mark	BANKID_MOBILE	2022-06-28 17:34 GMT+02



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Board of Directors' Report HydraWell Holding AS

Scope of Business

HydraWell invented the PWC® technology and offers solutions that eliminates oil & gas leaks, reduces CO2 emissions and avoids hazardous waste disposal. The company has installed more than 450 plugs within Permanent Plug and Abandonment (PP&A), Slot Recovery, Zonal Isolation, Annular Integrity Testing and Well Remediation, many in challenging well conditions and configurations. The technology was first applied on the Norwegian continental shelf and has since become the favoured plugging method for several supermajors, majors, NOCs and independent oil companies worldwide.

The HydraWell group was established April 29th, 2016, and the headquarter is in Sola, Norway. The group includes the parent company HydraWell Holding AS and the subsidiary Hydra Well Intervention AS. In addition, the following entities are included as subsidiaries or sub-subsidiaries: Hydra Systems AS, HydraWell UK Ltd and HydraWell USA Inc.

Statement of Income

HydraWell Holding financial statements for 2021 has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Operating Revenue

Actual turnover in the group was NOK 105.6 million in 2021 compared to NOK 94.5 million in 2020. The group has signed new contracts both locally and internationally that will support growth in revenue in the years to come.

Operating Result (EBITDA)

The group's earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to NOK 29.1 million in 2021 compared to NOK 30.3 million in 2020.

Depreciations

Depreciations of tangible fixed assets was NOK 3.7 million and amortization of intangible assets was NOK 60.1 million in 2021 which was similar to the depreciations made in the year before.

Net financial items and profit and after tax

Net financial items amounted to NOK -2.8 million compared to NOK -4.6 million in 2020. Profit before tax was NOK -37.5 million compared to NOK -39.5 million in 2020. Tax was NOK -4.2 million resulting in a net profit of NOK -33.3 million.

Cash flow and financial positions

Total cash flow from operations for the group was NOK 24.6 million. The difference between profit before tax and cash flow from operations is due to taxes, depreciations, and amortizations, change in inventories and changes in working capital. The cash flow from investment activities was NOK -5.9 million, which was related to purchase of tangible fixed assets related to tools for use in the operations. Cash flow from financing activities was NOK -14.1 million including changes in bank overdraft facility and repayment of long-term debt.

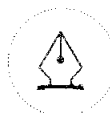
As at 31 December 2021, the group had bank deposits totalling NOK 10.6 million and bank overdraft liabilities of NOK 28.7 million.

Interest-bearing liabilities to financial institutions was NOK 42.0 million by 31.12.2021. Costs related to acquiring the long-term debt are capitalized and amortized over the loan period (5 years). The loan was refinanced in April 2021 on similar terms as the original loan.

The group's current assets amounted to 13.0% of total assets per 31 December 2021. Total assets at the end of the year were NOK 310 million and the equity ratio was 59.6%.

The group has R&D activities and has had costs related to this in 2021.

The parent company HydraWell Holding AS had no revenue and an ordinary result of NOK 3.1 million in 2021. The parent company has no employees.



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Going Concern

Based on the company's liquidity position and forecasted cash flows from operations, the Board confirms that the conditions for continued operation as a going concern are present for the company and the annual financial statement for 2021 has been prepared under this presumption.

The Board believes the annual report provides a fair presentation of the Group's assets and debt, financial position, and financial performance.

Risk Factors

The group has exposure to market risk, credit risk, and liquidity risk. With regards to market risk, the group has exposure to currency and interest rate risk. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to foreign investments and future cash flow from these investments. The currency risk is reduced by having parts of the cost base in foreign currencies as well. The loss on receivables has historically been low, and risk of losses on receivables is considered limited. The group considers its liquidity as acceptable.

The company has a Directors and Officers (D&O) liability insurance for Board members and the CEO which protects individuals from personal losses if they are sued as a result of serving as a director or officer.

Work Environment, Equality and Discrimination

Sick leave in the group was approximately 1.2% in 2021. During the course of the year, it has not occurred or been reported serious workplace accidents, which resulted in significant damage or injuries. The working environment is good, and improvements are being continuously evaluated and implemented.

The Board of HydraWell Holding AS consists of five male members and one female member. At the end of 2021, the group consisted of a total of 29 employees, including 3 women and 26 men. The goal is to be a workplace where there is full gender equality. The Board and management are aware of the societal expectations on measures to promote gender equality.

The Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, ancestry, colour, language, religion and belief. The Group works actively, purposefully and systematically to promote the purpose within our business. The activities include recruitment, pay and working conditions, promotion, development and protection against harassment.

The group aims to be a workplace where there is no discrimination on grounds of disability. The group works actively and purposefully to design and facilitate the physical conditions so that the different functions can be used by as many people as possible. For employees or applicants with disabilities, individual arrangements are made with regards to workplace and work tasks.

The operations do not affect the external environment beyond the normal for the company business.

Outlook

HydraWell's global market is expected to be growing in line with increased focus on ESG and sustainability. In 2022 HydraWell joins forces with READ to create a leading well integrity and P&A specialist supporting the ongoing energy transition. As a result of this, the attractiveness and service uniqueness of the combined company is expected to increase. Also, the company is experiencing increased market acceptance of the patented PWC® technology in new regions. As the market leader within Plug and Abandonment in the North Sea, the group has a strong base for further expansion into new regions such as Australia, Brazil, the Far and Middle East, North America and other. The merger with READ will further fuel such geographical expansion. Based on the current demand from our customers, a focused organization, and unique products the group expects future growth, increased profitability and positive cash flow going forward. As part of this merger, the combined company will refinance interest bearing debt when the merger is complete.

Net Profit and Allocations

The Board proposes the following allocation of the loss for HydraWell Holding AS:

Transferred to other equity	NOK 3 125 409
Total allocation	NOK 3 125 409

No dividend is proposed in respect of the 2021 financial year.



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Tananger, 28 June 2022

Per-Ola Baalerud
Chairman

Odd Engelsingjerd
Board member

Roy Inge Jensen
Board member

Børge Richard Kolstad
Board member

Christopher Teesdale
Board member

Shona Macfarlane Grant
Board member

CEO, Mark Sørheim



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HydraWell Holding AS - 2021 accounts.pdf

Name	Method	Signed at
Jensen, Roy Inge	BANKID_MOBILE	2022-06-28 16:01 GMT+02
Teesdale, Christopher	BANKID	2022-06-28 15:45 GMT+02
Grant, Shona Macfarlane	BANKID_MOBILE	2022-06-28 15:09 GMT+02
Engelsjerd, Odd	BANKID_MOBILE	2022-06-28 14:42 GMT+02
Baalerud, Per-Ola	BANKID_MOBILE	2022-06-28 14:42 GMT+02
Kolstad, Børge Richard	BANKID	2022-06-28 20:06 GMT+02
Sørheim, Mark	BANKID_MOBILE	2022-06-28 17:35 GMT+02



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HydraWell Holding AS - Consolidated financial statement

Income Statement

	Note	2021	2020
Revenue			
Sales Revenue	2	105 641 917	94 452 172
Total Revenue		105 641 917	94 452 172
Operating expenses			
Cost of goods sold		20 258 627	9 325 026
Payroll Expenses	3	34 351 466	34 385 476
Depreciation of tangible fixed assets	5	3 732 523	5 121 836
Amortization of intangible fixed assets	4	60 091 469	60 091 468
Other operating expenses	3,12	21 950 810	20 458 349
Total operating expenses		140 384 894	129 382 155
OPERATING RESULT		-34 742 977	-34 929 983
Finance income			
Other interest income		1 390	272 467
Other finance income	13	1 225 897	3 445 295
Total finance income		1 227 287	3 717 762
Finance expense			
Other interest expenses		3 491 498	4 433 052
Other finance expenses	13	487 444	3 867 268
Total finance expense		3 978 942	8 300 320
NET FINANCIAL ITEMS		-2 751 655	-4 582 558
ORDINARY RESULT BEFORE TAX		-37 494 632	-39 512 541
Tax on ordinary result	6	-4 192 094	-9 567 001
ORDINARY RESULT		-33 302 538	-29 945 540
Minority interest	11	-	-
NET PROFIT OR LOSS FOR THE YEAR		-33 302 538	-29 945 540



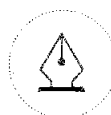
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Balance sheet as of December 31

ASSETS	Note	2021	2020
FIXED ASSETS			
Intangible assets			
Patented technology	4	181 133 333	222 933 333
Goodwill	4	79 263 035	97 554 503
Total intangible assets		260 396 368	320 487 836
Tangible assets			
Machinery and plant	5	2 207 743	3 796 206
Fixtures and fittings, tools, office machinery etc.	5	6 965 429	3 247 090
Total tangible assets		9 173 172	7 043 296
TOTAL FIXED ASSETS		269 569 540	327 531 132
CURRENT ASSETS			
Inventories		11 966 456	10 692 616
Receivables			
Trade receivables		14 950 518	15 245 023
Other receivables		2 879 133	3 755 456
Total accounts receivable		17 829 651	19 000 479
Cash and cash equivalents	8	10 604 629	5 973 617
TOTAL CURRENT ASSETS		40 400 736	35 666 712
TOTAL ASSETS		309 970 276	363 197 844



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Balance sheet as of December 31

EQUITY AND LIABILITIES	Note	2021	2020
EQUITY			
Paid-in capital			
Share capital	10,11	101 697	101 697
Share premium	11	184 654 552	423 563 823
Total paid-in capital		184 756 249	423 665 520
Retained earnings			
Accumulated losses	11	-	-205 077 186
Total retained earnings		-	-205 077 186
TOTAL EQUITY		184 756 249	218 588 334
LIABILITIES			
LONG TERM LIABILITIES			
Provisions			
Deferred tax	6	38 797 193	45 969 269
Other provisions		47 768	49 427
Total provisions		38 844 960	46 018 696
Other long term liabilities			
Liabilities to financial institutions	9	42 000 000	58 918 921
Total other long term liabilities		42 000 000	58 918 921
TOTAL LONG TERM LIABILITIES		80 844 960	104 937 617
SHORT TERM LIABILITIES			
Trade payables		5 619 761	4 378 270
Tax payable	6	3 057 122	975 706
Public duties payable		1 953 372	1 865 007
Liabilities to financial institutions		28 723 050	25 680 276
Loan from shareholders	12	-	-
Other short term liabilities		5 015 761	6 772 634
TOTAL SHORT TERM LIABILITIES		44 369 067	39 671 893
TOTAL LIABILITIES		125 214 027	144 609 510
TOTAL EQUITY AND LIABILITIES		309 970 276	363 197 844

Tananger, 28. June 2022

Per-Ola Baalerud
Chairman of the
Board

Odd Engelsgjerd
Member of the
Board

Roy Inge Jensen
Member of the
Board

Roy Inge Jensen
Member of the
Board

Shona Macfarlane Grant
Member of the
Board

Christopher Teesdale
Member of the
Board

Mark Sørheim
General Manager



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Consolidated cash flow statement

Cash flow from operating activities	Note	2021	2020
Profit/(loss) before tax		-37 494 632	-39 512 541
Taxes paid	6	-900 620	-5 028 759
Amortization	4	60 091 469	60 091 468
Depreciation	5	3 732 523	5 121 836
Change in inventories		-1 273 840	-153 160
Change in trade receivables		294 505	6 992 104
Change in trade payables		1 241 491	-2 419 393
Effect of changes in exchange rates		-473 154	498 847
Changes in other current balance sheet items		-594 950	1 623 218
Net cash flow from operating activities		24 622 792	27 213 620
Cash flow from investing activities			
Sale of tangible fixed assets	5	72 133	86 130
Purchase of tangible fixed assets	5	-5 990 926	-4 651 095
Net cash flow from investing activities		-5 918 793	-4 564 965
Cash flow from financing activities			
Net draw down and repayment of long term debt		-17 115 762	-12 420 516
Net change in bank overdraft		3 042 774	-15 247 195
Net cash flow from financing activities		-14 072 988	-27 667 711
Cash and cash equivalents at 01.01.		5 973 617	10 992 673
Changes in cash and cash equivalents		4 631 012	-5 019 056
Cash and cash equivalents at 31.12.		10 604 629	5 973 617



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Note 1

Accounting principles

General

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

The parent company was established the 15. March 2016, and the group was established the 29. April 2016 through the acquisition of HydraWell Group AS and its subsidiaries. The group sells technology and provides services to the Oil & Gas industry.

Basis for consolidation

The Group's consolidated financial statements comprise HydraWell Holding AS and companies in which HydraWell Holding AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Balance sheet valuation and classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

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

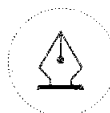
Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flow from the asset is used.

Goodwill

Goodwill on acquisitions is valued at cost. This constitutes the part of the total purchase cost that exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities. After the initial capitalization, goodwill is valued at cost less any accumulated depreciation and impairment losses. Capitalized goodwill is tested for impairment and is reviewed against the recoverable amount for indicators of impairment that is not deemed to be temporary in nature.



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Research and development

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

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Revenues

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred. For equipment used in well, the risk and return are considered transferred when the equipment is put to use by the client. Service income is recognized when the service is rendered. The proportion of sales revenues related to future services is recorded as unearned revenue when sold, and recognized as income when the service is rendered.

Inventories

Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. Write-downs are carried out for foreseeable obsolescence.

Income tax

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

Cash flow statement

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

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.



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Note 2 - Sales revenue

Geographical distribution:	2021	2020
Norwegian continental shelf	69 395 476	51 985 825
British continental shelf	6 571 650	19 596 343
Malaysia continental shelf	2 309 907	12 429 243
Other	27 264 884	10 444 761
Total	105 641 917	94 452 172

Note 3 - Wage costs, number of employees, remuneration, loans to employees, auditor's fee etc.

	2021	2020
Wages and salaries	28 373 159	28 767 017
Payroll tax	4 220 259	3 480 018
Pension costs	1 229 909	1 355 451
Other payments	528 139	802 980
Total	34 351 466	34 385 476

Number of employees

The average number of employees 29 33

The group is required to have pension arrangement for all Norwegian employees ("tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon"). The group pension arrangements (defined contribution plans) fulfill the requirements of the law.

Management remuneration

The board member Odd Engesgjerd is employed in the subsidiary Hydra Well Intervention AS. Mark Sarheim has been employed as the general manager since 01.07.2017.

	Salary	Pensions cost	Other	Total
Odd Engesgjerd	292 761	15 596	141 031	449 378
Mark Sarheim	2 235 826	75 626	18 931	2 330 283

Auditor's fee

	2021	2020
Statutory audit fee	271 900	360 217
Other services	201 794	441 313
Tax consulting fee	-	92 850

VAT is not included in the fees specified above.

Note 4 - Intangible assets

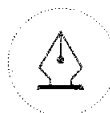
	Goodwill	Patented technology	Total
Acquisition cost per 01.01	213 778 243	425 883 333	639 661 576
Additions for the year	-	-	-
Acquisition cost per 31.12	213 778 243	425 883 333	639 661 576
Accumulated impairment loss per 31.12	-	7 883 333	7 883 333
Accumulated amortization per 31.12	134 515 208	236 866 667	371 381 875
Net carrying value per 31.12.	79 263 035	181 133 333	260 396 368
Amortization for the year	18 291 469	41 800 000	60 091 469
Useful economic life	10 years	10 years	
Amortization plan	Linear	Linear	

Goodwill and patented technology are amortized over 10 years considering that the company's proprietary technology is protected by long-run patents.

The impairment test for the period 2022 to 2026 is predicated on an average annual revenue growth of 11,9%. EBIT in % of revenue is expected to increase from -12,5% in 2022 to 20% in 2026. The impairment model is most sensitive to changes in the assumptions relating to future growth. Management expects the increase in activity to continue going forward.

The value derived from periods beyond 2025 are calculated using Gordons Growth Model using a nominal growth rate of 2%. The pre-tax required rate of return (WACC) is 10%.

The impairment test showed that there were no need to write-down the carrying value of goodwill and patented technology as of 31.12.2021



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Note 5 - Tangible assets

	Machinery and plant	Fixtures and fittings, tools, office machinery etc.	Total
Acquisition cost per 01.01	27 861 690	11 841 881	39 703 571
Fx translation	54 490	1 903	56 393
Additions for the year	1 705 708	4 285 219	5 990 926
Disposals for the year	-157 379	-	-157 379
Acquisitions per 31.12	29 475 142	16 129 002	45 604 144
Accumulated depreciation per 31.12	27 290 568	9 109 522	36 400 090
Net carrying value per 31.12	2 153 692	7 019 480	9 173 172
Depreciation for the year	3 217 792	514 731	3 732 523
Impairment loss for the year	-	-	-
Useful economic life	3-5 years	3-5 years	
Depreciation method	Linear	Linear	

Note 6 - Income taxes

Income tax expenses	2021	2020
Tax payable	3 136 539	975 706
Change in deferred tax	-7 174 130	-12 223 979
Withholding tax	230 990	1 226 946
Prior year adjustments	-385 493	454 326
Total income tax expense	-4 192 094	-9 567 001
Tax expense relating to Norway	-3 677 976	-12 630 428
Tax expense relating to operations outside of Norway	-514 028	2 463 427

Calculation of tax basis

Ordinary result before tax	-37 494 632	-39 512 541
Permanent differences	18 423 064	19 255 600
Change in temporary differences	41 972 139	39 229 958
Change in losses carried forward	-9 008 968	-13 850 895
Tax basis	13 891 603	5 122 122

Tax payable for the year	3 367 529	975 706
Prepayments and currency	-310 407	-
Tax payable in balance sheet	3 057 122	975 706

Temporary differences per 31.12

	2021	2020
Fixed assets	172 404 873	214 859 118
Contingent liabilities	-	2 131
Long term receivables in a foreign currency	4 540 233	4 403 994
Inventory	-350 594	-698 534
Total	176 594 512	218 566 709
Losses carried forward	-23 682 785	-33 960 841
Net temporary differences per 31.12	152 911 727	184 605 868

Deferred tax liability (asset)	33 586 980	40 549 916
Deferred tax assets not recognized	-5 210 213	-5 419 353
Deferred tax liability (asset)	38 797 193	45 969 269

Explanation as to why the current year's tax expense is not 22% of the profit before tax:

Result before tax	-37 494 632	-39 512 541
22 % tax on ordinary result before tax	-8 248 819	-8 692 759
Permanent differences (22 %)	4 063 074	4 236 232
Prior year adjustments and effect of liquidated companies	-385 493	458 435
Change in deferred tax assets not recognized	171 583	-6 670 071
Withholding tax	230 990	1 226 946
This year's tax effect of change in tax rate and different tax rates	-13 429	-125 784
Calculated income tax expense	-4 192 094	-9 567 001



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Note 7 - Consolidated entities

Entity / business office	Location	Share ownership	Voting rights
Subsidiaries:			
Hydra Well Intervention AS	Tananger	100 %	100 %
Subsidiaries hold through subsidiaries:			
Hydra Systems AS	Tananger	100 %	100 %
HydraWell UK Ltd	Scotland	100 %	100 %
Hydrawell USA Inc	USA	77 %	77 %
Hydrawell Canada Ltd is liquidated in 2021			

Note 8 - Cash and cash equivalents

	2021	2020
Restricted cash related to withholding tax per 31 December 2021	1 135 586	1 076 028

Note 9 - Long term interest bearing debt

Book value of long term debt per 31. December is specified as follows:

Interest bearing debt	2021	2020
Bank loan Sparebanken Vest	42 000 000	59 116 762
Capitalized borrowing costs		-196 841
Total interest bearing debt per 31.12	42 000 000	58 919 921

The new loan agreement entered in April 2021 consist of long term debt of 46 MNOK and a revolving credit facility of 49,75 MNOK. The long term debt is a series loan that will be repaid with quarterly principal payments from 15 July 2021 to 15 July 2024. The loan are subject to financial covenants on a group level related to EBITDA and equity ratio. The group did not satisfy the covenant tied to EBITDA by December 31st, 2021. Following the merger with READ as described in Note 14, the combined company will refinance and consolidate the interest bearing debt. The company has received a binding offer from a bank related to these services and is in the process of formalising these agreements.

Assets used as collateral — book values:

	2021	2020
Fixtures and fittings, tools, office machinery etc.	6 965 429	3 247 090
Machinery and plant	2 207 743	3 796 206
Inventory	11 966 456	10 692 616
Trade receivables	14 950 518	15 245 023
Other Receivables	2 879 133	3 755 456
Total assets used as collateral	38 969 279	36 736 391



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Note 10 - Share capital and shareholder information

The share capital in the parent company consists of 101 697 shares with par value NOK 1, resulting in a total share capital of NOK 101 697. There is only one class of shares.

Parent company's shareholders are:

Shareholder name	Number of shares	Ownership share	Voting Share
Norvestor VII LP	43 435	42,7 %	42,7 %
Norvestor VII OS LP	13 740	13,5 %	13,5 %
Erno Invest AS	10 030	9,9 %	9,9 %
RR Invest Holding AS	9 905	9,7 %	9,7 %
Tananger Investering AS	4 952	4,9 %	4,9 %
Fonsmagna Invest AS	4 952	4,9 %	4,9 %
Sernett Invest AS	2 476	2,4 %	2,4 %
Pahs Holding AS	2 476	2,4 %	2,4 %
Agas Consulting AS	2 476	2,4 %	2,4 %
MG Southhome AS	1 897	1,7 %	1,7 %
Webwork Innovation AS	1 190	1,17 %	1,2 %
Ors Invest AS	990	1,0 %	1,0 %
Mamama Invest AS	990	1,0 %	1,0 %
Andre	2 398	2,3 %	2,3 %
Totalt	101 697	100 %	100 %

Some of the members of management/directors have ownership shares and rights through private holding companies:

	Number of shares	Ownership share	Voting share
Odd Engelsjøerd, Board member.	10 030	10 %	10 %

Note 11- Equity

	Share capital	Share premium reserve	Accumulated losses	Total	Minority interest	Total equity
Equity per 01.01.	101 697	423 563 823	-205 077 186	218 588 334	-	218 588 334
Reduction of share premium reserve		-238 909 271	238 909 271	-		-
Loss for the year			-33 302 538	-33 302 538		-33 302 538
Currency translation			-529 547	-529 547		-529 547
Equity per 31.12.	101 697	184 654 552	-	184 756 249	-	184 756 249



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Note 12 - Related parties

The group purchased consulting services worth NOK 2 128 329 from Welwork Innovation AS in 2021. Welwork Innovation owns 1,17% of the shares in HydraWell Holding AS.

Note 13 - Finance income and expenses

<i>Other finance income</i>	2021	2020
Currency gain	1 169 822	3 378 174
Other finance income	57 075	67 121
Total	1 225 897	3 445 295

<i>Other finance expense</i>	2021	2020
Currency loss	314 202	3 649 348
Other finance expense	173 241	217 920
Total	487 443	3 867 268

Note 14 - Subsequent event

In 2022 HydraWell and READ (including subsidiaries READ Cased Hole and ANSA) announced a merge to create a leading well integrity specialist with ambitions to play a prominent role in late life oilfield activities including cost efficient and environmentally safe permanent plugging and abandonment of hydrocarbon wells. HydraWell and READ each have a long-established history of delivering expert well integrity services and solutions for clients around the world. The combined company will be strategically located with offices and bases in Stavanger, Aberdeen and Houston together with presence in Alaska, Australia, Brazil, Malaysia and Qatar.



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HydraWell Holding AS - Financial statements

Income statement

REVENUE AND OPERATING EXPENSES	Note	2021	2020
Operating expenses			
Other operating expenses	2	1 099 026	1 253 394
Total operating expenses		1 099 026	1 253 394
OPERATING RESULT		-1 099 026	-1 253 394
FINANCIAL ITEMS			
Finance income			
Income from investments in subsidiaries		5 099 764	204 510
Other interest income		6 196	566
Total finance income		5 105 960	205 076
Financial expenses			
Impairment of financial assets		-	-
Interest expenses from group companies		-	137 145
Other financial expenses		-	95 908
Total financial expenses		-	233 053
NET FINANCIAL ITEMS		5 105 960	-27 977
ORDINARY RESULT BEFORE TAX		4 006 934	-1 281 371
Tax on ordinary result	3	881 525	-881 525
ORDINARY RESULT		3 125 409	-399 846
NET PROFIT OR LOSS FOR THE YEAR		3 125 409	-399 846
Allocated as follows			
Transferred to other equity	4	3 125 409	-399 846
Total allocations		3 125 409	-399 846



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Balance sheet as of December 31

ASSETS	Note	2021	2020
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax assets		-	881 525
Total intangible assets		-	881 525
Financial assets			
Investments in subsidiaries	5	368 109 054	368 109 054
Loan to entity in the same group		1 234 291	2 312 883
Total financial assets		369 343 345	370 421 937
TOTAL NON-CURRENT ASSETS		369 343 345	371 303 462
CURRENT ASSETS			
Receivables			
Other receivables from companies in the same group		5 049 606	-
Other receivables		70 500	38 349
Total receivables		5 120 106	38 349
Cash and cash equivalents	6	45 519	19 350
TOTAL CURRENT ASSETS		5 165 625	57 699
TOTAL ASSETS		374 508 970	371 361 161



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Balance sheet as of December 31

EQUITY AND LIABILITIES		2021	2020
EQUITY			
Paid-in capital			
Share capital	4, 7	101 697	101 697
Share premium	4	373 578 823	423 563 823
Total paid-in capital		373 680 520	423 665 520
Retained earnings			
Other equity	4	-	-53 110 409
Total retained earnings		-	-53 110 409
TOTAL EQUITY		373 680 520	370 555 111
LIABILITIES			
LONG TERM LIABILITIES			
Other long term debt		-	-
TOTAL LONG TERM LIABILITIES		-	-
SHORT TERM LIABILITIES			
Trade payables		165 000	163 750
Other short term liabilities		663 450	642 300
Loan from shareholders		-	-
TOTAL SHORT TERM LIABILITIES		828 450	806 050
TOTAL LIABILITIES		828 450	806 050
TOTAL EQUITY AND LIABILITIES		374 508 970	371 361 161

Tananger, 28. June 2022

Per-Ola Baalerud
Chairman of the Board

Odd Engelsjerd
Member of the Board

Børge R. Kolstad
Member of the
Board

Roy Inge Jensen
Member of the
Board

Shona Macfarlane Grant
Member of the Board

Christopher Teesdale
Member of the Board

Mark Sørheim
General Manager



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Cash flow statement

Cash flow from operating activities	Note	2021	2020
Profit/(loss) before tax		4 006 934	-1 281 371
Change in receivables		-32 151	19 899
Impairment financial assets		-	-
Change in trade payables		1 250	70 000
Changes in other current balance sheet items		-5 028 456	150 543
Net cash flow from operating activities		-1 052 423	-1 040 929
Cash flow from investing activities			
Payments relating to business acquisitions		-	-
Receipt of dividends		-	-
Net cash flow from investing activities		-	-
Cash flow from financing activities			
Proceeds from share subscriptions	4	-	-
Loan to entity in same concern		1 078 592	4 504 135
Loan from shareholders		-	-3 000 000
Change in long-term liabilities		-	-474 000
Net cash flow from financing activities		1 078 592	1 030 135
Net change in cash and cash equivalents		26 169	-10 794
Cash and cash equivalents at 01.01.		19 350	30 144
Cash and cash equivalents at 31.12.		45 519	19 350



Note 1

Accounting principles

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company is the parent company of the group and prepares consolidated annual accounts.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Balance sheet valuation and 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.

Subsidiaries and investment in associate

Subsidiaries and investments in associates 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.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

Income tax

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

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments.



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Note 2 - Wage costs, number of employees, remuneration, loans to employees, auditor's fee etc.

The company does not have any employees and are therefore the law of mandatory pension arrangements is not applicable.

The general manager receives a salary from the subsidiary Hydra Well Intervention AS.

Auditor's fee	2021	2020
Statutory audit fee	155 000	189 696
Other services	92 298	182 550
Total	247 298	372 246

VAT is not included in the fees specified above

Management remuneration

Remuneration to the board of directors has in 2021 been NOK 872 100.

Note 3 - Income taxes

Income tax expenses	2021	2020
Tax payable	-	-
Change in deferred tax	881 525	-881 525
Total income tax expense	881 525	-881 525

Calculation of tax basis	2021	2020
Ordinary result before tax	4 006 934	-1 281 371
Permanent differences	-5 049 606	0
Recognized intra-group contribution	5 049 606	0
Change in losses carried forward	-4 006 934	0
Tax basis	-	-1 281 371

Temporary differences

Losses carried forward	-	4 006 934
Net temporary differences per 31.12	-	-4 006 934
Deferred tax assets not recognized	-	-
Total	0	-4 006 934

Deferred tax liability (asset) - -881 525

Note 4 - Equity

	Share capital	Share premium reserve	Other equity	Total equity
Equity per 01.01.2021	101 697	423 563 823	-53 110 409	370 555 111
Reduction of share premium reserve		-49 985 000	49 985 000	-
Profit for the year			3 125 409	3 125 409
Equity per 31.12.2021	101 697	373 578 823	-	373 680 520

Note 5 - Subsidiaries

Company / Location	Location	Share ownership	Voting rights	Profit 2021	Equity 31.12.2021	Book value 31.12.2021
Subsidiary:						
Hydra Well Intervention AS	Tananger	100 %	100 %	-38 849 131	-164 359 320	368 109 054
Total				-38 849 131	-164 359 320	368 109 054

Company / Location	Location	Share ownership	Voting rights	Profit 2021	Equity 31.12.2021
Subsidiaries held through subsidiaries:					
Hydra Systems AS	Tananger	100 %	100 %	5 600 636	2 222 991
HydraWell UK Ltd	Scotland	100 %	100 %	-1 028 778	13 690 121
Hydrawell USA Inc	USA	77 %	77 %	-779 924	-26 491 358

Hydrawell Canada Ltd is liquidated in 2021



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Note 6 - Cash and cash equivalents

The company's has no restricted cash.

Note 7 - Share capital and shareholder information

The share capital in the parent company consists of 101 697 shares with par value NOK 1, resulting in a total share capital of NOK 101 697. There is only one class of shares.

The company's shareholders are:

Shareholder name	Number of shares	Ownership share	Voting Share
Norvestor VII L.P	43 435	42,71 %	42,71 %
Norvestor VII OS L.P	13 740	13,51 %	13,51 %
Emo Invest AS	10 030	9,86 %	9,86 %
RR Invest Holding AS	9 905	9,74 %	9,74 %
Tananger Investering AS	4 952	4,87 %	4,87 %
Fonsmagna Invest AS	4 952	4,87 %	4,87 %
Sernet Invest AS	2 476	2,43 %	2,43 %
Pahs Holding AS	2 476	2,43 %	2,43 %
Ages Consulting AS	2 476	2,43 %	2,43 %
MG Southhome AS	1 697	1,67 %	1,67 %
Wellwork Innovation AS	1 190	1,17 %	1,17 %
Ors Invest AS	990	0,97 %	0,97 %
Marmema Invest AS	990	0,97 %	0,97 %
Andre	2 388	2,35 %	2,35 %
Total	101 697	100 %	100 %

Some of the members of management/directors have ownership shares and rights through private holding companies:

	Number of shares	Ownership share	Voting share
Odd Engelsgerd, Board member.	10 030	10 %	10 %



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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Hydrawell Holding AS

Opinion

We have audited the financial statements of Hydrawell Holding AS (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 and the Group comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company 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 Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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



In preparing the financial statements, management is responsible for assessing the Company's 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 skepticism 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.

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

Stavanger, 28 June 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Jan Kvalvik
State Authorized Public Accountant (Norway)

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Jan Kvalvik

Oppdragsansvarlig partner

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