



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 991 977 651  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ADD ENERGY GROUP AS  
Forretningsadresse: Nordbøgata 4  
4006 STAVANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Harald Justnæs  
Dato for fastsettelse av årsregnskapet: 16.12.2021

### 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, 07.12.2022



## Resultatregnskap

| Beløp i: NOK                                                  | Note        | 2020              | 2019               |
|---------------------------------------------------------------|-------------|-------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                                       |             |                   |                    |
| <b>Inntekter</b>                                              |             |                   |                    |
| Salgsinntekt                                                  | 20          | 5 843 000         | 6 556 000          |
| <b>Sum inntekter</b>                                          |             | <b>5 843 000</b>  | <b>6 556 000</b>   |
| <b>Kostnader</b>                                              |             |                   |                    |
| Varekostnad                                                   | 20          | 1 196 000         | 907 000            |
| Lønnskostnad                                                  | 7,13        | 8 028 000         | 9 639 000          |
| Avskrivning på varige driftsmidler og immaterielle eiendeler  | 14,18       | 265 000           | 227 000            |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 15          | 0                 | 71 000             |
| Annen driftskostnad                                           | 7,11,1<br>8 | 3 562 000         | 6 788 000          |
| <b>Sum kostnader</b>                                          |             | <b>13 051 000</b> | <b>17 632 000</b>  |
| <b>Driftsresultat</b>                                         |             | <b>-7 208 000</b> | <b>-11 076 000</b> |
| <b>Finansinntekter og finanskostnader</b>                     |             |                   |                    |
| Inntekt på investering i datterselskap og tilknyttet selskap  | 5,9         | 53 504 000        | -115 000           |
| Annen finansinntekt                                           | 11          | 7 559 000         | 10 750 000         |
| <b>Sum finansinntekter</b>                                    |             | <b>61 063 000</b> | <b>10 635 000</b>  |
| Annen finanskostnad                                           | 11,18       | 5 368 000         | 7 681 000          |
| <b>Sum finanskostnader</b>                                    |             | <b>5 368 000</b>  | <b>7 681 000</b>   |
| <b>Netto finans</b>                                           |             | <b>55 695 000</b> | <b>2 954 000</b>   |
| <b>Ordinært resultat før skattekostnad</b>                    |             | <b>48 487 000</b> | <b>-8 122 000</b>  |
| Skattekostnad på ordinært resultat                            |             | 1 636 000         | 0                  |
| <b>Ordinært resultat etter skattekostnad</b>                  |             | <b>46 851 000</b> | <b>-8 122 000</b>  |
| <b>Årsresultat</b>                                            |             | <b>46 851 000</b> | <b>-8 122 000</b>  |
| <b>Overføringer og disponeringer</b>                          |             |                   |                    |
| Overføringer til/fra annen egenkapital                        |             | 46 852 000        | -8 122 000         |
| <b>Sum overføringer og disponeringer</b>                      |             | <b>46 852 000</b> | <b>-8 122 000</b>  |



## Balanse

| Beløp i: NOK                                                | Note        | 2020               | 2019               |
|-------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |             |                    |                    |
| <b>Anleggsmidler</b>                                        |             |                    |                    |
| <b>Immaterielle eiendeler</b>                               |             |                    |                    |
| <b>Varige driftsmidler</b>                                  |             |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 14          | 112 000            | 104 000            |
| <b>Sum varige driftsmidler</b>                              |             | <b>112 000</b>     | <b>104 000</b>     |
| <b>Finansielle anleggsmidler</b>                            |             |                    |                    |
| Investering i datterselskap                                 | 5,9         | 65 411 000         | 65 411 000         |
| Lån til foretak i samme konsern                             | 6,10,1<br>9 | 142 138 000        | 136 941 000        |
| Andre fordringer                                            | 18          | 445 000            | 668 000            |
| <b>Sum finansielle anleggsmidler</b>                        |             | <b>207 994 000</b> | <b>203 020 000</b> |
| <b>Sum anleggsmidler</b>                                    |             | <b>208 106 000</b> | <b>203 124 000</b> |
| <b>Omløpsmidler</b>                                         |             |                    |                    |
| <b>Varer</b>                                                |             |                    |                    |
| <b>Fordringer</b>                                           |             |                    |                    |
| Kundefordringer                                             | 6,10,1<br>9 | 294 000            | 3 000              |
| Andre fordringer                                            | 6,19        | 843 000            | 2 460 000          |
| <b>Sum fordringer</b>                                       |             | <b>1 137 000</b>   | <b>2 463 000</b>   |
| <b>Bankinnskudd, kontanter og lignende</b>                  |             |                    |                    |
| Bankinnskudd, kontanter og lignende                         | 8,19        | 1 000              | 1 000              |
| <b>Sum bankinnskudd, kontanter og lignende</b>              |             | <b>1 000</b>       | <b>1 000</b>       |
| <b>Sum omløpsmidler</b>                                     |             | <b>1 138 000</b>   | <b>2 464 000</b>   |
| <b>SUM EIENDELER</b>                                        |             | <b>209 244 000</b> | <b>205 588 000</b> |

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

| Beløp i: NOK                      | Note            | 2020               | 2019               |
|-----------------------------------|-----------------|--------------------|--------------------|
| <b>Egenkapital</b>                |                 |                    |                    |
| <b>Innskutt egenkapital</b>       |                 |                    |                    |
| Selskapskapital                   | 17              | 62 632 000         | 62 632 000         |
| Overkurs                          |                 | 35 895 000         | 35 895 000         |
| <b>Sum innskutt egenkapital</b>   |                 | <b>98 527 000</b>  | <b>98 527 000</b>  |
| <b>Opptjent egenkapital</b>       |                 |                    |                    |
| Annen egenkapital                 |                 | 46 852 000         |                    |
| <b>Sum opptjent egenkapital</b>   |                 | <b>46 852 000</b>  |                    |
| <b>Sum egenkapital</b>            |                 | <b>145 379 000</b> | <b>98 527 000</b>  |
| <b>Gjeld</b>                      |                 |                    |                    |
| <b>Langsiktig gjeld</b>           |                 |                    |                    |
| <b>Annen langsiktig gjeld</b>     |                 |                    |                    |
| Øvrig langsiktig gjeld            | 18              | 244 000            | 472 000            |
| <b>Sum annen langsiktig gjeld</b> |                 | <b>244 000</b>     | <b>472 000</b>     |
| <b>Sum langsiktig gjeld</b>       |                 | <b>244 000</b>     | <b>472 000</b>     |
| <b>Kortsiktig gjeld</b>           |                 |                    |                    |
| Kassakreditt                      | 8,19            | 15 076 000         | 24 249 000         |
| Pantelån                          | 9,19            | 10 040 000         | 18 712 000         |
| Leverandørgjeld                   | 19              | 150 000            | 983 000            |
| Skyldige offentlige avgifter      | 19              | 758 000            | 566 000            |
| Leasinggjeld                      | 18              | 228 000            | 214 000            |
| Annen kortsiktig gjeld            | 10,12,<br>19,20 | 37 369 000         | 61 864 000         |
| <b>Sum kortsiktig gjeld</b>       |                 | <b>63 621 000</b>  | <b>106 588 000</b> |
| <b>Sum gjeld</b>                  |                 | <b>63 865 000</b>  | <b>107 060 000</b> |
| <b>SUM EGENKAPITAL OG GJELD</b>   |                 | <b>209 244 000</b> | <b>205 587 000</b> |



### Konsernets resultatregnskap

| Beløp i: NOK                                                  | Note        | 2020               | 2019               |
|---------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                                       |             |                    |                    |
| <b>Inntekter</b>                                              |             |                    |                    |
| Salgsinntekt                                                  | 5,12        | 291 403 000        | 304 240 000        |
| <b>Sum inntekter</b>                                          |             | <b>291 403 000</b> | <b>304 240 000</b> |
| <b>Kostnader</b>                                              |             |                    |                    |
| Varekostnad                                                   |             | 108 609 000        | 119 190 000        |
| Lønnskostnad                                                  | 8,14        | 132 512 000        | 143 018 000        |
| Avskrivning på varige driftsmidler og immaterielle eiendeler  | 16,19       | 8 134 000          | 6 585 000          |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 15          | 5 769 000          | 5 686 000          |
| Annen driftskostnad                                           | 8,12,1<br>9 | 41 967 000         | 38 532 000         |
| <b>Sum kostnader</b>                                          |             | <b>296 991 000</b> | <b>313 011 000</b> |
| <b>Driftsresultat</b>                                         |             | <b>-5 588 000</b>  | <b>-8 771 000</b>  |
| <b>Finansinntekter og finanskostnader</b>                     |             |                    |                    |
| Inntekt på investering i datterselskap og tilknyttet selskap  | 6           | 54 000             | -27 000            |
| Annen finansinntekt                                           | 12          | 1 601 000          | 2 386 000          |
| <b>Sum finansinntekter</b>                                    |             | <b>1 655 000</b>   | <b>2 359 000</b>   |
| Annen finanskostnad                                           | 12          | 8 440 000          | 9 244 000          |
| <b>Sum finanskostnader</b>                                    |             | <b>8 440 000</b>   | <b>9 244 000</b>   |
| <b>Netto finans</b>                                           |             | <b>-6 785 000</b>  | <b>-6 885 000</b>  |
| <b>Ordinært resultat før skattekostnad</b>                    |             | <b>-12 373 000</b> | <b>-15 656 000</b> |
| Skattekostnad på ordinært resultat                            | 17          | 6 585 000          | -360 000           |
| <b>Ordinært resultat etter skattekostnad</b>                  |             | <b>-18 958 000</b> | <b>-15 296 000</b> |
| Ekstraordinære poster                                         |             |                    | -3 516 000         |
| <b>Årsresultat</b>                                            |             | <b>-18 958 000</b> | <b>-18 812 000</b> |
| Omregningsdifferanser                                         |             | 8 436 000          | 3 457 000          |
| Sum resultatkomponenter for IFRS-foretak                      |             | 8 436 000          | 3 457 000          |
| <b>Totalresultat</b>                                          |             | <b>-10 522 000</b> | <b>-15 355 000</b> |



## Konsernets resultatregnskap

| <b>Beløp i: NOK</b>                      | <b>Note</b> | <b>2020</b>        | <b>2019</b>        |
|------------------------------------------|-------------|--------------------|--------------------|
| <b>Overføringer og disponeringer</b>     |             |                    |                    |
| Udekket tap                              |             | -10 522 000        | -15 355 000        |
| <b>Sum overføringer og disponeringer</b> |             | <b>-10 522 000</b> | <b>-15 355 000</b> |



## Konsernets balanse

| Beløp i: NOK                                                | Note        | 2020               | 2019               |
|-------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |             |                    |                    |
| <b>Anleggsmidler</b>                                        |             |                    |                    |
| <b>Immaterielle eiendeler</b>                               |             |                    |                    |
| Intangible assets                                           | 15          | 61 423 000         | 60 475 000         |
| <b>Sum immaterielle eiendeler</b>                           |             | <b>61 423 000</b>  | <b>60 475 000</b>  |
| <b>Varige driftsmidler</b>                                  |             |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 16          | 3 172 000          | 3 044 000          |
| <b>Sum varige driftsmidler</b>                              |             | <b>3 172 000</b>   | <b>3 044 000</b>   |
| <b>Finansielle anleggsmidler</b>                            |             |                    |                    |
| Investering i annet foretak i samme konsern                 | 6           | 270 000            | 216 000            |
| Bruksrett leasing                                           | 19          | 19 484 000         | 7 047 000          |
| <b>Sum finansielle anleggsmidler</b>                        |             | <b>19 754 000</b>  | <b>7 263 000</b>   |
| <b>Sum anleggsmidler</b>                                    |             | <b>84 349 000</b>  | <b>70 782 000</b>  |
| <b>Omløpsmidler</b>                                         |             |                    |                    |
| <b>Varer</b>                                                |             |                    |                    |
| <b>Fordringer</b>                                           |             |                    |                    |
| Kundefordringer                                             | 7,20,2<br>1 | 50 966 000         | 89 812 000         |
| Andre fordringer                                            | 7,20        | 17 090 000         | 16 789 000         |
| <b>Sum fordringer</b>                                       |             | <b>68 056 000</b>  | <b>106 601 000</b> |
| <b>Bankinnskudd, kontanter og lignende</b>                  |             |                    |                    |
| Bankinnskudd, kontanter og lignende                         | 9,20        | 1 459 000          | 280 000            |
| <b>Sum bankinnskudd, kontanter og lignende</b>              |             | <b>1 459 000</b>   | <b>280 000</b>     |
| <b>Sum omløpsmidler</b>                                     |             | <b>69 515 000</b>  | <b>106 881 000</b> |
| <b>SUM EIENDELER</b>                                        |             | <b>153 864 000</b> | <b>177 663 000</b> |

## BALANSE - EGENKAPITAL OG GJELD



## Konsernets balanse

| Beløp i: NOK                             | Note  | 2020                | 2019                |
|------------------------------------------|-------|---------------------|---------------------|
| <b>Egenkapital</b>                       |       |                     |                     |
| <b>Innskutt egenkapital</b>              |       |                     |                     |
| Selskapskapital                          | 18    | 62 632 000          | 62 632 000          |
| Overkurs                                 |       | 172 472 000         | 172 472 000         |
| Annen innskutt egenkapital               |       | 118 242 000         | 118 242 000         |
| <b>Sum innskutt egenkapital</b>          |       | <b>353 346 000</b>  | <b>353 346 000</b>  |
| <b>Opptjent egenkapital</b>              |       |                     |                     |
| Omregningsdifferanser                    |       | 31 116 000          | 22 680 000          |
| Udekket tap                              |       | 321 009 000         | 302 535 000         |
| Minoritetsinteresser                     |       | -3 720 000          | -3 332 000          |
| <b>Sum opptjent egenkapital</b>          |       | <b>-293 613 000</b> | <b>-283 187 000</b> |
| <b>Sum egenkapital</b>                   |       | <b>59 733 000</b>   | <b>70 159 000</b>   |
| <b>Gjeld</b>                             |       |                     |                     |
| <b>Langsiktig gjeld</b>                  |       |                     |                     |
| Utsatt skatt                             | 17    | 3 937 000           | 2 783 000           |
| Leasing forpliktelser                    | 19    | 16 068 000          | 4 991 000           |
| <b>Sum avsetninger for forpliktelser</b> |       | <b>20 005 000</b>   | <b>7 774 000</b>    |
| <b>Annen langsiktig gjeld</b>            |       |                     |                     |
| Øvrig langsiktig gjeld                   | 20    | 2 242 000           | 2 134 000           |
| <b>Sum annen langsiktig gjeld</b>        |       | <b>2 242 000</b>    | <b>2 134 000</b>    |
| <b>Sum langsiktig gjeld</b>              |       | <b>22 247 000</b>   | <b>9 908 000</b>    |
| <b>Kortsiktig gjeld</b>                  |       |                     |                     |
| Kassakreditt                             | 10,20 | 19 751 000          | 30 439 000          |
| Pantelån                                 | 10,20 | 10 040 000          | 18 712 000          |
| Leverandørgjeld                          | 20    | 17 376 000          | 27 817 000          |
| Betalbar skatt                           | 17    | 3 184 000           | 953 000             |
| Skyldige offentlige avgifter             | 20    | 4 081 000           | 4 715 000           |
| Leasing forpliktelser                    | 19    | 6 169 000           | 3 368 000           |
| Annen korts.gjeld                        | 13,20 | 11 283 000          | 11 594 000          |
| <b>Sum kortsiktig gjeld</b>              |       | <b>71 884 000</b>   | <b>97 598 000</b>   |
| <b>Sum gjeld</b>                         |       | <b>94 131 000</b>   | <b>107 506 000</b>  |



## Konsernets balanse

| <b>Beløp i: NOK</b>             | <b>Note</b> | <b>2020</b>        | <b>2019</b>        |
|---------------------------------|-------------|--------------------|--------------------|
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>153 864 000</b> | <b>177 665 000</b> |



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 903279

#### Enheten

Organisasjonsnummer: 991 977 651  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ADD ENERGY GROUP AS  
Forretningsadresse: Nordbøgata 4  
4006 STAVANGER

#### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Harald Justnæs  
Dato for fastsettelse av årsregnskapet: 16.12.2021

#### Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

#### Grunnlag for avgivelse

År 2020: Årsregnskap 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, 22.12.2021

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Brønnøysundregistrene  
Postadresse: Postboks 900, 8910 Brønnøysund  
Telefon: 75 00 75 00  
E-post: firmapost@brreg.no Internett: www.brreg.no  
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## RESULTATREGNSKAP

| Beløp i: NOK                                                  | Note    | 2020              | 2019               |
|---------------------------------------------------------------|---------|-------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                                       |         |                   |                    |
| <b>Inntekter</b>                                              |         |                   |                    |
| Salgsinntekt                                                  | 20      | 5 843 000         | 6 556 000          |
| <b>Sum inntekter</b>                                          |         | <b>5 843 000</b>  | <b>6 556 000</b>   |
| <b>Kostnader</b>                                              |         |                   |                    |
| Varekostnad                                                   | 20      | 1 196 000         | 907 000            |
| Lønnskostnad                                                  | 7,13    | 8 028 000         | 9 639 000          |
| Avskrivning på varige driftsmidler og immaterielle eiendeler  | 14,18   | 265 000           | 227 000            |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 15      | 0                 | 71 000             |
| Annen driftskostnad                                           | 7,11,18 | 3 562 000         | 6 788 000          |
| <b>Sum kostnader</b>                                          |         | <b>13 051 000</b> | <b>17 632 000</b>  |
| <b>Driftsresultat</b>                                         |         | <b>-7 208 000</b> | <b>-11 076 000</b> |
| <b>Finansinntekter og finanskostnader</b>                     |         |                   |                    |
| Inntekt på investering i datterselskap og tilknyttet selskap  | 5,9     | 53 504 000        | -115 000           |
| Annen finansinntekt                                           | 11      | 7 559 000         | 10 750 000         |
| <b>Sum finansinntekter</b>                                    |         | <b>61 063 000</b> | <b>10 635 000</b>  |
| Annen finanskostnad                                           | 11,18   | 5 368 000         | 7 681 000          |
| <b>Sum finanskostnader</b>                                    |         | <b>5 368 000</b>  | <b>7 681 000</b>   |
| <b>Netto finans</b>                                           |         | <b>55 695 000</b> | <b>2 954 000</b>   |
| <b>Ordinært resultat før skattekostnad</b>                    |         | <b>48 487 000</b> | <b>-8 122 000</b>  |
| Skattekostnad på ordinært resultat                            |         | 1 636 000         | 0                  |
| <b>Ordinært resultat etter skattekostnad</b>                  |         | <b>46 851 000</b> | <b>-8 122 000</b>  |
| <b>Årsresultat</b>                                            |         | <b>46 851 000</b> | <b>-8 122 000</b>  |
| <b>Overføringer og disponeringer</b>                          |         |                   |                    |
| Overføringer til/fra annen egenkapital                        |         | 46 852 000        | -8 122 000         |
| <b>Sum overføringer og disponeringer</b>                      |         | <b>46 852 000</b> | <b>-8 122 000</b>  |



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## BALANSE

**Beløp i: NOK** **Note** **2020** **2019**

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

#### Varige driftsmidler

Driftsløsøre, inventar,  
verktøy, kontormaskiner  
og lignende

14 112 000 104 000

**Sum varige driftsmidler**

**112 000 104 000**

#### Finansielle anleggsmidler

Investering i datterselskap

5,9 65 411 000 65 411 000

Lån til foretak i samme

konsern

6,10,19 142 138 000 136 941 000

Andre fordringer

18 445 000 668 000

**Sum finansielle**

**anleggsmidler**

**207 994 000 203 020 000**

**Sum anleggsmidler**

**208 106 000 203 124 000**

#### Omløpsmidler

#### Varer

#### Fordringer

Kundefordringer

6,10,19 294 000 3 000

Andre fordringer

6,19 843 000 2 460 000

**Sum fordringer**

**1 137 000 2 463 000**

#### Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter

og lignende

8,19 1 000 1 000

**Sum bankinnskudd,**

**kontanter og lignende**

**1 000 1 000**

**Sum omløpsmidler**

**1 138 000 2 464 000**

**SUM EIENDELER**

**209 244 000 205 588 000**

### BALANSE - EGENKAPITAL OG

### GJELD

#### Egenkapital

#### Innskutt egenkapital

Selskapskapital

17 62 632 000 62 632 000

Overkurs

35 895 000 35 895 000

**Sum innskutt egenkapital**

**98 527 000 98 527 000**



|                                   |           |                    |                    |
|-----------------------------------|-----------|--------------------|--------------------|
| <b>Opptjent egenkapital</b>       |           |                    |                    |
| Annen egenkapital                 |           | 46 852 000         |                    |
| <b>Sum opptjent egenkapital</b>   |           | <b>46 852 000</b>  |                    |
| <b>Sum egenkapital</b>            |           | <b>145 379 000</b> | <b>98 527 000</b>  |
| <b>Gjeld</b>                      |           |                    |                    |
| <b>Langsiktig gjeld</b>           |           |                    |                    |
| Annen langsiktig gjeld            |           |                    |                    |
| Øvrig langsiktig gjeld            | 18        | 244 000            | 472 000            |
| <b>Sum annen langsiktig gjeld</b> |           | <b>244 000</b>     | <b>472 000</b>     |
| <b>Sum langsiktig gjeld</b>       |           | <b>244 000</b>     | <b>472 000</b>     |
| <b>Kortsiktig gjeld</b>           |           |                    |                    |
| Kassakreditt                      | 8,19      | 15 076 000         | 24 249 000         |
| Pantelån                          | 9,19      | 10 040 000         | 18 712 000         |
| Leverandørgjeld                   | 19        | 150 000            | 983 000            |
| Skyldige offentlige avgifter      | 19        | 758 000            | 566 000            |
| Leasinggjeld                      | 18        | 228 000            | 214 000            |
| Annen korts.gjeld                 | 10,12,19, | 37 369 000         | 61 864 000         |
| <b>Sum kortsiktig gjeld</b>       |           | <b>63 621 000</b>  | <b>106 588 000</b> |
| <b>Sum gjeld</b>                  |           | <b>63 865 000</b>  | <b>107 060 000</b> |
| <b>SUM EGENKAPITAL OG GJELD</b>   |           | <b>209 244 000</b> | <b>205 587 000</b> |



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## KONSERNRESULTATREGNSKAP

| <b>Beløp i: NOK</b>                                           | <b>Note</b> | <b>2020</b>        | <b>2019</b>        |
|---------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                                       |             |                    |                    |
| <b>Inntekter</b>                                              |             |                    |                    |
| Salgsinntekt                                                  | 5,12        | 291 403 000        | 304 240 000        |
| <b>Sum inntekter</b>                                          |             | <b>291 403 000</b> | <b>304 240 000</b> |
| <b>Kostnader</b>                                              |             |                    |                    |
| Varekostnad                                                   |             | 108 609 000        | 119 190 000        |
| Lønnskostnad                                                  | 8,14        | 132 512 000        | 143 018 000        |
| Avskrivning på varige driftsmidler og immaterielle eiendeler  | 16,19       | 8 134 000          | 6 585 000          |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 15          | 5 769 000          | 5 686 000          |
| Annen driftskostnad                                           | 8,12,19     | 41 967 000         | 38 532 000         |
| <b>Sum kostnader</b>                                          |             | <b>296 991 000</b> | <b>313 011 000</b> |
| <b>Driftsresultat</b>                                         |             | <b>-5 588 000</b>  | <b>-8 771 000</b>  |
| <b>Finansinntekter og finanskostnader</b>                     |             |                    |                    |
| Inntekt på investering i datterselskap og tilknyttet selskap  | 6           | 54 000             | -27 000            |
| Annen finansinntekt                                           | 12          | 1 601 000          | 2 386 000          |
| <b>Sum finansinntekter</b>                                    |             | <b>1 655 000</b>   | <b>2 359 000</b>   |
| Annen finanskostnad                                           | 12          | 8 440 000          | 9 244 000          |
| <b>Sum finanskostnader</b>                                    |             | <b>8 440 000</b>   | <b>9 244 000</b>   |
| <b>Netto finans</b>                                           |             | <b>-6 785 000</b>  | <b>-6 885 000</b>  |
| <b>Ordinært resultat før skattekostnad</b>                    |             |                    |                    |
| Skattekostnad på ordinært resultat                            | 17          | 6 585 000          | -360 000           |
| <b>Ordinært resultat etter skattekostnad</b>                  |             | <b>-18 958 000</b> | <b>-15 296 000</b> |
| <b>Ekstraordinære poster</b>                                  |             |                    |                    |
| <b>Årsresultat</b>                                            |             | <b>-18 958 000</b> | <b>-18 812 000</b> |
| <b>Omregningsdifferanser</b>                                  |             |                    |                    |
| Sum resultatkomponenter for IFRS-foretak                      |             | 8 436 000          | 3 457 000          |
| <b>Totalresultat</b>                                          |             | <b>-10 522 000</b> | <b>-15 355 000</b> |
| <b>Overføringer og disponeringer</b>                          |             |                    |                    |



|                                              |                    |                    |
|----------------------------------------------|--------------------|--------------------|
| Udekket tap                                  | -10 522 000        | -15 355 000        |
| <b>Sum overføringer og<br/>disponeringer</b> | <b>-10 522 000</b> | <b>-15 355 000</b> |



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## KONSERNBALANSE

| Beløp i: NOK                                                | Note      | 2020               | 2019               |
|-------------------------------------------------------------|-----------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |           |                    |                    |
| <b>Anleggsmidler</b>                                        |           |                    |                    |
| <b>Immaterielle eiendeler</b>                               |           |                    |                    |
| Intangible assets                                           | 15        | 61 423 000         | 60 475 000         |
| <b>Sum immaterielle eiendeler</b>                           |           | <b>61 423 000</b>  | <b>60 475 000</b>  |
| <b>Varige driftsmidler</b>                                  |           |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 16        | 3 172 000          | 3 044 000          |
| <b>Sum varige driftsmidler</b>                              |           | <b>3 172 000</b>   | <b>3 044 000</b>   |
| <b>Finansielle anleggsmidler</b>                            |           |                    |                    |
| Investering i annet foretak i samme konsern                 | 6         | 270 000            | 216 000            |
| Bruksrett leasing                                           | 19        | 19 484 000         | 7 047 000          |
| <b>Sum finansielle anleggsmidler</b>                        |           | <b>19 754 000</b>  | <b>7 263 000</b>   |
| <b>Sum anleggsmidler</b>                                    |           | <b>84 349 000</b>  | <b>70 782 000</b>  |
| <b>Omløpsmidler</b>                                         |           |                    |                    |
| <b>Varer</b>                                                |           |                    |                    |
| <b>Fordringer</b>                                           |           |                    |                    |
| Kundefordringer                                             | 7, 20, 21 | 50 966 000         | 89 812 000         |
| Andre fordringer                                            | 7, 20     | 17 090 000         | 16 789 000         |
| <b>Sum fordringer</b>                                       |           | <b>68 056 000</b>  | <b>106 601 000</b> |
| <b>Bankinnskudd, kontanter og lignende</b>                  |           |                    |                    |
| Bankinnskudd, kontanter og lignende                         | 9, 20     | 1 459 000          | 280 000            |
| <b>Sum bankinnskudd, kontanter og lignende</b>              |           | <b>1 459 000</b>   | <b>280 000</b>     |
| <b>Sum omløpsmidler</b>                                     |           | <b>69 515 000</b>  | <b>106 881 000</b> |
| <b>SUM EIENDELER</b>                                        |           | <b>153 864 000</b> | <b>177 663 000</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b>                       |           |                    |                    |
| <b>Egenkapital</b>                                          |           |                    |                    |
| <b>Innskutt egenkapital</b>                                 |           |                    |                    |
| Selskapskapital                                             | 18        | 62 632 000         | 62 632 000         |
| Overkurs                                                    |           | 172 472 000        | 172 472 000        |
| Annen innskutt egenkapital                                  |           | 118 242 000        | 118 242 000        |



|                                          |       |                     |                     |
|------------------------------------------|-------|---------------------|---------------------|
| <b>Sum innskutt egenkapital</b>          |       | <b>353 346 000</b>  | <b>353 346 000</b>  |
| <b>Opptjent egenkapital</b>              |       |                     |                     |
| Omregningsdifferanser                    |       | 31 116 000          | 22 680 000          |
| Udekket tap                              |       | 321 009 000         | 302 535 000         |
| Minoritetsinteresser                     |       | -3 720 000          | -3 332 000          |
| <b>Sum opptjent egenkapital</b>          |       | <b>-293 613 000</b> | <b>-283 187 000</b> |
| <b>Sum egenkapital</b>                   |       | <b>59 733 000</b>   | <b>70 159 000</b>   |
| <b>Gjeld</b>                             |       |                     |                     |
| <b>Langsiktig gjeld</b>                  |       |                     |                     |
| Utsatt skatt                             | 17    | 3 937 000           | 2 783 000           |
| Leasing forpliktelser                    | 19    | 16 068 000          | 4 991 000           |
| <b>Sum avsetninger for forpliktelser</b> |       | <b>20 005 000</b>   | <b>7 774 000</b>    |
| <b>Annen langsiktig gjeld</b>            |       |                     |                     |
| Øvrig langsiktig gjeld                   | 20    | 2 242 000           | 2 134 000           |
| <b>Sum annen langsiktig gjeld</b>        |       | <b>2 242 000</b>    | <b>2 134 000</b>    |
| <b>Sum langsiktig gjeld</b>              |       | <b>22 247 000</b>   | <b>9 908 000</b>    |
| <b>Kortsiktig gjeld</b>                  |       |                     |                     |
| Kassakreditt                             | 10,20 | 19 751 000          | 30 439 000          |
| Pantelån                                 | 10,20 | 10 040 000          | 18 712 000          |
| Leverandørgjeld                          | 20    | 17 376 000          | 27 817 000          |
| Betalbar skatt                           | 17    | 3 184 000           | 953 000             |
| Skyldige offentlige avgifter             | 20    | 4 081 000           | 4 715 000           |
| Leasing forpliktelser                    | 19    | 6 169 000           | 3 368 000           |
| Annen kortsiktig gjeld                   | 13,20 | 11 283 000          | 11 594 000          |
| <b>Sum kortsiktig gjeld</b>              |       | <b>71 884 000</b>   | <b>97 598 000</b>   |
| <b>Sum gjeld</b>                         |       | <b>94 131 000</b>   | <b>107 506 000</b>  |
| <b>SUM EGENKAPITAL OG GJELD</b>          |       | <b>153 864 000</b>  | <b>177 665 000</b>  |



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1-4

**Regnskapsprinsipper**  
Se detaljerte noter i vedlagte årsregnskap

Note  
21  
Er det usikkerhet om fortsatt drift?: Ja

Se detaljer i vedlagte årsregnskap

Note

**Antall aksjer og aksjeeiere**

| <u>Aksjeeiere - fritekst</u> | <u>Antall</u>     | <u>Eierandel</u>     | <u>Aksjeklasse</u> |
|------------------------------|-------------------|----------------------|--------------------|
| <u>Sum</u>                   | <u>Sum antall</u> | <u>Sum eierandel</u> |                    |

Note  
7

**Lønn og ytelser**

|                           |              |                  |
|---------------------------|--------------|------------------|
| <u>Lønn</u>               | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 6448000.00   | 7800000.00       |
| <u>Arbeidsgiveravgift</u> | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 953000.00    | 1181000.00       |
| <u>Pensjonskostnader</u>  | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 247000.00    | 247000.00        |
| <u>Andre ytelser</u>      | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 379000.00    | 411000.00        |
| <u>Sum lønnskostnader</u> | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 8027000.00   | 9639000.00       |

Note  
7

**Ytelser til ledende personer**



## Ytelser til daglig leder

| <u>Ytelser</u> | <u>Lønn</u> | <u>Pensj.forpl.</u> | <u>Andre godtgj.</u> |
|----------------|-------------|---------------------|----------------------|
|                | 2623000.00  | 75000.00            | 85000.00             |

## Note

7

## Ytelser til andre ledende personer

| <u>Ledende person</u> | <u>Lønn</u> | <u>Pensj.forpl.</u> | <u>Andre godtgj.</u> |
|-----------------------|-------------|---------------------|----------------------|
| CTO                   | 2098000.00  | 78000.00            | 85000.00             |
| CFO                   | 1721000.00  | 75000.00            | 85000.00             |

## Note

7

## Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

3.00

| <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> |
|------------------------------------|------------------|------------------|----------------|
|------------------------------------|------------------|------------------|----------------|

| <u>Kortsiktig gjeld</u> | <u>Startdato</u> | <u>Sluttdato</u> | <u>Endring</u> |
|-------------------------|------------------|------------------|----------------|
|-------------------------|------------------|------------------|----------------|



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note  
1-4

**Regnskapsprinsipper**  
Se detaljer i vedlagte årsregnskap

Note  
22  
Er det usikkerhet om fortsatt drift?: Ja

Se detaljer i vedlagte årsregnskap

Note

**Antall aksjer og aksjeeiere**

| <u>Aksjeeiere - fritekst</u> | <u>Antall</u>     | <u>Eierandel</u>     | <u>Aksjeklasse</u> |
|------------------------------|-------------------|----------------------|--------------------|
| <u>Sum</u>                   | <u>Sum antall</u> | <u>Sum eierandel</u> |                    |

Note  
8

**Lønn og ytelser**

| <u>Lønn</u>               | <u>Årets</u> | <u>Fjorårets</u> |
|---------------------------|--------------|------------------|
|                           | 117822000.00 | 121927000.00     |
| <u>Arbeidsgiveravgift</u> | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 7659000.00   | 15103000.00      |
| <u>Pensjonskostnader</u>  | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 6205000.00   | 4878000.00       |
| <u>Andre ytelser</u>      | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 826000.00    | 1110000.00       |
| <u>Sum lønnskostnader</u> | <u>Årets</u> | <u>Fjorårets</u> |
|                           | 132512000.00 | 143018000.00     |

Note  
8

**Ytelser til ledende personer**



## Ytelser til daglig leder

| <u>Ytelser</u> | <u>Lønn</u> | <u>Pensj.forpl.</u> | <u>Andre godtgj.</u> |
|----------------|-------------|---------------------|----------------------|
|                | 2623000.00  | 75000.00            | 85000.00             |

## Note

8

## Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

132.00

| <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> |
|------------------------------------|------------------|------------------|----------------|
|------------------------------------|------------------|------------------|----------------|

| <u>Kortsiktig gjeld</u> | <u>Startdato</u> | <u>Sluttdato</u> | <u>Endring</u> |
|-------------------------|------------------|------------------|----------------|
|-------------------------|------------------|------------------|----------------|



## Skattedirektoratet

|                           |                 |               |
|---------------------------|-----------------|---------------|
| Saksbehandler             | Deres dato      | Vår dato      |
| Torstein Kinden Helleland | 13.09.2011      | 08.11.2011    |
| Telefon                   | Deres referanse | Vår referanse |
| 22078139                  | PAJ/HJ          | 2011/924673   |

ADD ENERGY GROUP AS  
Postboks 8034  
4068 STAVANGER

## Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for add energy group AS, org. nr. 991 977 651

Det vises til deres brev av 13. september 2011 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for add energy group AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering add energy group AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

### Bakgrunn

add energy group AS opererer i offshore-sektoren, der engelsk er det klart dominerende språket. Konsernets arbeidsspråk er engelsk. All kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk. Styret i konsernet/morselskapet har engelskspråklige styremedlemmer og 40-45% av konsernets aksjonærer ikke-norske og i hovedsak engelskspråklige. På denne bakgrunn utarbeider man regnskap på engelsk da dette er språket som er nødvendig for å kommunisere med konsernselskap og aksjonærer. Den norske versjonen utarbeides kun for å tilfredsstillere regnskapsloven.

### 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."*

|                                                                                             |                                                                 |             |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------|
| Postadresse                                                                                 | Besøksadresse                                                   | Sentralbord |
| Postboks 9200 Grønland                                                                      | Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> | 800 80 000  |
| 0134 Oslo                                                                                   | Org. nr: 996250318                                              | Telefaks    |
| For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> |                                                                 | 22 17 08 60 |



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, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets arbeidsspråk er engelsk. Selskapet opererer i offshore-sektoren, der engelsk er det klart dominerende språket. All kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk. Styret i konsernet/morselskapet har engelskspråklige styremedlemmer og 40-45% av konsernets aksjonærer ikke-norske og i hovedsak engelskspråklige.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland



To the General Meeting of Add Energy Group AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Add Energy Group AS, which comprise:

- The financial statements of the parent company Add Energy Group AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Add Energy Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

---

#### *Basis for Opinion*

We conducted our audit in accordance with 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 and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

---

*PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger  
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



Independent Auditor's Report - Add Energy Group AS



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*Material Uncertainty Related to Going Concern*

We draw attention to Note 22 and the Board of Directors' report in the financial statements, which indicates that the Company would not have sufficient cash to meet all its obligations as they fall due based on the Company's cash flow projections for the period up to December 2022. As stated in Note 22 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 22 and the Board of Directors' report, 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.

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*Other Information*

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(2)



Independent Auditor's Report - Add Energy Group AS



For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

### *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 the proposed 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 produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

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#### *Other Matter*

This audit report replaces our previous audit report as of 01.09.2021, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Stavanger, 8 December 2021  
**PricewaterhouseCoopers AS**

Per Arvid Gimre  
State Authorised Public Accountant

(This document is signed electronically)

(3)



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Revisjonsberetning

**Signers:**

| <b>Name</b>      | <b>Method</b> | <b>Date</b>      |
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 Legally signed by  
Svein Ilebekk  
2021-12-08

 Legally signed by  
Stig Hellevik  
2021-12-08

 Legally signed by  
Ole Birger Rygg  
2021-12-08

 Legally signed by  
Per Arne Jensen  
2021-12-08

 Legally signed by  
Rune Jensen  
2021-12-09



**Add Energy Group AS**

**Annual and consolidated financial statements**

**2020**



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## Add Energy Group AS Directors' Report 2020

Add Energy Group AS (the "Company") is a Norwegian limited liability company and the parent company in Add Energy (or the "Group"). Add Energy is an international, independent provider of integrity & well specialist services and solutions. The Group's mission is to support safe and efficient drilling and well operations, production regularity, operation maintenance management, safety and risk management and compliance. The primary customers are oil and gas companies, rig and ship owners, industry regulators and trade organizations associated with the energy industry.

The Group's headquarter is in Stavanger, Norway. Approximately 7% of revenues are generated in Norway and 93% from international markets in Asia Pacific, North America, the Middle East and the United Kingdom.

### 2020 in focus

- The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Group has continued its business operations. The situation is unprecedented, and Management continues to consider the potential implications of COVID-19, which has included disruptions to the supply chain in availability of employees and changes in customer demand throughout 2020.
- With the slowdown of the global business activity due to the pandemic and the sudden drop in oil price in March 2020 the Add Energy management focused on business continuity and preparations for a decrease in activity. This included adjustment of resources, cost cutting and temporarily layoff of personnel. All entities within Add Energy had a swift and successful conversion to using digital platforms for project production, marketing and contact with clients. This has reduced the negative implications of the slowdown of the global market and positively impacted the sustainability of the business.
- As a result of the COVID-19 pandemic Add Energy had to close our offices and transfer to "work from home" in all geographical locations in March/April 2020. The office in Perth was reopened in May 2020 and has remained in normal operation since then, with only a few shorter exceptions, due to limited spreading of the virus in Australia. The office in Aberdeen has on the other hand been closed since March 2020. A small part of the staff started to move back to work from the office in September 2021. The office in Houston has been closed most of 2020 and 2021 with some operation second half of 2021. The Norwegian offices has been partly open during 2020 and 2021.
- In 2019 Add Energy restructured the business to focus on the three main business lines: Asset Integrity, Well Control and Australian Well and Safety Operations. The business focus and organizational structure has remained the same in 2020. Peter Adam, with base in Aberdeen, is heading the Asset Integrity business in Add Energy with activity mainly out of Aberdeen and Houston. Eduardo Robaina is heading the activities in Australia with base in Perth. The Well Control activity in Add Energy as well as the other Norwegian based activities, is headed by Morten Haug Emilsen, based in Oslo, with operations run out of Houston as well as out of the Oslo and Stavanger office. The executive management team in Add Energy has in 2020 consisted of the managers of the three business lines in addition to the CEO, CTO and the CFO.
- Since the downturn in the oil and gas industry started in 2014 the revenue coming from the Norwegian based companies in the Add Energy Group has gradually reduced. The reduction is mainly due to a reduced number of consultants seconded to our clients, a trend which has continued throughout 2020, but also a reduction in projects for the Operation Support team in Stavanger. These two entities have been merged into Well Control (legal entity Add Wellflow AS). This structure has proven to be efficient and to reduce overall cost.



- Asset Integrity is the largest entity within Add Energy, both with respect to staff and revenue. The Asset Integrity business has expanded over the last years and it was decided to move into a new office in March 2020. Due to the pandemic the official opening of the office was cancelled, and the staff has just recently started to move back into the new office. The BP project, Global Maintenance restructuring, has been a major task for the team since 2016 and accounts for around 50% of the revenue for Asset Integrity in 2020. Due to the global slowdown in the economy BP decided to cut the budget for the project in 2020. This reduced the total revenue for 2020 but was partly replaced by several new projects for other clients. This included new project wins for the teams in Houston and Calgary. The pipeline and prospect list for Asset Integrity is extensive and the team is working hard in converting this into new projects.
- Well Engineering, Safety and Risk operations in Australia continue to be a strong entity in Add Energy Group, with a good long-term contract with Woodside for platform well intervention work in addition to well planning and completion work scopes. A clear focus has been to expand the business to new clients in the region. Santos Energy and Beach Energy in Adelaide has become important clients with an increasing number of projects for the team in Well Engineering, Safety & Risk and Technical Risk. The Safety & Risk team had a drop in personnel in the first half of 2020 but has since then been increasing the activity. The Technical risk team have had a good performance through 2020, above previous years.
- Well Control has an excellent standing in the market for their services within drilling. The main driver for the business continues to be the contingency planning projects for safer drilling operations and well control. Casing magnetization is an additional safety precaution service offered by the Well Control team with continuing interest from our clients. Casing strings are pre-magnetized before being run into the drilled well. This enables to more precisely locate the wellbore at a later stage in case of an emergency operation. Further progress has been achieved for Well Control within the third business line; the sale of access to the Relief Well Injection Spool (RWIS) for well operations. In March 2020, the OSRL Staff meeting technically approved to include RWIS as part of their offerings to the member pool of oil and gas operators world-wide. Unfortunately, the slowdown in the global drilling activity following the drop in oil price has slowed down the commercial discussions with OSRL and an agreement has not yet been reached. The reduction in drilling activity has also reduced the overall activity in Well Control and as a consequence the total number of personnel in the team has been reduced.
- During 2020 the management in Add Energy has focused on developing a decarbonization and energy transition strategy for the group which has already led to projects within Carbon Capture and Storage (CCS) and Hydrogen production and Safety. Add Energy will continue to develop this activity in 2021 and the years to come.
- Throughout 2020 the liquidity of the company has improved, and the company has been able to fulfill its obligations to the Bank with down payments of the long-term loan according to agreement. The liquidity per year-end 2020 of Add Energy is considered to be good, but reduced performance from several business units during 2021 has caused the liquidity position to deteriorate towards the end of 2021. Cashflow forecasts indicate a liquidity challenge during the first part of 2022 unless the major outstanding from Sirius Petroleum is paid and another cash influx to the company is secured. Please see further details in the Going concern and Risk section in this report.
- Add Energy entered into a contract with Sirius Petroleum in 2016 to perform services for their planned drilling operation. Sirius suffered from financial challenges in 2018 and 2019 and failed to settle all invoices to Add Energy. Add Energy and Sirius entered into negotiations and agreed a Standstill Agreement in July 2019 with fixed payment terms for the remaining unsettled items. Sirius Petroleum followed the agreed payment terms during 2019 as well as the first payment in 2020. The second payment in April 2020 was postponed to July in agreement with Add Energy due to COVID-19 market challenges. Sirius failed also to pay the installment planned to be paid in July and Add Energy has not received any additional payments in 2020. Sirius is planning to re-list the company in 2021 and has



communicated to Add Energy that they will pay off their creditors, including Add Energy in the process. By the time of signing off this annual report Sirius has still not been able to settle the overdue amounts and based on this the Board of Directors have elected to make a full impairment of the net remaining receivable amount of MNOK 8.5.

## Statement of Comprehensive Income

The Group's consolidated revenue totaled MNOK 291.4 compared to MNOK 304.2 in 2019 (2019 figures are hereafter presented in parentheses). The Group's profit before depreciation, amortization, finance and tax (EBITDA) was MNOK 8.3 (MNOK 3.5). The consolidated financial statements include a charge of MNOK 2.2 in one-off charges mainly related to redundancy costs and write-off of an old accounts receivable item. In comparison, one-off costs in 2019 amounted to MNOK 9.7. Total depreciation, amortization and impairment amounted to MNOK 13.9 (MNOK 12.3). Net financial items were MNOK minus 6.8 (MNOK minus 6.9), while the group's tax charge totaled MNOK 6.6 (MNOK minus 0.4). Profit from discontinued operations were MNOK minus 0.0 (MNOK minus 3.5). Thus, the profit for the year ended at MNOK minus 19.0 (MNOK minus 18.8).

Revenues for the parent company mainly consists of sales of services to its subsidiaries and ended at MNOK 5.8 (MNOK 6.6), while total EBITDA was MNOK minus 6.9 (MNOK minus 10.8). The parent company accounts are recognized according to IFRS, hence income from subsidiaries is not recognized until the dividend or group contribution is adopted by the subsidiaries' governing bodies. Net financial items were MNOK 2.2 (MNOK 3.1).

Income from investments in subsidiaries was MNOK 53.5 (MNOK minus 0.1). Profit after tax was MNOK 46.9 (MNOK minus 8.1).

In preparing the financial statements, the Board of Directors has necessarily used estimates and assumptions that affect the value of assets, liabilities, revenues and expenses. However, it is the Board of Directors' view that the present statement of comprehensive income and balance sheet shows a true and fair view of the Group's financial position.

## Capital and funding

Total assets for the Group at the end of 2020 were MNOK 153.9 (MNOK 177.7). Total investments during 2020 were MNOK 6.9 (MNOK 3.7). Of these MNOK 1.9 (MNOK 0.6) was in property, plant and equipment and additional investments of MNOK 4.7 (MNOK 3.1) have been made into the development of proprietary software in the subsidiaries Add Latent Ltd. and in other generic software of MNOK 0.3 (MNOK 0.0). Investments in other intangible assets amounted to MNOK 0.0 (MNOK 0.0).

The Group's financial solidity is still considered sound with a book equity ratio of 38.8 % (39.5 %). The Group's net debt position was MNOK 28.7 at 31 December 2020 (MNOK 49.5). At year end the Group's cash balance was MNOK 1.5 (MNOK 0.3). Drawn on the overdraft facility was MNOK 19.8 (MNOK 30.4).

The Group's cash flow from operating activities was MNOK 32.8 (MNOK 7.4), while cash flow from investing activities was MNOK minus 11.5 (MNOK minus 3.9). The difference between operating profit and cash flow from operations was mainly due to depreciation, amortization and change in working capital items. Investment activities were mainly related to software development. Cash flow from financing activities was MNOK minus 24.3 (MNOK minus 3.9) and primarily comprises interest to credit institutions, down-payment on borrowings and down-payment on overdraft facilities.

## Going concern

In accordance with the Accounting Act § 3-3, the Board hereby confirm the going concern assumption and that the financial statements are prepared in accordance with this.

The Group was in breach with one covenant by year-end 2020 but has received a waiver from the bank. With respect to a description of liquidity risk, please refer to the Risk section in this report. The Board has prepared cash flow forecasts for the period up to December 2022. These projections indicate that the Group would not have sufficient cash to meet all its obligations as they fall due in the going concern period. This includes fully repaying all loans and creditors that are due for settlement at the present time. All Loans and creditors are due for payment within one year. The



Board is currently investigating mitigating actions where a.o. payment of the major outstanding from Sirius or a cash influx during the first quarter of 2022 could be required. The Board therefore believe that the Group and Parent Company will have sufficient cash resources to meet its obligations as they fall due for a period of at least 12 months from the date that the financial statements are signed but acknowledge that there is a material uncertainty relating to these alternatives which again may cast significant doubt about the Group and the Parent Company's ability to continue as a going concern. The financial statements have however been prepared based on a going concern basis.

## Subsequent events

The COVID-19 pandemic has impacted the Add Energy business in 2020 and continue to do so also in 2021. It is expected that the global market will improve as the vaccination program is enrolled globally and the global market resumes normality. This indicates that uncertainties remain and that it is currently not reasonably possible to estimate exactly the future impact for the Group. Although, Add Energy has experienced a good sustainability of the business through the stressed market due to pandemic and oil price suppression.

## Business Segments

Add Energy's current business operations are organized in three strategic business segments;

### 1. Asset Integrity

- is based in Aberdeen with an international spread in the portfolio including operations also from the Houston office, an office in Calgary and an office in Oman.

### 2. APAC Operations consisting of:

- Well Engineering which is run out of the Perth office with additional activity in Houston.
- Safety and Risk Engineering which is run out of the office in Melbourne.
- Technical Risk which is run out of the office in Perth and mainly targeting customers in Australia.

### 3. Well Control and Norwegian Operations consisting of:

- Well Control & Blowout Support with activity from offices in Oslo and Houston.

- Consulting Norway run out of the Stavanger office.
- Operation Support run out of the Stavanger office.

## Research and development activities

Research and development activities in Add Energy comprise software development in two of the Business Segments. Capitalized total research and development in 2020 accounted for MNOK 4.7 (MNOK 3.1) or 1.6 % (1.0 %) of the total revenue.

The Group has further developed a suite of software programs and tools:

- OLGA Well Kill, an in-house program for calculation of blow-out rates and well kill rates.
- Asset Integrity has developed several software tools which are in the process of being commercialized; OptiBoM™ is a Bill of Materials database containing over nine million records of spare part data, Aim-Hi™ that provides a cloud based interactive, real time dashboard for analyzing and managing key performance indicators relating to maintenance, ePAV™ is a software that reduces time and improve accuracy in digitalizing asset information and AssetVoice™ which is an integrated software and hardware solution with capacity to monitor and track stocked and installed engineering components through their lifecycle using IoT technologies.
- A series of technical risk engineering tools for various risk analysis and safety cases for internal use.

Further development of these programs is continuously evaluated alongside other initiatives from combining competencies and expertise across the Group to improve existing or introduce new solutions and services.

## Risk

The Group's activities are exposed to various risks, respectively general business risks, industry specific risks and company specific risks.

General risks include economic downturns due to national or global conditions, political risk in relation to both regulatory requirements and changes in taxes and duties, insurance risk, liquidity and



realization risk, pandemics and natural disasters among others.

Industry specific risk factors include volatile oil prices and regional geopolitical issues that can impact on levels of investment in exploration and production (E&P) activities that underpin our activities.

There are also a number of risk areas that are specific to the Group, such as strategic risk, reputation risk, market risk in relation to currency, interest rate and price risk, credit risk and liquidity risk.

The Group's financial solidity is considered to be satisfactory, as is the exposure to interest rate sensitivity and the subsequent financial expenses. However, as a result of the Group's continuous international expansion, the currency risk has increased in particular relating to the translation effects of currency conversions to Norwegian Kroner (NOK) from Australian Dollars (AUD) from the Australian based subsidiaries, from Pound Sterling (GBP) from the UK operations and from United States Dollars (USD) from the US operations. The currency balances are monitored on a regular basis and the Group seeks to minimize the currency fluctuations with a natural hedge by contracting income and expenses in the same currency as far as this is practically possible. With the global notional cash pool arrangement, the company benefits as total liquidity reserve is measured on a continuous basis in NOK across all currencies and is equally available to support operations as long as the total is positive. This has strongly improved the Group's liquidity management.

The Group's business activities cover a wide range of the oil and gas industry's value chain with a significant focus on the upstream based drilling and well activities early in the value chain. Asset Integrity is also focusing more and more on other industries than the oil and gas industry, hence reducing single industry risk. However, the Group's operations are generally exposed to the fluctuations of the oil and gas industry in general. Furthermore, the contract formats are generally defined by terms and conditions where customers can terminate contracts on relatively short notice, and this is a risk that increases during oil and gas industry down cycles. Accordingly, to minimize risk, the Group introduces flexibility with our own

subcontractors to reflect similar contract cancellation terms with our own suppliers.

The business model of the Group has been characterized by short term contracts and thus limited cash flow visibility and a risk of liquidity fluctuations. At the end of 2020 the order backlog was 35 % (47 %). The Group has worked strategically along several paths to reduce fluctuations and improve visibility. One path has been international diversification through expansion in key regions like Asia Pacific and North America. Another is the continuous expansion and diversification of the client base and a third is entering into frame contracts (call-off contracts), and thus earnings stability to the business.

Given the extensive Merger and Acquisition (M&A) activity historically undertaken as a central element in the company's growth strategy, a part of the Group's balance sheet consists of intangible assets. Valuation of these intangibles is based on future expected cash flows and related assumptions. Although certain elements of the future cash flow are secured through contracts and order backlog, there will always be uncertainty associated with the Group's assessment of future conditions.

Generally, risks are addressed in accordance with good corporate governance in the Group where the Board of Directors deal with both strategic risk, operational risk, financial risk and insurance risk. Consequently, the Group's board and management govern these risks through the Group's managerial supervision and authority structure, regular reporting, board meetings, ongoing strategy- and planning processes and dialogue and exchange of views. The Group manages its financial risk in a dynamic manner in line with a defined strategy based on forecasts with established financial covenants as minimum requirements. There have also been established norms for financial leverage and solidity in connection with financing of acquisitions.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Group's risk management and mitigation analyses.



Based on the most recent liquidity forecast, the Board is of the opinion that the liquidity risk for the Group has increased and acknowledge that some sort of liquidity influx will be required in the short to medium term unless the major outstanding from Sirius Petroleum is paid before the beginning of 2022. The Board is currently investigating alternatives to mitigate this risk.

## HSE, Corporate Governance

Compliance in relation to laws, ethical guidelines and governing documents is fundamental to the Group's values and way we operate. Our policies, vision and values support this. The Group's most important resource is the employees, and therefore the Group's HR strategy and Health, Safety, Environment and Quality goals are also fundamental foundations for the Group's management decisions and how we operate. The Group's management system is ISO certified assigning the ISO 9001:2015 certification to the Norwegian subsidiary and the Asset Integrity operations in the UK. In addition, the Well Engineering, Safety & Risk Engineering and Technical Risk operations in Melbourne and Perth, Australia, are ISO certified.

The Group does not perform business activities that directly pollute the environment and our exposure to emissions issues is consequently low.

The working environment is considered good. Sickness absence was 0.8 % (1.5 %). 5 HSEQ accidents were registered in 2020 (2019: 3 minor accidents), of which none involved personal injuries. The Group's stated aim is to provide equal opportunities for women and men among employees, management and Board. As per year end 2020, 24.1 % (26.7 %) of the employees are women. There are currently no women serving on the Board of Directors.

The Group aims to comply with the recommendations of the Norwegian Code of Practice for Corporate Governance of October 2018.

## Investor Relations

At the end of the year there were 104 shareholders in Add Energy Group AS, of which the majority are current or former employees and consultants. Approximately 6 % of the Group's employees and consultants are shareholders in the Company. The

largest shareholder is the private equity fund Progressus with 76.2 % controlling interest. See note 18 in the financial statements for further details.

## Outlook

Overall, the operation outlook for Add Energy remains good, even in the current very challenging and stressed market. This is very much due to the nature of our services mainly focusing on maintenance, production, safety and optimization.

However, the expectation for 2021 is for the operation outlook to be lower than the target set late in 2020. This is due to the timing expectations of the reopening of the society at large in the aftermath of the ongoing COVID-19 pandemic. The re-vitalization of the market conditions is very much dependent on the vaccination program which is progressing somewhat slower than previously expected. Add Energy is thus actively continuing to take required measures, integrate between the segments to further expand and diversify our service offering into new areas as well as into other industries.

The offerings from Add Energy are well suited for industries outside oil and gas and the management is working on the ability for Add Energy to grow in the renewable space and in the CCS market. Several opportunities have been revealed and projects have already been kicked-off within this new business line in Add Energy.

The main driver in the Add Energy business is Asset Integrity with on average around 50 % of the Group's revenue. The BP global project is still a major part of the revenue for Asset Integrity but revenue from other clients continue a good trend and is now in the order of 50% of the total activity in the Asset Integrity domain. The overall forecast continues to be positive for Asset Integrity with focus on production, cost reduction for our clients and increasing uptime for their assets.

Well Engineering and Safety & Risk operations in Australia also continue to be an important entity for the group. The APAC operations benefit from the long-term contract with Woodside for platform well intervention work as well as production focused operations for other clients in Australia. Increasing revenue is also coming from other important clients in the APAC region like Santos Energy and Beach



Energy. The management in Australia has successfully counteracted the negative market effects in 2020 and is very well placed for further growth in the Australian market. Increased opportunities for the well engineering solutions are also seen in markets outside of Australia.

Well Control has been established as an important player in their niche market, although the current delays in exploration activity will reduce the activity in the short term. The interest for the patented Relief Well Injection Spool (RWIS) technology is good and discussions continue with clients world-wide.

Add Energy continue to prove to be an established international service provider – supporting clients from our offices in the main energy hubs; North Sea, US/Houston, Canada/Calgary and Australia. We also continue to sign project contracts with clients for operations in other parts of the world.

The outlook for Add Energy within the three main business lines is good also in the current market. In addition, the management see very good

opportunities in the renewable, geothermal and CCS markets where Add Energy services is very well suited for growth. The management continue to protect the technical capacity, support the teams with current expanding activity but at the same time with high focus on liquidity, cost and market adjustments. The management work towards good profitability in all segments.

It should be added that there will always be uncertainty associated with the Group's assessment of future conditions.

### Annual results and year-end appropriations

The Board proposes the following allocation of net result of NOK 46,851,691 in the parent company Add Energy Group as:

|                             |     |            |
|-----------------------------|-----|------------|
| Transferred to other equity | NOK | 46.851.691 |
| Total allocated             | NOK | 46.851.691 |

Stavanger, 8 December 2021

Per Arne Jensen  
*Chairman of the Board*

Stig Hetlevik  
*Board Member*

Svein Ilebakk  
*Board Member*

Rune Jensen  
*Board Member*

Ole B. Rygg  
*CEO*



**add energy**

**Add Energy Group**

**Consolidated financial statements**

**2020**



## Add Energy Group

### Consolidated financial statements for 2020

#### Consolidated statement of comprehensive income

(Amounts in NOK 1 000)

|                                                                      | Note      | 2020           | 2019    |
|----------------------------------------------------------------------|-----------|----------------|---------|
| <b>CONTINUING OPERATIONS</b>                                         |           |                |         |
| <b>Revenues</b>                                                      | 5, 12     | <b>291.403</b> | 304.240 |
| Cost of subcontractors                                               |           | <b>108.609</b> | 119.190 |
| Salaries                                                             | 8, 14     | <b>132.512</b> | 143.018 |
| Other operating expenses                                             | 8, 12, 19 | <b>41.967</b>  | 38.532  |
| Depreciation                                                         | 16, 19    | <b>8.134</b>   | 6.585   |
| Amortization of intangible assets                                    | 15        | <b>5.769</b>   | 5.686   |
| Impairment of intangible assets                                      | 15        | <b>0</b>       | 0       |
| <b>Operating profit</b>                                              |           | <b>-5.589</b>  | -8.772  |
| Finance income                                                       | 12        | <b>1.601</b>   | 2.386   |
| Finance costs                                                        | 12        | <b>-8.440</b>  | -9.244  |
| <b>Finance costs - net</b>                                           |           | <b>-6.838</b>  | -6.858  |
| Share of profit of associates                                        | 6         | <b>54</b>      | -27     |
| <b>Profit before income tax</b>                                      |           | <b>-12.373</b> | -15.656 |
| Income tax (-expense)                                                | 17        | <b>-6.585</b>  | 360     |
| <b>Profit from continuing operations</b>                             |           | <b>-18.958</b> | -15.296 |
| <b>DISCONTINUING OPERATIONS</b>                                      |           |                |         |
| Profit from discontinued operation                                   |           | 0              | -3.516  |
| <b>Profit for the year</b>                                           |           | <b>-18.958</b> | -18.812 |
| <b>Other comprehensive income</b>                                    |           |                |         |
| <b>Items that may be subsequently reclassified to profit or loss</b> |           |                |         |
| Translation differences                                              |           | <b>8.436</b>   | 3.457   |
| <b>Total other comprehensive income</b>                              |           | <b>8.436</b>   | 3.457   |
| <b>Total comprehensive income for the year</b>                       |           | <b>-10.522</b> | -15.356 |
| <b>Profit for the year attributable to:</b>                          |           |                |         |
| Owners of the parent company                                         |           | <b>-18.474</b> | -18.859 |
| Non-controlling interests                                            |           | -485           | 46      |
| <b>Total comprehensive income attributable to:</b>                   |           | <b>-10.135</b> | -15.286 |
| Owners of the parent company                                         |           | <b>-10.135</b> | -15.286 |
| Non-controlling interests                                            |           | -388           | -70     |

Note 1 to 22 is an integral part of these consolidated financial statements.

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## Add Energy Group

### Consolidated financial statements for 2020

#### Consolidated balance sheet

(Amounts in NOK 1 000)

|                                 | Note      | 2020           | 2019    |
|---------------------------------|-----------|----------------|---------|
| <b>ASSETS</b>                   |           |                |         |
| <b>Non-current assets</b>       |           |                |         |
| Intangible assets               | 15        | <b>61.423</b>  | 60.475  |
| Property, plant and equipment   | 16        | <b>3.172</b>   | 3.044   |
| Right-of-use assets             | 19        | <b>19.484</b>  | 7.047   |
| Investments in associates       | 6         | <b>270</b>     | 216     |
| <b>Total non-current assets</b> |           | <b>84.350</b>  | 70.781  |
| <b>Current assets</b>           |           |                |         |
| Accounts receivable             | 7, 20, 21 | <b>50.966</b>  | 89.812  |
| Other current assets            | 7, 20     | <b>17.090</b>  | 16.789  |
| Investments in shares           | 11, 20    | <b>0</b>       | 0       |
| Cash and cash equivalents       | 9, 20     | <b>1.459</b>   | 280     |
| <b>Total current assets</b>     |           | <b>69.515</b>  | 106.882 |
| <b>TOTAL ASSETS</b>             |           | <b>153.864</b> | 177.663 |

Note 1 to 22 is an integral part of these consolidated financial statements.



## Add Energy Group

### Consolidated financial statements for 2020

#### Consolidated balance sheet

(Amounts in NOK 1 000)

|                                        | Note       | 2020           | 2019     |
|----------------------------------------|------------|----------------|----------|
| <b>EQUITY AND LIABILITIES</b>          |            |                |          |
| <b>Equity</b>                          |            |                |          |
| Share capital                          | 18         | 62.632         | 62.632   |
| Share premium                          |            | 172.472        | 172.472  |
| Other paid-in capital                  |            | 118.242        | 118.242  |
| Accumulated other comprehensive income |            | 31.116         | 22.680   |
| Retained earnings                      |            | -321.009       | -302.535 |
|                                        |            | <b>63.454</b>  | 73.491   |
| <b>Non-controlling interests</b>       |            |                |          |
|                                        |            | <b>-3.720</b>  | -3.332   |
| <b>Total equity</b>                    |            |                |          |
|                                        |            | <b>59.734</b>  | 70.159   |
| <b>Non-current liabilities</b>         |            |                |          |
| Deferred tax                           | 17         | 3.937          | 2.783    |
| Lease liabilities                      | 19         | 16.068         | 4.991    |
| Borrowings                             | 10, 13, 20 | 0              | 0        |
| Other long-term debt                   | 20         | 2.242          | 2.134    |
| <b>Total non-current liabilities</b>   |            |                |          |
|                                        |            | <b>22.247</b>  | 9.907    |
| <b>Current liabilities</b>             |            |                |          |
| Bank overdraft                         | 10, 20     | 19.751         | 30.439   |
| Lease liabilities                      | 19         | 6.169          | 3.368    |
| Borrowings                             | 10, 20     | 10.040         | 18.712   |
| Accounts payable                       | 20         | 17.376         | 27.817   |
| Tax payable                            | 17         | 3.184          | 953      |
| Public duties payable                  | 20         | 4.081          | 4.715    |
| Other current liabilities              | 13, 20     | 11.283         | 11.594   |
| <b>Total current liabilities</b>       |            |                |          |
|                                        |            | <b>71.884</b>  | 97.597   |
| <b>Total liabilities</b>               |            |                |          |
|                                        |            | <b>94.130</b>  | 107.504  |
| <b>TOTAL EQUITY AND LIABILITIES</b>    |            |                |          |
|                                        |            | <b>153.864</b> | 177.663  |

Note 1 to 22 is an integral part of these consolidated financial statements.

Stavanger, 8 December 2021

Per Arne Jensen  
Chairman of the Board

Stig Hetlevik  
Board Member

Svein Ilebekk  
Board Member

Rune Jensen  
Board Member

Ole B. Rygg  
CEO



## Add Energy Group

Consolidated financial statements for 2020

### Consolidated statement of changes in equity

(Amounts in NOK 1 000)

|                                                      | Note | Share capital | Share premium  | Other paid in equity | Accumulated other compreh. income | Retained earnings | Total          | Non-controlling interest <sup>2)</sup> | Total Equity   |
|------------------------------------------------------|------|---------------|----------------|----------------------|-----------------------------------|-------------------|----------------|----------------------------------------|----------------|
| <b>2019</b>                                          |      |               |                |                      |                                   |                   |                |                                        |                |
| <b>Equity 1.1.</b>                                   | 18   | <b>36.278</b> | <b>172.472</b> | <b>118.285</b>       | <b>19.107</b>                     | <b>-283.677</b>   | <b>62.467</b>  | <b>-3.262</b>                          | <b>59.204</b>  |
| Profit for the year                                  |      |               |                |                      |                                   | -18.859           | -18.859        | 46                                     | -18.812        |
| <b>Other comprehensive income</b>                    |      |               |                |                      |                                   |                   |                |                                        |                |
| Translation differences                              |      |               |                |                      | 3.573                             |                   | 3.573          | -116                                   | 3.457          |
| <b>Total other comprehensive income</b>              |      | <b>0</b>      | <b>0</b>       | <b>0</b>             | <b>3.573</b>                      | <b>0</b>          | <b>3.573</b>   | <b>-116</b>                            | <b>3.457</b>   |
| <b>Total comprehensive income</b>                    |      | <b>0</b>      | <b>0</b>       | <b>0</b>             | <b>3.573</b>                      | <b>-18.859</b>    | <b>-15.286</b> | <b>-3.332</b>                          | <b>-18.617</b> |
| <b>Transactions with owners</b>                      |      |               |                |                      |                                   |                   |                |                                        |                |
| Share capital increase                               | 18   | 26.354        |                | -43                  |                                   |                   | 26.310         |                                        | 26.310         |
| Purchase of own shares <sup>1)</sup>                 | 18   |               |                |                      |                                   |                   | 0              |                                        | 0              |
| Adjustment non-controlling interest from prior years |      |               |                |                      |                                   |                   | 0              |                                        | 0              |
| <b>Total transactions with owners</b>                |      | <b>26.354</b> | <b>0</b>       | <b>-43</b>           | <b>0</b>                          | <b>0</b>          | <b>26.310</b>  | <b>0</b>                               | <b>26.310</b>  |
| <b>Equity 31.12.</b>                                 |      | <b>62.632</b> | <b>172.472</b> | <b>118.242</b>       | <b>22.680</b>                     | <b>-302.535</b>   | <b>73.491</b>  | <b>-3.332</b>                          | <b>70.159</b>  |

|                                         | Note | Share capital | Share premium  | Other paid in equity | Accumulated other compreh. income | Retained earnings | Total          | Non-controlling interest <sup>2)</sup> | Total Equity   |
|-----------------------------------------|------|---------------|----------------|----------------------|-----------------------------------|-------------------|----------------|----------------------------------------|----------------|
| <b>2020</b>                             |      |               |                |                      |                                   |                   |                |                                        |                |
| <b>Equity 1.1.</b>                      | 18   | <b>62.632</b> | <b>172.472</b> | <b>118.242</b>       | <b>22.680</b>                     | <b>-302.535</b>   | <b>73.491</b>  | <b>-3.332</b>                          | <b>70.159</b>  |
| Profit for the year                     |      |               |                |                      |                                   | -18.474           | -18.474        | -485                                   | -18.958        |
| <b>Other comprehensive income</b>       |      |               |                |                      |                                   |                   |                |                                        |                |
| Translation differences                 |      |               |                |                      | 8.436                             |                   | 8.436          | 97                                     | 8.533          |
| <b>Total other comprehensive income</b> |      | <b>0</b>      | <b>0</b>       | <b>0</b>             | <b>8.436</b>                      | <b>0</b>          | <b>8.436</b>   | <b>97</b>                              | <b>8.533</b>   |
| <b>Total comprehensive income</b>       |      | <b>0</b>      | <b>0</b>       | <b>0</b>             | <b>8.436</b>                      | <b>-18.474</b>    | <b>-10.038</b> | <b>-3.720</b>                          | <b>-13.757</b> |
| <b>Transactions with owners</b>         |      |               |                |                      |                                   |                   |                |                                        |                |
| Share capital increase                  | 18   |               |                |                      |                                   |                   | 0              |                                        | 0              |
| Purchase of own shares <sup>1)</sup>    | 18   |               |                |                      |                                   |                   | 0              |                                        | 0              |
| Adjustment                              |      |               |                |                      |                                   |                   | 0              |                                        | 0              |
| <b>Total transactions with owners</b>   |      | <b>0</b>      | <b>0</b>       | <b>0</b>             | <b>0</b>                          | <b>0</b>          | <b>0</b>       | <b>0</b>                               | <b>0</b>       |
| <b>Equity 31.12.</b>                    |      | <b>62.632</b> | <b>172.472</b> | <b>118.242</b>       | <b>31.116</b>                     | <b>-321.009</b>   | <b>63.454</b>  | <b>-3.720</b>                          | <b>59.734</b>  |

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2020 the Company owns 59,347 own shares.

<sup>2)</sup> Add Energy & Partners, owned 50% by Add Energy Group is consolidated on a 100% basis as the management assesses to have control of the company.

The entire equity is controlled by the shareholders of the parent company.

Note 1 to 22 is an integral part of these consolidated financial statements.

**Add Energy Group****Consolidated financial statements for 2020****Consolidated statement of cash flows***(Amounts in NOK 1 000)*

|                                                         | Note   | 2020           | 2019          |
|---------------------------------------------------------|--------|----------------|---------------|
| <b>Cash flow from operating activities</b>              |        |                |               |
| Profit before income tax                                |        | -12.373        | -15.656       |
| <i>Adjustments</i>                                      |        |                |               |
| Depreciation                                            | 16     | 8.134          | 6.585         |
| Amortization                                            | 15     | 5.769          | 5.686         |
| Impairment of intangible assets                         | 15     | 0              | 0             |
| Income taxes paid                                       | 17     | -2.625         | -434          |
| Interest income and expenses                            | 12     | 4.623          | 4.009         |
| Unrealized loss (gain) related to financial instruments | 11, 20 | 0              | 143           |
| Foreign exchange losses/(gains) on operating activities |        | 1.973          | -591          |
| Income from associated companies                        | 6, 21  | -54            | 27            |
| <i>Change in working capital</i>                        |        |                |               |
| Change in accounts receivable                           | 7, 21  | 38.847         | -9.204        |
| Change in accounts payable                              | 21     | -10.441        | 5.488         |
| Change in other working capital items                   | 21     | -1.019         | 11.397        |
| <b>Net cash flow from operating activities</b>          |        | <b>32.834</b>  | <b>7.449</b>  |
| <b>Cash flow from investing activities</b>              |        |                |               |
| Purchase of fixed assets and intangible assets          | 15, 16 | -13.067        | -8.146        |
| Proceeds from sale of Environmental Solutions segment   | 23     | 0              | 1.484         |
| Received interest                                       | 12     | 1.602          | 2.386         |
| Received dividend from associated company               | 6      | 0              | 400           |
| <b>Net cash flow from investing activities</b>          |        | <b>-11.466</b> | <b>-3.876</b> |
| <b>Cash flow from financing activities</b>              |        |                |               |
| Admission of new long-term debt                         | 10     | 0              | 25.000        |
| Interest paid                                           | 12     | -4.673         | -6.315        |
| Down-payment on borrowings                              | 10, 20 | -8.900         | -11.050       |
| Change in current liabilities to credit institutions    | 20     | -10.688        | -37.865       |
| <i>Equity</i>                                           |        |                |               |
| Paid in new equity                                      | 18     | 0              | 26.354        |
| Cost of share issue                                     |        | 0              | -43           |
| <b>Net cash flow from financing activities</b>          |        | <b>-24.262</b> | <b>-3.920</b> |
| <b>Net change in cash and cash equivalents</b>          |        |                |               |
|                                                         |        | <b>-2.894</b>  | <b>-347</b>   |
| Cash and cash equivalents 1 January                     |        | 280            | 118           |
| Exchange gains/(losses) on cash and cash equivalents    |        | 4.073          | 510           |
| <b>Cash and cash equivalents 31 December</b>            |        | <b>1.459</b>   | <b>280</b>    |

Note 1 to 22 is an integral part of these consolidated financial statements.



## **Note 1 - General information**

Add Energy Group AS ("the Company") is a limited liability company registered in Norway and the Company headquarter is located in Nordbøgata 4, 4006 Stavanger.

The Company was founded 14 November 2007. The accounting year 2020 includes the period 1 January 2020 to 31 December 2020.

The Company and its subsidiaries' ("Add Energy Group" or "the Group") operations are based on deliveries to the oil and gas industry throughout the value chain, from qualification to exploration and production. The Group's core competence is within the following areas:

- Drilling & Well
- Safety & Risk
- Operations

The financial statements were approved by the Board of Directors and the CEO at the time stated in the dated and signed balance sheet and will be presented for final approval by the Annual General Meeting on 15 December 2021.

## **Note 2 - Accounting principles**

### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The consolidated financial statements of Add Energy Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and mandatory for annual periods beginning 1 January 2020 or later and the Norwegian additional disclosure requirements according to the Accounting Act as per 31 December 2020.

#### **2.1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

*New and amended standards adopted by the Group:*  
The accounting policies adopted are consistent with those of the previous financial year. The following standards and interpretations were adopted with effect from 1 January 2020, with no implementation impact on the Group's consolidated financial statements:

- *Definition of material (amendments to IAS 1 and IAS 8)*
- *Definition of a business (amendments to IFRS 3)*
- *Revised conceptual framework for financial reporting*
- *Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7)*

*New standards and interpretations not yet adopted:*  
Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting periods and have not been early adopted by the

Group. None of these are expected to have a significant effect on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

There are no other standards that are not yet effective and that would be expected to have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The consolidated financial statements apply the principles of historical cost accounting, with the exception of the following accounting items:

- Financial instruments are stated at fair value, loans and receivables and other financial liabilities are stated at amortized cost.

The consolidated financial statements are prepared using uniform accounting policies for equal transactions and events under otherwise identical conditions.

### **2.2 FUNCTIONAL AND PRESENTATION CURRENCY**

The Group's presentation currency is Norwegian Kroner. This is also the parent company's functional currency. Subsidiaries with another functional currency are translated at the closing rate for balance sheet items and transaction rate for the income statement items. The monthly average exchange rates are used as an approximation of the transaction rate unless this average is not a reasonable approximation of the transaction rate in which case the actual rate on the date of the transaction is used. Translation differences are recorded as part of the comprehensive income statement and as a separate item in equity. At disposal of investments in foreign subsidiaries, the cumulative translation differences relating to the subsidiary is recognized in the income statement.

### **2.3 CONSOLIDATION**

#### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of



any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions and balances, including internal profit and unrealized gains and losses are eliminated. Unrealized gains related to transactions with associates and joint ventures are eliminated with the Group's share in the company / business. Similarly, unrealized losses are eliminated, but only to the extent that there is no indication of value decline of the asset which is sold internally.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

#### **Associates**

Associates are entities in which the Group has significant influence, but not control over the financial and operational management (normally at stake between 20% and 50%). The consolidated financial statements include the Group's share of profit from associates accounted for under the equity method from the date significant influence is achieved and until such influence ceases.

Acquisition related costs are expensed as incurred.

When the Group's loss ratio exceeds the investment in an associated company, the Group reduces the carrying amount to zero and further losses are not recorded unless the Group has an obligation to cover this loss.

## **2.4 FOREIGN CURRENCY**

### **Transactions in foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange of the transaction date. Monetary items denominated in foreign currencies are translated into Norwegian kroner using the rate of exchange at the balance sheet date. Non-monetary items measured at historical exchange rate expressed in foreign currencies are translated into Norwegian kroner using the exchange rate on the transaction date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate determined by the balance sheet date. Exchange rate changes are recorded continuously during the accounting period.

### **Foreign operations**

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Norwegian kroner using the exchange rate at the balance sheet date. Income and expenses from foreign operations are translated into Norwegian kroner using average exchange rates. Exchange rate differences are recognized in other comprehensive income.

## **2.5 REVENUE RECOGNITION AND CONTRACT ASSETS**

Revenues from contracts with customers are recognized when contracted performance obligations are satisfied. Sales revenues are presented net of value added tax and discounts. The Group's revenues are primarily related to contracts where the performance obligations are satisfied over time.

### **Sale of services**

Revenue from sales of services are recognized in the amount to which the entity has a right to invoice. The amount is based on the number of hours delivered to the customer, multiplied with the agreed hourly rate.

For some contracts, a fixed consideration is agreed, which is due at the time when the project is completed. Such contracts make up only a small part of the total contract portfolio. For these contracts, progress is measured on the basis of completed hours in relation to total time spent on the project, based on the estimates available at the balance sheet date.

### **License Income / Royalties**

Licenses / Royalties are recognized in accordance with the terms of the license / royalty agreements.



In cases where there is a provision of a fee at the entry of the agreement, and the agreement is not regarded as a sale, there must be considered whether the compensation is related to the future use of the right or remuneration for costs spent related to the right that is taken over. Compensation for costs spent are recorded at the time when the right to use is established, while the compensation for future use of the right is earned in line with consumption.

## **Contract assets**

Contract assets consists of revenue from contracts where the performance obligations have been partially or wholly satisfied, but where a right to payment has not been finally established. Contract assets are referred to as "Accrued, not invoiced income" in the balance sheet and in the notes.

## **Income from dividends**

Dividend revenue is recognized when the shareholders' right to receive dividends is determined by the General Assembly.

## **2.6 SEGMENT**

For management purposes, the Group is organized into three main business segments by product / service range. Operating segments are reported in the same way as for internal reporting to the Company's chief operating decision maker. The Company's chief operating decision maker, who is responsible for the allocation of resources and assessment of earnings in the operating segments, is defined as the Board of Directors. Financial information about segments and geographic distribution is presented in note 5 to the financial statements.

## **2.7 BORROWINGS**

Borrowings are carried at fair value when the disbursement of the loan takes place, less transaction costs. In subsequent periods, borrowings are stated at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (net of transaction costs) and the redemption value is recognized over the term of the loan. Fees related to the creation of drawing rights are recorded in anticipation of borrowing taking place if it is likely that the loan will be drawn up. The fee is then recognized as part of the cost of the loan. If it is not likely that all or part of the loan will be drawn up, the fee is capitalized as prepaid cash services and charged over the period the right applies to.

## **2.8 INCOME TAX**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also

recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized when it is probable that the Group will have sufficient taxable profit in future periods to utilize the tax benefit. The Group accounts for previously not recognized deferred tax assets to the extent that it has become probable that the Group can take advantage of the deferred tax asset. Likewise, the Group will reduce deferred tax assets to the extent that the Group no longer considers it likely that it can make use of the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the adopted tax rates for the Group companies where temporary differences have emerged.

Deferred tax and deferred tax assets are recorded at their nominal value and are classified as non-current liability / non-current asset in the balance sheet.

Deferred tax assets and deferred tax are offset if a legally enforceable right to offset assets by current tax against the obligations of current tax and deferred tax assets and deferred tax applies to income tax imposed by the same tax authority for either the same taxable corporation or different taxable entities that intends to settle the liabilities and assets by current tax net.

## **2.9 RESEARCH AND DEVELOPMENT**

Costs related to research activities are recognized in the statement of comprehensive income when



incurred. Costs related to development activities are capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Costs that are capitalized include the cost of materials, direct labor and a proportion of directly attributable overheads. Capitalized development expenditure is recorded in the balance sheet at cost less accumulated depreciation and amortization.

Capitalized development costs are amortized over the asset's estimated life, using the linear method.

## 2.10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and amortization. When assets are sold or disposed of, the carrying value is derecognized and any gains or losses are recognized in the statement of comprehensive income.

The cost of property, plant and equipment is the purchase price, including fees / taxes and expenses directly related to putting the asset ready for use. Expenses incurred after the asset is put into use, such as ongoing maintenance, are recognized in the statement of comprehensive income, while other costs that are expected to provide future economic benefits are capitalized.

Depreciation is calculated using the linear method over the following usage:

- Furniture, fittings and equipment: 3-5 years

## 2.11 LEASING

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities

include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs



Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2.12 INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost. The cost of intangible assets acquired through acquisitions is recorded at fair value at the acquisition date in the Group. Capitalized intangible assets are stated at cost less any depreciation and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but expensed as incurred.

Economic life is either definite or indefinite. Intangible assets with definite life are depreciated over the economic lives and tested for impairment if there are indications of this. Depreciation method and period are reviewed at least annually. Changes in depreciation method and / or period are treated as change of estimates.

Intangible assets with indefinite lives are tested for impairment at least annually, either individually or as part of a cash-generating unit. Intangible assets with indefinite lives are not depreciated but tested annually for permanent impairment. Any recognized impairment is not reversed. Economic life is tested annually as to whether the assumption of indefinite life can be justified or not. If not, the change to definite life is treated prospectively.

Depreciation is calculated using the linear method over the following usage:

- |                        |            |
|------------------------|------------|
| • Brand name           | 15 years   |
| • Customer relations   | 5-15 years |
| • Licenses             | 10 years   |
| • Proprietary software | 5-10 years |

Brand names consist of words, names, symbols etc. that are used in the business to identify products / services and distinguish them from competitive products and services.

Customer relations exist between the Group and the client if the Group has information on and has regular contact with the customer. Customer relations may be due to contracts or through regular contact unless this is based on a contractual relationship.

Licensing rights give the Group the right to use the tool (such as software) and sell them in their

activities. The rights are based on legal agreements between the parties.

Proprietary software consists of software the Group itself has developed over time and used either as part of the services produced in their own operations or sold to external customers.

## 2.13 BUSINESS COMBINATIONS AND GOODWILL

### Goodwill

The excess of the consideration transferred for the acquisition of the subsidiary and the fair value of net identifiable assets at the acquisition date is classified as goodwill. By investment in associates the goodwill is included in the investment's carrying value. Goodwill is recorded at cost less any accumulated impairment losses. Goodwill is not depreciated but tested at least annually for impairment.

Repossessed assets and liabilities by business combinations are recorded at fair value at the acquisition date in the Group. Non-controlling owners' share is calculated based on the minority's share of these assets and liabilities.

Allocation of the cost of business combinations is changed if new information about the current fair value on the date of acquisition of control occurs. The allocation can be changed until the presentation of financial statements or by the end of a 12-month period starting from the acquisition took place.

Goodwill is tested annually for impairment. In this regard, goodwill is allocated to cash generating units or groups of cash generating units expected to benefit from synergies of the business combination.

If the fair value of equity exceeds the consideration transferred for the acquisition of the subsidiary (badwill) by business combinations the excess is immediately recognized as income at the time of acquisition.

## 2.14 FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified in the following categories: fair value through profit or loss and amortized cost. Financial liabilities are classified in the category: amortized cost.

Measurement category is determined on initial recognition of the instruments, based on their individual characteristics and the business model of the group.

Prior to the implementation of IFRS 9 all assets now classified as at amortized cost where classified as loans and receivables.

### Financial assets at fair value through profit or loss



The category consists of market-based equity investments that are held primarily for trading. Assets in this category are always classified as current assets.

Changes in fair value are recorded and presented as financial income / expense.

#### **Financial assets measured at amortized cost**

Financial assets of which the contractual terms give rise to cash flows that are solely payments of principal and interest. Such assets mainly consist of trade and other receivables. The objective of the groups business model is to collect the contractual cash flows of such instruments.

Interest income is recognized as income using the effective interest method.

#### **Financial liabilities measured at amortized cost**

All financial liabilities are classified as at amortized cost.

Interest expense is recognized using the effective interest method.

### **2.15 IMPAIRMENT**

#### **Financial assets measured at amortized cost**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### **Non-financial assets**

Intangible assets with an indefinite available life, such as goodwill, are not amortized and are tested annually for impairment. Tangible and intangible assets which are depreciated are reviewed for impairment when circumstances indicate that future earnings do not justify the asset's carrying value. An impairment loss is recognized for the difference between the carrying value and recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use. In assessing impairment, the assets are grouped at the lowest level where it is possible to separately identify cash flows (cash generating units). Goodwill is grouped and tested for impairment at operating segment level. Impairment of goodwill is not reversed while impairment related to other assets is considered reversed at each reporting date.

### **2.16 ACCOUNTS RECEIVABLES**

Accounts receivables arise from sales of goods and services that are within the ordinary course of business. If the settlement is expected within a year or less the receivables are classified as current assets. Otherwise they are classified as non-current assets.

Accounts receivables are carried at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest method, less provisions for losses.

### **2.17 ACCOUNTS PAYABLES**

Accounts payables are liabilities to pay for goods and services provided by suppliers to the ordinary operations. Accounts payables are classified as current if they are due within a year. Otherwise they are classified as non-current.

Accounts payables are stated at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest rate.

### **2.18 CASH AND CASH EQUIVALENTS**

Cash includes cash and bank deposits. Cash equivalents are short-term liquid investments that are immediately convertible into cash with a known amount and maximum term of three months.

Cash and cash equivalents are not reduced by any bank overdrafts.

### **2.19 EQUITY**

#### **Liabilities and equity**

Financial instruments are classified as liabilities or equity in accordance with the underlying economic reality.

Interest, dividends, gains and losses related to a financial instrument classified as debt will be presented as an expense or income. Distributions to holders of financial instruments classified as equity or other comprehensive income will be recorded directly to equity or other comprehensive income, respectively.

#### **Costs of equity transactions**

Transaction costs directly related to an equity transaction are recognized directly in equity after deduction for tax.

### **2.20 EMPLOYEE BENEFITS**

#### **Defined contribution plan**

Group companies operate various pension schemes dependent on geographical presence.



The schemes are generally funded through payments to insurance companies and are in general based on defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid and the contributions are recognized as a salary expense in the income statement when they are due.

The Group's Norwegian based operations have a mandatory occupational pension scheme that satisfies the Mandatory Occupational Pension Act while the Groups foreign operations all satisfy local legislation regarding pension schemes.

## 2.21 PROVISIONS

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that there will be a financial settlement as a result of this commitment and the amount can be reliably measured. If the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical information about warranties and a weighting of possible outcomes against their probability of occurrence.

Provision for loss from contracts is recognized when the expected income from a contract is lower than the unavoidable costs incurred to meet liabilities under the contract.

## 2.22 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are in general not recognized in the financial statements. The financial statement contains information of any material contingent liabilities with the exception of contingent liabilities where the likelihood of liability is low.

A contingent asset is not recognized in the financial statements but disclosed when there is a certain probability that a benefit will accrue to the Group.

## 2.23 SUBSEQUENT EVENTS

New information after the balance sheet date regarding the Group's financial position at the balance sheet date is taken into account in the

financial statements. Subsequent events that do not affect the Group's financial position at the balance sheet date, but which will affect the Group's financial position in the future, are stated if significant.

## Note 3 - Financial Risk Management

### 3.1 FINANCIAL RISK FACTORS

The Group's activities involve a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the financial results.

Risk management is carried out by the corporate management. Corporate management identifies, evaluates and hedges financial risks in close cooperation with the various operating units. The Board of Directors prepares written principles for overall risk management and sets written guidelines for specific areas such as currency risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and investment of excess liquidity.

#### Market Risk

##### a) Currency risk

The Group operates in several countries and across several continents and is exposed to currency fluctuations and translation differences, which substantially affects the results and the Group's cash position.

##### b) Interest rate risk

The Group's interest rate risk is associated with long-term borrowings with floating interest rate (NIBOR + margin). These borrowings entail an interest rate risk for the Group's cash flow.

##### c) Price risk

The Group's wealth creation can be affected by movements in the price level of goods and services acquired. The Group is monitoring developments closely and seeking hedging against this risk through the establishment of agreements with customers.

##### d) General market risk

The ongoing COVID-19 pandemic as well as severe market share- and price-competition in the oil & gas industry has caused an imbalance in the supply- and demand for the products sold by the Group's major clients. This again has put pressure on the investment appetite within the industry in which the Group mainly operates.

#### Credit risk

Credit risk arises in transactions with customers and financial institutions. The Group's customer base mainly consists of large and solid oil companies and the credit risk is considered as modest. The Group's



connection to financial institutions is concentrated to a limited number of acknowledged Norwegian and International connections and even this credit risk is considered low.

## Liquidity Risk

The Group's business requires financial liquidity and capital to cover expenses and investments and may under certain circumstances and at a given point in the future require additional external debt and equity financing. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time. If one does not succeed in obtaining such financing, this may have a negative effect on the financial position of the Group.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Group's risk management and mitigation analyses.

Based on the most recent liquidity forecast, the Board is of the opinion that the liquidity risk for the Group is acceptable. In this respect, it should be emphasized that there is uncertainty related to cash flow projections.

## 3.2 RISK ASSOCIATED WITH ASSET MANAGEMENT

The Group's objectives regarding asset management are to secure continued operations, to secure the return to the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs. Based on the Group's growth strategy, securing sufficient liquidity is prioritized rather than minimizing capital costs. The Group's gearing is at the end of the year approximately 61%, measured by book values.

In relation to the Group's borrowings and overdraft facility, capital requirements known as covenants, are established from the lender. Per year-end 2020 these requirements imply that:

- The ratio of total net debt (NIBD) to EBITDA shall not, in respect of any relevant period ending after 30 June 2020, exceed 3.0 until final maturity
- The overdraft loan ratio shall not exceed 70% of eligible receivables (receivables not more than 60 days overdue)
- The ratio of EBITDA to gross cash interest expenses shall not, in respect of any relevant period ending after 30 June 2020, be less than 2.0
- The aggregate external capital expenditure of the Group shall not exceed NOK 5 million in any Financial Year. If in any financial year the amount of the capital expenditure is less NOK 5 million, then the maximum expenditure amount for the immediately following financial

year only shall be increased by an amount equal to 50% of the unused amount.

- The adjusted EBITDA in respect of any relevant period shall not be less than a certain amount increasing from NOK 15 million per year end 2019 to NOK 30 million per 31 March 2022.

The Group is in breach of the "adjusted EBITDA" covenant per year-end 2020, which have been waived by the Bank and has thus elected to reclassify the non-current borrowings to current borrowings.

There are also requirements with regard to restriction on sale of assets, investment and payment of dividends or other equity transactions and the possibility of further borrowing. The existing capital requirements also restrict the Group in different ways with regard to how the Group carry on its business, and the Group can therefore be prevented from reacting to changing market conditions or to pursue attractive business opportunities.

Note 20 describe the risk exposure associated with the Group's total assets.

## 3.3 EVALUATION OF FAIR VALUE

The table in note 20 analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## Note 4 - Use of estimates

Management has used estimates and assumptions that have affected the valuation of assets, liabilities, revenues, expenses and information on potential liabilities. In particular, this is related to depreciation of fixed assets, valuation of goodwill and other intangible assets and assessments in connection with acquisitions. Future events may involve estimate changes. The estimates and underlying assumptions are considered on a consecutive basis. Changes in accounting estimates are recognized in the period incurred. If the changes also involve future periods, the effect is distributed over the present and future periods.

The following estimates represent a significant risk of substantial changes in the carrying value of assets and liabilities within the next financial year.

- Estimated impairment of goodwill - The Group tests annually for impairment of goodwill (see



note 15 for further details). The recoverable amounts of cash generating units are determined by calculation of value in use. Calculating the value in use is significantly based on estimates, including those of future cash flows and discount factor.

- Income tax - The Group is taxed for income in several countries. Significant discretion is required in determining income tax for all countries as a whole. There will be uncertainty as to the final tax liability for many transactions and calculations (see note 17 for further details).



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#### Note 5 - Segment information

Operating segments are identified based on the reporting level the Group's chief operating decision maker uses when they assess the performance and profitability at a strategic level. Segment information is communicated to the Group's chief operating decision maker of the reportable segments for the fiscal year and consists of the following units:

##### Asset Integrity

Principal activities includes asset integrity and maintenance optimisation services based on proprietary software and expertise.

Legal entities that form part of the segment are Add Latent, Add Energy LLC and Add Energy & Partners.

##### APAC Operations

Includes all activities in the Asia/Pacific region and comprises subsurface-, welltest- and completion engineering, safety-, risk- and crisis management as well as technical risk and safety cases. Legal entities that form part of the segment is Add Lucid, Add ISRM and Orade Risk Consultants.

##### Well Control & Norwegian Operations

Principal activities include well control response and emergency planning for the oil and gas industry through the use of simulations and advisory services related to well control by unforeseen events. Additional services covered includes drilling and HSE expertise as well as operational support, technical documentation, simulator operations and training. Legal entities that form part of the segment is Add Wellflow. During 2020 the entity Add Energy LLC that previously formed part of this segment was transferred to the Asset Integrity segment due to the majority of the current business run out of this entity is relating to the asset integrity services.

##### Well Management

Principal activities includes well engineering and project management as well as the complete delivery of safe, reliable and sustainable well operations.

Legal entities that form part of the segment are Add IPS and Add Energy Asia. The Board decided during 2019 to wind down this business segment and the only remaining activity is related to regaining a receivable amount. See note 7 for further details.

##### Environmental Solutions

Principal activities included environmental management, energy management and environmental management software solutions.

Legal entity that formed part of this segment was Add Novatech. The segment was sold during 3Q2018 and amount listed in the 2019 comparable figure relates to the reversal of last years' (2018) provision for the expected earn-out plus the actual earn-out agreed (2019).

| 2020                               | Asset Integrity | APAC Operations | Well Control & Norwegian Operations | Well Management | Environmental Solutions | Parent/ Eliminations | Total          |
|------------------------------------|-----------------|-----------------|-------------------------------------|-----------------|-------------------------|----------------------|----------------|
| <b>Revenue</b>                     |                 |                 |                                     |                 |                         |                      |                |
| Total segment revenue              | 199.776         | 142.585         | 24.489                              | 256             | 0                       | 5.846                | 372.951        |
| Revenue between segments           | -48.518         | -25.180         | -2.017                              | 0               | 0                       | -5.832               | -81.548        |
| Revenue from external customers    | <b>151.258</b>  | <b>117.404</b>  | <b>22.472</b>                       | <b>256</b>      | <b>0</b>                | <b>14</b>            | <b>291.403</b> |
| <b>Income Statement</b>            |                 |                 |                                     |                 |                         |                      |                |
| Total segment revenue              | 151.258         | 117.404         | 22.472                              | 256             | 0                       | 14                   | 291.403        |
| Operating expenses                 | -140.813        | -107.452        | -19.362                             | -8.999          | 0                       | -6.463               | -283.088       |
| EBITDA <sup>1)</sup>               | <b>10.445</b>   | <b>9.953</b>    | <b>3.110</b>                        | <b>-8.743</b>   | <b>0</b>                | <b>-6.450</b>        | <b>8.315</b>   |
| Depreciation and amortization      | -9.036          | -2.645          | -1.958                              | 0               | 0                       | -265                 | -13.904        |
| Impairment of intangible assets    | 0               | 0               | 0                                   | 0               | 0                       | 0                    | 0              |
| Operating profit                   | <b>1.409</b>    | <b>7.307</b>    | <b>1.152</b>                        | <b>-8.743</b>   | <b>0</b>                | <b>-6.714</b>        | <b>-5.589</b>  |
| Interest income                    | 0               | 41              | 48                                  | -351            | 0                       | 1.864                | 1.601          |
| Interest expense                   | -400            | 0               | -12                                 | 0               | 0                       | -4.261               | -4.673         |
| Income from associated companies   | 0               | 0               | 54                                  | 0               | 0                       | 0                    | 54             |
| Other financial items              | -1.640          | -109            | -163                                | -802            | 0                       | -1.052               | -3.767         |
| Profit before tax                  | <b>-631</b>     | <b>7.239</b>    | <b>1.079</b>                        | <b>-9.897</b>   | <b>0</b>                | <b>-10.163</b>       | <b>-12.373</b> |
| Tax                                | -3.093          | -2.028          | -214                                | 523             | 0                       | -1.775               | -6.585         |
| Profit from continuing operations  | <b>-3.724</b>   | <b>5.211</b>    | <b>865</b>                          | <b>-9.373</b>   | <b>0</b>                | <b>-11.938</b>       | <b>-18.958</b> |
| Profit from discontinued operation | 0               | 0               | 0                                   | 0               | 0                       | 0                    | 0              |
| Profit after tax                   | <b>-3.724</b>   | <b>5.211</b>    | <b>865</b>                          | <b>-9.373</b>   | <b>0</b>                | <b>-11.938</b>       | <b>-18.958</b> |
| <b>Assets / liabilities</b>        |                 |                 |                                     |                 |                         |                      |                |
| Total non-current assets           | 33.659          | 25.527          | 17.958                              | 0               | 0                       | 6.936                | 84.080         |
| Investment in associated companies | 0               | 0               | 270                                 | 0               | 0                       | 0                    | 270            |
| Current assets                     | 72.953          | 48.856          | 16.603                              | -20.839         | 0                       | -48.057              | 69.515         |
| Non-current liabilities            | -15.198         | -2.679          | -690                                | 0               | 0                       | -3.679               | -22.247        |
| Current liabilities                | -41.418         | -10.614         | -4.631                              | -1.075          | 0                       | -14.146              | -71.884        |
| Net assets                         | <b>49.996</b>   | <b>61.089</b>   | <b>29.509</b>                       | <b>-21.914</b>  | <b>0</b>                | <b>-58.946</b>       | <b>59.734</b>  |
| Investments in fixed assets        | 1.758           | 42              | 0                                   | 0               | 0                       | 50                   | 1.850          |
| Investments in intangible assets   | 4.729           | 0               | 300                                 | 0               | 0                       | 0                    | 5.029          |
| Total investments                  | <b>6.487</b>    | <b>42</b>       | <b>300</b>                          | <b>0</b>        | <b>0</b>                | <b>50</b>            | <b>6.880</b>   |

<sup>1)</sup> EBITDA is defined as income before financial income/-expenses, taxes, depreciation and amortization.



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#### Note 5 - Segment information, cont.

| 2019                                             | Asset Integrity | APAC Operations | Well Control & Norwegian Operations | Well Management | Environmental Solutions | Parent/ Eliminations | Total          |
|--------------------------------------------------|-----------------|-----------------|-------------------------------------|-----------------|-------------------------|----------------------|----------------|
| <b>Revenue</b>                                   |                 |                 |                                     |                 |                         |                      |                |
| Total segment revenue                            | 136.951         | 133.600         | 106.102                             | 10.825          | 0                       | 6.556                | 394.034        |
| Revenue between segments                         | -12.295         | -22.768         | -40.952                             | -7.658          | 0                       | -6.121               | -89.794        |
| Revenue from external customers                  | <b>124.657</b>  | <b>110.831</b>  | <b>65.150</b>                       | <b>3.166</b>    | <b>0</b>                | <b>435</b>           | <b>304.240</b> |
| <b>Income Statement</b>                          |                 |                 |                                     |                 |                         |                      |                |
| Total segment revenue                            | 124.657         | 110.831         | 65.150                              | 3.166           | 0                       | 435                  | 304.240        |
| Operating expenses                               | -114.572        | -103.280        | -59.908                             | -10.896         | 0                       | -12.084              | -300.740       |
| EBITDA <sup>1)</sup>                             | <b>10.084</b>   | <b>7.551</b>    | <b>5.242</b>                        | <b>-7.729</b>   | <b>0</b>                | <b>-11.649</b>       | <b>3.499</b>   |
| Depreciation and amortization                    | -5.147          | -3.337          | -3.328                              | -161            | 0                       | -298                 | -12.271        |
| Impairment of intangible assets                  | 0               | 0               | 0                                   | 0               | 0                       | 0                    | 0              |
| Operating profit                                 | <b>4.938</b>    | <b>4.214</b>    | <b>1.914</b>                        | <b>-7.890</b>   | <b>0</b>                | <b>-11.947</b>       | <b>-8.772</b>  |
| Interest income                                  | 1               | 361             | 196                                 | -920            | 0                       | 2.747                | 2.386          |
| Interest expense                                 | -518            | -5              | -19                                 | -80             | 0                       | -5.695               | -6.315         |
| Income from associated companies                 | 0               | 0               | -27                                 | 0               | 0                       | 0                    | -27            |
| Other financial items                            | -1.381          | -223            | -464                                | 88              | 0                       | -949                 | -2.928         |
| Profit before tax                                | <b>3.041</b>    | <b>4.348</b>    | <b>1.601</b>                        | <b>-8.802</b>   | <b>0</b>                | <b>-15.844</b>       | <b>-15.656</b> |
| Tax                                              | -933            | -1.503          | 384                                 | 1.488           | 0                       | 924                  | 360            |
| Profit from continuing operations                | <b>2.108</b>    | <b>2.845</b>    | <b>1.985</b>                        | <b>-7.314</b>   | <b>0</b>                | <b>-14.920</b>       | <b>-15.296</b> |
| Profit from discontinued operation <sup>2)</sup> |                 |                 |                                     |                 |                         | -3.516               | <b>-3.516</b>  |
| Profit after tax                                 | <b>2.108</b>    | <b>2.845</b>    | <b>1.985</b>                        | <b>-7.314</b>   | <b>0</b>                | <b>-14.920</b>       | <b>-18.812</b> |
| <b>Assets / liabilities</b>                      |                 |                 |                                     |                 |                         |                      |                |
| Total non-current assets                         | 17.648          | 27.410          | 24.736                              | 0               | 0                       | 772                  | 70.565         |
| Investment in associated companies               | 0               | 0               | 216                                 | 0               | 0                       | 0                    | 216            |
| Current assets                                   | 78.428          | 69.710          | 34.588                              | -2.641          | 0                       | -73.203              | 106.882        |
| Non-current liabilities                          | -2.551          | -3.720          | -4.583                              | 0               | 0                       | 947                  | -9.907         |
| Current liabilities                              | -34.890         | -9.947          | -13.199                             | -2.276          | 0                       | -37.285              | -97.597        |
| Net assets                                       | <b>58.634</b>   | <b>83.454</b>   | <b>41.758</b>                       | <b>-4.918</b>   | <b>0</b>                | <b>-108.770</b>      | <b>70.159</b>  |
| Investments in fixed assets                      | 354             | 31              | 334                                 | 0               | 0                       | -138                 | 581            |
| Investments in intangible assets                 | 3.140           | 0               | 13                                  | 0               | 0                       | 0                    | 3.153          |
| Total investments                                | <b>3.494</b>    | <b>31</b>       | <b>346</b>                          | <b>0</b>        | <b>0</b>                | <b>-138</b>          | <b>3.733</b>   |

<sup>1)</sup> EBITDA is defined as income before financial income/-expenses, taxes, depreciation and amortization.

<sup>2)</sup> Amount consists of the reversal of last years' provision for the expected earn-out plus the actual earn-out agreed.

Transactions between reportable segments are included under the parent / elimination.  
Excess values and depreciation / amortization of these related to business combinations are included under

The group follows the same accounting principles in reporting by segment as used in the group reporting.

#### Distribution of revenue

|                        | 2020 | 2019 |
|------------------------|------|------|
| Fixed-price / Lump-sum | 7 %  | 18 % |
| Hourly- / Day-rate     | 93 % | 82 % |

Distribution is based on weighted average recognized revenue distributed between Fixed-price / Lump-sum projects and Hourly- / Day-rate projects per segment.

#### Distribution of revenue between segments for the largest customers:

| 2020         | Asset Integrity | APAC Operations | Well Control & Norwegian Operations | Well Management | Parent/ Eliminations | Total  |
|--------------|-----------------|-----------------|-------------------------------------|-----------------|----------------------|--------|
| BP           | 84.765          | 0               | 0                                   | 0               | 0                    | 84.765 |
| Woodside     | 0               | 68.092          | 0                                   | 0               | 0                    | 68.092 |
| Shell        | 26.098          | 0               | 0                                   | 0               | 0                    | 26.098 |
| Beach Energy | 0               | 21.661          | 0                                   | 0               | 0                    | 21.661 |
| Santos       | 0               | 10.156          | 0                                   | 0               | 0                    | 10.156 |

| 2019         | Asset Integrity | APAC Operations | Well Control & Norwegian Operations | Well Management | Parent/ Eliminations | Total  |
|--------------|-----------------|-----------------|-------------------------------------|-----------------|----------------------|--------|
| BP           | 98.592          | 0               | 123                                 | 0               | 0                    | 98.715 |
| Woodside     | 0               | 76.642          | 0                                   | 0               | 0                    | 76.642 |
| Beach Energy | 0               | 23.608          | 0                                   | 0               | 0                    | 23.608 |
| Shell        | 16.185          | 0               | 0                                   | 0               | 0                    | 16.185 |
| Anadarko     | 0               | 0               | 12.885                              | 0               | 0                    | 12.885 |

| Geographical distribution | Norway | Europe | America | Australasia | Middle-East/ Africa | Total   |
|---------------------------|--------|--------|---------|-------------|---------------------|---------|
| Revenue 2020              | 20.316 | 4.234  | 133.113 | 119.602     | 14.139              | 291.403 |
| Revenue 2019              | 32.546 | 11.442 | 132.800 | 118.587     | 8.865               | 304.239 |
| Fixed assets 2020         | 19.165 | 30.192 | 8.159   | 26.834      | 0                   | 84.350  |
| Fixed assets 2019         | 20.620 | 17.648 | 5.104   | 27.410      | 0                   | 70.781  |

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### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 6 - Investments in associates

##### Investment in associates

|                                              | Business office   | Group-share |
|----------------------------------------------|-------------------|-------------|
| Total Service Partner AS (TSP) <sup>1)</sup> | Stavanger, Norway | 32,5 %      |

<sup>1)</sup> TSP provides services related to operational documentation, training, maintenance and security to clients within the oil and gas industry, primarily on the NCS. The company works in close cooperation with the segment Well Control & Norwegian Operations.

|                        | 2020       | 2019       |
|------------------------|------------|------------|
| Book value 1 January   | 216        | 643        |
| Share of profit        | 54         | -27        |
| Dividend received      | 0          | -400       |
| Book value 31 December | <b>270</b> | <b>216</b> |

The Group's share of income, assets and liabilities of associates is:

| 2019                              | Assets     | Liabilities | Revenues     | Profit/(Loss) |
|-----------------------------------|------------|-------------|--------------|---------------|
| Total Service Partner AS          | 605        | 384         | 1.989        | -27           |
| <b>Total associated companies</b> | <b>605</b> | <b>384</b>  | <b>1.989</b> | <b>-27</b>    |

| 2020                              | Assets     | Liabilities | Revenues     | Profit/(Loss) |
|-----------------------------------|------------|-------------|--------------|---------------|
| Total Service Partner AS          | 792        | 517         | 2.711        | 54            |
| <b>Total associated companies</b> | <b>792</b> | <b>517</b>  | <b>2.711</b> | <b>54</b>     |

#### Note 7 - Accounts receivables and other receivables

(Amounts in NOK 1 000)

| Total accounts receivables and other receivables:       | 2020          | 2019           |
|---------------------------------------------------------|---------------|----------------|
| Nominal value of accounts receivable                    | 65.867        | 96.274         |
| Provisions for bad debt *)                              | 14.901        | 6.462          |
| <b>Book value of accounts receivable</b>                | <b>50.966</b> | <b>89.812</b>  |
| Accrued, not invoiced income                            | 10.461        | 8.057          |
| Pre-payments                                            | 4.294         | 2.677          |
| Other receivables                                       | 2.335         | 6.056          |
| <b>Total other current assets</b>                       | <b>17.090</b> | <b>16.789</b>  |
| <b>Total accounts receivables and other receivables</b> | <b>68.056</b> | <b>106.601</b> |

\*) Provision for bad debt includes a full writedown of the total receivable from Sirius Petroleum.

An agreement was entered into with the client in July 2019 of which the following items are essential:

- The original total receivable is agreed between the parties and amounts to USD 3,690 million.
  - Sirius Petroleum followed the agreed and fixed payment schedule until January 2020 and total received amount is USD 2,062 million.
  - Due to the ongoing COVID-19 pandemic and challenges with own financing Sirius has failed to pay all installments since January 2020. Total overdue and unsettled amount is USD 1,628 million.
  - The Group is currently negotiating with the client to mitigate the payment challenges.
  - There is a risk that Sirius will not pay the remaining unsettled amount and based on a thorough evaluation of the probability of default and other bad debt measures the Board acknowledges there still remains an uncertainty related to the receivable and has decided to make a provision for a full write-off of the remaining net receivable by year-end 2020.
- Accordingly the provision for bad debt in the Group relating to the Sirius receivable remains at USD 1,628 million and the write-down amount charged in the 2020 accounts amounts to USD 1,074 million.

| Book value of receivables due in more than one year: | 2020     | 2019     |
|------------------------------------------------------|----------|----------|
| Other receivables                                    | 0        | 0        |
| <b>Total</b>                                         | <b>0</b> | <b>0</b> |

The majority of the Group's clients are Blue Chip companies and the credit risk linked to accounts receivables is assessed to be modest. The level of write-downs has historically been very low.



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 8 - Salaries / Number of Employees / Benefits in kind

| Salaries etc.                                             | 2020           | 2019           |
|-----------------------------------------------------------|----------------|----------------|
| Salaries                                                  | 117.822        | 121.927        |
| Employer's national insurance contribution                | 7.659          | 15.103         |
| Pension costs - defined contribution scheme (see note 14) | 6.205          | 4.878          |
| Capitalized labor costs                                   | -2.196         | -959           |
| Other benefits in kind                                    | 3.022          | 2.069          |
| <b>Total salaries</b>                                     | <b>132.512</b> | <b>143.018</b> |

**Average number of employees:** 2020: 132, 2019: 130

#### Remuneration of group management (in NOK)

| 2020                       | Salaries  | Pension- costs | Other remuneration | Total     |
|----------------------------|-----------|----------------|--------------------|-----------|
| Ole B. Rygg - CEO          | 2.623.125 | 75.431         | 84.753             | 2.783.309 |
| Harald Justnæs - CFO       | 1.720.923 | 75.481         | 84.753             | 1.881.157 |
| Terje Løkke-Sørensen - CTO | 2.098.068 | 77.577         | 84.753             | 2.260.398 |
| Eduardo Robaina - EVP      | 2.778.537 | 162.188        | 24.148             | 2.964.873 |
| Morten Haug Emilsen - EVP  | 2.372.870 | 72.751         | 84.772             | 2.530.393 |
| Peter Adam - EVP           | 1.666.211 | 101.351        | 62.837             | 1.830.399 |

The Group management individually has an agreement regarding the right to bonuses linked to possible future events of the ownership of the company. Bonus does not fall due until this event occurs.

The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.

Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2020 the CEO was not granted any bonus.

| 2019                                | Salaries  | Pension- costs | Other remuneration | Total     |
|-------------------------------------|-----------|----------------|--------------------|-----------|
| Ole B. Rygg - CEO                   | 2.531.205 | 73.695         | 83.187             | 2.688.087 |
| Harald Justnæs - CFO                | 1.718.681 | 73.553         | 83.187             | 1.875.421 |
| Terje Løkke-Sørensen - CTO          | 2.102.280 | 74.887         | 83.187             | 2.260.354 |
| Eduardo Robaina - EVP               | 2.110.026 | 0              | 85.688             | 2.195.714 |
| Morten Haug Emilsen - EVP           | 2.055.451 | 72.444         | 83.133             | 2.211.028 |
| Peter Adam - EVP                    | 1.484.257 | 0              | 0                  | 1.484.257 |
| Dermot O'Keeffe - COO <sup>1)</sup> | 2.300.188 | 0              | 0                  | 2.300.188 |

The Group management individually has an agreement regarding the right to bonuses linked to possible future events of the ownership of the company. Bonus does not fall due until this event occurs.

The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.

Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2019 the CEO was not granted any bonus.

<sup>1)</sup> Other remuneration comprises remuneration for consultancy services. Mr. O'Keeffe has delivered services via a consultancy agreement which was cancelled, effective 30 June 2019. His position has not been replaced.

| Remuneration to the Board (in NOK)           | 2020           | 2019           |
|----------------------------------------------|----------------|----------------|
| Per Arne Jensen - Chairman                   | 0              | 0              |
| Rune Jensen                                  | 0              | 0              |
| Svein Ilebekk                                | 60.000         | 60.000         |
| Jostein Aleksandersen (to 27 September 2019) | 0              | 60.000         |
| Stig Hetlevik (from 27 September 2019)       | 60.000         | 0              |
| <b>Total remuneration</b>                    | <b>120.000</b> | <b>120.000</b> |



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(Amounts in NOK 1 000)

#### Note 8 - Salaries / Number of Employees / Benefits in kind cont.

##### Shares / options controlled by the Management / Board:

Chairman Per Arne Jensen and board member Rune Jensen represents Progressus AS which per year end 2020 controls 2 000 000 A-shares and 475 389 253 B-shares.

|                                                         | 2020       | 2019       |
|---------------------------------------------------------|------------|------------|
|                                                         | B-shares   | B-shares   |
| <b>Board members</b>                                    |            |            |
| Svein Ilebekk - Member of the Board (Solsta Eiendom AS) | 2.312.550  | 2.312.550  |
| Stig Hetlevik - Member of the Board                     | 0          | 0          |
| <b>Corporate management</b>                             |            |            |
| Ole B. Rygg - CEO                                       | 14.784.802 | 14.784.802 |
| Harald Justnæs - CFO                                    | 0          | 0          |
| Terje Løkke Sørensen - CTO                              | 42.105.204 | 42.105.204 |
| Eduardo Robaina - EVP                                   | 0          | 0          |
| Morten Haug Emilsen - EVP                               | 5.761.552  | 5.761.552  |
| Peter Adam - EVP                                        | 3.735.672  | 3.735.672  |
| Dermot O'Keeffe - COO (until 30 June 2019)              | 0          | 7.735.986  |

#### Auditor

##### Fees to auditors consist of (in NOK)

|                                                                           | 2020             | 2019             |
|---------------------------------------------------------------------------|------------------|------------------|
| Statutory audit (including technical preparation of financial statements) | 1.428.991        | 1.597.799        |
| Statutory audit cost to other Auditors than PwC                           | 470.143          | 393.783          |
| Other certification services                                              | 24.500           | 15.650           |
| Tax advice (including technical preparation of tax returns)               | 94.500           | 154.831          |
| Tax advice from other Auditors than PwC                                   | 170.125          | 38.765           |
| Other non-audit services                                                  | 174.046          | 0                |
| <b>Total</b>                                                              | <b>2.362.305</b> | <b>2.200.827</b> |

#### Note 9 - Restricted bank deposits, credit facilities and group bank account scheme

##### Restricted funds

There are no restricted funds in the Group, neither per end 2019 nor per end 2020.

##### Group Bank Account Scheme

The Company has, together with the other group companies, entered into a group bank account scheme. The scheme includes accounts in several different currencies, primarily NOK, AUD, GBP and USD. The Group does not consider the currency exposure associated with the scheme to be particularly prominent. The scheme is presented net in the balance sheet.

Net compiled deposits in the Group outside of the group bank account scheme amounted to NOK 1.5 million per 31 December 2020 (NOK 0.3 million per 31 December 2019).

##### Credit Facility

add energy group has an agreed overdraft credit facility linked to the group bank account scheme. Additionally, the Group has an agreed credit facility linked to a certain client contract.

| Facility-, and drawn amounts        | 2020  |        | 2019  |        |
|-------------------------------------|-------|--------|-------|--------|
|                                     | USD   | NOK    | USD   | NOK    |
| Committed overdraft facility amount |       | 40.000 |       | 40.000 |
| Drawn amount                        |       | 15.076 |       | 24.249 |
| Credit facility amount              | 2.500 | 21.332 | 2.500 | 21.951 |
| Drawn amount                        | 548   | 4.675  | 705   | 6.191  |



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(Amounts in NOK 1 000)

#### Note 10 - Secured debt and guarantees

| <b>Carrying debt secured by mortgage, etc.</b> | <b>2020</b>   | <b>2019</b>   |
|------------------------------------------------|---------------|---------------|
| Liabilities to credit institutions             | 29.791        | 49.151        |
| <b>Total</b>                                   | <b>29.791</b> | <b>49.151</b> |

The parent company's shares and accounts receivables in all Norwegian, Scottish, Australian and US subsidiaries are pledged for the benefit of the Group's interest bearing debt.

| <b>Pledged capitalised receivables</b> | <b>2020</b>   | <b>2019</b>   |
|----------------------------------------|---------------|---------------|
| Accounts Receivables                   | 47.308        | 85.153        |
| <b>Total</b>                           | <b>47.308</b> | <b>85.153</b> |

The Company's current credit scheme conditions are NIBOR + 2.75%, with the following repayment profile:

| <b>Balance per 31.12.2020</b> | <b>10.450</b> |
|-------------------------------|---------------|
| Payment 1 February 2021       | -2.500        |
| Payment 3 May 2021            | -2.500        |
| Payment 2 August 2021         | -2.500        |
| Payment 1 November 2021 *)    | -2.500        |
| Payment 31 January 2022       | -450          |

According to the loan agreement with the bank, 50% of any payments received from Sirius (refer to note 7) shall be used as downpayment on the loan in inverse order of maturity.

The Company was in breach of one Bank covenant by year end 2020 and has decided to reclassify all long term debt to short term debt. The Company has received a waiver from the bank for this breach.

\*) Installment deferred to 31 January 2022

| <b>Capitalised borrowing costs</b>      | <b>2020</b> | <b>2019</b> |
|-----------------------------------------|-------------|-------------|
| Capitalised borrowing costs 1 January   | 759         | 0           |
| Addition                                | 56          | 759         |
| Disposal                                | 0           | 0           |
| Capitalised borrowing costs 31 December | 815         | 759         |
| Accumulated amortisation 1 January      | 121         | 0           |
| This year's amortisation                | 284         | 121         |
| Disposal                                | 0           | 0           |
| Accumulated amortisation 31 December    | 406         | 121         |
| <b>Book value pr 31 December</b>        | <b>410</b>  | <b>638</b>  |

| <b>Purchased guarantees</b>                         | <b>Guarantor</b> | <b>2020</b>  | <b>2019</b>  |
|-----------------------------------------------------|------------------|--------------|--------------|
| Guarantee for advance tax withholding               | Tryg Garanti     | 1.600        | 2.650        |
| Other guarantees, including office lease guarantees | Tryg Garanti     | 630          | 639          |
| Guarantee for credit card in USA                    | DNB Bank         | 427          | 439          |
| Guarantee (stanby LOC) for office lease in Perth    | DNB Bank         | 844          | 790          |
| <b>Total purchased guarantees</b>                   |                  | <b>3.500</b> | <b>4.518</b> |

| <b>The Parent Company holds the following office lease guarantees</b> | <b>Yearly rent</b> |             |
|-----------------------------------------------------------------------|--------------------|-------------|
|                                                                       | <b>2020</b>        | <b>2019</b> |
| add latent ltd (original guarantee in GBP)                            | 0                  | 293         |
| add energy llc (original guarantee in USD)                            | 3.442              | 768         |
| These guarantees are not capitalized                                  |                    |             |

#### Note 11 - Shares and other financial instruments

| <b>Current assets</b>                         | <b>Acquisition cost</b> | <b>Fair value</b> | <b>Recognized change in value</b> |
|-----------------------------------------------|-------------------------|-------------------|-----------------------------------|
| Shares in the trading portfolio (listed) 2019 | 650                     | 0                 | -143                              |
| Shares in the trading portfolio (listed) 2020 | 650                     | 0                 | 0                                 |

The shares are by acquisition classified as at fair value through profit and loss.



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#### Note 12 - Combined items in the income statement

| <b>Sales</b>                         | <b>2020</b>    | <b>2019</b>    |
|--------------------------------------|----------------|----------------|
| Revenue from sales of services       | 286.476        | 304.240        |
| Government Grants (COVID-19 related) | 4.927          | 0              |
| License revenue                      | 0              | 0              |
| <b>Total revenue</b>                 | <b>291.403</b> | <b>304.240</b> |

| <b>Other operating expenses</b>       | <b>2020</b>   | <b>2019</b>   |
|---------------------------------------|---------------|---------------|
| Office lease                          | 2.605         | 1.690         |
| Consultancy services                  | 5.911         | 2.730         |
| Sales- and promotional expenses       | 1.546         | 1.115         |
| Travel costs                          | 1.520         | 4.885         |
| IT-related costs                      | 8.140         | 7.333         |
| Insurance                             | 2.772         | 2.366         |
| Audit fees                            | 2.362         | 2.201         |
| Provision for doubtful debts          | -1            | -4.827        |
| Government Grants (COVID-19 related)  | 2.173         | 0             |
| Other costs                           | 14.939        | 21.039        |
| <b>Total other operating expenses</b> | <b>41.967</b> | <b>38.532</b> |

| <b>Financial income and expenses</b> | <b>2020</b>  | <b>2019</b>  |
|--------------------------------------|--------------|--------------|
| Other interest income                | 1.602        | 2.386        |
| Currency gains                       | 0            | 0            |
| Other financial income               | 0            | 0            |
| <b>Total financial income</b>        | <b>1.602</b> | <b>2.386</b> |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Other interest expenses         | -4.673        | -6.315        |
| Currency loss                   | -1.375        | -123          |
| Other financial expenses        | -2.391        | -2.806        |
| <b>Total financial expenses</b> | <b>-8.440</b> | <b>-9.244</b> |

#### Note 13 - Debt

##### Liabilities that fall due for payment more than five years after fiscal year end:

If the current payment schedule is maintained, the Group will not have debts that fall due for payment more than five years after the financial year end.

The Group did neither in 2019 have debts that fell due for payment more than five years after the financial year end.

| <b>Specification of other current liabilities</b> | <b>2020</b>   | <b>2019</b>   |
|---------------------------------------------------|---------------|---------------|
| Liabilities to employees                          | 4.856         | 4.290         |
| Prepayments from customers                        | 0             | 0             |
| Other current liabilities                         | 6.427         | 7.303         |
| <b>Total</b>                                      | <b>11.283</b> | <b>11.594</b> |

#### Note 14 - Pensions and pension liabilities

The Group's Norwegian based operations have a mandatory occupational pension scheme that satisfies the Mandatory Occupational Pension Act while the Groups foreign operations all satisfy local legislation regarding pension schemes.

All companies within the Group have, to varying degrees, a defined contribution pension scheme for all employees including members of Management.

All schemes are funded through insurance companies and the Group therefore has no other obligation than the deposits.

Pension costs are recognized as salary expense in the income statement when they are due.



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#### Note 15 - Intangible assets

| 2019                                                | From business combinations |               |                    |                    |                      |                                    |                  | Total          |
|-----------------------------------------------------|----------------------------|---------------|--------------------|--------------------|----------------------|------------------------------------|------------------|----------------|
|                                                     | Goodwill                   | Brand name    | Customer relations | Licenses/royalties | Proprietary software | Proprietary software <sup>1)</sup> | Generic software |                |
| Acquisition cost 1 January                          | 302.595                    | 10.483        | 89.568             | 4.478              | 39.885               | 46.898                             | 6.875            | <b>500.782</b> |
| Reclassification                                    | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Additions                                           | 0                          | 0             | 0                  | 0                  | 0                    | 3.140                              | 13               | <b>3.153</b>   |
| Additions/disposals re subsidiaries                 | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Translation differences                             | 431                        | 0             | 115                | 0                  | 0                    | 353                                | -80              | <b>819</b>     |
| Disposals                                           | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| <b>Acquisition cost 31 December</b>                 | <b>303.025</b>             | <b>10.483</b> | <b>89.683</b>      | <b>4.478</b>       | <b>39.885</b>        | <b>50.392</b>                      | <b>6.808</b>     | <b>504.754</b> |
| Accumulated amortization 1 January                  | 261.328                    | 7.222         | 77.427             | 4.478              | 39.885               | 41.925                             | 6.329            | <b>438.594</b> |
| Reclassification                                    | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| This year's amortization                            | 0                          | 699           | 2.856              | 0                  | 0                    | 1.917                              | 215              | <b>5.686</b>   |
| Additions/disposals re subsidiaries                 | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Disposals                                           | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| This year's impairment charges                      | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Accumulated amortization and impairment 31 December | 261.328                    | 7.921         | 80.283             | 4.478              | 39.885               | 43.842                             | 6.544            | <b>444.280</b> |
| <b>Book value per 31 December</b>                   | <b>41.697</b>              | <b>2.563</b>  | <b>9.400</b>       | <b>0</b>           | <b>0</b>             | <b>6.550</b>                       | <b>264</b>       | <b>60.475</b>  |
| Amortization time                                   | N/A                        | 15 years      | 5-15 years         | 10 years           | 5-10 years           | 5-10 years                         | 3-5 years        |                |
| Amortization rate                                   | N/A                        | 6,7 %         | 6,7-20 %           | 10 %               | 10-20 %              | 10-20 %                            | 20-33 %          |                |

| 2020                                                | From business combinations |               |                    |                    |                      |                                    |                  | Total          |
|-----------------------------------------------------|----------------------------|---------------|--------------------|--------------------|----------------------|------------------------------------|------------------|----------------|
|                                                     | Goodwill                   | Brand name    | Customer relations | Licenses/royalties | Proprietary software | Proprietary software <sup>1)</sup> | Generic software |                |
| Acquisition cost 1 January                          | 303.025                    | 10.483        | 89.683             | 4.478              | 39.885               | 50.392                             | 6.808            | <b>504.754</b> |
| Reclassification                                    | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Additions                                           | 0                          | 0             | 0                  | 0                  | 0                    | 4.729                              | 300              | <b>5.029</b>   |
| Additions/disposals re subsidiaries                 | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Translation differences                             | 1.365                      | 0             | 380                | 0                  | 0                    | -56                                | 0                | <b>1.689</b>   |
| Disposals                                           | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| <b>Acquisition cost 31 December</b>                 | <b>304.390</b>             | <b>10.483</b> | <b>90.063</b>      | <b>4.478</b>       | <b>39.885</b>        | <b>55.065</b>                      | <b>7.108</b>     | <b>511.472</b> |
| Accumulated amortization 1 January                  | 261.328                    | 7.921         | 80.283             | 4.478              | 39.885               | 43.842                             | 6.544            | <b>444.280</b> |
| Reclassification                                    | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| This year's amortization                            | 0                          | 699           | 2.363              | 0                  | 0                    | 2.513                              | 195              | <b>5.769</b>   |
| Additions/disposals re subsidiaries                 | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Disposals                                           | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| This year's impairment charges                      | 0                          | 0             | 0                  | 0                  | 0                    | 0                                  | 0                | <b>0</b>       |
| Accumulated amortization and impairment 31 December | 261.328                    | 8.620         | 82.645             | 4.478              | 39.885               | 46.355                             | 6.738            | <b>450.049</b> |
| <b>Book value per 31 December</b>                   | <b>43.062</b>              | <b>1.864</b>  | <b>7.418</b>       | <b>0</b>           | <b>0</b>             | <b>8.710</b>                       | <b>370</b>       | <b>61.423</b>  |
| Amortization time                                   | N/A                        | 15 years      | 5-15 years         | 10 years           | 5-10 years           | 5-10 years                         | 3-5 years        |                |
| Amortization rate                                   | N/A                        | 6,7 %         | 6,7-20 %           | 10 %               | 10-20 %              | 10-20 %                            | 20-33 %          |                |

<sup>1)</sup> Capitalized proprietary software includes development activities in the Group for several suits within the segments Well Control & Norwegian Operations and Asset Integrity.

All activities are classified as development activities and are capitalized as such. No research activities has been performed. In the event of development activities not being capitalized they will be expensed as operating expences.



## Add Energy Group

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(Amounts in NOK 1 000)

#### Note 15 - Intangible assets cont.

##### Testing for impairment losses

###### Goodwill

Goodwill from business combinations is monitored by the management at operating segment level. A summary of goodwill allocation for each operating segment is shown in the table below.

During testing of the specified intangible asset with indefinite future life, one compares the sum of book value of intangible fixed assets and tangible fixed assets to estimated recoverable amount of the current operating segment.

Testing is conducted at least annually.

| Goodwill per operating segment per year end | 2020          | 2019          |
|---------------------------------------------|---------------|---------------|
| Asset Integrity                             | 7.612         | 7.577         |
| APAC Operations                             | 20.861        | 19.531        |
| Well Control & Norwegian Operations         | 14.589        | 14.589        |
| <b>Total carrying amount of goodwill</b>    | <b>43.062</b> | <b>41.697</b> |

Calculated recoverable amount is based on a value in use model and the following assumptions are assumed:

1) Expected cash flows are based on a weighted scenario model for the period 2021-2023.

In the calculations a three scenario model is used, with the following assumptions:

- Scenario 1) Revised budget for the years 2021-2023 as approved by the Board of Directors (best case)
- Scenario 2) Revised budget reduced by a certain percentage per entity based on historical performance (medium case)
- Scenario 3) Revised budget substantially reduced by a certain percentage based on continued low market (worst case)

Each of the scenarios are weighted based on Management and Board of Directors best evaluation, taking into account historical performance of budget targets and current market conditions.

For the period 2024-2026 and for the terminal value the cash flow is based on a constant nominal growth rate equivalent to the expected annual inflation of 2.5%. The budget is based on input from the various segment managers based on historic results, current market and expectations to future revenue. Several of the segments are characterized by short term contracts, limited cash flow visibility and the historic revenues have fluctuated significantly, thus the scenarios are uncertain.

2) A pre-tax discount rate of 8.0-9.0 % and post-tax discount rate of 7.6-8.6 % is used. Similar rates for 2019 were 9.7-11.0 % and 8.8-10.3 % respectively. The substantial reduction in discount rate is mainly relating to reduced borrowing rate (following improved results and liquidity) and reduced risk free interest rate. The discount rates reflect current market assessments of the time value of money and the risks specific to the assets in the market where the group operates, and is estimated based on the WACC method (Weighted Average Cost of Capital) with the following assumptions:

| WACC parameters                         | 2020        | 2019        |
|-----------------------------------------|-------------|-------------|
| Risk free interest rate                 | 0.2-1.0 %   | 0.8-1.6 %   |
| Borrowing rate                          | 2.8-3.3 %   | 5.8-6.8 %   |
| Market premium                          | 5.0-6.0 %   | 5.0-6.0 %   |
| Liquidity premium                       | 5.0 %       | 5.0 %       |
| Beta                                    | 1.50        | 1.50        |
| Debt ratio                              | 50.0 %      | 50.0 %      |
| Tax rate                                | 19.0-30.0 % | 19.0-30.0 % |
| Growth rate to determine terminal value | 2.5 %       | 2.5 %       |

The assumptions represent assessments of historical and future trends within the industry and the Company's operational units and is based on both external and internal sources. The Company further assumes variable WACC's for all entities based on location.

The model used for testing of impairment losses is based on weighted scenarios as described above. The weighted scenario reflects the current market in the oil and gas industry and based on this no impairment charges have been identified for 2020. Neither during 2019 have any impairment charges been identified.



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#### Note 15 - Intangible assets cont.

For all segments the estimated recoverable amounts are higher than the total book values. However, for some segments as shown in the table below, the recoverable amount is close to the carrying amount. The estimated recoverable amounts are sensitive to changes in assumptions and actual performance versus assumed performance. In particular, the model is sensitive for changes in the forecasted EBITDA at the end of the forecast period and changes changes in WACC. Sensitivity analysis is carried out on a regular basis.

|                                     | Carrying amount goodwill | Carrying amount other assets | Total carrying amount | Recoverable amount | Headroom | Sensitivity 1 | Sensitivity 2 |
|-------------------------------------|--------------------------|------------------------------|-----------------------|--------------------|----------|---------------|---------------|
| <b>Goodwill at risk 2020</b>        |                          |                              |                       |                    |          |               |               |
| Well Management                     | 0                        | -24.108                      | -24.108               | 0                  | N/A      | N/A           | N/A           |
| APAC Operations                     | 20.861                   | 24.365                       | 45.226                | 105.206            | 59.980   | 16,1 %        | 87,7 %        |
| Well Control & Norwegian Operations | 14.589                   | 17.764                       | 32.353                | 49.301             | 16.949   | 81,5 %        | 8,8 %         |
| Asset Integrity                     | 7.612                    | 39.989                       | 47.601                | 86.810             | 39.209   | 23,8 %        | 37,6 %        |
|                                     |                          |                              |                       |                    |          |               |               |
|                                     | Carrying amount goodwill | Carrying amount other assets | Total carrying amount | Recoverable amount | Headroom | Sensitivity 1 | Sensitivity 2 |
| <b>Goodwill at risk 2019</b>        |                          |                              |                       |                    |          |               |               |
| Well Management                     | 0                        | -714                         | -714                  | 0                  | N/A      | N/A           | N/A           |
| APAC Operations                     | 19.531                   | 14.158                       | 33.689                | 83.191             | 49.502   | 30,9 %        | 29,1 %        |
| Well Control & Norwegian Operations | 14.589                   | 19.547                       | 34.136                | 57.039             | 22.903   | 30,1 %        | 30,9 %        |

Sensitivity 1: is reduced EBITDA in 2023 (in 2019: reduced EBITDA in 2022) that will result in an impairment of goodwill

Sensitivity 2: is percentage increased WACC that will result in an impairment of goodwill

Sensitivity analysis is based on a 2.5 % growth from 2024 onwards. The analysis shows that an isolated increase in the WACC of one percentage point would result in additional impairment charges for 2020 of NOK 1.6 million (NOK 0.0 million) in the segments, or in total NOK 1.6 million (NOK 0.0 million).

Furthermore, an isolated change in EBITDA in 2023 (2022) of 10 percentage points per segment would not result in an additional charge in the segments neither in 2020 nor in 2019.

It should however be added that there will always be uncertainty associated with the Company's assessment of future conditions.

#### Other intangible assets

Goodwill is tested for impairment at operating segment level while other intangible assets such as brand names, customer relationships, licenses and proprietary software are tested at Company level (cash generating unit - CGU). After the change of segments during 2019 operating level and CGU are identical.

Total value of recorded other intangible assets appears from the table below:

| Intangible asset per year end                           | 2020          | 2019          |
|---------------------------------------------------------|---------------|---------------|
| Brand name                                              | 1.864         | 2.563         |
| Customer relations                                      | 7.418         | 9.401         |
| Licenses                                                | 0             | 0             |
| Proprietary Software / Generic Software                 | 9.080         | 6.814         |
| <b>Total carrying amount of other intangible assets</b> | <b>18.362</b> | <b>18.778</b> |

Remaining required impairment charges from the testing of goodwill is distributed pro rata between the other intangible assets within the CGU.

The model used for testing of impairment losses is based on weighted scenarios as described above. The weighted scenario reflects the current market in the oil and gas industry and based on this no impairment charges have been identified, neither in 2020 nor in 2019.

The analysis shows that an isolated increase in the WACC of 1.0 percentage points does not cause a need for recognition of impairment charge. Furthermore, an isolated reduction in EBITDA in 2023 of 10 percentage points would not cause a need for recognition of impairment charges in the individual CGU's.



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 16 - Property, plant and equipment

| <b>2019</b>                          | Furniture,<br>fittings and<br>equipment | <b>Total</b>  |
|--------------------------------------|-----------------------------------------|---------------|
| Acquisition cost 1 January           | 18.343                                  | <b>18.343</b> |
| Reclassification                     | 0                                       | <b>0</b>      |
| Additions                            | 581                                     | <b>581</b>    |
| Additions / disposals subsidiaries   | 0                                       | <b>0</b>      |
| Translation differences              | 201                                     | <b>201</b>    |
| Disposals                            | 0                                       | <b>0</b>      |
| <b>Acquisition cost 31 December</b>  | <b>19.125</b>                           | <b>19.125</b> |
| Accumulated depreciation 1 January   | 13.909                                  | <b>13.909</b> |
| This year's depreciation             | 2.172                                   | <b>2.172</b>  |
| This year's write-downs              | 0                                       | <b>0</b>      |
| Additions / disposals subsidiaries   | 0                                       | <b>0</b>      |
| Depreciation on fixed assets sold    | 0                                       | <b>0</b>      |
| Accumulated depreciation 31 December | 16.082                                  | <b>16.082</b> |
| <b>Book value per 31 December</b>    | <b>3.044</b>                            | <b>3.044</b>  |
| Depreciation time                    | 3-5 years                               |               |
| Depreciation rate                    | 20-33%                                  |               |
| Capitalized leases                   | 0                                       |               |
| Amortization on capitalized leases   | 0                                       |               |
| <b>2020</b>                          | Furniture,<br>fittings and<br>equipment | <b>Total</b>  |
| Acquisition cost 1 January           | 19.125                                  | <b>19.125</b> |
| Reclassification                     | 0                                       | <b>0</b>      |
| Additions                            | 1.851                                   | <b>1.851</b>  |
| Additions / disposals subsidiaries   | 0                                       | <b>0</b>      |
| Translation differences              | 224                                     | <b>224</b>    |
| Disposals                            | -3.141                                  | <b>-3.141</b> |
| <b>Acquisition cost 31 December</b>  | <b>18.060</b>                           | <b>18.060</b> |
| Accumulated depreciation 1 January   | 16.082                                  | <b>16.082</b> |
| This year's depreciation             | 1.944                                   | <b>1.944</b>  |
| This year's write-downs              | 0                                       | <b>0</b>      |
| Additions / disposals subsidiaries   | -3.138                                  | <b>-3.138</b> |
| Depreciation on fixed assets sold    | 0                                       | <b>0</b>      |
| Accumulated depreciation 31 December | 14.888                                  | <b>14.888</b> |
| <b>Book value per 31 December</b>    | <b>3.172</b>                            | <b>3.172</b>  |
| Depreciation time                    | 3-5 years                               |               |
| Depreciation rate                    | 20-33%                                  |               |
| Capitalized leases                   | 0                                       |               |
| Amortization on capitalized leases   | 0                                       |               |



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 17 - Tax

##### Tax payable

| Taxes payable in the balance sheet is as follows: | 31.12.20     | 31.12.19   |
|---------------------------------------------------|--------------|------------|
| Tax payable on net income                         | 2.869        | 259        |
| Tax payable from prior years                      | -581         | 0          |
| Adjustment income tax from earlier years          | 894          | 711        |
| Translation differences                           | 2            | -16        |
| <b>Total tax payable</b>                          | <b>3.184</b> | <b>953</b> |

##### Tax charge

| This year's tax charge is as follows: | 2020         | 2019        |
|---------------------------------------|--------------|-------------|
| Tax payable on net income             | 2.869        | 259         |
| Withholding taxes                     | 4.341        | 0           |
| Foreign tax paid in the year          | 0            | 0           |
| Gross change in deferred tax          | 1.645        | -1.480      |
| Change in previous years              | -2.354       | 711         |
| Translation differences               | 85           | 150         |
| <b>This year's total tax charge</b>   | <b>6.585</b> | <b>-360</b> |

##### Relationship between tax expense and tax calculated as the average nominal tax rate on income before taxes:

|                                           | 2020         |                | 2019        |              |
|-------------------------------------------|--------------|----------------|-------------|--------------|
|                                           | NOK          | %              | NOK         | %            |
| 22% (2019:22%) of profit before tax       | -2.722       | 22,0 %         | -3.444      | 22,0 %       |
| Effect from other tax rates <sup>1)</sup> | -862         | 7,0 %          | -648        | 4,1 %        |
| Effect of permanent differences           | 4.526        | -36,6 %        | 1.837       | -11,7 %      |
| Withholdig tax                            | 4.341        | -35,1 %        | 0           | 0,0 %        |
| Change in non-previously recognized DTA   | 1.970        | -15,9 %        | 0           | 0,0 %        |
| Deferred tax not recognized               | 353          | -2,9 %         | 1.022       | -6,5 %       |
| Change in previous years                  | -2.117       | 17,1 %         | 811         | -5,2 %       |
| Other changes and translation differenses | 1.098        | -8,9 %         | 61          | -0,4 %       |
| <b>Tax charge in the income statement</b> | <b>6.585</b> | <b>-53,2 %</b> | <b>-360</b> | <b>2,3 %</b> |

<sup>1)</sup> Applicable tax rate differ for the various jurisdictions. In the significant jurisdictions the following tax rates are applied: Norway 22%, Scotland 19%, USA 21% and Australia 30%.

**Add Energy Group**  
**Consolidated financial statements for 2020***(Amounts in NOK 1 000)***Note 17 - Tax, cont.****Deferred tax**

Deferred tax is recognized net when the Group has a legally enforceable right to offset deferred tax assets against deferred tax liabilities and if the deferred tax and the deferred tax asset is to the same tax authority for the same taxable entity or different taxable entities where the purpose is to determine the balances on a net basis. The following amounts have been netted:

| <b>Tax reducing temporary differences</b>                     | <b>2020</b>    | <b>2019</b>    |
|---------------------------------------------------------------|----------------|----------------|
| Other tax reducing temporary differences                      | -2.868         | -1.516         |
| Unrealized foreign exchange                                   | -5.718         | -4.020         |
| Accounting provisions, non-deductible                         | -3.366         | -1.476         |
| Losses carried forward                                        | -39.350        | -41.723        |
| Leasing                                                       | -991           | 0              |
| <b>Total tax reducing temporary differences</b>               | <b>-52.294</b> | <b>-48.735</b> |
| <b>Tax increasing timing differences</b>                      |                |                |
| Fixed assets                                                  | 21.477         | 18.411         |
| Payables and provisions                                       | 9.247          | 0              |
| Prepayments                                                   | 305            | 0              |
| Pension premium reserve                                       | 34             | 16             |
| Accounting provisions, non-deductible                         | 0              | 0              |
| <b>Total tax increasing timing differences</b>                | <b>31.062</b>  | <b>18.427</b>  |
| Total temporary differences                                   | -21.232        | -30.308        |
| Loss carry forward not included in deferred tax asset         | 41.111         | 44.733         |
| <b>Basis for deferred tax / (deferred tax asset)</b>          | <b>19.879</b>  | <b>14.425</b>  |
| Deferred tax (deferred tax asset) on temporary differences    | 3.937          | 2.783          |
| Carry forward credit tax                                      | -579           | -1.249         |
| Carry forward credit tax not recognized                       | 579            | 1.249          |
| <b>Deferred tax (deferred tax asset) in the balance sheet</b> | <b>3.937</b>   | <b>2.783</b>   |
| <b>Change in deferred tax</b>                                 |                |                |
| Book value 31 December previous year                          | 2.783          | 3.415          |
| Recognized in the period, net                                 | 1.255          | -675           |
| Translation differences                                       | -101           | 43             |
| <b>Book value 31 December this year</b>                       | <b>3.937</b>   | <b>2.783</b>   |

Deferred tax assets relating to taxable losses carried forward are recognized to the extent it is probable that the Group can use this against future taxable profits.  
No part of loss carried forward has an expiry date.

Carry forward credit tax is originating from the following years and expires after five years. The Group does not expect to be able to utilize all credit forward taxes, and thereby removed from carry forward credit tax.

| Year of origin                        | <b>2020</b> | <b>2019</b>  |
|---------------------------------------|-------------|--------------|
| 2015                                  | N/A         | 670          |
| 2016                                  | 579         | 579          |
| <b>Total carry forward credit tax</b> | <b>579</b>  | <b>1.249</b> |



## Add Energy Group

### Consolidated financial statements for 2020

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#### Note 18 - Shareholder information

Share capital per 31 December 2020 consists of 626 322 265 shares at par value of NOK 0.10.

| The Company's largest shareholders as of 31.12.20 are: | A-shares         | B-shares           | Ownership      |
|--------------------------------------------------------|------------------|--------------------|----------------|
| Progressus AS                                          | 2.000.000        | 475.389.253        | 76,2 %         |
| TEBE Finans AS                                         |                  | 42.105.204         | 6,7 %          |
| OBR Invest AS                                          |                  | 14.784.802         | 2,4 %          |
| John Wayne Wright                                      |                  | 14.189.617         | 2,3 %          |
| Dermot O'Keeffe                                        |                  | 7.735.986          | 1,2 %          |
| Andrè DiBiagio                                         |                  | 6.435.161          | 1,0 %          |
| MHE Invest AS                                          |                  | 5.761.552          | 0,9 %          |
| Manuel Enrique PanDavila Herrera and Karina Capriles   |                  | 4.716.826          | 0,8 %          |
| Peter James William Adam                               |                  | 3.735.672          | 0,6 %          |
| Craig Ian Burton                                       |                  | 3.320.659          | 0,5 %          |
| Terje Malmo                                            |                  | 2.819.060          | 0,5 %          |
| Eva Karin Tveitaskog                                   |                  | 2.792.098          | 0,4 %          |
| Dahle Holding AS                                       |                  | 2.783.776          | 0,4 %          |
| Girdy Pty Ltd / Ember Superannuation Fund              |                  | 2.757.912          | 0,4 %          |
| Chase Invest AS                                        |                  | 2.490.278          | 0,4 %          |
| Solsta Eiendom AS                                      |                  | 2.312.550          | 0,4 %          |
| Novatech AS                                            |                  | 2.275.902          | 0,4 %          |
| Einar Kristiansen                                      |                  | 2.188.831          | 0,3 %          |
| Hedenstad Invest AS                                    |                  | 2.064.590          | 0,3 %          |
| Martin Hegreberg                                       |                  | 1.887.889          | 0,3 %          |
| Other shareholders                                     |                  | 21.774.647         | 3,5 %          |
| <b>Total</b>                                           | <b>2.000.000</b> | <b>624.322.265</b> | <b>100,0 %</b> |

| Development in the number of shares | Date            | A-shares         | B-shares           |
|-------------------------------------|-----------------|------------------|--------------------|
| Opening balance                     | 01.01.19        | 2.000.000        | 360.784.940        |
| Capital increase                    | 16.05.19        |                  | 263.537.325        |
| Closing balance                     | 31.12.19        | 2.000.000        | 624.322.265        |
| Opening balance                     | 01.01.20        | 2.000.000        | 624.322.265        |
| <b>Closing balance</b>              | <b>31.12.20</b> | <b>2.000.000</b> | <b>624.322.265</b> |

All shares are fully paid.

The General Meeting on 26 June 2020 granted the Board of Directors an authority to carry out a capital increase. The Board's authority constitutes a right to issue 313,161,132 shares as per 31 December 2020. Remaining issuing authorization is a total of 313,161,132 shares.

Furthermore, the General Meeting on 27 September 2019 granted the Board of Directors an authority to re-purchase own shares. A total of 62,632,226 shares can be repurchased. Remaining re-purchase authorization per 31 December 2020 is a total of 62,632,226 shares.

Both classes of shares in the Company have equal voting and dividend rights. A-shares are entitled to a liquidation preference limited to NOK 20.0 million before the distribution and / or settlement may take place to holders of B-shares. The provision for liquidation preference applies in all situations where the Company's shares are sold or where the business is transferred or terminated. By share issues the A-shares have the right to subscribe for new shares equivalent to 60% of the issue amount.



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#### Note 19 - Leases

Leases primarily consist of office equipment and car leases

During January 2020 Add Energy LLC renewed their office lease contract at 19500 Texas State Highway 249 with a new expiry date of August 2025. This contract has an option to cancel in September 2023 subject to a variable cancellation fee. Based on reduced requirements for office space, the business unit has sub-leased the entire office space to another client and vacated the offices in December 2020. This sub-lease expires 28 February 2023. Following this the business unit has entered into a new sub-lease agreement with another vendor, located at 16290 Katy Freeway with expiry date 28 February 2023.

During February 2021 Add Wellflow renegotiated the current office-lease for Strandveien 33 and agreed with the Landlord to relocate to another building also controlled by the Landlord. The relocation happened during March 2021 and new offices are located at Strandveien 15, Lysaker, Oslo.

#### Office lease characteristics

| Place                                  | Country   | Expiry date    |
|----------------------------------------|-----------|----------------|
| Nordbøgt. 4, Stavanger                 | Norway    | December 2022  |
| Strandveien 33, Lysaker, Oslo          | Norway    | June 2021      |
| 19500 Texas State Highway 249, Houston | USA       | August 2025    |
| 16290 Katy Freeway, Houston            | USA       | February 2023  |
| 1 Albyn Place, Aberdeen                | Scotland  | February 2025  |
| 1008 Hay Street, Perth                 | Australia | September 2021 |

All agreements contain an option for an extension of the lease.

Refer to note 2.9 above for further information relating to leases.

| The movement in the right-of-use assets in | Offices       | Car/Furniture | Total         |
|--------------------------------------------|---------------|---------------|---------------|
| Acquisition cost 1 January                 | 11.331        | 129           | 11.460        |
| Additions                                  | 16.333        | 988           | 17.321        |
| Disposals                                  | 0             | 0             | 0             |
| Index- and similar adjustments             | 0             | 0             | 0             |
| Translation differences                    | 1.294         | 3             | 1.297         |
| <b>Acquisition cost 31 December</b>        | <b>28.957</b> | <b>1.120</b>  | <b>30.077</b> |
| Accumulated depreciation 1 January         | -4.361        | -52           | -4.413        |
| This year's depreciation                   | -5.837        | -343          | -6.180        |
| Disposals                                  | 0             | 0             | 0             |
| Translation differences                    | 0             | 0             | 0             |
| Accumulated depreciation 31 December       | -10.198       | -395          | -10.593       |
| <b>Book value per 31 December</b>          | <b>18.759</b> | <b>725</b>    | <b>19.484</b> |
| Depreciation method                        | Linear        | Linear        |               |
| Depreciation time                          | 17-60 months  | 24 months     |               |

For all right-of-use assets the depreciation time is equal to the lease period which is used for the recognition of the lease commitment.



## Add Energy Group

### Consolidated financial statements for 2020

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#### Note 19 - Leases, cont.

| <b>Lease liability</b>                         | <b>2020</b>   | <b>2019</b>  |
|------------------------------------------------|---------------|--------------|
| Lease liability per 1 January                  | 8.359         | 0            |
| Implementation effect by transition to IFRS 16 | 0             | 7.767        |
| New lease agreements                           | 17.222        | 4.481        |
| Lease payments                                 | -6.056        | -4.481       |
| Interest cost on lease commitments             | 1.367         | 717          |
| Index- and similar adjustments                 | 0             | -143         |
| Translation differences                        | 1.346         | 19           |
| <b>Lease liability per 31 December</b>         | <b>22.236</b> | <b>8.359</b> |
| Current lease liability                        | 6.169         | 3.368        |
| Non-current lease liability                    | 16.068        | 4.991        |
| <b>Total lease liability</b>                   | <b>22.236</b> | <b>8.359</b> |

#### Operating lease commitments

The future aggregate minimum lease payments under non-cancellable short term and low value operating leases are as follows:

| <b>Lease commitments</b>       | <b>0</b>   | <b>0</b>   |
|--------------------------------|------------|------------|
| Less than one year             | 144        | 167        |
| Between one and five years     | 17         | 128        |
| More than five years           | 0          | 0          |
| <b>Total lease commitments</b> | <b>161</b> | <b>295</b> |

#### Operating leases recognized during the year

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Recognized lease for office space | 2.670        | 1.690        |
| Other operating leases            | 743          | 400          |
| <b>Total operating leases</b>     | <b>3.413</b> | <b>2.090</b> |



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments

##### Credit risk

The carrying value of financial assets represents the maximum credit exposure.

| Maximum exposure to credit risk on the balance sheet date | 2020          | 2019           |
|-----------------------------------------------------------|---------------|----------------|
| Accounts receivables                                      | 50.966        | 89.812         |
| Accrued, not invoiced income                              | 10.461        | 8.057          |
| Other receivables                                         | 2.335         | 6.056          |
| <b>Total current receivables</b>                          | <b>63.761</b> | <b>103.925</b> |
| Cash and cash equivalents                                 | 1.459         | 280            |
| <b>Total</b>                                              | <b>65.220</b> | <b>104.205</b> |

| Aging of overdue receivables  | Total  | 0-30 days | 31-60 | 61-90 | >91 days |
|-------------------------------|--------|-----------|-------|-------|----------|
| Overdue, not paid by 31.12.19 | 35.485 | 23.181    | 7.768 | 2.746 | 1.790    |
| Overdue, not paid by 31.12.20 | 15.811 | 10.502    | 2.574 | 711   | 2.023    |

The majority of the Group's clients are Blue Chip companies and the credit risk linked to accounts receivables is assessed to be modest. The level of write-downs has historically been low except for a major write down in 2018 and 2020. The majority of overdue receivables in the >91 days band for 2020 is related to a project for Sirius Petroleum. During July 2019 an agreement for settlement of the overdue items was entered into and following this the client made three payments during the second half of 2019 and early 2020 amounting to NOK 18,250.4 thousand (USD 2,062.3 thousand). The remaining receivable of USD 1,627.9 thousand was due for payment in 5 equal installments until April 2021. Due to the ongoing COVID-19 and challenges with own financing the client has failed to make payments since April 2020 and the Group has decided to write off the remaining receivable amount in full. See note 7 for further details.

##### Maximum exposure to credit risk associated with loans and receivables on the balance sheet date

| Divided by geographic region | Cash and bank deposits |            | Current receivables |                |
|------------------------------|------------------------|------------|---------------------|----------------|
|                              | 2020                   | 2019       | 2020                | 2019           |
| Norway                       | -24.147                | -48.222    | 1.686               | 4.786          |
| Rest of Europe               | 15.890                 | 17.607     | 4.019               | 19.576         |
| America                      | -31.789                | -24.722    | 33.534              | 48.104         |
| Australasia                  | 40.647                 | 55.586     | 15.307              | 21.883         |
| Middle-East / Africa         | 858                    | 32         | 9.215               | 9.577          |
| <b>Total</b>                 | <b>1.459</b>           | <b>280</b> | <b>63.761</b>       | <b>103.925</b> |

| Divided by business area              | Cash and bank deposits |            | Current receivables |                |
|---------------------------------------|------------------------|------------|---------------------|----------------|
|                                       | 2020                   | 2019       | 2020                | 2019           |
| Asset Integrity                       | 13.669                 | 16.981     | 30.653              | 54.011         |
| APAC Operations                       | 31.189                 | 46.813     | 14.822              | 19.124         |
| Well Control and Norwegian Operations | 8.846                  | 14.281     | 17.941              | 15.953         |
| Well Management                       | -24.071                | -17.673    | 0                   | 12.027         |
| Parent / Eliminations                 | -28.173                | -60.122    | 345                 | 2.810          |
| <b>Total</b>                          | <b>1.459</b>           | <b>280</b> | <b>63.761</b>       | <b>103.925</b> |



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments cont.

##### Liquidity Risk

##### Maturity in accordance with the contract for financial liabilities

| 2020                      | Book value    | Cash flow     | < 6 months    | 6-12 months  | 1-2 years     | 3-5 years    | More than 5 years |
|---------------------------|---------------|---------------|---------------|--------------|---------------|--------------|-------------------|
| Borrowings <sup>1)</sup>  | 0             | 0             | 0             | 0            | 0             | 0            | 0                 |
| Other long-term debt      | 2.242         | 2.242         | 0             | 0            | 0             | 0            | 2.242             |
| Bank overdraft            | 19.751        | 19.751        | 19.751        | 0            | 0             | 0            | 0                 |
| Current borrowings        | 10.040        | 10.450        | 5.000         | 5.000        | 450           | 0            | 0                 |
| Accounts payable          | 17.376        | 17.376        | 17.376        | 0            | 0             | 0            | 0                 |
| Public duties payable     | 4.081         | 4.081         | 4.081         | 0            | 0             | 0            | 0                 |
| Other current liabilities | 11.283        | 11.283        | 11.283        | 0            | 0             | 0            | 0                 |
| Interest on borrowings    | 0             | 266           | 170           | 89           | 7             | 0            | 0                 |
| Leasing                   | 0             | 24.470        | 3.958         | 3.243        | 11.002        | 6.267        | 0                 |
| <b>Total</b>              | <b>64.773</b> | <b>89.918</b> | <b>61.619</b> | <b>8.332</b> | <b>11.459</b> | <b>6.267</b> | <b>2.242</b>      |

<sup>1)</sup> Part of borrowings that are due in more than one year.

| 2019                             | Book value    | Cash flow      | < 6 months    | 6-12 months   | 1-2 years    | 3-5 years | More than 5 years |
|----------------------------------|---------------|----------------|---------------|---------------|--------------|-----------|-------------------|
| Borrowings <sup>1)</sup>         | 0             | 0              | 0             | 0             | 0            | 0         | 0                 |
| Other long-term debt             | 2.134         | 2.134          | 0             | 0             | 0            | 0         | 2.134             |
| Bank overdraft                   | 30.439        | 30.439         | 30.439        | 0             | 0            | 0         | 0                 |
| Current borrowings <sup>2)</sup> | 18.712        | 19.350         | 5.000         | 14.350        | 0            | 0         | 0                 |
| Accounts payable                 | 27.817        | 27.817         | 27.817        | 0             | 0            | 0         | 0                 |
| Public duties payable            | 4.715         | 4.715          | 4.715         | 0             | 0            | 0         | 0                 |
| Other current liabilities        | 11.594        | 11.594         | 11.594        | 0             | 0            | 0         | 0                 |
| Interest on borrowings           | 0             | 1.621          | 662           | 491           | 469          | 0         | 0                 |
| Leasing                          | 0             | 5.386          | 2.654         | 1.112         | 1.604        | 16        | 0                 |
| <b>Total</b>                     | <b>95.410</b> | <b>103.055</b> | <b>82.880</b> | <b>15.952</b> | <b>2.073</b> | <b>16</b> | <b>2.134</b>      |

<sup>1)</sup> Part of borrowings that are due in more than one year.

The Group has a term loan and multi currency overdraft facility including a global cash pool.

The overdraft facility requires no renewal, but is cancelled in full 1 May 2022.

The Group has an option to cancel on 364 days notice. Limit on the overdraft facility is NOK 40 million on the reporting date (2019: NOK 40 million).

##### Currency risk

| Exposure to currency risk at year end | Bank deposits |               | Accounts receivable |               |
|---------------------------------------|---------------|---------------|---------------------|---------------|
|                                       | 2020          | 2019          | 2020                | 2019          |
| AUD                                   | -343          | 769           | 0                   | 0             |
| CAD                                   | -1.509        | 0             | 67                  | 0             |
| EUR                                   | 0             | 0             | 503                 | 0             |
| GBP                                   | 280           | 247           | -34                 | 0             |
| SGD                                   | 0             | -115          | 0                   | 0             |
| USD                                   | -7.871        | -4.049        | 23.610              | 41.405        |
| <b>Total</b>                          | <b>-9.443</b> | <b>-3.148</b> | <b>24.146</b>       | <b>41.405</b> |

##### Currency exchange rates at year end

|     | 2020    | 2019    |
|-----|---------|---------|
| AUD | 6,5868  | 6,1668  |
| CAD | 6,6976  | 6,7570  |
| EUR | 10,4703 | 9,8638  |
| GBP | 11,6462 | 11,5936 |
| SGD | 6,4560  | 6,5276  |
| USD | 8,5326  | 8,7803  |

The Group has revenues and expenses in several currencies which are treated as described in note 2.

If the average rates of exchange against NOK had been 10% higher during 2020 the EBITDA for the Group would have been NOK 1.9 million higher (2019 : NOK 2.4 million higher).



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments cont.

##### Interest rate risk

The Group has not entered into fixed interest rate agreements or interest rate swaps. All interest bearing debt have terms with a variable interest rate (NIBOR + margin). The Company has no financial instruments that are directly affected by interest rates. If NIBOR had been 100 basis points higher than the rate paid through 2020, net income and equity would have been negatively affected by NOK 0.1 million (2019 : NOK 0.1 million).

##### Fair value and book value

| Value of financial assets and liabilities | 2020          |               | 2019          |               |
|-------------------------------------------|---------------|---------------|---------------|---------------|
|                                           | Book value    | Fair value    | Book value    | Fair value    |
| Accounts receivable                       | 50.966        | 50.966        | 89.812        | 89.812        |
| Other receivables                         | 17.090        | 17.090        | 16.789        | 16.789        |
| Market-based financial instruments        | 0             | 0             | 0             | 0             |
| Bank deposits                             | 1.459         | 1.459         | 280           | 280           |
| Total financial assets                    | 69.515        | 69.515        | 106.882       | 106.882       |
| Borrowings                                | 0             | 0             | 0             | 0             |
| Other long-term debt                      | -2.242        | -2.242        | -2.134        | -2.134        |
| Current borrowings                        | -18.712       | -19.350       | -18.712       | -19.350       |
| Bank overdraft                            | -19.751       | -19.751       | -30.439       | -30.439       |
| Accounts payable                          | -17.376       | -17.376       | -27.817       | -27.817       |
| Other current liabilities                 | -15.364       | -15.364       | -16.308       | -16.308       |
| Total financial liabilities               | -73.445       | -74.083       | -95.410       | -96.048       |
| Net value                                 | <b>-3.930</b> | <b>-4.568</b> | <b>11.472</b> | <b>10.834</b> |

The assessment of fair value of market-based financial instruments is based on prices set in an active market. Assessment of the fair value of other assets and liabilities is based on factors that are not derived from observable markets.

##### Assessment of fair value

Value of financial instruments measured at fair value through profit and loss

The assessment is distributed in the following categories:

Level 1 - Market price

Level 2 - Valuation based on other observable factors in level 1

Level 3 - Valuation based on factors that are not derived from observable markets

|                                         | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------------|---------|---------|---------|-------|
| Market-based financial instruments 2019 | 0       | 0       | 0       | 0     |
| Market-based financial instruments 2020 | 0       | 0       | 0       | 0     |

##### Reconciliation of liabilities arising from financing activities

|                             | Balance<br>31.12.19 | Cash flows | FX move-<br>ments | Capitalized<br>borrowing<br>costs | Balance<br>31.12.20 |
|-----------------------------|---------------------|------------|-------------------|-----------------------------------|---------------------|
| Non-current borrowings      | 0                   | 0          |                   | 0                                 | 0                   |
| Current borrowings          | 18.712              | -8.900     |                   | 228                               | 10.040              |
| Overdraft facility          | 24.249              | -9.173     |                   |                                   | 15.076              |
| Specific overdraft facility | 6.191               | -1.341     | -175              |                                   | 4.675               |
| Total                       | 49.151              | -19.414    | -175              | 228                               | 29.790              |



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments cont.

##### Classification of financial instruments

The carrying value of financial instruments is classified according to the following categories:

- 1) Financial assets at fair value through profit and loss
- 2) Financial Assets measured at amortized cost
- 3) Financial liabilities measured at amortized cost

| 2020                               | Category |        |         | Total   |
|------------------------------------|----------|--------|---------|---------|
|                                    | 1)       | 2)     | 3)      |         |
| Other non-current assets           |          |        |         | 0       |
| Accounts receivable                |          | 50.966 |         | 50.966  |
| Other receivables                  |          | 17.090 |         | 17.090  |
| Market-based financial instruments | 0        |        |         | 0       |
| Total financial assets             | 0        | 68.056 | 0       | 68.056  |
| Borrowings                         |          |        | 0       | 0       |
| Other long-term debt               |          |        | -2.242  | -2.242  |
| Current borrowings                 |          |        | -18.712 | -18.712 |
| Bank overdraft                     |          |        | -19.751 | -19.751 |
| Accounts payable                   |          |        | -17.376 | -17.376 |
| Other current liabilities          |          |        | -15.364 | -15.364 |
| Total financial liabilities        | 0        | 0      | -73.445 | -73.445 |
| Net value                          | 0        | 68.056 | -73.445 | -5.389  |

| 2019                               | Category |         |         | Total   |
|------------------------------------|----------|---------|---------|---------|
|                                    | 1)       | 2)      | 3)      |         |
| Other non-current assets           |          |         |         | 0       |
| Accounts receivable                |          | 89.812  |         | 89.812  |
| Other receivables                  |          | 16.789  |         | 16.789  |
| Market-based financial instruments | 0        |         |         | 0       |
| Total financial assets             | 0        | 106.601 | 0       | 106.601 |
| Borrowings                         |          |         | 0       | 0       |
| Other long-term debt               |          |         | -2.134  | -2.134  |
| Current borrowings                 |          |         | -18.712 | -18.712 |
| Bank overdraft                     |          |         | -30.439 | -30.439 |
| Accounts payable                   |          |         | -27.817 | -27.817 |
| Other current liabilities          |          |         | -16.308 | -16.308 |
| Total financial liabilities        | 0        | 0       | -95.410 | -95.410 |
| Net value                          | 0        | 106.601 | -95.410 | 11.191  |



## Add Energy Group

### Consolidated financial statements for 2020

(Amounts in NOK 1 000)

#### Note 21 - Related parties

The Group's largest shareholder is Progressus AS with 76.2 % of the voting shares. The Chairman also represents Progressus AS. As Progressus is a Private Equity Fund, no consolidated accounts where add energy group is included is prepared for Progressus AS

There are no unsettled balances between the abovementioned parties per 31 December 2020.

Transactions with associates

| Sales and purchases of goods and services | Sales        |              | Purchases |          |
|-------------------------------------------|--------------|--------------|-----------|----------|
|                                           | 2020         | 2019         | 2020      | 2019     |
| TSP                                       | 3.349        | 2.608        | 0         | 0        |
| <b>Total</b>                              | <b>3.349</b> | <b>2.608</b> | <b>0</b>  | <b>0</b> |

| Outstanding current balances | Receivables |            | Payables |          |
|------------------------------|-------------|------------|----------|----------|
|                              | 2020        | 2019       | 2020     | 2019     |
| TSP                          | 512         | 369        | 0        | 0        |
| <b>Total</b>                 | <b>512</b>  | <b>369</b> | <b>0</b> | <b>0</b> |

Transactions with associates are based on the "arms length" principle.

#### Note 22 - Subsequent Events

The financial statements were approved by the Board 2 December 2021, and presented for the General Meeting 9 December 2021.

The COVID-19 pandemic has impacted the Add Energy business in 2020 and continue to do so also in 2021. It is expected that the global market will improve during 2021 as the vaccination program is enrolled globally and the global market resumes normality. This indicates that uncertainties remain and that it is currently not reasonably possible to estimate exactly the future impact for the Group. Although, Add Energy has experienced a good sustainability of the business through the stressed market due to pandemic and oil price suppression.

Reduced performance from several business units during 2021 has caused the liquidity position to deteriorate towards the end of 2021. The Board has prepared cash flow forecasts for the period up to December 2022 and these projections indicate that the Group would not have sufficient cash to meet all its obligations as they fall due in the going concern period. This includes fully repaying all loans and creditors that are due for settlement at the present time. All loans and creditors are due for payment within one year. The Board is currently investigating mitigating actions where a.o. payment of the major outstanding from Sirius or a cash influx during the first quarter of 2022 could be a requirement. The Board therefore believe that the Group will have sufficient cash resources to meet its obligations as they fall due for a period of at least 12 months from the date that the financial statements are signed but acknowledge that there is a material uncertainty relating to these alternatives which again may cast significant doubt about the Group's ability to continue as a going concern. The financial statements have however been prepared based on a going concern basis.

Reduced performance has also caused the Group to be in breach of several Bank covenants. The Group has applied for and received waiver for all these breaches throughout the year.

The Board has no knowledge of events subsequent to the balance sheet day and not indicated above that may substantially affect the financial statements at 31 December 2020.



**add energy**

**Add Energy Group AS**

**Financial statements**

**2020**

**Add Energy Group AS****Financial Statements for 2020****Statement of comprehensive income***(Amounts in NOK 1 000)*

|                                                                      | Note      | 2020          | 2019    |
|----------------------------------------------------------------------|-----------|---------------|---------|
| <b>Revenues</b>                                                      | 20        | <b>5.843</b>  | 6.556   |
| Cost of subcontractors                                               | 20        | <b>1.196</b>  | 907     |
| Salaries                                                             | 7, 13     | <b>8.028</b>  | 9.639   |
| Other operating expenses                                             | 7, 11, 18 | <b>3.562</b>  | 6.788   |
| Depreciation                                                         | 14, 18    | <b>265</b>    | 227     |
| Amortization of intangible assets                                    | 15        | <b>0</b>      | 71      |
| <b>Operating profit</b>                                              |           | <b>-7.208</b> | -11.077 |
| Finance income                                                       | 11        | <b>7.559</b>  | 10.750  |
| Finance costs                                                        | 11, 18    | <b>-5.368</b> | -7.681  |
| <b>Finance costs - net</b>                                           |           | <b>2.191</b>  | 3.069   |
| Income from investments in subsidiaries                              | 5, 9      | <b>53.504</b> | -115    |
| <b>Profit before income tax</b>                                      |           | <b>48.488</b> | -8.122  |
| Income tax (-expense)                                                | 16        | <b>-1.636</b> | 0       |
| <b>Profit for the year</b>                                           |           | <b>46.852</b> | -8.122  |
| <b>Other comprehensive income</b>                                    |           |               |         |
| <b>Items that may be subsequently reclassified to profit or loss</b> |           |               |         |
| Translation differences                                              |           | <b>0</b>      | 0       |
| <b>Total other comprehensive income</b>                              |           | <b>0</b>      | 0       |
| <b>Total comprehensive income for the year</b>                       |           | <b>46.852</b> | -8.122  |
| <b>Profit for the year attributable to:</b>                          |           |               |         |
| The shareholders                                                     |           | <b>46.852</b> | -8.122  |
| <b>Total comprehensive income attributable to:</b>                   |           |               |         |
| The shareholders                                                     |           | <b>46.852</b> | -8.122  |
| <b>Distribution of total comprehensive income</b>                    |           |               |         |
| Other equity                                                         |           | <b>0</b>      | 0       |
| Share premium                                                        |           | <b>46.852</b> | -8.122  |
| <b>Total</b>                                                         |           | <b>46.852</b> | -8.122  |

Note 1 to 21 is an integral part of these financial statements.



**Add Energy Group AS**  
**Financial Statements for 2020**

**Balance sheet**

(Amounts in NOK 1 000)

|                                 | Note      | 2020           | 2019    |
|---------------------------------|-----------|----------------|---------|
| <b>ASSETS</b>                   |           |                |         |
| <b>Non-current assets</b>       |           |                |         |
| Intangible assets               | 15        | 0              | 0       |
| Deferred tax assets             | 16        | 0              | 0       |
| Property, plant and equipment   | 14        | 112            | 104     |
| Right-of-use assets             | 18        | 445            | 668     |
| Investments in subsidiaries     | 5, 9      | 65.411         | 65.411  |
| Loans to group companies        | 6, 10, 19 | 142.138        | 136.941 |
| <b>Total non-current assets</b> |           | <b>208.106</b> | 203.124 |
| <b>Current assets</b>           |           |                |         |
| Accounts receivable             | 6, 10, 19 | 294            | 3       |
| Other current assets            | 6, 19     | 843            | 2.460   |
| Cash and cash equivalents       | 8, 19     | 1              | 1       |
| <b>Total current assets</b>     |           | <b>1.138</b>   | 2.464   |
| <b>TOTAL ASSETS</b>             |           | <b>209.244</b> | 205.588 |

Note 1 to 21 is an integral part of these financial statements.



## Add Energy Group AS

### Financial Statements for 2020

#### Balance sheet

(Amounts in NOK 1 000)

|                                      | Note           | 2020           | 2019    |
|--------------------------------------|----------------|----------------|---------|
| <b>EQUITY AND LIABILITIES</b>        |                |                |         |
| <b>Equity</b>                        |                |                |         |
| Share capital                        | 17             | <b>62.632</b>  | 62.632  |
| Share premium                        |                | <b>35.895</b>  | 35.895  |
| Other equity                         |                | <b>46.852</b>  | 0       |
| <b>Total equity</b>                  |                | <b>145.379</b> | 98.527  |
| <b>Non-current liabilities</b>       |                |                |         |
| Lease liabilities                    | 18             | <b>244</b>     | 472     |
| <b>Total non-current liabilities</b> |                | <b>244</b>     | 472     |
| <b>Current liabilities</b>           |                |                |         |
| Bank overdraft                       | 8, 19          | <b>15.076</b>  | 24.249  |
| Lease liabilities                    | 18             | <b>228</b>     | 214     |
| Borrowings                           | 9, 19          | <b>10.040</b>  | 18.712  |
| Accounts payable                     | 19             | <b>150</b>     | 983     |
| Tax payable                          | 16, 19         | <b>0</b>       | 0       |
| Public duties payable                | 19             | <b>758</b>     | 566     |
| Other current liabilities            | 10, 12, 19, 20 | <b>37.369</b>  | 61.864  |
| <b>Total current liabilities</b>     |                | <b>63.622</b>  | 106.589 |
| <b>Total liabilities</b>             |                | <b>63.865</b>  | 107.061 |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |                | <b>209.244</b> | 205.588 |

Note 1 to 21 is an integral part of these financial statements.

Stavanger, 8 December 2021

\_\_\_\_\_  
Per Arne Jensen  
Chairman of the Board

\_\_\_\_\_  
Stig Hetlevik  
Board Member

\_\_\_\_\_  
Svein Ilebekk  
Board Member

\_\_\_\_\_  
Rune Jensen  
Board Member

\_\_\_\_\_  
Ole B. Rygg  
CEO



## Add Energy Group AS Financial Statements for 2020

### Changes in equity

(Amounts in NOK 1 000)

#### 2019

| Note                                    | Share capital | Share premium | Other paid in equity | Other equity | Total Equity  |
|-----------------------------------------|---------------|---------------|----------------------|--------------|---------------|
| <b>Equity 1.1.</b>                      | <b>36.278</b> | <b>44.060</b> | <b>0</b>             | <b>0</b>     | <b>80.339</b> |
| Profit for the year                     |               | -8.122        |                      | 0            | -8.122        |
| Reclassification                        |               |               |                      |              | 0             |
| <b>Other comprehensive income</b>       |               |               |                      |              | <b>0</b>      |
| Translation differences                 |               |               |                      |              | 0             |
| <b>Total other comprehensive income</b> | <b>0</b>      | <b>0</b>      | <b>0</b>             | <b>0</b>     | <b>0</b>      |
| <b>Total comprehensive income</b>       | <b>0</b>      | <b>-8.122</b> | <b>0</b>             | <b>0</b>     | <b>-8.122</b> |
| <b>Transactions with owners</b>         |               |               |                      |              |               |
| Share capital increase                  | 26.354        | -43           |                      |              | 26.310        |
| Purchase of own shares <sup>1)</sup>    |               |               |                      |              | 0             |
| <b>Total transactions with owners</b>   | <b>26.354</b> | <b>-43</b>    | <b>0</b>             | <b>0</b>     | <b>26.310</b> |
| <b>Equity 31.12.</b>                    | <b>62.632</b> | <b>35.895</b> | <b>0</b>             | <b>0</b>     | <b>98.527</b> |

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2019 the Company owns 59,347 own shares.

#### 2020

| Note                                    | Share capital | Share premium | Other paid in equity | Other equity  | Total Equity   |
|-----------------------------------------|---------------|---------------|----------------------|---------------|----------------|
| <b>Equity 1.1.</b>                      | <b>62.632</b> | <b>35.895</b> | <b>0</b>             | <b>0</b>      | <b>98.527</b>  |
| Profit for the year                     |               |               |                      | 46.852        | 46.852         |
| Reclassification                        |               |               |                      |               | 0              |
| <b>Other comprehensive income</b>       |               |               |                      |               | <b>0</b>       |
| Translation differences                 |               |               |                      | 0             | 0              |
| <b>Total other comprehensive income</b> | <b>0</b>      | <b>0</b>      | <b>0</b>             | <b>0</b>      | <b>0</b>       |
| <b>Total comprehensive income</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>             | <b>46.852</b> | <b>46.852</b>  |
| <b>Transactions with owners</b>         |               |               |                      |               |                |
| Share capital increase                  |               |               |                      |               | 0              |
| Purchase of own shares <sup>1)</sup>    |               |               |                      |               | 0              |
| <b>Total transactions with owners</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>             | <b>0</b>      | <b>0</b>       |
| <b>Equity 31.12.</b>                    | <b>62.632</b> | <b>35.895</b> | <b>0</b>             | <b>46.852</b> | <b>145.379</b> |

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2020 the Company owns 59,347 own shares.

The entire equity is controlled by the shareholders of the parent company.

Note 1 to 21 is an integral part of these financial statements.

**Add Energy Group AS****Financial Statements for 2020****Cash flow statement***(Amounts in NOK 1 000)*

|                                                 | Note   | 2020           | 2019    |
|-------------------------------------------------|--------|----------------|---------|
| <b>Cash flow from operating activities</b>      |        |                |         |
| Profit before income tax                        |        | <b>48.488</b>  | -8.122  |
| <i>Adjustments</i>                              |        |                |         |
| Depreciation                                    | 14     | <b>265</b>     | 227     |
| Amortisation                                    | 15     | <b>0</b>       | 71      |
| Gain on sale of subsidiaries                    | 5      | <b>0</b>       | 3.516   |
| Income taxes paid                               | 16     | <b>-1.636</b>  | 0       |
| Interest income and expenses                    | 11     | <b>-3.018</b>  | -4.811  |
| Recognized group contributions / dividend       | 5      | <b>-53.504</b> | -3.401  |
| <i>Change in working capital</i>                |        |                |         |
| Change in accounts receivable                   | 6      | <b>-291</b>    | 1.509   |
| Change in accounts payable                      | 19     | <b>-833</b>    | 164     |
| Change in other accruals                        |        | <b>-32.073</b> | -40.393 |
| <b>Net cash flow from operating activities</b>  |        | <b>-42.603</b> | -51.240 |
| <b>Cash flow from investing activities</b>      |        |                |         |
| Purchase of fixed assets and intangible assets  | 14,15  | <b>-50</b>     | 0       |
| Proceeds from sale of subsidiaries              | 5      | <b>0</b>       | 10.250  |
| Change in long term receivables group companies | 10     | <b>-5.197</b>  | -6.845  |
| Received interest income                        | 11     | <b>5.161</b>   | 6.963   |
| Received group contribution / dividend          | 5      | <b>53.504</b>  | 3.401   |
| <b>Net cash flow from investing activities</b>  |        | <b>53.417</b>  | 13.770  |
| <b>Cash flow from financing activities</b>      |        |                |         |
| Admission of new long-term debt                 | 9      | <b>0</b>       | 25.000  |
| Change of long term debt intercompany           |        | <b>0</b>       | 0       |
| Finance cost                                    |        | <b>0</b>       | 0       |
| Interest paid                                   | 11     | <b>-1.915</b>  | -2.790  |
| Down-payment on long-term debt                  | 9, 19  | <b>-8.900</b>  | -11.050 |
| <i>Equity</i>                                   |        |                |         |
| Paid in new equity                              | 17, 20 | <b>0</b>       | 26.354  |
| Cost of share issue                             |        | <b>0</b>       | -43     |
| <b>Net cash flow from financing activities</b>  |        | <b>-10.815</b> | 37.470  |
| <b>Net change in cash and cash equivalents</b>  |        | <b>0</b>       | 0       |
| Cash and cash equivalents 1 January             |        | <b>1</b>       | 1       |
| <b>Cash and cash equivalents 31 December</b>    |        | <b>1</b>       | 1       |

Note 1 to 21 is an integral part of these financial statements.



## **Note 1 - General Information**

Add Energy Group AS ("the Company") is a limited liability company registered in Norway and the Company headquarter is located in Nordbøgata 4, 4006 Stavanger.

The Company was founded 14 November 2007. The accounting year 2020 includes the period 1 January 2020 to 31 December 2020.

The parent company is the holding company for businesses that are based on deliveries to the oil and gas industry throughout the value chain, from qualification to exploration and production. In addition to being a holding company, a number of central and group-wide services such as financial management and control are collected in the parent company. The Group's core competence is within the following areas:

- Drilling & Well
- Safety & Risk
- Operations

Separate Company financial statements are prepared for the parent company as required in accordance with Norwegian accounting and corporate legislation.

The financial statements were approved by the Board of Directors and the CEO at the time stated in the dated and signed balance sheet and will be presented for final approval by the Annual General Meeting on 15 December 2021.

## **Note 2 - Accounting Principles**

### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Add Energy Group AS' financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and mandatory for annual periods beginning 1 January 2020 or later and the Norwegian additional disclosure requirements according to the Accounting Act as per 31 December 2020.

#### **2.1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

##### New and amended standards adopted by the Company:

The accounting policies adopted are consistent with those of the previous financial year. The following standards and interpretations were adopted with effect from 1 January 2020, with no implementation impact on the Company's financial statements:

- *Definition of material (amendments to IAS 1 and IAS 8)*
- *Definition of a business (amendments to IFRS 3)*

- *Revised conceptual framework for financial reporting*
- *Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7)*

##### New standards and interpretations not yet adopted:

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting periods and have not been early adopted by the Company. None of these are expected to have a significant effect on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

There are no other standards that are not yet effective and that would be expected to have material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

The Company's financial statements apply the principles of historical cost accounting, except for the following accounting items:

- Financial instruments are stated at fair value, loans and receivables and other financial liabilities are stated at amortized cost.

The Company's financial statements are prepared using uniform accounting policies for equal transactions and events under otherwise identical conditions.

### **2.2 FUNCTIONAL AND PRESENTATION CURRENCY**

The Company's presentation currency is Norwegian Kroner. This is also the Company's functional currency. As an approximation of the transaction rate the monthly average exchange rates are used. At disposal of investments in foreign subsidiaries, the cumulative translation differences relating to the subsidiary are recognized in the income statement.

### **2.3 FOREIGN CURRENCY**

#### **Transactions in foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Monetary items denominated in foreign currencies are translated into Norwegian kroner using the rate of exchange at the balance sheet date. Non-monetary items measured at historical exchange rate expressed in foreign currencies are translated into Norwegian kroner using the exchange rate on the transaction date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate determined by the balance sheet date. Exchange rate changes are recorded continuously during the accounting period.



## 2.4 REVENUE RECOGNITION

Revenues from contracts with customers are recognized when contracted performance obligations are satisfied. Sales revenues are presented net of value added tax and discounts. The Company's revenues are primarily related to contracts where the performance obligations are satisfied over time.

### Sales of services

Revenue from sales of services are recognized in the amount to which the entity has a right to invoice. The amount is based on the number of hours delivered to the customer, multiplied with the agreed hourly rate.

### Interest income

Interest income is recorded as income using the effective interest method.

### Income from dividends

Dividend / group contribution revenue is recognized when the shareholders' right to receive dividends is determined by the General Assembly.

## 2.5 BORROWINGS

Borrowings are carried at fair value when the disbursement of the loan takes place, less transaction costs. In subsequent periods, borrowings are stated at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (net of transaction costs) and the redemption value is recognized over the term of the loan. Fees related to the creation of drawing rights are recorded in anticipation of borrowing taking place if it is likely that the loan will be drawn up. The fee is then recognized as part of the cost of the loan. If it is not likely that all or part of the loan will be drawn up, the fee is capitalized as prepaid cash services and charged over the period the right applies to.

## 2.6 INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions

where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax and deferred tax assets are measured based on the adopted tax rate.

Deferred tax and deferred tax assets are recorded at their nominal value and are classified as non-current liability / non-current asset in the balance sheet.

Current tax and deferred tax are recognized directly in equity to the extent that the tax records are relating to equity transactions.

## 2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and amortization. When assets are sold or disposed of, the carrying value is derecognized and any gains or losses are recognized in the statement of comprehensive income.

The cost of property, plant and equipment is the purchase price, including fees / taxes and expenses directly related to putting the asset ready for use. Expenses incurred after the asset is put into use, such as ongoing maintenance, are recognized in the statement of comprehensive income, while other costs that are expected to provide future economic benefits are capitalized.

Depreciation is calculated using the linear method over the following usage:

- Furniture, fittings and equipment: 3-5 years.

## 2.8 INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost. The cost of intangible assets consists of acquisition cost and directly associated costs to put the intangible asset in usable state. Capitalized intangible assets are stated at cost less any depreciation and impairment losses.



## 2.9 LEASING

The Company leases an office and various equipment. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk

for leases held by the Company, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term and security

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2.10 SHARES IN SUBSIDIARIES

Shares in subsidiaries are recorded at cost. The cost includes total consideration paid, including transaction costs and

- are recorded in equity if they relate to an issue
- are recorded as debt if they relate to borrowings
- are recognized in the income statement if they are classified as other acquisition expenses

Shares in subsidiaries are recorded at the time control is assumed. If indications of impairment arise an impairment test will be performed.

## 2.11 FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified in the following categories: fair value through profit or loss and amortized cost. Financial liabilities are classified in the category: amortized cost.



Measurement category is determined on initial recognition of the instruments, based on their individual characteristics and the business model of the group.

Prior to the implementation of IFRS 9 all assets now classified as at amortized cost were classified as loans and receivables.

#### **Financial assets at fair value through profit or loss**

The category consists of market-based equity investments that are held primarily for trading. Assets in this category are always classified as current assets.

Changes in fair value are recorded and presented as financial income / expense.

#### **Financial assets measured at amortized cost**

Financial assets of which the contractual terms give rise to cash flows that are solely payments of principal and interest. Such assets mainly consist of trade and other receivables. The objective of the Company's business model is to collect the contractual cash flows of such instruments.

Interest income is recognized as income using the effective interest method.

#### **Financial liabilities measured at amortized cost**

All financial liabilities are classified as at amortized cost.

Interest expense is recognized using the effective interest method.

### **2.12 IMPAIRMENT**

#### **Financial assets measured at amortized cost**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### **Non-financial assets**

Intangible assets with an indefinite available life, such as goodwill, are not amortized and are tested annually for impairment. Tangible and intangible assets which are depreciated are reviewed for impairment when circumstances indicate that future earnings do not justify the asset's carrying value. An

impairment loss is recognized for the difference between the carrying value and recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use. In assessing impairment, the assets are grouped at the lowest level where it is possible to separately identify cash flows (cash generating units). Goodwill is grouped and tested for impairment at operating segment level. Impairment of goodwill is not reversed while impairment related to other assets is considered reversed at each reporting date.

### **2.13 ACCOUNTS RECEIVABLES**

Accounts receivables arises from sales of goods and services that are within the ordinary course of business. If the settlement is expected within a year or less the receivables are classified as current assets. Otherwise they are classified as non-current assets.

Accounts receivables are carried at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest method, less provision for losses.

### **2.14 ACCOUNTS PAYABLES**

Accounts payables are liabilities to pay for goods and services provided by suppliers to the ordinary operations. Accounts payables are classified as current if they are due within a year. Otherwise they are classified as non-current.

Accounts payables are stated at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest rate.

### **2.15 CASH AND CASH EQUIVALENTS**

Cash includes cash and bank deposits. Cash equivalents are short-term liquid investments that are immediately convertible into cash with a known amount and maximum term of three months.

Cash and cash equivalents are not reduced by any bank overdrafts.

### **2.16 EQUITY**

#### **Liabilities and equity**

Financial instruments are classified as liabilities or equity in accordance with the underlying economic reality.

Interest, dividends, gains and losses related to a financial instrument classified as debt, will be presented as an expense or income. Distributions to holders of financial instruments classified as equity or other comprehensive income will be recorded directly to equity or other comprehensive income, respectively.



## Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deduction for tax.

## 2.17 EMPLOYEE BENEFITS

### Defined contribution plan

The Company's employees are part of a defined contribution plan and provide contributions to pension schemes for employees. Deposits make up from 4% to 8% of salary.

The schemes are generally funded through payments to insurance companies and are in general based on defined contribution plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid and the contributions are recognized as a salary expense in the income statement when they are due.

The Company's mandatory occupational pension scheme satisfies the Mandatory Occupational Pension Act.

## 2.18 PROVISIONS

A provision is recognized when the Company has an obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that there will be a financial settlement as a result of this commitment and the amount can be reliably measured. If the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical information about warranties and a weighting of possible outcomes against their probability of occurring.

Provision for loss from contracts is recognized when the expected income from a contract is lower than the unavoidable costs incurred to meet liabilities under the contract.

## 2.19 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are in general not recognized in the financial statements. The financial statements contain information of any material contingent

liabilities with the exception of contingent liabilities where the likelihood of liability is low.

A contingent asset is not recognized in the financial statements but disclosed when there is a certain probability that a benefit will accrue to the Company.

## 2.20 SUBSEQUENT EVENTS

New information after the balance sheet date regarding the Company's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Company's financial position at the balance sheet date but which will affect the Company's financial position in the future, are stated if significant.

## Note 3 - Financial Risk Management

### 3.1 FINANCIAL RISK FACTORS

The Company's activities involve a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the financial results.

Risk management is carried out by Company management. Company management identifies, evaluates and hedges financial risks in close cooperation with the various operating units. The Board of Directors prepares written principles for overall risk management and sets written guidelines for specific areas such as currency risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and investment of excess liquidity.

#### Market Risk

##### a) Currency risk

The Company operates to a lesser extent internationally and is therefore moderately exposed to currency risk.

##### b) Interest rate risk

The Company's interest rate risk is associated with long-term borrowings with floating interest rate (NIBOR + margin). These borrowings entail an interest rate risk for the Company's cash flow

##### c) Price risk

The Company's wealth creation can be affected by movements in the price level of goods and services acquired. The Company is monitoring developments closely and seeking hedging against this risk through the establishment of agreements with customers.



## Credit risk

Credit risk arises in transactions with customers and financial institutions. The Company's customer base mainly consists of its own subsidiaries and credit risk is considered as low. The Company's connection to financial institutions is concentrated on one single connection, but even this credit risk is considered low.

## Liquidity Risk

The Company's business requires financial liquidity and capital to cover expenses and investments and may under certain circumstances and at a given point in the future require additional external debt and equity financing. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time. If one does not succeed in obtaining such financing, this may have a negative effect on the financial position of the Company.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Company's risk management and mitigation analyses.

Based on the most recent liquidity forecast, the Board is of the opinion that the liquidity risk for the Company is acceptable. In this respect, it should be emphasized that there is uncertainty related to cash flow projections.

## 3.2 RISK ASSOCIATED WITH ASSET MANAGEMENT

The Company's goals regarding asset management are to secure continued operations, to secure the return to the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs. Based on the Company's growth strategy, securing sufficient liquidity is prioritized rather than minimizing capital costs.

In relation to the Company's borrowings and overdraft facility, capital requirements, known as covenants, are established from the lender. Per year-end 2020 these requirements imply that:

- The ratio of total net debt (NIBD) to EBITDA shall not, in respect of any relevant period ending after 30 June 2020, exceed 3.0 until final maturity
- The overdraft loan ratio shall not exceed 70% of eligible receivables (receivables not more than 60 days overdue)
- The ratio of EBITDA to gross cash interest expenses shall not, in respect of any relevant period ending after 30 June 2020, be less than 2.0
- The aggregate external capital expenditure of the Group shall not exceed NOK 5 million in any Financial Year. If in any financial year the

amount of the capital expenditure is less NOK 5 million, then the maximum expenditure amount for the immediately following financial year only shall be increased by an amount equal to 50% of the unused amount.

- The Group's adjusted EBITDA in respect of any relevant period shall not be less than a certain amount increasing from NOK 15 million per year end 2019 to NOK 30 million per 31 March 2022.

The Company is in breach of the "Group's adjusted EBITDA" covenant per year-end 2020, which has been waived by the Bank and has thus elected to reclassify the non-current borrowings to current borrowings.

There are also requirements with regard to restriction on sale of assets, investment and payment of dividends or other equity transactions and the possibility of further borrowing. The existing capital requirements also restrict the Company in different ways with regard to how the Company carries on its business, and the Company can therefore be prevented from reacting to changing market conditions or to pursue attractive business opportunities.

Note 19 describe the risk exposure associated with the Company's total assets.

## 3.3 EVALUATION OF FAIR VALUE

The table in note 19 analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## Note 4 - Use of estimates

Management has used estimates and assumptions that have affected the valuation of assets, liabilities, revenues, expenses and information on potential liabilities. In particular, this is related to depreciation of fixed assets, valuation of goodwill and other intangible assets and assessments in connection with acquisitions. Future events may involve estimate changes. The estimates and underlying assumptions are considered on a consecutive basis. Changes in accounting estimates are recognized in the period incurred. If the changes also involve future periods, the effect is distributed over the present and future periods.



The following estimates represent a significant risk of substantial changes in the carrying value of assets and liabilities within the next financial year.

- Fair value of the Company's investment in subsidiaries is determined using valuation techniques. The Company chooses methods and assumptions in relation to the valuation which as far as possible are based on conditions on the balance sheet date (see note 5 for further details).



## Add Energy Group AS

### Financial Statements for 2020

(Amounts in NOK 1 000)

#### Note 5 - Shares in subsidiaries

| <b>Subsidiary</b>                   | <b>Subordinated subsidiaries</b>       | <b>Business office</b> | <b>Share</b> |
|-------------------------------------|----------------------------------------|------------------------|--------------|
| Add Wellflow AS                     |                                        | Lysaker, Norway        | 100,0 %      |
| Add Latent Ltd                      |                                        | Aberdeen, Scotland     | 100,0 %      |
|                                     | - Add Energy Scotland Ltd              | Aberdeen, Scotland     | 100,0 %      |
| Add Energy Australasia Pty Ltd      |                                        | Perth, Australia       | 100,0 %      |
|                                     | - Add Lucid Pty Ltd                    | Perth, Australia       | 100,0 %      |
|                                     | - Oracle Services Pty Ltd              | Perth, Australia       | 100,0 %      |
|                                     | - Add IPS Pty Ltd                      | Perth, Australia       | 100,0 %      |
|                                     | - Add Energy Asia Pte Ltd              | Singapore              | 100,0 %      |
|                                     | - Add ISRM Pty Ltd                     | Perth, Australia       | 100,0 %      |
| Add Energy North America Holding AS |                                        | Stavanger, Norway      | 100,0 %      |
|                                     | - Add Energy North America Holding LLC | Houston, USA           | 100,0 %      |
|                                     | - Add Energy LLC                       | Houston, USA           | 100,0 %      |
|                                     | - Add Energy Offshore LLC              | Houston, USA           | 100,0 %      |

Book value of the subsidiaries is tested for impairment and written down to fair value if non-temporary conditions occur. Testing is based on individual assessment of each company. By estimating future cash flows, the following assumptions are assumed:

- Expected cash flows are based on a weighted scenario model for the period 2021-2023. In the calculations a three scenario model is used, with the following assumptions:
  - Scenario 1) Revised budget for the years 2021-2023 as approved by the Board of Directors (best case)
  - Scenario 2) Revised budget reduced by a certain percentage per entity based on historical performance (medium case)
  - Scenario 3) Revised budget substantially reduced by a certain percentage based on continued low market (worst case)
 Each of the scenarios are weighted based on Management and Board of Directors best evaluation, taking into account historical performance of budget targets and current market conditions. For the period 2024-2026 and for the terminal value the cash flow is based on a constant nominal growth rate equivalent to the expected annual inflation of 2.5%. The budget is based on input from the various segment managers based on historic results, current market and expectations to future revenue. Several of the segments are characterized by short term contracts, limited cash flow visibility and the historic revenues have fluctuated significantly, thus the scenarios are uncertain.
- A pre-tax discount rate of 9.0% and post-tax discount rate of 8.6 % is used. Similar rates for 2019 were 11.0 % and 10.3 % respectively. The substantial reduction in discount rate is mainly relating to reduced borrowing rate (following improved results and liquidity) and reduced risk free interest rate. The discount rate is estimated based on the WACC method (Weighted Average Cost of Capital) with the following assumptions:

|                                         |        |
|-----------------------------------------|--------|
| Risk free interest rate                 | 1.0 %  |
| Borrowing rate                          | 3.3 %  |
| Market premium                          | 6.0 %  |
| Liquidity premium                       | 5.0 %  |
| Beta                                    | 1.50   |
| Debt ratio                              | 50.0 % |
| Tax ratio                               | 22,0 % |
| Growth rate to determine terminal value | 2.5 %  |

The net present value of future cash flows are adjusted for interest-bearing debt.

Based on the abovementioned assumptions and analysis performed the company has not identified a requirement for impairment of the book value of any of the subsidiaries.

A post-tax discount rate 1% higher than used in the calculations above would imply an impaired amount of NOK 7,033 thousand. For 2019 the calculation did not indicate an impairment requirement.

| <b>Income from investment in subsidiaries</b>       | <b>2020</b>   | <b>2019</b> |
|-----------------------------------------------------|---------------|-------------|
| Recognized Group contribution                       | 3.409         | 3.401       |
| Dividend                                            | 50.095        | 0           |
| Reverse expected earn-out                           | 0             | -5.000      |
| Agreed earn-out                                     | 0             | 1.484       |
| <b>Total income from investment in subsidiaries</b> | <b>53.504</b> | <b>-115</b> |



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**Note 6 - Accounts receivables and other receivables**

**Accounts receivables and other receivables**

|                                                  | <b>2020</b>  | <b>2019</b>  |
|--------------------------------------------------|--------------|--------------|
| Nominal value of accounts receivable             | 294          | 3            |
| Provisions for bad debt                          | 0            | 0            |
| Book value of accounts receivable                | 294          | 3            |
| Accrued, not invoiced income                     | 0            | 0            |
| Pre-payments and other receivables               | 843          | 2.460        |
| Total accounts receivables and other receivables | <b>1.137</b> | <b>2.463</b> |

**Book value of receivables due in more than one year**

|                          | <b>2020</b>    | <b>2019</b>    |
|--------------------------|----------------|----------------|
| Loans to group companies | 142.138        | 136.941        |
| Other assets             | 0              | 0              |
| Total                    | <b>142.138</b> | <b>136.941</b> |





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#### Note 8 - Restricted bank deposits, credit facilities and group bank account scheme

##### Restricted funds

There are no restricted bank deposits in the Company.

##### Group Bank Account Scheme

The Company has, together with the other group companies, entered into a group bank account scheme. The scheme includes accounts in several different currencies, primarily NOK, AUD, GBP and USD. The Group does not consider the currency exposure associated with the scheme to be particularly prominent. The scheme is presented net in the balance sheet.

Net compiled deposits in the Group outside of the group bank account scheme amounted to NOK 1.5 million per 31 December 2020 (NOK 0.3 million per 31 December 2019).

##### Credit Facility

add energy group has an agreed credit facility related to the group bank account scheme.

Committed overdraft facility of NOK 40 million is drawn-up by NOK 15.1 million per 31 December 2020 (NOK 24.2 million per 31 December 2019).

#### Note 9 - Secured debt and guarantees

| Carrying debt secured by mortgage, etc. | 2020          | 2019          |
|-----------------------------------------|---------------|---------------|
| Liabilities to credit institutions      | 25.116        | 42.961        |
| <b>Total</b>                            | <b>25.116</b> | <b>42.961</b> |

##### The book value of assets pledged as collateral for secured debt

|                        | 2020          | 2019          |
|------------------------|---------------|---------------|
| Shares in subsidiaries | 65.411        | 65.411        |
| <b>Total</b>           | <b>65.411</b> | <b>65.411</b> |

The Company's current credit scheme conditions are NIBOR + 2.75%, with the following repayment profile:

| Balance per 31.12.2020     | 10.450 |
|----------------------------|--------|
| Payment 1 February 2021    | -2.500 |
| Payment 3 May 2021         | -2.500 |
| Payment 2 August 2021      | -2.500 |
| Payment 1 November 2021 *) | -2.500 |
| Payment 31 January 2022    | -450   |

According to the loan agreement with the bank, 50% of any payments received from Sirius Petroleum, a client of one of the Australian subsidiaries, shall be used as downpayment on the loan in inverse order of maturity. The Company was in breach of one Bank covenant by year end 2020 and has decided to reclassify all long term debt to short term debt. The Company has received a waiver from the bank for this breach.

\*) Installment deferred to 31 January 2022

| Capitalised borrowing costs             | 2020       | 2019       |
|-----------------------------------------|------------|------------|
| Capitalised borrowing costs 1 January   | 759        | 0          |
| Addition                                | 56         | 759        |
| Disposal                                | 0          | 0          |
| Capitalised borrowing costs 31 December | 815        | 759        |
| Accumulated amortisation 1 January      | 121        | 0          |
| This year's amortisation                | 284        | 121        |
| Disposal                                | 0          | 0          |
| Accumulated amortisation 31 December    | 406        | 121        |
| <b>Book value pr 31 December</b>        | <b>410</b> | <b>638</b> |

| Purchased guarantees                                | Guarantor    | 2020         | 2019         |
|-----------------------------------------------------|--------------|--------------|--------------|
| Guarantee for advance tax withholding               | Tryg Garanti | 600          | 2.650        |
| Other guarantees, including office lease guarantees | Tryg Garanti | 146          | 639          |
| Guarantee for credit card in USA                    | DNB Bank     | 427          | 439          |
| Guarantee (stanby LOC) for office lease in Perth    | DNB Bank     | 844          | 790          |
| <b>Total purchased guarantees</b>                   |              | <b>2.016</b> | <b>4.518</b> |

##### The parent Company holds the following office lease guarantees

|                                                                                    | Yearly rent |      |
|------------------------------------------------------------------------------------|-------------|------|
|                                                                                    | 2020        | 2019 |
| add latent ltd (original guarantee in GBP)                                         | 0           | 293  |
| add energy llc (original guarantee in USD and for the remaining part of the lease) | 3.442       | 768  |
| These guarantees are not capitalized                                               |             |      |



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#### Note 10 - Balance with related parties

| Entities within the same group    | 2020           | 2019          |
|-----------------------------------|----------------|---------------|
| Short-term receivables            | 340            | 3             |
| Long-term receivables and loans   | 142.138        | 136.941       |
| Current liabilities               | -36.573        | -60.986       |
| Non-current liabilities and loans | 0              | 0             |
| Accounts payable                  | -6             | -537          |
| <b>Total</b>                      | <b>105.899</b> | <b>75.422</b> |

#### Note 11 - Combined items in the income statement

| Other operating expenses              | 2020         | 2019         |
|---------------------------------------|--------------|--------------|
| Office lease                          | 77           | 395          |
| Consultancy services                  | 296          | 1.712        |
| Sales- and promotional expenses       | 2            | 14           |
| Travel costs                          | 135          | 499          |
| IT-related expenses                   | 1.220        | 1.310        |
| Insurance                             | 731          | 889          |
| Operating leases                      | 48           | 120          |
| Fees to auditor (ref note 8)          | 736          | 905          |
| Other costs                           | 317          | 944          |
| <b>Total other operating expenses</b> | <b>3.562</b> | <b>6.788</b> |

| Financial income and expenses              | 2020         | 2019          |
|--------------------------------------------|--------------|---------------|
| Other interest income                      | 2.346        | 2.903         |
| Other interest income from related parties | 5.161        | 6.963         |
| Currency gains                             | 52           | 883           |
| <b>Total financial income</b>              | <b>7.559</b> | <b>10.750</b> |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Other interest expenses         | -4.261        | -5.693        |
| Other financial expenses        | -1.107        | -1.987        |
| <b>Total financial expenses</b> | <b>-5.368</b> | <b>-7.681</b> |

#### Note 12 - Debt

##### Liabilities that fall due for payment more than five years after fiscal year end.

If the current payment schedule is maintained, the Company will not have debts that fall due for payment more than five years after the financial year end. The Company did neither in 2019 have debts that fell due for payment more than five years after the financial year end.

##### Specification of other current liabilities

|                                        | 2020          | 2019          |
|----------------------------------------|---------------|---------------|
| Liabilities to group companies         | 36.573        | 60.986        |
| Liabilities to employees               | 794           | 825           |
| Other current liabilities              | 1             | 54            |
| <b>Total other current liabilities</b> | <b>37.369</b> | <b>61.864</b> |

#### Note 13 - Pensions and pension liabilities

The Company has a defined contribution pension plan that satisfies the Mandatory Occupational Pension Act. The plan is financed by an insurance company.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid and the contributions are recognised as a salary expense in the income statement when they are due.

Per 31 December 2020 the scheme has 3 members (2019: 3 members) which also includes Management.



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**Note 14 - Property, plant and equipment**

| <b>2019</b>                          | Furniture,<br>fittings and<br>equipment | <b>Total</b> |
|--------------------------------------|-----------------------------------------|--------------|
| Acquisition cost 1 January           | 2.586                                   | <b>2.586</b> |
| Additions                            | 0                                       | <b>0</b>     |
| <b>Acquisition cost 31 December</b>  | <b>2.586</b>                            | <b>2.586</b> |
| Accumulated depreciation 1 January   | 2.439                                   | <b>2.439</b> |
| This year's depreciation             | 43                                      | <b>43</b>    |
| Accumulated depreciation 31 December | 2.482                                   | <b>2.482</b> |
| <b>Book value per 31 December</b>    | <b>104</b>                              | <b>104</b>   |
| Depreciation time                    | 3-5 years                               |              |
| Depreciation rate                    | 20-33%                                  |              |
| Capitalized leases                   | 0                                       |              |
| Amortization capitalized leases      | 0                                       |              |

| <b>2020</b>                          | Furniture,<br>fittings and<br>equipment | <b>Total</b> |
|--------------------------------------|-----------------------------------------|--------------|
| Acquisition cost 1 January           | 2.586                                   | <b>2.586</b> |
| Additions                            | 50                                      | <b>50</b>    |
| Disposals                            | -107                                    | <b>-107</b>  |
| <b>Acquisition cost 31 December</b>  | <b>2.529</b>                            | <b>2.529</b> |
| Accumulated depreciation 1 January   | 2.482                                   | <b>2.482</b> |
| This year's depreciation             | 42                                      | <b>42</b>    |
| Depreciation on fixed assets sold    | -107                                    | <b>-107</b>  |
| Accumulated depreciation 31 December | 2.417                                   | <b>2.417</b> |
| <b>Book value per. 31 December</b>   | <b>112</b>                              | <b>112</b>   |
| Depreciation time                    | 3-5 years                               |              |
| Depreciation rate                    | 20-33%                                  |              |
| Capitalized leases                   | 0                                       |              |
| Amortization capitalized leases      | 0                                       |              |



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**Note 15 - Intangible assets**

| <b>2019</b>                          | Software     | <b>Sum</b>   |
|--------------------------------------|--------------|--------------|
| Acquisition cost 1 January           | 5.630        | <b>5.630</b> |
| Additions                            | 0            | <b>0</b>     |
| <b>Acquisition cost 31 December</b>  | <b>5.630</b> | <b>5.630</b> |
| Accumulated amortization 1 January   | 5.559        | <b>5.559</b> |
| This year's amortization             | 71           | <b>71</b>    |
| Accumulated amortisation 31 December | 5.630        | <b>5.630</b> |
| <b>Book value per 31 December</b>    | <b>0</b>     | <b>0</b>     |
| Amortization time                    | 3-5 years    |              |
| Amortization rate                    | 20-33%       |              |
| Capitalized leases                   | 0            |              |
| Amortization capitalized leases      | 0            |              |
| <b>2020</b>                          | Software     | <b>Sum</b>   |
| Acquisition cost 1 January           | 5.630        | <b>5.630</b> |
| Additions                            | 0            | <b>0</b>     |
| <b>Acquisition cost 31 December</b>  | <b>5.630</b> | <b>5.630</b> |
| Accumulated amortization 1 January   | 5.630        | <b>5.630</b> |
| This year's amortization             | 0            | <b>0</b>     |
| Accumulated amortization 31 December | 5.630        | <b>5.630</b> |
| <b>Book value per 31 December</b>    | <b>0</b>     | <b>0</b>     |
| Amortization time                    | 3-5 years    |              |
| Amortization rate                    | 20-33%       |              |
| Capitalized leases                   | 0            |              |
| Amortization capitalized leases      | 0            |              |



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#### Note 16 - Tax

##### Tax payable

|                                                   | 2020     | 2019     |
|---------------------------------------------------|----------|----------|
| <b>Current tax</b>                                |          |          |
| Profit before tax                                 | 48,488   | -8,122   |
| Permanent differences                             | -50,095  | 3,484    |
| Change in temporary differences                   | 175      | -628     |
| Group contribution received                       | -1,431   | 8        |
| Transferred to loss carried forward               | 2,862    | 5,258    |
| <b>Basis for tax payable in the balance sheet</b> | <b>0</b> | <b>0</b> |
| Tax 22% (2018: 23%)                               | <b>0</b> | <b>0</b> |

##### Taxes payable in the balance sheet

|                                           | 2020            | 2019            |
|-------------------------------------------|-----------------|-----------------|
| <b>Taxes payable in the balance sheet</b> | <b>31,12,20</b> | <b>31,12,19</b> |
| Tax payable on net income                 | 0               | 0               |
| Income tax for earlier years              | 0               | 0               |
| Tax payable in Australia                  | 0               | 0               |
| <b>Total tax payable</b>                  | <b>0</b>        | <b>0</b>        |

##### Tax charge

|                                | 2020         | 2019     |
|--------------------------------|--------------|----------|
| <b>This year's tax charge</b>  |              |          |
| Withholding tax                | 1,636        | 0        |
| <b>This year's total taxes</b> | <b>1,636</b> | <b>0</b> |

##### Relationship between tax expense and tax calculated as the average nominal tax rate on income before taxes:

|                                            | 2020         |              | 2019     |              |
|--------------------------------------------|--------------|--------------|----------|--------------|
|                                            | NOK          | %            | NOK      | %            |
| 22% (2019: 22%) of profit before tax       | 10,667       | 22,0 %       | -1,787   | 22,0 %       |
| Effect of permanent differences            | -11,021      | -22,7 %      | 766      | -9,4 %       |
| Not recognized deferred tax asset          | 353          | 0,7 %        | 1,020    | -12,6 %      |
| Withholding tax                            | 1,636        | 3,4 %        | 0        | 0,0 %        |
| <b>Tax expense in the income statement</b> | <b>1,636</b> | <b>3,4 %</b> | <b>0</b> | <b>0,0 %</b> |

##### Deferred tax

Deferred tax is recognized net when the Company has a legally enforceable right to offset deferred tax assets against deferred tax liabilities and if the deferred tax and the deferred tax asset is to the same tax authority for the same taxable entity or different taxable entities where the purpose is to determine the balances on a net basis. The following amounts have been netted:

|                                                             | Change       | 2020           | 2019           |
|-------------------------------------------------------------|--------------|----------------|----------------|
| <b>Tax reducing temporary differences</b>                   |              |                |                |
| Non-recognized group contribution                           | 1,431        | -1,979         | -3,409         |
| Losses carried forward NOKUS                                | 5,278        | 0              | -5,278         |
| Fixed assets                                                | 62           | -166           | -227           |
| Other temporary differences                                 | -237         | 383            | 620            |
| Losses carried forward                                      | -2,862       | -39,350        | -36,488        |
| <b>Total tax reducing temporary differences</b>             | <b>3,672</b> | <b>-41,111</b> | <b>-44,783</b> |
| <b>Tax increasing timing differences</b>                    |              |                |                |
| Fixed assets                                                | 0            | 0              | 0              |
| Borrowing costs                                             | 0            | 0              | 0              |
| <b>Total tax increasing timing differences</b>              | <b>0</b>     | <b>0</b>       | <b>0</b>       |
| Total temporary differences                                 | 3,672        | -41,111        | -44,783        |
| Loss carry forward not included in deferred tax asset       | -3,672       | 41,111         | 44,783         |
| <b>Basis for deferred tax / (deferred tax asset)</b>        | <b>0</b>     | <b>0</b>       | <b>0</b>       |
| Deferred tax (deferred tax asset)                           | 0            | 0              | 0              |
| Credit tax carry forward                                    | 670          | -579           | -1,249         |
| Credit tax carry forward not recognized                     | -670         | 579            | 1,249          |
| <b>Deferred tax / (deferred tax asset) in balance sheet</b> | <b>0</b>     | <b>0</b>       | <b>0</b>       |
| <b>Change in deferred tax</b>                               |              |                |                |
| Book value 1 January                                        | 0            | 0              | 0              |
| Recognized in the period                                    | 0            | 0              | 0              |
| Credit tax carry forward                                    | 0            | 0              | 0              |
| <b>Book value 31 December</b>                               | <b>0</b>     | <b>0</b>       | <b>0</b>       |

Deferred tax assets relating to taxable losses carried forward are recognized to the extent it is probable that the Group can use this against future taxable profits.



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#### Note 17 - Shareholder information

Share capital per 31 December 2020 consists of 626 322 265 shares at par value of NOK 0.10.

| The Company's largest shareholders as of 31.12.20 are: | A-shares         | B-shares           | Ownership      |
|--------------------------------------------------------|------------------|--------------------|----------------|
| Progressus AS                                          | 2.000.000        | 475.389.253        | 76,2 %         |
| TEBE Finans AS                                         |                  | 42.105.204         | 6,7 %          |
| OBR Invest AS                                          |                  | 14.784.802         | 2,4 %          |
| John Wayne Wright                                      |                  | 14.189.617         | 2,3 %          |
| Dermot O'Keefe                                         |                  | 7.735.986          | 1,2 %          |
| Andrè DiBiagio                                         |                  | 6.435.161          | 1,0 %          |
| MHE Invest AS                                          |                  | 5.761.552          | 0,9 %          |
| Manuel Enrique PanDavila Herrera and Karina Capriles   |                  | 4.716.826          | 0,8 %          |
| Peter James William Adam                               |                  | 3.735.672          | 0,6 %          |
| Craig Ian Burton                                       |                  | 3.320.659          | 0,5 %          |
| Terje Malmo                                            |                  | 2.819.060          | 0,5 %          |
| Eva Karin Tveitaskog                                   |                  | 2.792.098          | 0,4 %          |
| Dahle Holding AS                                       |                  | 2.783.776          | 0,4 %          |
| Girdy Pty Ltd / Ember Superannuation Fund              |                  | 2.757.912          | 0,4 %          |
| Chase Invest AS                                        |                  | 2.490.278          | 0,4 %          |
| Solsta Eiendom AS                                      |                  | 2.312.550          | 0,4 %          |
| Novatech AS                                            |                  | 2.275.902          | 0,4 %          |
| Einar Kristiansen                                      |                  | 2.188.831          | 0,3 %          |
| Hedenstad Invest AS                                    |                  | 2.064.590          | 0,3 %          |
| Martin Hegreberg                                       |                  | 1.887.889          | 0,3 %          |
| Other shareholders                                     |                  | 21.774.647         | 3,5 %          |
| <b>Total</b>                                           | <b>2.000.000</b> | <b>624.322.265</b> | <b>100,0 %</b> |

| Development in the number of shares | Date            | A-shares         | B-shares           |
|-------------------------------------|-----------------|------------------|--------------------|
| Opening balance                     | 01.01.19        | 2.000.000        | 360.784.940        |
| Capital increase                    | 16.05.19        |                  | 263.537.325        |
| Closing balance                     | 31.12.19        | 2.000.000        | 624.322.265        |
| Opening balance                     | 01.01.20        | 2.000.000        | 624.322.265        |
| <b>Closing balance</b>              | <b>31.12.20</b> | <b>2.000.000</b> | <b>624.322.265</b> |

All shares are fully paid.

The General Meeting on 26 June 2020 granted the Board of Directors an authority to carry out a capital increase. The Board's authority constitutes a right to issue 313,161,132 shares as per 31 December 2020. Remaining issuing authorization is a total of 313,161,132 shares.

Furthermore, the General Meeting on 26 June 2020 granted the Board of Directors an authority to re-purchase own shares. A total of 62,632,226 shares can be repurchased. Remaining re-purchase authorization per 31 December 2020 is a total of 62,632,226 shares.

Both classes of shares in the Company have equal voting and dividend rights. A-shares are entitled to a liquidation preference limited to NOK 20.0 million before the distribution and / or settlement may take place to holders of B-shares. The provision for liquidation preference applies in all situations where the Company's shares are sold or where the business is transferred or terminated. By share issues the A-shares have the right to subscribe for new shares equivalent to 60% of the issue amount.



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#### Note 18 - Leases

Leases primarily consist of office leases.

A lease for offices at Nordbøgata 4, Stavanger was signed with inception 1 March 2019 and maturity 31 December 2022. The lease is cancellable based on certain criteria (i.e. adverse development in results or required office space) and with an option to renew for another 3 years.

Refer to note 2.9 above for further details relating to leases.

| The movement in the right-of-use assets in respect of leases during the year | Offices    |            |
|------------------------------------------------------------------------------|------------|------------|
|                                                                              | 2020       | 2019       |
| Acquisition cost 1 January                                                   | 853        | 0          |
| Implementation effect by transition to IFRS 16                               | 0          | 0          |
| Additions                                                                    | 0          | 850        |
| Disposals                                                                    | 0          | 0          |
| Index- and similar adjustments                                               | 0          | 3          |
| Translation differences                                                      | 0          | 0          |
| <b>Acquisition cost 31 December</b>                                          | <b>853</b> | <b>853</b> |
| Accumulated depreciation 1 January                                           | -185       | 0          |
| This year's depreciation                                                     | -223       | -185       |
| Disposals                                                                    | 0          | 0          |
| Translation differences                                                      | 0          | 0          |
| Accumulated depreciation 31 December                                         | -407       | -185       |
| <b>Book value per 31 December</b>                                            | <b>445</b> | <b>668</b> |

|                     |           |           |
|---------------------|-----------|-----------|
| Depreciation method | Linear    | Linear    |
| Depreciation time   | 46 months | 46 months |

For all right-of-use assets the depreciation time is equal to the lease period which is used for the recognition of the lease commitment.

| Lease liability                        | Offices    |            |
|----------------------------------------|------------|------------|
|                                        | 2020       | 2019       |
| Lease liability per 1 January          | 686        | 0          |
| New lease agreements                   | 0          | 850        |
| Lease payments                         | -253       | -210       |
| Interest cost on lease commitments     | 39         | 44         |
| Index- and similar adjustments         | 0          | 3          |
| Translation differences                | 0          | 0          |
| <b>Lease liability per 31 December</b> | <b>472</b> | <b>686</b> |
| Current lease liability                | 228        | 214        |
| Non-current lease liability            | 244        | 472        |
| <b>Total lease liability</b>           | <b>472</b> | <b>686</b> |

#### Operating lease commitments

The future aggregate minimum lease payments under non-cancellable short term and low value operating leases are as follows:

| Lease commitments              | 2020     | 2019      |
|--------------------------------|----------|-----------|
| Less than one year             | 0        | 28        |
| Between one and five years     | 0        | 0         |
| More than five years           | 0        | 0         |
| <b>Total lease commitments</b> | <b>0</b> | <b>28</b> |

Lease payments included in other operating expenses are as follows:

| Operating leases recognized during the year    | 2020        | 2019       |
|------------------------------------------------|-------------|------------|
| Recognized lease for office space              | 2           | 395        |
| Lease for office space charged to subsidiaries | -126        | -221       |
| Other operating leases                         | 48          | 120        |
| Other operating leases charged to subsidiaries | -24         | -26        |
| <b>Total operating leases</b>                  | <b>-101</b> | <b>269</b> |



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#### Note 19 - Financial instruments

##### Credit risk

The carrying value of financial assets represents the maximum credit exposure.

| Maximum exposure to credit risk on the balance sheet date | 2020           | 2019           |
|-----------------------------------------------------------|----------------|----------------|
| Non-current receivables and deposits                      | 142.138        | 136.941        |
| Accounts receivable                                       | 294            | 3              |
| Other current receivables                                 | 843            | 2.460          |
| Cash and cash equivalents                                 | 1              | 1              |
| <b>Total</b>                                              | <b>143.276</b> | <b>139.405</b> |

| Aging of overdue receivables  | Total | 0-30 days | 30-60 days | 61-90 days | > 91 days |
|-------------------------------|-------|-----------|------------|------------|-----------|
| Overdue, not paid by 31.12.19 | -15   | -2        | 0          | 0          | -13       |
| Overdue, not paid by 31.12.20 | 0     | 0         | 0          | 0          | 0         |

##### Maximum exposure to credit risk associated with loans and receivables on the balance sheet date divided by geographic region

|                      | 2020           | 2019           |
|----------------------|----------------|----------------|
| Norway               | 363            | 1.763          |
| Rest of Europe       | 693            | 700            |
| America              | 52             | 13             |
| Australasia          | 142.167        | 136.929        |
| Middle-East / Africa | 0              | 0              |
| <b>Total</b>         | <b>143.276</b> | <b>139.405</b> |

##### Liquidity Risk

##### Maturity in accordance with the contract for financial liabilities

| 2020                          | Book value    | Cash flow     | < 6 months    | 6-12 months  | 1-2 years  | 3-5 years | More than 5 years |
|-------------------------------|---------------|---------------|---------------|--------------|------------|-----------|-------------------|
| Borrowings <sup>1)</sup>      | 0             | 0             | 0             | 0            | 0          | 0         | 0                 |
| Other non-current liabilities | 0             | 0             | 0             | 0            | 0          | 0         | 0                 |
| Bank overdraft <sup>2)</sup>  | 15.076        | 15.076        | 15.076        | 0            | 0          | 0         | 0                 |
| Current borrowings            | 10.040        | 10.450        | 5.000         | 5.000        | 450        | 0         | 0                 |
| Accounts payable              | 150           | 150           | 150           | 0            | 0          | 0         | 0                 |
| Public duties payable         | 758           | 758           | 758           | 0            | 0          | 0         | 0                 |
| Other current liabilities     | 37.369        | 37.369        | 37.369        | 0            | 0          | 0         | 0                 |
| Interest on borrowings        | 0             | 266           | 170           | 89           | 7          | 0         | 0                 |
| Leasing                       | 0             | 505           | 126           | 126          | 253        | 0         | 0                 |
| <b>Total</b>                  | <b>63.393</b> | <b>64.574</b> | <b>58.649</b> | <b>5.215</b> | <b>710</b> | <b>0</b>  | <b>0</b>          |

<sup>1)</sup> Part of borrowings that are due in more than one year.

| 2019                          | Book value     | Cash flow      | < 6 months    | 6-12 months   | 1-2 years  | 3-5 years | More than 5 years |
|-------------------------------|----------------|----------------|---------------|---------------|------------|-----------|-------------------|
| Borrowings <sup>1)</sup>      | 0              | 0              | 0             | 0             | 0          | 0         | 0                 |
| Other non-current liabilities | 0              | 0              | 0             | 0             | 0          | 0         | 0                 |
| Bank overdraft                | 24.249         | 24.249         | 24.249        | 0             | 0          | 0         | 0                 |
| Current borrowings            | 18.712         | 19.350         | 5.000         | 14.350        | 0          | 0         | 0                 |
| Accounts payable              | 983            | 983            | 983           | 0             | 0          | 0         | 0                 |
| Public duties payable         | 566            | 566            | 566           | 0             | 0          | 0         | 0                 |
| Other current liabilities     | 61.864         | 61.864         | 61.864        | 0             | 0          | 0         | 0                 |
| Interest on borrowings        | 0              | 1.621          | 662           | 491           | 469        | 0         | 0                 |
| Leasing                       | 0              | 785            | 150           | 131           | 505        | 0         | 0                 |
| <b>Total</b>                  | <b>106.375</b> | <b>109.419</b> | <b>93.474</b> | <b>14.972</b> | <b>974</b> | <b>0</b>  | <b>0</b>          |

<sup>1)</sup> Part of borrowings that are due in more than one year.

The Group has a term loan and multi currency overdraft facility including a global cash pool. The overdraft facility requires no renewal, but is cancelled in full 1 May 2022. The Group has an option to cancel on 364 days notice. Limit on the overdraft facility is NOK 40 million on the reporting date (2019: NOK 40 million).



## Add Energy Group AS

### Financial Statements for 2020

(Amounts in NOK 1 000)

#### Note 19 - Financial instruments cont.

##### Currency risk

| Exposure to currency risk in NOK | 2020   | 2019 |
|----------------------------------|--------|------|
| AUD                              | -365   | 37   |
| CAD                              | 6      | 0    |
| GBP                              | -556   | -41  |
| SGD                              | 0      | -115 |
| USD                              | -1.058 | -779 |

Exposure is relating to bank deposits only.

| Currency exchange rates at year end | 2020    | 2019    |
|-------------------------------------|---------|---------|
| AUD                                 | 6,5868  | 6,1668  |
| CAD                                 | 6,6976  | 6,7570  |
| EUR                                 | 10,4703 | 9,8638  |
| GBP                                 | 11,6462 | 11,5936 |
| SGD                                 | 6,4560  | 6,5276  |
| USD                                 | 8,5326  | 8,7803  |

##### Interest rate risk

The Company has not entered into fixed interest rate agreements or interest rate swaps. All interest bearing debt have terms with a variable interest rate (NIBOR + margin). The Company has no financial instruments that are directly affected by interest rates. If NIBOR had been 100 basis points higher than the rate paid through 2020, net income and equity would have been negatively affected by NOK 0.1 million (2019: NOK 0.1 million).

##### Fair value and book value

Value of financial assets and liabilities

|                                    | 2020           |                | 2019            |                 |
|------------------------------------|----------------|----------------|-----------------|-----------------|
|                                    | Book value     | Fair value     | Book value      | Fair value      |
| Other non-current assets           | 142.138        | 142.138        | 136.941         | 136.941         |
| Accounts receivable                | 294            | 294            | 3               | 3               |
| Other assets                       | 843            | 843            | 2.460           | 2.460           |
| Bank deposit                       | 1              | 1              | 1               | 1               |
| <b>Total financial assets</b>      | <b>143.276</b> | <b>143.276</b> | <b>139.405</b>  | <b>139.405</b>  |
| Borrowings                         | 0              | 0              | 0               | 0               |
| Other long-term debt               | 0              | 0              | 0               | 0               |
| Current borrowings                 | -10.040        | -19.350        | -18.712         | -19.350         |
| Bank overdraft                     | -15.076        | -15.076        | -24.249         | -24.249         |
| Accounts payable                   | -150           | -150           | -983            | -983            |
| Other current liabilities          | -38.127        | -38.127        | -62.431         | -62.431         |
| <b>Total financial liabilities</b> | <b>-63.393</b> | <b>-72.703</b> | <b>-106.375</b> | <b>-107.012</b> |
| <b>Net value</b>                   | <b>79.882</b>  | <b>70.572</b>  | <b>33.030</b>   | <b>32.393</b>   |

Assessment of fair value is based on factors that are not derived from observable markets.

The carrying value of financial instruments are classified according to the following categories:

- 1) Financial assets at fair value through profit and loss
- 2) Financial Assets measured at amortized cost
- 3) Financial liabilities measured at amortized cost



## Add Energy Group AS

### Financial Statements for 2020

(Amounts in NOK 1 000)

#### Note 19 - Financial instruments cont.

| 2020                        | Category |                |                | Total         |
|-----------------------------|----------|----------------|----------------|---------------|
|                             | 1)       | 2)             | 3)             |               |
| Other non-current assets    |          | 142.138        |                | 142.138       |
| Accounts receivable         |          | 294            |                | 294           |
| Other assets                |          | 843            |                | 843           |
| Total financial assets      | 0        | 143.275        | 0              | 143.275       |
| Borrowings                  |          |                | 0              | 0             |
| Other long-term debt        |          |                | 0              | 0             |
| Current borrowings          |          |                | -10.040        | -10.040       |
| Overdraft facility          |          |                | -15.076        | -15.076       |
| Accounts payable            |          |                | -150           | -150          |
| Other current liabilities   |          |                | -38.127        | -38.127       |
| Total financial liabilities | 0        | 0              | -63.393        | -63.393       |
| <b>Net value</b>            | <b>0</b> | <b>143.275</b> | <b>-63.393</b> | <b>79.882</b> |

| 2019                        | Category |                |                 | Total         |
|-----------------------------|----------|----------------|-----------------|---------------|
|                             | 1)       | 2)             | 3)              |               |
| Other non-current assets    |          | 136.941        |                 | 136.941       |
| Accounts receivable         |          | 3              |                 | 3             |
| Other assets                |          | 2.460          |                 | 2.460         |
| Total financial assets      | 0        | 139.404        | 0               | 139.404       |
| Borrowings                  |          |                | 0               | 0             |
| Other long-term debt        |          |                | 0               | 0             |
| Current borrowings          |          |                | -18.712         | -18.712       |
| Overdraft facility          |          |                | -24.249         | -24.249       |
| Accounts payable            |          |                | -983            | -983          |
| Other current liabilities   |          |                | -62.431         | -62.431       |
| Total financial liabilities | 0        | 0              | -106.375        | -106.375      |
| <b>Net value</b>            | <b>0</b> | <b>139.404</b> | <b>-106.375</b> | <b>33.030</b> |



## Add Energy Group AS

### Financial Statements for 2020

(Amounts in NOK 1 000)

#### Note 20 - Related parties

The Company's largest shareholder is Progressus AS with 76.2 % of the voting shares. The Chairman also represents Progressus AS.

The Company controls the subsidiaries as stated in Note 5.

The Company acts as holding company of the group and provides additional corporate comprehensive services for its subsidiaries such as marketing, finance services etc. In addition, the parent company acts as lessee for office premises in Nordbøgt. 4. The Company charges each subsidiary a pro rata share of costs for these services. Transactions are carried out based on the arm's length principle and billed at cost plus margin.

Subsidiaries were charged NOK 5.832 for such management services in 2020 (2019: NOK 6.121).

| Sales and purchases of goods and services | Sales        |              | Purchases    |            |
|-------------------------------------------|--------------|--------------|--------------|------------|
|                                           | 2020         | 2019         | 2020         | 2019       |
| Add Latent                                | 2.085        | 1.328        | 409          | 71         |
| Add Energy LLC                            | 490          | 288          | 434          | 374        |
| Add Lucid                                 | 1.630        | 826          | 18           | 30         |
| Add ISRM                                  | 15           | 226          | 0            | 0          |
| Oracle Risk Consultants                   | 11           | 177          | 0            | 0          |
| Add Wellflow                              | 1.591        | 2.436        | 286          | 240        |
| Add IPS                                   | 0            | 245          | 0            | 0          |
| Add Energy Asia                           | 10           | 637          | 0            | 0          |
| Add Energy North America Holding AS       | 0            | 0            | 0            | 0          |
| Add Energy Australasia                    | 0            | -43          | 0            | 0          |
| <b>Total</b>                              | <b>5.832</b> | <b>6.121</b> | <b>1.146</b> | <b>715</b> |

The Norwegian companies in the Group are registered as a joint VAT company and the parent is responsible for reporting and settlement of the total VAT charge.

| Outstanding current balances        | Receivables |          | Payables      |               |
|-------------------------------------|-------------|----------|---------------|---------------|
|                                     | 2020        | 2019     | 2020          | 2019          |
| Add Latent                          | 111         | 0        | 12.801        | 17.096        |
| Add Energy LLC                      | 39          | 0        | -4.388        | 912           |
| Add Lucid                           | 41          | 0        | 20.742        | 32.768        |
| Add ISRM                            | 0           | 0        | 2.657         | 4.320         |
| Oracle Risk Consultants             | 0           | 0        | 7.481         | 9.809         |
| Add Wellflow                        | 103         | 3        | 13.176        | 13.349        |
| Add IPS                             | 0           | 0        | -24.096       | -17.482       |
| Add Energy Asia                     | 0           | 0        | 0             | 0             |
| Add Energy North America Holding AS | 0           | 0        | 41            | 63            |
| Add Australasia                     | 0           | 0        | 8.166         | 688           |
| <b>Total</b>                        | <b>294</b>  | <b>3</b> | <b>36.579</b> | <b>61.522</b> |

The outstanding amounts are all unsecured and will be settled by way of payment in cash.

In general settlement of outstanding amounts are made on a regular basis.

Payables includes the subsidiaries' bank account balances that form part of the Groups cash pool.

#### Note 21 - Subsequent Events

The financial statements were approved by the Board 25 November 2021, and presented for the General Meeting 2 December 2021.

The COVID-19 pandemic has impacted the Add Energy business in 2020 and continue to do so also in 2021. It is expected that the global market will improve during 2021 as the vaccination program is enrolled globally and the global market resumes normality. This indicates that uncertainties remain and that it is currently not reasonably possible to estimate exactly the future impact for the Company. Although, Add Energy has experienced a good sustainability of the business through the stressed market due to pandemic and oil price suppression.

Reduced performance from several business units during 2021 has caused the liquidity position to deteriorate towards the end of 2021. The Board has prepared cash flow forecasts for the period up to December 2022 and these projections indicate that the Company would not have sufficient cash to meet all its obligations as they fall due in the going concern period. This includes fully repaying all loans and creditors that are due for settlement at the present time. All loans and creditors are due for payment within one year. The Board is currently investigating mitigating actions where a.o. payment of the major outstanding from Sirius or a cash influx during the first quarter of 2022 could be a requirement. The Board therefore believe that the Company will have sufficient cash resources to meet its obligations as they fall due for a period of at least 12 months from the date that the financial statements are signed but acknowledge that there is a material uncertainty relating to these alternatives which again may cast significant doubt about the Company's ability to continue as a going concern. The financial statements have however been prepared based on a going concern basis.

Reduced performance has also caused the Company to be in breach of several Bank covenants.

The Company has applied for and received waiver for all these breaches throughout the year.

The Board has no knowledge of events subsequent to the balance sheet day and not indicated above that may substantially affect the financial statements at 31 December 2020.