



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 897 067 382  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NDT GLOBAL AS  
Forretningsadresse: Glasskaret 1  
5106 ØVRE ERVIK

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Paul Seaforth Cooper  
Dato for fastsettelse av årsregnskapet: 12.07.2021

### 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, 24.07.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	2, 3, 13	125 366 043	171 388 377
Other operating income	2	4 842 206	0
<b>Sum inntekter</b>		<b>130 208 249</b>	<b>171 388 377</b>
<b>Kostnader</b>			
Cost of materials	4, 13	47 129 228	24 864 346
Personnel expenses	5	50 093 076	33 049 887
Depreciation of operating and intangible assets	11	10 014 130	6 491 754
Other operating expenses	5, 6, 7, 8, 13	50 036 346	55 805 398
<b>Sum kostnader</b>		<b>157 272 780</b>	<b>120 211 385</b>
<b>Driftsresultat</b>		<b>-27 064 531</b>	<b>51 176 992</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries		2 353 328	0
Renteinntekt fra foretak i samme konsern	9, 13	89 627	161 057
Annen renteinntekt	9	57 992	137 380
Other financial income	9	1 702 850	700 419
<b>Sum finansinntekter</b>		<b>4 203 797</b>	<b>998 856</b>
Rentekostnad til foretak i samme konsern	9, 13	2 229 036	0
Annen rentekostnad	9	1 226 976	1 643 578
Other financial expenses	9	700 437	374 829
<b>Sum finanskostnader</b>		<b>4 156 449</b>	<b>2 018 407</b>
<b>Netto finans</b>		<b>47 348</b>	<b>-1 019 551</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-27 017 183</b>	<b>50 157 441</b>
Tax on ordinary result	10	321 046	1 050 109
<b>Ordinært resultat etter skattekostnad</b>		<b>-27 338 229</b>	<b>49 107 332</b>
<b>Årsresultat</b>		<b>-27 338 229</b>	<b>49 107 332</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity	16		49 107 332
Transferred from other equity	16	-27 338 230	
<b>Sum overføringer og disponeringer</b>		<b>-27 338 230</b>	<b>49 107 332</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Development projects	8, 11	59 329 262	39 243 896
<b>Sum immaterielle eiendeler</b>		<b>59 329 262</b>	<b>39 243 896</b>
<b>Varige driftsmidler</b>			
Machinery and equipment	11, 17	128 511 963	133 171 426
Equipment and other movables	11, 17	1 167 492	1 537 594
<b>Sum varige driftsmidler</b>		<b>129 679 455</b>	<b>134 709 020</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap		0	18
Lån til foretak i samme konsern	12, 17	0	2 167 709
Other long-term receivables	17	41 470	29 600
<b>Sum finansielle anleggsmidler</b>		<b>41 470</b>	<b>2 197 327</b>
<b>Sum anleggsmidler</b>		<b>189 050 187</b>	<b>176 150 243</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	4, 17	23 775 282	5 109 035
<b>Sum varer</b>		<b>23 775 282</b>	<b>5 109 035</b>
<b>Fordringer</b>			
Accounts receivables	12, 17	17 156 076	37 880 566
Accounts receivables group	12	8 611 090	1 551 823
Other short-term receivables	12	15 997 913	14 139 869
Other short-term receivables group	12	31 417 783	169 522
<b>Sum fordringer</b>		<b>73 182 862</b>	<b>53 741 780</b>
<b>Investeringer</b>			
Other financial instruments		0	700 419
<b>Sum investeringer</b>		<b>0</b>	<b>700 419</b>
<b>Bankinnskudd, kontanter og lignende</b>			



### Balanse

Beløp i: NOK	Note	2020	2019
Cash and bank deposits	14	19 707 099	26 132 314
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>19 707 099</b>	<b>26 132 314</b>
<b>Sum omløpsmidler</b>		<b>116 665 243</b>	<b>85 683 548</b>
<b>SUM EIENDELER</b>		<b>305 715 430</b>	<b>261 833 791</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share capital	15, 16	1 832 044	1 785 327
Share premium reserve	16	77 028 824	77 028 824
Annen innskutt egenkapital	16	2 248 479	701
<b>Sum innskutt egenkapital</b>		<b>81 109 347</b>	<b>78 814 852</b>

##### Opptjent egenkapital

Other equity	16	21 658 187	49 107 332
<b>Sum opptjent egenkapital</b>		<b>21 658 187</b>	<b>49 107 332</b>

##### Sum egenkapital

**102 767 534**      **127 922 184**

#### Gjeld

##### Langsiktig gjeld

##### Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	17	0	27 748 750
Langsiktig konserngjeld	12, 17	108 677 715	
<b>Sum annen langsiktig gjeld</b>		<b>108 677 715</b>	<b>27 748 750</b>

##### Sum langsiktig gjeld

**108 677 715**      **27 748 750**

##### Kortsiktig gjeld

Liabilities to financial institutions	14	0	24 993 963
Leverandørgjeld	12, 17	40 095 070	46 520 422
Tax payable	10	5 714	0
Public duties payable		5 002 731	2 580 391
Other current debt	12	46 622 626	32 068 081



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Other current debt group		2 544 042	0
<b>Sum kortsiktig gjeld</b>		<b>94 270 183</b>	<b>106 162 857</b>
<b>Sum gjeld</b>		<b>202 947 898</b>	<b>133 911 607</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>305 715 432</b>	<b>261 833 791</b>



Skatteetaten

Vår dato  
13.01.2021

Din/Deres dato  
21.12.2020

Saksbehandler  
Lars Waalorp

800 80 000  
Skatteetaten.no

Din/Deres referanse  
AR406531356

Telefon  
32212244

Org.nr  
974761076

Vår referanse  
2020/6310138

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

HALFWAVE AS  
O.H. Bangs vei 70  
1363 HØVIK

Att. Rasmus Noraas Bendvold

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev sendt inn 21. desember 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

<b>Halfwave AS</b>	<b>org.nr. 897 067 382</b>
<b>Eddyfi NDT Norway AS</b>	<b>org.nr. 924 747 005</b>
<b>TSC Subsea AS</b>	<b>org.nr. 920 538 223</b>

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

De ovennevnte selskapene er eid av et utenlandsk selskap som er en del av et internasjonalt konsern. Selskapene driver servicenæring innen olje- og gassnæringen. Alle kundene er internasjonale store selskaper innen olje- og gassindustrien. Selskapenes arbeidsspråk er engelsk, og styrelederen i selskapene er utenlandsk.

### Skattekontorets vurdering

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

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene er eid av et utenlandsk selskap som er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



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Enterprise 935 174 627 MVA

To the General Meeting of NDT Global AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NDT Global AS showing a loss of NOK 27 338 230. The financial statements comprise the balance sheet as at 31 December 2020, the revenue statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

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



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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



Independent Auditor's report 2020  
NDT Global AS

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, 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.

Oslo, 23 July 2021  
KPMG AS

Øyvind Skorgevik  
State Authorised Public Accountant



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# **Annual Report 2020**

## **NDT Global AS**

**Directors' Report**  
**Revenue statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

**Org.no.: 897 067 382**



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## Annual Report 2020 for NDT Global AS

### The nature and location of the business

In February 2020, Eddyfi/NDT acquired all the shares in Halfwave AS. Eddyfi/NDT is a Canadian group specialized in inspection technology. Based on Eddyfi/NDT global geographical presence and financial position, it was the Board's view that Halfwave would benefit from becoming part of Eddyfi/NDT and the acquisition would enhance the potential of the company of realizing its growth potential.

NDT Global AS (hereafter the Company) is a Norwegian technology company which has developed an acoustic inspection technology called ART (Acoustic Resonance Technology). The Company's overarching strategy is to commercialize this technology by selling services based on its ART platform to selected industries and markets.

The Company's registered address is in Bergen municipality, that is also the operational head office. The company also has a satellite office providing support services based at Lysaker in the municipality of Bærum.

In a market influenced by the affects of the COVID-19 pandemic the company has experienced a slowdown in activity caused by conservatism and a reduction in energy prices. However, the underlying market for energy transportation through pipeline infrastructure remains strong, with energy prices recovering during Q4 of 2020, combined with the introduction of vaccines against COVID-19 provides conservative optimism leading into 2021.

The company continues to invest in technology and have made good headway with several core developments. These will provide new and enhanced technical solutions providing the potential for a stronger future market position for the company.

### Fair review of development and result

The Company's financial performance in 2020 was heavily influenced by the ongoing COVID-19 pandemic and reduction in energy prices. Several key projects were delayed or cancelled reducing the expected number of projects and activity levels. The Company had a revenue turnover reduction of 27% from NOK 171 million in 2019 to NOK 125 million during 2020. Cost of materials increased from NOK 25 million in 2019 to NOK 47 million in 2020. The combination of reduced revenue and increased cost of materials led to a reduction in gross margin from 85% in 2019 to 62% in 2020. Net profit for 2020 was negative NOK 27 million compared to NOK 49 million in 2019. The Company has an equity ratio of 33 % in 2020 compared to 49% in 2019. Cash balance was reduced from NOK 26 million in 2019 to NOK 20 million at the end of 2020.

The Board believes that the annual accounts give a true and fair view of the company's assets and liabilities, financial position, and result.



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## **Financial risk**

### **Overall objective and strategy**

The Company is exposed to financial risk in various areas, especially currency risk. The aim is to reduce the financial risk until it is within an acceptable level. This level has not yet been more closely defined but is being continuously assessed by the Company's governing bodies.

The company's debt has floating interest rates and is recorded in NOK.

### **Market risk**

The Company is exposed to changes in exchange rates. It earns most of its income in foreign currency, especially EUR and USD, while the costs are mostly in NOK, USD, and GBP. The Company sells most of its services to foreign customers in the energy sector and thus is indirectly affected by international economic trends and oil prices. The Company does not currently use any hedging mechanisms in this area.

### **Credit risk**

The Company's customers are generally large international groups and the risk of losses on receivables is therefore considered low. No agreements have been entered into on offsetting or other financial instruments to reduce credit risk.

### **Liquidity risk**

There is a very strong focus on managing working capital and all surplus liquidity goes into further development of the Company's technology and the construction of new inspection tools. With certain exceptions, due dates for trade receivables are adhered to and other long-term receivables are not considered for renegotiation or redemption.

### **Going concern**

In accordance with § 3-3 of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

### **Working environment**

Sickness absence in the Company totaled 830 hours in 2020 (0,9% of total working hours in the Group), compared to 1,056.0 hours in 2019 (1,1%). The Company is thus maintaining an impressively low level of sickness absence, which the Board is very pleased with.

No injuries or accidents have been reported in the workplace in 2020. The working environment is deemed to be good. The cooperation between the employees and the management of the Company has been constructive and has had a positive effect on its operations.

### **Equality and discrimination**

Our goal in the Company is to be a workplace offering full equality between men and women. In its policy, the Company has incorporated provisions aimed at preventing discrimination based on gender in matters such as pay, promotion and recruitment.

Of the Company's 41,3 employees, 10 are women. There are no women on the boards as the board consists of only 3 people in total. The average annual earnings are NOK 679,000 for women and NOK



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763,000. This is due to differences in seniority and the fact that the proportion of women in senior positions is lower than for men.

Annual climate surveys are carried out, which seek, among other things, to address differences between the sexes in terms of pay, promotion and participation in internal training. Working time arrangements in the company are applicable to the different positions and are independent of gender. The company plans to continue its current policy in relation to equality as described above.

The company works actively to prevent discrimination because of disability, ethnicity, nationality, skin color, religion, or lifestyle. The activities include, among other things, recruitment, salary and working conditions, promotion, development opportunities and protection against bullying.

### External environment

The Company is not exposed to factors affecting its activities beyond what is normal for an enterprise developing products and services based on new technology for use in the oil and gas industry. The Company does not pollute the external environment and it is part of the Company's objective to help customers to improve integrity control of active hydrocarbon-carrying assets to prevent leaks and serious damage.

### Report on the annual accounts

The board is not aware of any matters that are important for an assessment of the company's position and result that are not set out in the annual accounts. Similarly, no matters have occurred after the end of the financial year that in the opinion of the board are material to an assessment of the accounts.

In 2020 the Company had a result of after tax of minus NOK 27 338 230 which is proposed to be transferred as follows:

	NDT Global AS
Allocated to other equity	0
Transferred from other equity	27 338 230

Bergen, 12.07.2021

The board of NDT Global AS

DocuSigned by:  
*Martin Theriault*  
A0E89F89D90341F...

Martin Theriault  
chairman of the board

DocuSigned by:  
*Paul Seaforth Cooper*  
EEBE8BD057BD4D8...

Paul Seaforth Cooper  
member of the board

DocuSigned by:  
*Jan Ove Toskedal*  
6646894C4D9E4D5...

Jan Ove Toskedal  
member of the board



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## Revenue statement

### NDT Global AS

Operating income and operating expenses	Note	2020	2019
Revenue	2, 3, 13	125 366 043	171 388 377
Other operating income	2	4 842 206	0
<b>Total operating income</b>		<b>130 208 249</b>	<b>171 388 377</b>
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Depreciation of operating and intangible assets	11	10 014 130	6 491 754
Other operating expenses	5, 6, 7, 8, 13	50 036 346	55 805 398
<b>Total operating expenses</b>		<b>157 272 779</b>	<b>120 211 385</b>
<b>Operating profit</b>		<b>-27 064 531</b>	<b>51 176 992</b>
<b>Financial income and expenses</b>			
Income from subsidiaries		2 353 328	0
Interest income from group companies	9, 13	89 627	161 057
Other interest income	9	57 992	137 380
Other financial income	9	1 702 850	700 419
Interest expense to group companies	9, 13	2 229 036	0
Other interest expenses	9	1 226 976	1 643 578
Other financial expenses	9	700 437	374 829
<b>Net financial items</b>		<b>47 347</b>	<b>-1 019 551</b>
Operating result before tax		-27 017 184	50 157 441
Tax on ordinary result	10	321 046	1 050 109
<b>Ordinary result after tax</b>		<b>-27 338 230</b>	<b>49 107 332</b>
<b>Annual net profit</b>		<b>-27 338 230</b>	<b>49 107 332</b>
<b>Brought forward</b>			
Allocated to other equity		0	49 107 332
Transferred from other equity	16	27 338 230	0
<b>Net brought forward</b>		<b>-27 338 230</b>	<b>49 107 332</b>



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## Balance sheet NDT Global AS

Assets	Note	2020	2019
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Development projects	8, 11	59 329 262	39 243 896
<b>Total intangible assets</b>		<b>59 329 262</b>	<b>39 243 896</b>
<b>Tangible assets</b>			
Machinery and equipment	11, 17	128 511 963	133 171 426
Equipment and other movables	11, 17	1 167 492	1 537 594
<b>Total tangible assets</b>		<b>129 679 455</b>	<b>134 709 020</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries		0	18
Loan to group companies	12, 17	0	2 167 709
Other long-term receivables	17	41 470	29 600
<b>Total financial fixed assets</b>		<b>41 470</b>	<b>2 197 327</b>
<b>Total fixed assets</b>		<b>189 050 187</b>	<b>176 150 243</b>
<b>Current assets</b>			
Inventories	4, 17	23 775 282	5 109 035
<b>Debtors</b>			
Accounts receivables	12, 17	17 156 076	37 880 566
Accounts receivables group	12	8 611 090	1 551 823
Other short-term receivables	12	15 997 913	14 139 869
Other short-term receivables group	12	31 417 783	169 522
<b>Total receivables</b>		<b>73 182 862</b>	<b>53 741 780</b>
Other financial instruments		0	700 419
<b>Total investments</b>		<b>0</b>	<b>700 419</b>
Cash and bank deposits	14	19 707 099	26 132 314
<b>Total current assets</b>		<b>116 665 243</b>	<b>85 683 548</b>
<b>Total assets</b>		<b>305 715 430</b>	<b>261 833 791</b>



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## Balance sheet NDT Global AS

Equity and liabilities	Note	2020	2019
<b>Equity</b>			
<b>Paid-up equity</b>			
Share capital	15, 16	1 832 044	1 785 327
Share premium reserve	16	77 028 824	77 028 824
Other paid-up equity	16	2 248 479	701
<b>Total paid-up equity</b>		<b>81 109 346</b>	<b>78 814 851</b>
<b>Retained earnings</b>			
Other equity	16	21 658 187	49 107 332
<b>Total retained earnings</b>		<b>21 658 187</b>	<b>49 107 332</b>
<b>Total equity</b>		<b>102 767 533</b>	<b>127 922 184</b>
<b>Liabilities</b>			
<b>Other long-term liabilities</b>			
Liabilities to financial institutions	17	0	27 748 750
Loan from group companies	12, 17	108 677 715	0
<b>Total of other long term liabilities</b>		<b>108 677 715</b>	<b>27 748 750</b>
<b>Current debt</b>			
Liabilities to financial institutions	14	0	24 993 963
Trade creditors	12, 17	10 615 486	43 056 643
Trade creditors group	12	29 479 584	3 463 779
Tax payable	10	5 714	0
Public duties payable		5 002 731	2 580 391
Other current debt	12	46 622 626	32 068 081
Other current debt group		2 544 042	0
<b>Total current debt</b>		<b>94 270 182</b>	<b>106 162 857</b>
<b>Total liabilities</b>		<b>202 947 897</b>	<b>133 911 607</b>
<b>Total equity and liabilities</b>		<b>305 715 430</b>	<b>261 833 791</b>

Bergen, Date: 12 / 07 - 2021

The board of NDT Global AS

DocuSigned by:  
*Martin Theriault*  
A0E89F89D90341E...

Martin Theriault  
Chairman of the board

DocuSigned by:  
*Paul Seaforth Cooper*  
EEBE8BD057BD4D8...

Paul Seaforth Cooper  
Member of the board/General Manager

DocuSigned by:  
*Jan Ove Toskedal*  
6646894C4D9E4D5...

Jan Ove Toskedal  
Member of the board



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## Indirect cash flow

### NDT Global AS

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Profit/loss before tax		-27 017 184	50 157 441
Taxation paid		321 046	1 050 109
Ordinary depreciation		10 014 130	6 491 754
Change in inventory		-18 666 247	-1 467 994
Change in accounts receivable		13 665 222	-22 851 711
Change in accounts payable		-6 425 353	30 777 949
Effect of exchange rate fluctuations		-110 916	0
Items classified as investment or financing activities		2 167 709	-2 167 709
Change in other accrual items		-10 643 336	13 385 205
<b>Net cash flows from operating activities</b>		<b>-37 337 020</b>	<b>73 274 826</b>
<b>Cash flows from investment activities</b>			
Proceeds from the sale of fixed assets		35 503 266	0
Payments to buy tangible assets		60 573 198	88 426 585
Proceeds from the sale of other investments		18	9 722 717
<b>Net cash flows from investment activities</b>		<b>-25 069 914</b>	<b>-78 703 868</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issuance of new long-term liabilities		108 677 715	18 260 930
Repayment of long-term liabilities		52 742 713	0
Net change in bank overdraft		0	11 676 011
Proceeds from equity		46 717	0
Repayments of equity		0	9 719 214
<b>Net cash flows from financing activities</b>		<b>55 981 719</b>	<b>20 217 727</b>
Net change in cash and cash equivalents		-6 425 215	14 788 685
Cash and cash equivalents at the start of the period		26 132 314	11 343 629
<b>Cash and cash equivalents at the end of the period</b>		<b>19 707 099</b>	<b>26 132 314</b>



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## Accounting principles

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

## Use of estimates

The preparation of accounts in accordance with the Norwegian Accounting Act requires the use of estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

## Investments in other companies

In 2019 the Halfwave AS' group of companies consisted of the subsidiaries Halfwave UK Ltd. and Halfwave LLC. The subsidiaries are no longer part of the group as per 31.12.2020, since both companies have been liquidated in November 2020. As a result of the liquidation, the acquisition cost in the annual accounts have been written off.

Halfwave AS is a part of the Eddyfi group of companies, with Eddyfi NDT Norway AS as the parent company. The group accounts are prepared by the parent company Eddyfi NDT Norway AS, where Halfwave AS is included. The group accounts can be obtained from the parent company's official address in Norway.

## Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Currency gains and losses relating to sales and purchases of goods in foreign currencies are recognised as financial activities. Other profit and loss accounts are converted to NOK by implementing the average exchange rate during the relevant period. All effects due to exchange rate fluctuations in branch Brazil are recognized directly to the equity.

## Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

## Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

## Revenue from sale for services

Revenues for services are recognised when the services are performed and the company has a right to payment for performed.

## Long-term contracts

Work in progress related to fixed-term contracts is assessed according to the percentage of completion method, where revenue is recognised according to the progress of the project. The completion rate is calculated based upon incurred cost as a percentage of the expected total cost. The total cost is reviewed on an ongoing basis. When the outcome of the contract can't be reliably estimated, revenue is recognised in an amount corresponding to incurred cost. For honours contracts the entire estimated loss is expensed immediately.

## Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.



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## **Intangible assets**

Expenditure on own Research and Development are expensed as and when they incur. Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

## **Fixed assets**

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period.

## **Impairment of fixed assets**

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

## **Inventory**

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost, including both variable and fixed production costs.

## **Receivables**

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Additionally, for accounts receivables, a provision is made to cover expected losses.

## **Defined contribution pension scheme**

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

## **Tax**

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Foreign taxes are calculated based on the tax laws in the relevant countries, and incorporated in the financial statement of NDT Global AS in NOK.

## **Forward contracts**

Assets/liabilities secured through forward contracts are reflected in the balance sheet at forward exchange rate, except for the interest rate element which is accrued and classified as interest income / expense.



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#### **Tax rebate scheme (Skattefunn)**

The Tax rebate scheme in Norway is considered as a public subsidy and the accounting treatment follows the regulations in the Norwegian accounting standard NRS 4 Government subsidies.

In cases where the R&D expenditure according to the accounting standards are to be expensed, the subsidy is treated as a cost reduction. When capitalizing R&D expenses, the subsidy is entered as a direct reduction of the capitalized acquisition cost and recognized in profit or loss as a reduction of the depreciation charge over the lifetime of the asset.

#### **Warranties, guarantee commitments/complaints and service**

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

#### **Cash Flow statement**

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



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## Note 2 Revenues

Activity distribution	2020	2019
Revenues from services performed	125 366 043	171 388 377
Covid-19 cash support	4 842 206	0
<b>Total</b>	<b>130 208 249</b>	<b>171 388 377</b>

Business segment distribution	2020	2019
Art Scan	55 271 244	52 678 838
Major projects	32 246 962	103 629 872
Crack detection	12 485 275	5 649 282
Development	72 584	3 622 208
Other segments	0	5 808 177
Intercomp. Subsea	4 791 644	0
Petrobras contract	20 176 303	0
Tax rebate scheme (Skattefunn)	322 031	0
Covid-19	4 842 206	0
<b>Total</b>	<b>130 208 249</b>	<b>171 388 377</b>

Geographical distribution	2020	2019
United States of America	11 995 924	46 399 296
Switzerland	7 800 525	38 680 221
Netherlands	33 162 297	25 649 884
Australia	10 333 780	19 495 635
Papa New Guinea	877 345	14 040 315
Norway	14 798 540	9 558 205
Canada	12 181 216	6 874 273
United Kingdom	12 036 583	6 564 405
Japan	268 757	3 865 143
Argentina	0	261 000
Germany	6 023 429	0
Indonesia	553 551	0
Brazil	20 176 303	0
<b>Total</b>	<b>130 208 249</b>	<b>171 388 377</b>

### COVID - 19:

On January 30th 2020, the World Health Organization (WHO) declared the corona-virus a global public health crisis. In the following weeks and months countries around the world have introduced strict measures to combat an uncontrolled and unwanted spread of the virus. The measures have resulted in a paralysing effect on national and international business activities.

As with many other companies, this has also affected Halfwave AS. Ongoing and future projects are postponed or in some cases canceled. This has led Halfwave AS to reduce the staff via temporary dismissals and some resignations in order to adapt the company to meet expected future activities and at the same time avoid ending up in a liquidity crisis. The company have recognized NOK 4 842 206 as government subsidy, whereas more than the half have been granted in 2020. So far, the situation has not led Halfwave AS to breach its agreements towards third parties.

It is currently not possible to clearly calculate the financial consequences for the company of the virus outbreak as the situation is very complex and unpredictable.



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## Note 3 Long-term contracts

Balance sheet value of projects	2020	2019
<i>Included in Accounts receivables</i>		
Accrued income, not invoiced	0	-12 143 343
Retained payments according to contract	0	1 806 041
<i>Included in other short term liabilities</i>		
Deferred income, invoiced amount in excess of earned	-34 603 696	-10 337 302
<b>Result items relating to long term contracts</b>	<b>2020</b>	<b>2019</b>
<i>Result of work in progress</i>		
Total income in the income statement	31 009 663	103 629 874
Estimated contract profit	23 514 857	89 584 899
<i>Loss-making long term contracts</i>		
Remaining production	0	0

There are no loss-making long term contracts. In case of other contract losses, the loss is recognized in the present period.

## Note 4 Inventories and Costs of goods sold

### Inventory

	2020	2019
Finished goods	23 775 282	5 109 035
<b>Total</b>	<b>23 775 282</b>	<b>5 109 035</b>

The inventory at year-end is valued at the lowest of acquisition cost and fair market value. The company does not have inventory obsolescence in the stocks at the year-end.

### Cost of goods sold

	2020	2019
Travel expenses	2 112 151	510 308
Freight	2 723 979	1 583 023
Subcontractors	13 939 786	12 365 453
Consultants hours	12 160 005	9 032 381
Commercial IT expenses	2 649 138	1 373 181
Other costs of goods	13 544 168	0
<b>Total</b>	<b>47 129 228</b>	<b>24 864 346</b>



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## Note 5 Personnel expenses, number of employees, remuneration, loan to employees

<b>Payroll expenses</b>	<b>2020</b>	<b>2019</b>
Salaries/wages	49 899 616	33 842 910
Social security fees	7 669 958	4 839 996
Pension expenses	1 511 822	1 409 720
Other remuneration	839 441	2 768 756
Salaries/wages recognized in the balance sheet	-9 827 762	-9 658 487
Government subsidies and tax rebate scheme	0	-153 008
<b>Total</b>	<b>50 093 076</b>	<b>33 049 887</b>

Average number of employees during the financial year 41,3 37,5

<b>Remuneration</b>	<b>General Manager</b>	<b>Board</b>
Salaries/wages	1 901 816	0
Bonus	5 395 695	0
Pension expenses	79 501	0
Other remuneration	153 670	0
<b>Total</b>	<b>7 530 682</b>	<b>0</b>

The bonus to General Manager refers to the change in shareholders as described in note 15. No loans or sureties have been granted to the General Manager, Charirman of the Board or other related parties.

### OTP (Statutory occupational pension)

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

### Expensed audit fee

Expenses paid to the auditor for 2020 amounts to NOK 793 411,- excl.VAT.

Statutory audit fee	771 286
Other assistance	22 125
<b>Total audit fees</b>	<b>793 411</b>

## Note 6 Other operating expenses

	<b>2020</b>	<b>2019</b>
Office rent, cleaning, electricity etc.	5 789 257	5 827 107
Fixtures & fittings and other smaller equipments	470 759	945 369
Audit, accounting and other legal advisors	8 202 091	7 867 380
Subcontractors	16 040 486	13 345 474
ICT expenses	4 916 614	4 766 677
Travel expenses	3 681 062	8 568 822
Bad debt loss	227 405	0
Other expenses	10 708 672	14 484 568
<b>Total other operating expenses</b>	<b>50 036 346</b>	<b>55 805 398</b>



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## Note 7 Leases

### Operating leases:

Lease object	Expiration of agreement	Annual lease
Office machines	2021-2023	70 000
Truck	1 month termination time	102 210
<b>Total</b>		<b>172 209</b>

Office machines consists of four leasing agreements where the timeframe for expiration varies from December 2021 to May 2023.

## Note 8 Tax rebate scheme (Skattefunn)

Following the Tax rebate scheme in 2020, Halfwave AS was granted NOK 4 750 000 as government subsidy for the development of ART Scan and Crack Detection projects. The net total of NOK 3 990 000 is entered as a receivable against Development projects.

## Note 9 Financial items

	<b>2020</b>	<b>2019</b>
Dividend from subsidiary	2 353 328	0
Interest income from group companies	89 627	161 057
Other interest income	57 992	137 380
Profit on currency	182 866	0
Other financial income	1 519 983	700 419
<b>Total financial income</b>	<b>4 203 797</b>	<b>998 856</b>
	<b>2020</b>	<b>2019</b>
Interest expense to group companies	2 229 036	0
Other interest costs	1 226 976	1 643 578
Loss on currency	0	356 669
Other financial cost	700 437	18 160
<b>Total financial costs</b>	<b>4 156 450</b>	<b>2 018 407</b>
<b>Net financial items</b>	<b>47 347</b>	<b>-1 019 551</b>

\*The comparative figures for the financial items on the Revenue Statement have been changed for presentation purposes.



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## Note 10 Tax

<b>This year's tax expense</b>	<b>2020</b>	<b>2019</b>
Entered tax on ordinary profit/loss:		
Payable tax in Canada	180 396	1 050 109
Payable tax Brazil branch	140 650	0
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>321 046</b>	<b>1 050 109</b>

Halfwave AS have sedentary income tax through their operations in Brazil and in the Canada. Halfwave AS does not have domestic net taxable income, and thus do not have any payable tax in Norway.

Taxable income:		
Ordinary result before tax	-27 017 184	50 157 441
Permanent differences	-3 566 352	-561 965
Changes in temporary differences	22 523 226	7 583 679
Received intra-group contribution	2 247 778	0
Allocation of loss to be brought forward	0	-57 179 155
<b>Taxable income</b>	<b>-5 812 532</b>	<b>0</b>

Payable tax in the balance:		
Payable tax in Brazil	5 714	0
<b>Total payable tax in the balance</b>	<b>5 714</b>	<b>0</b>

The payable tax in the balance sheet solely consists of payable tax in Brazil based on the operations of the Brazilian branch.

Calculation of effective tax rate		
Profit before tax	-27 017 184	50 157 441
Calculated tax on profit before tax	-5 943 780	11 034 637
Tax effect of permanent differences	-784 597	-123 632
Calculated tax on received intra-group contribution	494 511	0
Change in deferred tax not recognized in the balance sheet	6 233 867	-13 483 599
Tax effect of demerged loss brought forward	0	2 572 594
Payable tax in abroad	321 046	1 050 109
<b>Total</b>	<b>321 046</b>	<b>1 050 109</b>
Effective tax rate	-1,2 %	2,1 %

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

	<b>2020</b>	<b>2019</b>	<b>Difference</b>
Tangible assets	19 871 437	19 277 278	-594 159
Accounts receivable	-227 405	0	227 405
Allocations and more	-36 907 755	-14 718 194	22 189 561
Other differences	0	700 419	700 419
<b>Total</b>	<b>-17 263 723</b>	<b>5 259 503</b>	<b>22 523 226</b>
Accumulated loss to be brought forward	-115 109 185	-120 990 261	-5 881 076
Merged loss to be brought forward	0	11 693 608	11 693 608
Not included in the deferred tax calculation	132 372 908	104 037 150	-28 335 757
<b>Deferred tax assets (22 %)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Deferred tax is not included in the balance sheet.



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## Note 11 Fixed assets

	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Research and development</b>	<b>Total</b>
Purchase cost as of 01.01.20	159 605 828	4 570 411	39 243 896	203 420 134
Additions this year	40 086 515	401 315	20 085 366	60 573 196
Disposals this year	-35 503 266	0	0	-35 503 266
<b>Acquisition cost 31.12.20</b>	<b>164 189 077</b>	<b>4 971 726</b>	<b>59 329 262</b>	<b>228 490 065</b>
Acc. depreciation previous years	-26 434 402	-3 032 817		-29 467 219
This year's ordinary depreciations	-9 242 713	-771 417	0	-10 014 130
<b>Depreciation as of 31.12.20</b>	<b>-35 677 114</b>	<b>-3 804 234</b>	<b>0</b>	<b>-39 481 349</b>
<b>Book value 31.12.20</b>	<b>128 511 963</b>	<b>1 167 492</b>	<b>59 329 262</b>	<b>189 008 717</b>
This year's ordinary depreciations	9 242 713	771 417	0	10 014 130
Economic life	5-10 years	3-5 years	0 years	
Depreciation plan	Linear	Linear	Linear	

Research and development are machinery under construction. It will be reclassified to Machinery and plant and will be object for depreciation once the assets have been utilized. There have been a reclassification in fixed assets in 2020. Fixed assets consisting of physical objects have been reclassified from intangible assets to tangible assets. Plant/construction in progress under "Plant and machinery" will be objects for depreciation once the asset have been utilized.

All research and development activities are aiming at generating future economic benefit by producing and improving tools for sale, equipment rental and inspection activities. Total research and development expenditures for 2020 was NOK 31 033 511.



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## Note 12 Inter-company items between companies in the same group

	2020	2019
<b>Account receivables</b>		
TSC Subsea AS	5 823 700	1 551 823
TSC Subsea Ltd	189 751	0
NDT Global LLC	2 597 639	0
<b>Total</b>	<b>8 611 090</b>	<b>1 551 823</b>

	2020	2019
<b>Account payables</b>		
Halfwave UK	0	1 355 017
Halfwave LLC	0	2 109 763
TSC Subsea Ltd	1 849 937	0
NDT Global LLC	3 910 376	0
NDT Global Inc.	320 767	0
NDT Germany	64 914	0
TSC Subsea AS	23 333 589	0
<b>Total</b>	<b>29 479 584</b>	<b>3 464 779</b>

	2020	2019
<b>Other short-term receivables</b>		
Halfwave LLC	0	169 522
Eddyfi NDT Norway AS	50 740	0
Eddyfi NDT Norway AS (2020 Group contribution)	257 375	0
Eddyfi NDT Inc.	25 525 535	0
TSC Subsea AS	2 164 115	0
TSC Subsea Ltd	2 353 328	0
NDT Global LLC	1 066 689	0
<b>Total</b>	<b>31 417 783</b>	<b>169 522</b>

	2020	2019
<b>Other short-term liabilities</b>		
TSC Subsea AS	289 901	0
Eddyfi NDT Norway AS	121 459	0
NDT Global LLC	637 600	0
NDT Germany	1 400 363	0
NDT Global Inc.	94 718	0
<b>Total</b>	<b>2 544 042</b>	<b>0</b>

	2020	2019
<b>Other long-term receivables</b>		
Halfwave LLC	0	2 167 709
<b>Total</b>	<b>0</b>	<b>2 167 709</b>

	2020	2019
<b>Other long-term liabilities</b>		
Eddyfi NDT Norway AS	68 220 962	0
Eddyfi NDT Inc.	40 456 752	0
<b>Total</b>	<b>108 677 715</b>	<b>0</b>



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## Note 13 Related party transactions

Remuneration to senior executives is disclosed in note 5, for intercompany balances see note 12.

<b>Related-party transactions:</b>	<b>2020</b>	<b>2019</b>
<b>Sales of services:</b>		
Sales and services:		
TSC Subsea AS	6 288 676	0
TCS Subsea Ltd	89 719	0
Eddify NDT Inc	453 294	0
Halfwave UK	2 353 328	0
NDT Global LLC	1 066 689	0
<b>Total</b>	<b>10 251 706</b>	<b>0</b>

## Purchase of services:

Purchase of services:		
Halfwave LLC	10 376 388	11 318 606
Halfwave UK	6 307 370	9 677 348
TSC Subsea AS	26 643 293	0
NDT Germany	1 433 121	0
NDT Global LLC	2 547 721	0
TCS Subsea Ltd	2 213	0
NDT Global Inc	705 614	0
Eddify NDT Norway AS	121 459	0
<b>Total</b>	<b>48 137 178</b>	<b>20 995 954</b>

## Interest expenses:

Interest expenses:		
Eddify NDT Inc	1 062 057	0
Eddify NDT Norway AS	1 166 979	0
<b>Total</b>	<b>2 229 036</b>	<b>0</b>

The company Eddyfi NDT Norway AS is parent company to NDT Global AS and TSC Subsea AS is a Norwegian sister company. The other companies mentioned are part of the Eddyfi NDT Inc group which have headquarter in Canada.

## Note 14 Restricted bank deposits, cash in hand etc.

	<b>2020</b>	<b>2019</b>
Restricted funds deposited in the tax deduction account	1 549 024	1 795 535
Other restricted funds	0	20 000 000

The deposit in the tax deduction account is sufficient as of 31.12.2020 to cover the liable withholding payroll taxes.



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## Note 15 Share capital, shareholders etc.

The share capital in NDT Global AS as at 31.12.2020 consists of:

	Number	Par value	Posted
Ordinary shares	653 577	2,803	1 832 044
<b>Total</b>	<b>653 577</b>	<b>2,803</b>	<b>1 832 044</b>

All shares give the same rights in the company.

Ownership structure as at 31.12.2020:

Shareholder	Ordinary	Total	Interest	Share of votes
Eddyfi NDT Norway AS	653 577	653 577	100 %	100 %
<b>Total</b>	<b>653 577</b>	<b>653 577</b>	<b>100 %</b>	<b>100 %</b>

On 18th of February 2020, the former shareholders of Halfwave AS entered into a agreement (SPA) with the Canadian group Eddyfi NDT. The agreement entails that Eddyfi NDT takes over all the shares in Halfwave AS with immediate effect. Based on this acquisition, Halfwave AS is expected to be further developed as a part of the group of the new owners. It is assumed that this will have a positive effect on Halfwave AS's opportunities to implement its growth strategies.

## Note 16 Equity capital

	Share capital	Share premium	Other paid-up equity	Retained earnings	Total equity capital
<b>As at 01.01.2020</b>	<b>1 785 327</b>	<b>77 028 824</b>	<b>701</b>	<b>49 107 332</b>	<b>127 922 184</b>
Capital increase	46 717				46 717
Group contributions received			2 247 778		2 247 778
Effect of exchange rate fluctuations				-110 916	-110 916
Annual result				-27 338 230	-27 338 230
<b>As at 31.12.2020</b>	<b>1 832 044</b>	<b>77 028 824</b>	<b>2 248 479</b>	<b>21 658 187</b>	<b>102 767 533</b>

\*Halfwave AS increased its capital on 12.03.2020 with NOK 46 717, by issuing 16 666 shares at par value 2,803 per share.

\*The company received NOK 257 375 from its parent company Eddyfi NDT Norway AS and NOK 1 990 403 from its sistercompany NDT Global AS as group contribution at year-end 2020.

\*NOK 110 916 as a result of exchange rate fluctuations due to merging the figures of Halfwave AS' branch in Brazil are recognized directly to the equity.



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## Note 17 Receivables and liabilities

	2020	2019
<b>Account receivables</b>		
Account receivables	17 383 481	37 880 566
Intercompany account receivables	8 611 090	1 551 823
Bad debt accrual	-227 405	0
<b>Total</b>	<b>25 767 166</b>	<b>39 432 389</b>

	2020	2019
<b>Other long-term receivables</b>		
Other receivables	41 470	29 600
Intercompany receivables	0	2 167 709
<b>Total</b>	<b>41 470</b>	<b>2 197 309</b>

	2020	2019
<b>Trade creditors</b>		
Account payables	10 615 486	43 056 643
Intercompany account payables	29 479 584	3 463 779
<b>Total</b>	<b>40 095 070</b>	<b>46 520 422</b>

	2020	2019
<b>Other long-term liabilities</b>		
Liabilities to financial institutions	0	27 748 750
Intercompany payables	108 677 715	0
<b>Total</b>	<b>108 677 715</b>	<b>27 748 750</b>



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## Note 18 Individual transactions

### Nord Stream 2:

We were engaged by Nord Stream 2 to perform a tool build and Pipeline Inspection. Work on the project commenced in 2018 and continued into 2020. As of 18th December 2020, the initial service agreements with Nord Stream 2 were terminated. New agreements were entered into at 18th December 2020 for the sale of part of the capitalized PPE under development, including necessary software. As a result, the arrangement with Nord Stream 2 was changed from a service agreement to an sale of goods agreement.

As NGAAP does not have guidance on how to account for a contract modification/termination, we have applied guidance provided under IFRS 15. Halfwave is not in the business of selling tools, and therefore has no observable data regarding stand-alone selling price. We have there applied the most conservative approach under IFRS 15.21 (a), which we believe to be under NGAAP. Based on this, revenue for work performed on the original contract up to the termination is recognized in 2020. All performance obligations under the subsequent contract, including delivery of the tool, are satisfied in 2021. Therefore, revenues related to the subsequent contract is recognized in full during 2021.

The total value of the new agreements were NOK 30 608 714. The invoices were sent the 18th of December and the full payments were received the 22nd of December. As no work related to these contracts were performed in 2020 there was no revenue recognized in 2020. Therefore, the paid amount connected to these contracts is accounted as deferred revenue in the balance sheet. Additionally, the value of the asset transferred in 2021 was moved from Capitalized Tool costs into Inventory. This cost was recognized subsequently in 2021 upon transfer of control to the customer.