



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 991 954 023
Organisasjonsform: Aksjeselskap
Foretaksnavn: EXPRO HOLDINGS NORWAY AS
Forretningsadresse: Energivegen 12A
4056 TANANGER

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Dag Eidsvik
Dato for fastsettelse av årsregnskapet: 29.06.2021

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, 28.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	284 000	729 000
Sum kostnader		284 000	729 000
Driftsresultat		-284 000	-729 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern			0
Annen renteinntekt			0
Annen finansinntekt			0
Sum finansinntekter			0
Impairment of shares in subsidiary			48 539 000
Rentekostnad til foretak i samme konsern		2 815 000	1 423 000
Annen finanskostnad		302 000	5 000
Sum finanskostnader		3 117 000	49 967 000
Netto finans		-3 117 000	-49 967 000
Ordinært resultat før skattekostnad		-3 401 000	-50 696 000
Skattekostnad på ordinært resultat		176 000	-110 000
Ordinært resultat etter skattekostnad		-3 577 000	-50 586 000
Årsresultat		-3 577 000	-50 586 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-3 577 000	-50 586 000
Sum overføringer og disponeringer		-3 577 000	-50 586 000



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	96 258 000	49 258 000
Investering i annet foretak i samme konsern	7	1 173 000	1 173 000
Sum finansielle anleggsmidler		97 431 000	50 431 000
Sum anleggsmidler		97 431 000	50 431 000
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	7	9 811 000	11 094 000
Sum fordringer		9 811 000	11 094 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		1 304 000	5 746 000
Sum bankinnskudd, kontanter og lignende		1 304 000	5 746 000
Sum omløpsmidler		11 115 000	16 840 000
SUM EIENDELER		108 546 000	67 271 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5,6	19 000	19 000
Annen innskutt egenkapital	6	337 133 000	290 133 000
Sum innskutt egenkapital		337 152 000	290 152 000
Opptjent egenkapital			



Balanse

Beløp i: USD	Note	2020	2019
Udekket tap	6	326 556 000	322 980 000
Sum opptjent egenkapital		-326 556 000	-322 980 000
Sum egenkapital		10 596 000	-32 828 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	7	40 679 000	42 586 000
Sum annen langsiktig gjeld		40 679 000	42 586 000
Sum langsiktig gjeld		40 679 000	42 586 000
Kortsiktig gjeld			
Betalbar skatt	8	7 526 000	7 350 000
Kortsiktig konserngjeld	7	49 661 000	49 661 000
Annen kortsiktig gjeld		83 000	502 000
Sum kortsiktig gjeld		57 270 000	57 513 000
Sum gjeld		97 949 000	100 099 000
SUM EGENKAPITAL OG GJELD		108 545 000	67 271 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 711358

Enheten

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Organisasjonsform: Aksjeselskap
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Forretningsadresse: Energivegen 12A
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Brønnøysundregistrene, 02.09.2021



Organisasjonsnr: 991 954 023
EXPRO HOLDINGS NORWAY AS

RESULTATREGNSKAP

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
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Organisasjonsnr: 991 954 023
EXPRO HOLDINGS NORWAY AS

BALANSE

Beløp i: USD Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap	4	96 258 000	49 258 000
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Omløpsmidler

Varer

Fordringer

Konsernfordringer	7	9 811 000	11 094 000
Sum fordringer		9 811 000	11 094 000

Bankinnskudd, kontanter og lignende

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Sum bankinnskudd, kontanter og lignende		1 304 000	5 746 000

Sum omløpsmidler 11 115 000 16 840 000

SUM EIENDELER **108 546 000** **67 271 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	5,6	19 000	19 000
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Opptjent egenkapital

Udekket tap	6	326 556 000	322 980 000
Sum opptjent egenkapital		-326 556 000	-322 980 000

Sum egenkapital 10 596 000 -32 828 000

Gjeld

Langsiktig gjeld



Annen langsiktig gjeld			
Langsiktig konserngjeld	7	40 679 000	42 586 000
Sum annen langsiktig gjeld		40 679 000	42 586 000
Sum langsiktig gjeld			
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Kortsiktig gjeld			
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Sum gjeld			
		97 949 000	100 099 000
SUM EGENKAPITAL OG GJELD			
		108 545 000	67 271 000



Organisasjonsnr: 991 954 023
EXPRO HOLDINGS NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Årsregnskapet er satt opp etter regnskapsloven. Regnskapsreglene for små foretak er fulgt.

Note
5

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	104.00	1000.00	104000.00
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Expro Holding UK 4 Limited (EHUK4)	104.00	100.00%	Ordinære aksjer
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	104.00	100.00%	

Note

Ytelser til ledende personer
Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note
2

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	28000.00	24000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	18000.00	
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>



46000.00 24000.00

Note

0

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
Petrotech AS	100.00%	100.00%	49548.00	-3451.00
Quality Intervention AS	100.00%	100.00%	6665.00	190.00

Quality Intervention AS FS audit not yet finalized so the figures from FY19 FS are presented

Note

6

Egenkapital

Aksjekapital er forkortet til: "Aksjekap"

Annen innskutt egenkapital er forkortet til: "A.innsk.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	19000.00	290133000.00	-322980000.00
			0
<u>Egenkapital 01.01.</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	19000.00	290133000.00	-322980000.00
			0
<u>Årsresultat</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
		47000000.00	-3577000.00
<u>Andre endringer</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
		47000000.00	
<u>Egenkapital 31.12.</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	19000.00	337133000.00	326556000.00



Egenkapital

Opptjent egenkapital er forkortet til: "Opptj.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
			-32828000.00

<u>Egenkapital 01.01.</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
			-32828000.00

<u>Årsresultat</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
			43423000.00

<u>Egenkapital 31.12.</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
			10596000.00

Capital injection of \$47m in FY20



Deloitte.

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To the General Meeting of Expro Holdings Norway AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Expro Holdings Norway AS showing a loss of USD 3 577 000. The financial statements comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 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.

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.

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Pemneo Dokumentnøkkel: 2QYPH-8Q3A4-LEUE3-MZMCM-CT12G-050L7



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Independent Auditor's Report -
Expro Holdings Norway AS

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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Penneo Dokumentnøkkel: 2QYPH8Q3A4-LEUE3-MZMCM-CTJ2G-050L7



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Independent Auditor's Report -
Expro Holdings Norway AS

Oslo, 28 June 2021
Deloitte AS

Reidar Ludvigsen
State Authorised Public Accountant (Norway)

Pemso Dokumentnøkkel: 2QYPH-8Q3A4-LEUE3-MZMCMCTJ2G-050L7



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Reidar Ludvigsen

State Authorised Public Accountant (Norway)

Serienummer: 9578-5997-4-1501479

IP: 51.175.xxx.xxx

2021-06-29 10:55:23Z



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Ernst & Young AS

Stavanger, 29 June 2020

Att.: Stig Tore Strand

This letter of representations is provided in connection with your audit of the financial statements of Expro Holdings Norway AS and subsidiaries ("the Company") for the year ended 31 December 2019. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Expro Holdings Norway AS as of 31 December 2019 and of its operations and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). This involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial statements and financial records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 12.11.2019, for the preparation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.)
2. We acknowledge, as members of management of the Company, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above present fairly, in all material respects the financial position, results of operations and cash flows of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Company's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and errors
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations including fraud that may have affected the Company (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Company's financial statements
 - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Company's business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information provided and completeness of information and transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - Additional information that you have requested from us for the purpose of the audit and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements. In our opinion, we have fulfilled our duty to properly register and document the accounting information in accordance with Norwegian law and bookkeeping practice generally accepted in Norway.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) until this date.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Company's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the end of the period. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. We have disclosed to you any cybersecurity breach that either occurred or that third parties (including regulatory agencies, law enforcement agencies and security consultants) had brought to our attention during the period under audit and up to the date of the representation that could potentially be material to the financial statements.



D. Assets

1. The Company has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged as collateral.
2. All assets, including contingent assets, are correctly reflected in the financial statements.

E. Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed the financial statements all guarantees that we have given to third parties.

F. Remuneration to the Board, management and employees

1. To the extent required by the Accounting Act sections 7-31 and 7-32 and general financial statements legislations, the financial statements and footnote disclosures contain complete information regarding all agreements made by the managing director, chair of the Board, other board members and other executives with respect to compensation, options/warrants, pension, early retirement and termination rights as well as all loans or collateral provided to Board members, shareholders and employees.
Since 31 December 2019, the following changes have been made to these agreements: No changes
2. No board members, employees or other individuals and/or Companies included in the Limited Liability Companies Act section 6-17 have received any compensation violating the regulations of this section.

G. Going concern

1. Note 1 to the financial statements discloses all of the matters of which we are aware that are relevant to the Company's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

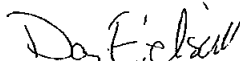
H. Subsequent events

1. Other than Covid-19 described in note 1 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.
2. We confirm that we have provided you with information about effects of Covid-19, and that these effects have been adequately considered and presented in the Board of Directors' report and notes to the financial statements.

I. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report.
2. We confirm that the content contained within the other information is consistent with the financial statements.

Yours faithfully,


Dag Eidsvik
Senior Area Manager


Murtaza Khan
Area Finance Manager



Expro Holdings Norway AS

Annual report 2019

As at 31 December 2019

The nature of the business and where it is carried out

The principal activity of Expro Holdings Norway AS ("the Company") is as a holding company of subsidiaries which provide well flow management services and products to the upstream oil and gas industry. The subsidiaries operate on the Norwegian continental shelf.

Future outlook

The short-term market outlook will be fluid, as the service sector is impacted by the immediate E&P company budget cuts announced in reaction to the oil price collapse and the effects of COVID-19 pandemic, further reducing demand on an already oversupplied market.

The Group continues to work closely with our clients in order to carefully monitor and adjust our business to these evolving market demands. We have taken steps to reduce outgoings and the Company is taking a prudent and vigilant approach on all expenditure.

Future outlook and going concern

Having considered the principal risks and uncertainties facing Expro Holdings UK 2 Limited and its subsidiaries (the "Group") and the current economic environment, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of not less than twelve months from the date of signature of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Although, the total equity of the company is negative \$33m, however given the Group's expectation to have sufficient resources to support the continued operational existence of its subsidiaries, including Expro Norway AS, for the following twelve months, the Company's board of directors (the "Board") will evaluate various alternatives, including potential capital contributions, as appropriate, to return the earned equity of the Company to a positive position. A letter of support from Expro Holdings UK 2 Limited has been provided stating, that it will provide financial support to the Company, if needed, for a period of at least twelve months from date of approval of the financial statements.

COVID-19 is expected to have an impact on the cashflows and operations of the Group. The short-term market outlook for the Group will be challenging, as the service sector is impacted by the immediate E&P company budget cuts announced in reaction to the oil price collapse and the effects of COVID-19 pandemic, further reducing demand on an already oversupplied market. The Group has taken immediate steps to reorganise its operations to continue to serve its customers and to take action to reduce its cost base and protect the financial resources. The Directors are satisfied that the parent undertaking EHUK2 has the ability to provide this support, should it be required and that the Company will have continued access to the cash pooling arrangement within the Group. Given the continued parental support, the Directors deem it appropriate to prepare the financial statements on the going concern basis.

Business review

Being a holding company, the company had no operating revenue in the current year similar to last year. On the other hand, there was a 10 time increase in operating costs due to legal and professional expenses incurred on the acquisition of Quality Intervention AS. The company also incurred significant interest expenses of \$1.4m on the intercompany loan borrowed for the acquisition of Quality Intervention AS. An impairment charge of \$48.5m was booked to fully impair the investment in its subsidiary Petrotech AS. The company also received a capital contribution of \$15m from the parent during the year.

Events after the reporting date

The impact of COVID-19 on the future outlook of the business is also set out in Note 9 to the financial statements. No other material events have occurred since the statement of financial position date which would affect the financial statements of the Company.

The directors are satisfied with the performance of the subsidiaries during the year and consider them to be well placed to exploit opportunities by expanding their existing product lines and introducing new products.

Employment policies

The Company is a holding company and has no employees.



Expro Holdings Norway AS

Annual report 2019

As at 31 December 2019

Health and safety

The health and safety of all personnel is of paramount importance to Expro. Commitment from all levels of the business supports us delivering the highest standards of safety performance. The Group has consistently outperformed industry-established standards in health and safety since March 2004.

Management of risks and uncertainties

The following risks could materially affect the business of the Group of which the Company is a part, its financial position and the results of subsidiaries' operations. Controls are put in place for the mitigation of internal risks and management seek to identify risks that are not within its control. Further risks to the Group are disclosed in the accounts of Expro Holdings UK 2 Limited.

Oil price

The market conditions for upstream well flow management services are closely linked to the price for oil and gas. Price is a factor of supply and demand, and in the short-term this is impacted by immediate issues such as the global economic and geopolitical environments. The prevailing price for oil, as well as expectations in respect of future prices, will therefore directly impact the Company's revenues, adjusted operating profit and cash flows.

Foreign currency risk

The Company faces exposure to transactional foreign currency risk as a result of transactions in currencies other than its functional currency, and translational foreign currency risk on the revaluation of net monetary assets and liabilities, including working capital balances. The Group monitors its exposure to foreign exchange risk on an ongoing basis through analysis of the profile of its monetary assets and liabilities, and has a policy of natural hedging which substantially mitigates the impact of currency movements in terms of profits, cash and net assets.

Environmental matters

Expro is committed to environmental responsibility and aims to prevent harm to the environment as a result of its operations. The environmental impacts are not those commonly associated with the oil and gas industry as the Company and the Group are solutions providers and, therefore, not directly responsible for impacts from flaring, venting or field development. However, the Group does provide solutions to its customers to eliminate or reduce such impacts, such as the introduction of wet gas metering and clean burn technology, as well as separation technology that has been developed to lessen impact on the environment and local communities.

Regulatory

The general upstream oil and gas sector is subject to significant regulation which aims to ensure the exploration, development and production of hydrocarbons are achieved in a safe and responsible manner. As a service provider, Expro is impacted by both regulation on its customers as well as regulations which directly impact its provision of products and services. Regulations on customers will impact where and how hydrocarbons could be developed and this in turn will impact the demand on Expro's well-testing and commissioning segments. Regulation on the sector and service companies can be positive as it limits the amount of direct competition experienced by Expro in a number of its product and service offerings.

Distribution of the profit / (loss)

The Company generated a loss of \$51m during the year which is transferred to other equity. The Company has cumulative losses of \$323m transferred to other equity.

Lewis J W McAlister
Chairman

Dag Eldsvik
Director

Bjørn Bybeahl
Director

Date: 29 JUNE 2020



Expro Holdings Norway AS

Income statement

Period to 31 December 2019

	Note	Year to 31 December 2019 \$'000	9 months ended 31 December 2018 \$'000
Operating revenue			
Operating revenue		-	-
Operating costs			
Other operating costs	1	(730)	(69)
Total operating costs		(730)	(69)
Operating loss		(730)	(69)
Financial income and expense			
Intercompany interest expense		(1,423)	-
Impairment of shares in subsidiaries		(48,539)	-
Other financial income/(expenses)	2	(5)	-
Net financial expense		(49,967)	-
Ordinary loss before tax		(50,697)	(69)
Tax			
Tax (credit)	4	(110)	(772)
Net (loss)/income		(50,587)	703
Disposals			
Disposed to other equity	6	(50,587)	703
Total disposals		(50,587)	703



Expro Holdings Norway AS

Balance sheet

As at 31 December 2019

		31 December 2019	31 December 2018
Non-current assets	Note	\$'000	\$'000
<i>Financial assets</i>			
Shares in subsidiary	5	49,258	48,539
Long term intercompany loan	3	1,172	-
Non-current assets		<u>50,430</u>	<u>48,539</u>
Current assets			
<i>Receivables</i>			
Intercompany receivables		<u>11,095</u>	<u>11,370</u>
Total receivables		<u>11,095</u>	<u>11,370</u>
Bank deposits		<u>5,746</u>	<u>17</u>
Total current assets		16,841	11,387
Total assets		<u><u>67,271</u></u>	<u><u>59,926</u></u>

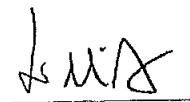



Expro Holdings Norway AS

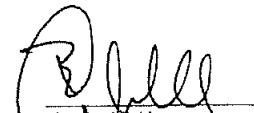
Balance sheet

As at 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Equity			
<i>Paid in equity</i>			
Share capital	7	19	19
Paid in excess of share capital	6	290,133	275,133
Total paid in equity		290,152	275,152
<i>Earned equity</i>			
Other equity	6	(322,980)	(272,393)
Total equity		(32,828)	2,759
Liabilities			
<i>Other long term liabilities</i>			
Long term intercompany loan	3	42,586	-
Total long term liabilities		42,586	-
<i>Short term liabilities</i>			
Tax		7,350	7,460
Intercompany loan	3	49,661	49,661
Other short term liabilities		502	46
Total short term liabilities		57,513	57,167
Total liabilities		100,099	57,167
Total equity and liabilities		67,271	59,926


Lewis J W McAlister
Chairman


Dag Eldsvik
Director


Bjørn Dybdahl
Director

Date: 29 JUNE 2020



Expro Holdings Norway AS

Cash Flow

As at 31 December 2019

	Year to 31 December 2019	9 month ended 31 December 2018
	\$'000	\$'000
<u>Cash flow from operating activities</u>		
Ordinary loss before tax	(50,697)	(69)
Impairment of shares in subsidiaries	48,539	0
(Decrease) / increase in short term liabilities	455	(19)
Increase / (decrease) in other receivables	0	4
Net cash flow used in operating activities	<u>(1,703)</u>	<u>(84)</u>
<u>Cash flow from financing activities</u>		
Movements in Intercompany loans	41,690	(85,367)
Capital contribution from parent company	<u>15,000</u>	<u>134,000</u>
Net cash flow from financing activities	<u>56,690</u>	<u>48,633</u>
<u>Cash flow from investing activities</u>		
Investment in subsidiary	<u>(49,258)</u>	<u>(48,539)</u>
Net cash flow in investments	<u>(49,258)</u>	<u>(48,539)</u>
Net change in cash and bank deposits	5,729	10
Cash and bank deposits at beginning of year	17	7
Cash and bank deposits at end of year	5,746	17



Expro Holdings Norway AS

Notes to financial statements

Period to 31 December 2019

Company information

Expro Holdings Norway AS is a holding company and owns 100% of the shares in Petrotech AS and Quality Intervention AS. Through the ownership in Petrotech AS the Company also controls 100% of the shares in Expro Norway AS. Through the ownership in Quality Intervention AS the company controls 100% of the shares in Quality Intervention Operations AS, Coil Hose AS, Annulus Intervention AS and Quality Technology AS. The Company was established in October 2007 and was operative from October 2008.

The Company's ultimate parent company and ultimate controlling party is Expro Group Holdings International Limited ('EGHIL'), a company incorporated in the Cayman Islands.

The parent company of the smallest group for which consolidated financial statements are prepared and which include the Company is EGHIL. Copies of the consolidated financial statements of EGHIL are available from its registered office at 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands.

Accounting principles

The statutory accounts are prepared in accordance with the relevant Norwegian laws and generally accepted accounting standards.

Basis of preparation and going concern

In assessing whether the financial statements for the Company should be prepared on the going concern basis, the directors have considered the future outlook of the Group and the Company.

The Company is a holding entity and a guarantor to the Revolving Credit Facility and it has received a letter of support from Expro Holdings UK 2 Limited ("EHUK2") a fellow subsidiary, that it will provide financial support to the Company, if needed, for a period of at least twelve months from date of approval of the financial statements. As such in assessing the going concern conclusion of the Company the directors have to consider the outlook and financial situation of its parent undertaking and therefore the Group.

COVID-19 is expected to have an impact on the cashflows and operations of the Group. The short-term market outlook for the Group will be challenging, as the service sector is impacted by the immediate E&P company budget cuts announced in reaction to the oil price collapse and the effects of COVID-19 pandemic, further reducing demand on an already oversupplied market. The Group has taken immediate steps to reorganise its operations to continue to serve its customers and to take action to reduce its cost base and protect the financial resources. The Directors are satisfied that the parent undertaking EHUK2 has the ability to provide this support, should it be required and that the Company will have continued access to the cash pooling arrangement within the Group. Given the continued parental support, the Directors deem it appropriate to prepare the financial statements on the going concern basis

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. All financial assets and liabilities are recognised at fair value at the trade date and for financial assets and liabilities with short maturity periods, their fair value or amortised cost approximates to book value.

Cash

Cash comprises cash at bank, cash on hand and short term deposits with an original maturity of three months or less.



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Intercompany receivables and amounts due from group undertakings

Intercompany receivables are measured at initial recognition at fair value and are subsequently carried at the lower of their original invoiced value and recoverable amount, which due to the short maturity period of intercompany receivables approximates to amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. Intercompany receivables are expected to be realised within the next 12 months and are disclosed as current assets accordingly.

Amounts due from group undertakings expected to be realised within the next 12 months are presented in current assets. Amounts due from group undertakings due after more than one year are presented in non-current assets accordingly at amortised cost.

Intercompany payables and amounts due to group undertakings

Intercompany payables are measured at initial recognition at fair value and are subsequently carried at book value which, due to the short maturity period of intercompany payables, approximates to amortised cost. Intercompany payables are all contractually due within 12 months of the reporting date and are presented in current liabilities.

Amounts due to group undertakings expected to be realised within the next 12 months are presented in current liabilities. Amounts due to group undertakings due after more than one year are presented in non-current liabilities accordingly at amortised cost.

Investments

Investments are shown at cost less provision for impairment.

Foreign currency

Functional currency

In determining the functional currency for the Company, management has made judgements regarding the currency of the primary economic environment in which the entity operates. Management's view is that the currency which mainly influences the global market for oilfield services is the US dollar and therefore has assessed the US dollar to be the functional currency of the Company.

Transactions in foreign currency

The functional currency of the Company is US Dollars. Transactions denominated in other currencies are translated at the rate of exchange ruling at the dates of those transactions. Monetary assets and liabilities in other currencies are translated at the rates prevailing on the reporting date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into USD using the exchange rate on the transaction date. Non-monetary items measured at fair value expressed in a foreign currency are converted at the exchange rate determined at the balance sheet date. Foreign currency differences are generally recognised in profit and loss and presented within finance costs.

Income taxation

An estimate must be made for taxation liabilities before tax returns are filed and review or audit of these returns by the local taxation authorities can take place several years later. Management makes provisions for taxation liabilities on what it believes to be a fair and reasonable calculation of the probable liability, which includes recognition of deferred tax assets or liabilities on temporary differences between accounting and taxable profit. The Company's income tax expense (benefit) is calculated based on management's interpretation of the tax laws in various jurisdictions where the Company conducts business. This requires an evaluation of current tax obligations and uncertain tax positions and an assessment of temporary differences.

Changes in the underlying assumptions regarding the reversal of these differences, or in the tax regime where the differences arise, could result in significant changes in the carrying value of tax assets or liabilities. Refer to Note 4 for further information regarding the Company's Income taxes.



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Income tax (continued)

The tax cost in the profit and loss statement consists of both the tax payable and the change in deferred taxes. Deferred taxes are calculated at 22% on the basis of temporary differences between accounting and tax values and tax loss carried forward at the closing of the financial year. Tax increasing and tax reducing temporary differences including tax loss carried forward which will reverse or may reverse in the same period are matched and presented using the net method.

Note 1 Operating costs

The company has no employees. The Board of Directors did not receive remuneration for their services as board members.

The audit fee for the accounting period was \$24k (Year ending 31 December 2018: \$12k) excluding VAT.

Note 2 Financial income and expenses

	Year to 31 December 2019	9 months ended 31 December 2018
	\$'000	\$'000
FINANCIAL INCOME		
Foreign currency gain*	-	-
Other financial income	-	-
Total other financial income	-	-
	Year to 31 December 2019	9 months ended 31 December 2019
	\$'000	\$'000
FINANCIAL EXPENSES		
Foreign currency loss*	(5)	-
Other financial expenses	-	-
Total other financial expenses	(5)	-
Total net financial income/(expenses)	(5)	-

*Foreign currency gain/loss presented in the note on a gross basis. In income statement foreign currency is presented net



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Note 3 Intercompany loans

Intercompany loans payable:

	31 December 2019	31 December 2018
	\$'000	\$'000
Interest bearing loan – 7%	(42,586)	-
Interest free loan	(49,661)	(49,661)
	<u>(92,247)</u>	<u>(49,661)</u>

On 26 June 2019 the Company entered into an interest bearing loan agreement from Exploration and Production Services (Holdings) Ltd. The interest bearing loan outstanding to Exploration and Production Services (Holdings) Ltd for the sum of \$42,586k is due to mature on 26 June 2024.

The interest-free intercompany loan outstanding to Expro Holdings UK 4 Limited for the sum of \$49,661k, which was due to mature on 9 October 2019 has been extended to 10 October 2020.

Intercompany loan receivable

	31 December 2019	31 December 2018
	\$'000	\$'000
Interest free loan	1,172	-
	<u>1,172</u>	<u>-</u>

The interest free loan is due from Quality Intervention Operations AS and repayable on demand.



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Note 4 Tax

	Year to 31 December 2019	9 months ended 31 December 2018
	\$'000	\$'000
Tax credit on loss for the year	(110)	(772)
Change in deferred tax	-	-
Total tax credit for the year/period	(110)	(772)

Specification of the tax base:

	Year to 31 December 2019	9 months ended 31 December 2018
	\$'000	\$'000
Net loss before income tax	(50,696)	(69)
+ Permanent differences	45,057	(1,166)
+Changes in temporary differences	12	1,234
+/- Currency adjustment	3,716	(3,357)
-Use of losses carry forward	-	-
=Tax base	(1,911)	(3,358)

Specification of tax expenses:

	Year to 31 December 2019	9 months ended 31 December 2018
	\$'000	\$'000
Taxes payable in the balance sheet		
=Total taxes payable	(110)	(772)
+/-Changes in tax rate	-	-
+/-Change in deferred tax /tax assets	-	-
=Income tax credit	(110)	(772)

Deferred tax/Deferred tax assets

	31 December 2019	31 December 2018
	\$'000	\$'000
Specification of temporary differences		
Differences which may reverse:		
Fixed assets		
Accruals and Provisions	(12)	
Onerous lease		
Total temporary differences before loss carried forward	(12)	-
Accumulated tax loss carried forward	(68,869)	(66,970)
=Basis for deferred tax assets	(68,881)	(66,970)
Unrecognised net deferred tax asset	(15,154)	(14,733)
<i>Tax rate 31 December (%)</i>	<i>22%</i>	<i>22%</i>

At the balance sheet date the Company had net unrecognized deferred tax assets totaling \$15m (2018: \$14.7m), arising from tax losses generated in the Company. The net deferred tax asset has not been recognized as management does not consider it likely that the benefit will be realized in the near term.



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Note 5 Investments in subsidiaries

The company is the parent company to Petrotech AS and Quality Intervention AS. The company owns shares in:

Company	Registered Office	Number of shares	Book Value \$'000	Ownership interest and voting right	Net profit/(loss) \$'000	Company's Equity \$'000
<i>Petrotech AS</i>	Kvalamarka 26 5501 Haugesund Norway	6,909,549	-	100%	(1,205)	6,366
<i>Quality Intervention AS</i>	Hammaren 9A 4056 Tavanger 1124 Sola Norway	6,405,024	49,258	100%	191	6,723
			49,258			

Investments in subsidiaries are tested for impairment when there are indications that future earnings cannot justify the carrying amount. The difference between the carrying amount and recoverable amount is recognised as impairment in income statement. During the year, the company has booked an impairment charge of \$48.5m to fully impair its investment in Petrotech AS since the subsidiary has been loss making for many years and the subsidiary's equity was far below the investment value.

The company acquired 100% shares in Quality Intervention AS during the year. Quality Intervention AS in turn holds 100% shares in Quality Intervention Technology AS, Quality Intervention Operation AS, Annulus Intervention System AS and Coil Hose AS.

Note 6 Equity

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2019	19	275,133	(272,393)	2,759
Loss for the year	-	-	(50,587)	(50,587)
Capital contribution	-	15,000	-	15,000
At 31 December 2019	19	290,133	(322,980)	(32,828)

On 26 June 2019 it was agreed in the Shareholders Meeting that Expro Holdings Norway AS shall increase the share capital by NOK 104 from NOK 104,000 to NOK 104,104 by increasing the par value of each share from NOK 1,000 to NOK 1,001, so that the total share contribution is NOK 127,575,000 whereby NOK 127,574,896 constitutes premium.

The capital increase comprises an offering towards the sole shareholder, Expro Holdings UK 4 Limited. The share contribution was settled through a contribution of USD 15,000,000.

Note 7 Share capital

The company's major shareholder as at 31, 2019 December is:

Shareholder's name	Number of shares	Total nominal value	Total shareholding	Statutory provision on voting
Expro Holdings UK 4 Limited (EHUK4)	104	104,104	100%	100%

The share capital of the Company consists of NOK 104,104 (\$19,147) based on 104 shares with face value NOK 1,001.



Expro Holdings Norway AS

Notes to financial statements (continued)

Period to 31 December 2019

Note 8 Comparative information

The financial statements have been prepared from 1 January 2019 to 31 December 2019 and accordingly, the statement of profit or loss is not comparable with the prior period statement of profit or loss, which was for a nine-month period ended 31 December 2018.

Note 9 Events after reporting date

There were no events between the reporting date and the date the financial statements were authorised for issue that require disclosure, other than as disclosed below:

After the balance sheet date, the Group has seen macro-economic uncertainty with regards to demand for oil, gas and products impacting on the overall activity in the oil and gas industry as a result of the COVID-19 (coronavirus) outbreak. Management determined COVID-19 is a non-adjusting event and as such, no adjustment has been made in respect of COVID-19. However, the Company continues to monitor and assess the impact of COVID-19 on the recoverability of its long-term assets, intercompany and trade receivables and as of the date of the financial statements such impact remains uncertain.



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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Expro Holdings Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Expro Holdings Norway AS, which comprise the balance sheet as at 31 December 2019, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



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includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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



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Stavanger, 29 June 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

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Independent auditor's report - Expro Holdings Norway AS

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Stig Tore Strand

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 26.04.2012	Vår dato 03.05.2012
Telefon 22078139	Deres referanse Bjørn Dybdahl	Vår referanse 2012/292194

EXPRO HOLDINGS NORWAY AS
Postboks 49
4098 TANANGER

Permission to prepare the annual accounts and director's report in English language for Expro Holdings Norway AS, org. nr. 991 954 023

Dear Mr. Bjørn Dybdahl

With reference to your letter of 26 April 2012, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns Expro Holdings Norway AS.

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that Expro Holdings Norway AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

The exemption requires that the information that the decision is based on, does not change significantly.

Background

Expro Holdings Norway AS is part of the Expro International Group Holdings Ltd group with the head office in Reading, UK. The group has operations in all the major hydrocarbon producing areas of the world, and Petrotech AS reports to the UK head office as well as regional headquarters in Aberdeen, UK. The company's working language is English. All key players and partners in this industry speak and use English language. All communications with customers and creditors are in English. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

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“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

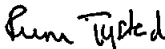
Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized the company is a wholly-owned subsidiary of a British company. The company's working language is English. Internal, English is also only language used for reporting purpose. Further, all key players and partners in this industry speak and use English language.

We kindly request you to mention “our reference” in all written communication with The Norwegian Tax Authorities.

Med hilsen


Rune Tystad
Senior Adviser
Legal Department
Skattedirektoratet


Torstein Kinden Helleland