



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	985 377 545
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	NOV WELLBORE TECHNOLOGIES NORWAY LLC
Forretningsadresse:	Lagerveien 20 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Morselskap i konsern:	Nei
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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:	Robbert Oudendijk
Dato for fastsettelse av årsregnskapet:	13.12.2021

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.09.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	10	509 493 189	539 294 760
Other operating income		27 085 782	685 790
Sum inntekter		536 578 971	539 980 550
Kostnader			
Cost of materials		384 959 629	490 182 155
Personnel expenses	2	89 056 671	95 359 848
Depreciation	3	96 378 594	100 787 303
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		345 714
Other operating expenses		5 975 047	18 175 604
Sum kostnader		576 369 941	704 850 624
Driftsresultat		-39 790 969	-164 870 074
Finansinntekter og finanskostnader			
Annen renteinntekt		32 068	315 121
Other financial income		1 287 118	43 951 480
Sum finansinntekter		1 319 186	44 266 601
Rentekostnad til foretak i samme konsern		16 712 093	15 133 160
Annen rentekostnad		34 059	24 906
Other financial expenses		17 257 496	1 502 114
Sum finanskostnader		34 003 648	16 660 179
Netto finans		-32 684 461	27 606 422
Ordinært resultat før skattekostnad		-72 475 430	-137 263 652
Tax on ordinary result	6		
Ordinært resultat etter skattekostnad		-72 475 430	-137 263 652
Årsresultat		-72 475 430	-137 263 652
Årsresultat etter minoritetsinteresser		-72 475 430	-137 263 652



Resultatregnskap

Beløp i: USD	Note	2020	2019
Totalresultat		-72 475 430	-137 263 652
Overføringer og disponeringer			
To / from other equity	7	-72 475 430	-137 263 652
Sum overføringer og disponeringer		-72 475 430	-137 263 652



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		
Goodwill	3		
Varige driftsmidler			
Equipment and other movables	3	193 192 553	224 784 400
Sum varige driftsmidler		193 192 553	224 784 400
Sum anleggsmidler		193 192 553	224 784 400
Omløpsmidler			
Varer			
Sum varer	8	131 190 138	173 919 013
Fordringer			
Accounts receivables		35 433 533	99 173 557
Account receivables group companies	5	78 506 204	99 018 306
Other short-term receivables		8 970 491	43 547
Sum fordringer		122 910 228	198 235 410
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	4	91 732 456	38 763 290
Sum bankinnskudd, kontanter og lignende		91 732 456	38 763 290
Sum omløpsmidler		345 832 821	410 917 712
SUM EIENDELER		539 025 374	635 702 113
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Other equity	7	-352 009 041	-264 836 943
Sum opptjent egenkapital		-352 009 041	-264 836 943
Sum egenkapital		-352 009 041	-264 836 943
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	9		
Utsatt skatt	6		
Annen langsiktig gjeld			
Other long term liabilities	5	442 473 779	454 596 417
Sum annen langsiktig gjeld		442 473 779	454 596 417
Sum langsiktig gjeld		442 473 779	454 596 417
Kortsiktig gjeld			
Leverandørgjeld	5	376 345 849	409 520 671
Tax payable	6		
Public duties payable		12 213 627	11 931 899
Other current debt		60 001 160	24 490 069
Sum kortsiktig gjeld		448 560 636	445 942 639
Sum gjeld		891 034 415	900 539 056
SUM EGENKAPITAL OG GJELD		539 025 374	635 702 113



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	05.10.2012	19.10.2012
Telefon	Deres referanse	Vår referanse
977 59 464	79832377	2012/775083

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for NOV Downhole Norway LLC, org.nr. 985 377 545

Vi viser til deres brev av 5. oktober 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for NOV Downhole Norway LLC.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering gitt NOV Downhole Norway LLC dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

NOV Downhole Norway LLC driver innen engroshandel med maskiner og utstyr til olje- og gass industrien. Selskapet er en avdeling av NOV Downhole LLC, lokalisert i Delaware, USA, og inngår i NOV konsernet som er notert på børsen i New York i USA.

Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. Selskapets aksjonær er ett utenlandsk selskap, og all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk, herunder oversendes ett oversatt engelsk regnskap til disse.

Skattedirektoratets vurdering

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

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

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at avdelings virksomhet er i en sektor der engelsk er det klart dominerende språket og at arbeidsspråket er engelsk. Videre er det vektlagt at avdelingen eies av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



Statsautoriserte revisorer
Ernst & Young AS

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Postboks 8015, NO-4068 Stavanger

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Tlf: +47 24 00 24 00

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Management of NOV Wellbore Technologies Norway LLC NUF

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NOV Wellbore Technologies Norway LLC NUF, which comprise the balance sheet as at 31 December 2020, the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

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. Management is responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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



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

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

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

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

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 and the going concern assumption 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.



Other matters

This report replaces our previous auditor's report, dated 09.09.2021, issued at the expiration of the statutory deadline for holding the Annual Shareholders' Meeting. At that time, the financial statements and the Directors' report had not been approved.

Stavanger, 3 December 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: L5W65-NZKXM-M0Y18-6L1YMB-UQ8TE-4VCCN



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

Stig Tore Strand

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5998-4-756562

IP: 79.161.xxx.xxx

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Financial Statement

NOV Wellbore Technologies Norway LLC NUF

2020

Org.no 985 377 545



Annual Report for NOV Wellbore Technologies Norway LLC NUF - 2020

Org.no 985 377 545

The business started in March 2003 in Sola. The company's operations include sales, rental, service of drill bits and related tools for use in the oil industry. They also have a department that are involved in development of equipment.

The company is registered as a Norwegian foreign enterprises. The company is a division of NOV Wellbore Technologies LLC, Delaware, USA and part of the group National Oilwell Varco Inc., Houston, USA.

The branch does not have its own board. The general manager does not know of any conditions that have occurred after accounting year, that may be relevant to the assessment of the company's. The financial statement gives a true and fair view of the assets and liabilities, financial position and result. Net profit for the year shows a deficit of NOK -72,475,430. The loss is proposed transferred to carry forward loss.

In accordance with Norwegian Accounting Act § 3-3a it is confirmed that the financial statements have been prepared under the assumption of continued operations, and the assumption of continued operations have been met.

The company had in 2020 a revenue of 536,578,971 (2019: 539,980,550) and net loss was -72,475,430 (2019: -137,263,652). The equity of the company is NOK -352,009,041 on 31.12.2020 (2019: -264,836,943) and total assets in the balance sheet is 539,025,374 (2019: 635,702,113)

Per 31.12.2020 there were 91 employees in the company of which 21 were female. There was one temporary worker per 31.12.2020.

The working environment is good with a stable and well-qualified group of employees. NOV Wellbore Technologies Norway LLC NUF is concerned with equality. We strive to provide equal opportunities for employment and development in the company regardless of gender, ethnicity and disability. Total sick leave in 2020 amounted to 4.48%. The company had no accidents resulting in sick leave in 2020. The Company has no significant emissions of polluting character. Hazardous waste is disposed at an approved landfill.

Financial risk

The company is exposed to fluctuations in the USD exchange rate. We have significant intercompany costs in USD and a predominance of revenue in NOK. NOV Wellbore Technologies Norway LLC NUF has no agreements to reduce currency risk. We are thus exposed to market risk related to foreign exchange fluctuations.

Credit risk

The company has historically had small losses on its trade receivables. The risk for its customers to be financially unable to meet their obligations is therefore considered to be low. The majority of customers are solid drill operators on the Norwegian continental shelf.



Liquidity risk

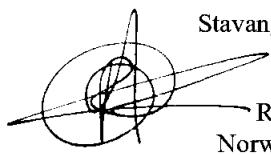
The company is funded by companies in the same group. This funding will continue, and the group has issued a letter of confirmation for continued financial support for the coming year. The group has a strong financial position and liquidity risk is considered to be low. This supported by the net change in cash and cash equivalents of 52,969,167 for 2020. However, we will continue to improve our routines and keep on monitoring outstanding receivables.

Effective as of 29 September 2021, Grant Prideco, Inc. agreed to contribute USD 36,374,813 as capital contribution in NOV Wellbore Technologies Norway LLC.

Report on business outlook

The Company believes it is well positioned, and should benefit from its access to credit, NOV global infrastructure, NOV broad product and service offering and installed base of equipment. In the current situation with market downturn, the Company believes that its long history of cost-control and downsizing in response to slowing market conditions, and to capitalize on new opportunities within NOV to affect new organic growth, will enable the company to run their business in a profitable way in the coming years. The market conditions at the Norwegian continental shelf in the coming years looks challenging, but the company is in a good position to compete in the market and to create value.

Stavanger, 02 December 2021



Robbert Oudendijk
Norwegian Representative



NOV Wellbore Technologies Norway LLC

Profit and Loss Statement

Operating income and operating expenses	Note	2020	2019
Revenue	10	509,493,189	539,294,760
Other operating income		27,085,782	685,790
Total operating income		<u>536,578,971</u>	<u>539,980,550</u>
Cost of materials		384,959,629	490,182,155
Personnel expenses	2	89,056,671	95,359,848
Depreciation	3	96,378,594	100,787,303
Write-downs of tangible and intangible assets	3	0	345,714
Other operating expenses		5,975,047	18,175,604
Total operating expenses		<u>576,369,941</u>	<u>704,850,624</u>
Operating profit		<u>-39,790,969</u>	<u>-164,870,074</u>
Financial income and expenses			
Other interest income		32,068	315,121
Other financial income		1,287,118	43,951,480
Interest expense to group companies		16,712,093	15,133,160
Other interest expenses		34,059	24,906
Other financial expenses		17,257,496	1,502,114
Net financial items		<u>-32,684,461</u>	<u>27,606,422</u>
Profit before tax		<u>-72,475,430</u>	<u>-137,263,652</u>
Net income		<u>-72,475,430</u>	<u>-137,263,652</u>
Brought forward			
To / from other equity	7	-72,475,430	-137,263,652
Net brought forward		<u>-72,475,430</u>	<u>-137,263,652</u>



NOV Wellbore Technologies Norway LLC

Balance sheet

Assets	Note	2020	2019
Fixed assets			
Tangible assets			
Equipment and other movables	3	193,192,553	224,784,400
Total tangible assets		<u>193,192,553</u>	<u>224,784,400</u>
Total fixed assets		<u>193,192,553</u>	<u>224,784,400</u>
Current assets			
Inventories	8	<u>131,190,138</u>	<u>173,919,013</u>
Debtors			
Accounts receivables		35,433,533	99,173,557
Account receivables group companies	5	78,506,204	99,018,306
Other short-term receivables		8,970,491	43,547
Total receivables		<u>122,910,228</u>	<u>198,235,410</u>
Cash and bank deposits	4	<u>91,732,456</u>	<u>38,763,290</u>
Total current assets		<u>345,832,821</u>	<u>410,917,712</u>
Total assets		<u>539,025,374</u>	<u>635,702,113</u>



NOV Wellbore Technologies Norway LLC

Balance sheet

Equity and liabilities	Note	2020	2019
Retained earnings			
Other equity	7	-352,009,041	-264,836,943
Total retained earnings		<u>-352,009,041</u>	<u>-264,836,943</u>
Total equity		<u>-352,009,041</u>	<u>-264,836,943</u>
Liabilities			
Other long term liabilities	5	442,473,779	454,596,417
Total of other long term liabilities		<u>442,473,779</u>	<u>454,596,417</u>
Current debt			
Trade creditors	5	376,345,849	409,520,671
Public duties payable		12,213,627	11,931,899
Other current debt		60,001,160	24,490,069
Total current debt		<u>448,560,636</u>	<u>445,942,639</u>
Total liabilities		<u>891,034,415</u>	<u>900,539,056</u>
Total equity and liabilities		<u>539,025,374</u>	<u>635,702,113</u>

Stavanger, 02.12.2021

Robbert Oudendijk



Cash flow statement

NOV Wellbore Technologies Norway LLC

	Note	2020	2019
Cash flows from operating activities			
Profit before tax		-72,475,430	-137,263,652
+/- Tap/gevinst ved salg av anleggsmidler		-27,085,782	0
Ordinary depreciation		96,378,594	100,787,303
Write-downs of tangible and intangible assets		0	345,714
Change in inventory		42,728,875	-21,269,193
Change in accounts receivable		84,252,126	-65,095,795
Change in accounts payable		-33,174,822	32,599,353
Change in other accrual items		26,865,874	-586,150
Correction over equity		-14,696,667	0
Net cash flows from operating activities		<u>102,792,768</u>	<u>-90,482,420</u>
Cash flows from investment activities			
Proceeds from the sale of fixed assets		84,274,670	4,583,093
Payments to buy tangible assets		-121,975,634	-59,430,348
Net cash flows from investment activities		<u>-37,700,964</u>	<u>-54,847,255</u>
Cash flows from financing activities			
Change in loan/ receivables from owner		-12,122,637	160,778,787
Net cash flows from financing activities		<u>-12,122,637</u>	<u>160,778,787</u>
Net change in cash and cash equivalents		<u>52,969,167</u>	<u>15,449,112</u>
Cash and cash equivalents at the start of the period		<u>38,763,290</u>	<u>23,314,178</u>
Cash and cash equivalents at the end of the period		<u>91,732,456</u>	<u>38,763,289</u>



Note 1 - Accounting Principles

The entity is registered as a Norwegian Registered Foreign Company. The entity is a branch of NOV Wellbore Technologies LLC, Delaware, USA and therefore a part of the group National Oilwell Varco Inc., Houston USA.

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

Principles for assessment and classification of assets and liabilities

Assets intended for permanent ownership or use is classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The same criteria are used in the classification of current and non-current liabilities.

Assets are recorded at cost and are written down to fair value if impairment is not expected to be temporary. Fixed assets with a limited useful life are depreciated. Current assets are valued at the lower of cost and net realizable value. Other non-current and current liabilities are valued at nominal. Some items are valued by other principles, as explained below.

Fixed assets

Fixed assets are capitalized and depreciated over the useful life if this is longer than 3 years and has a cost higher than 15 000. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated along with the asset.

Inventories

Inventories of goods are valued at the lower of cost on a FIFO basis and net realizable value. Provision is made of estimated obsolescence.

Receivables

Trade and other receivables are recorded at nominal value less a provision for doubtful debts. Provision is based on an individual assessment of each receivable. In addition, for other receivables, a general provision is made to cover expected losses.

Currency

Monetary items denominated in foreign currencies are calculated at exchange rates on the balance sheet date (USD/NOK 8.54). Non-monetary items are calculated at historical rate of the transaction date. Transactions in foreign currencies are generally calculated at the exchange rate in the current period (Year to date average USD/NOK 9.39).

Revenue

Revenue from sale of goods is recognized upon delivery. Services are recognized in accordance with the execution.

Costs

Cost of sales is recognized generally in the same period as related revenue. In cases where there are not a clear relationship between spending and revenue, the distribution is made at discretion.

Pensions

The company has defined contribution schemes, which are expensed in accordance with premium payments.

Tax

Tax expense in the income statement for the period comprises current tax and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of temporary differences between accounting



and tax values. Deferred tax assets and liabilities are presented net in the balance.

Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

Note 2 - Wage costs

Wage costs consists of the following:

	2020	2019
Salary	74,919,265	78,895,542
Social security expenses	11,842,958	11,857,103
Pension amount	5,505,464	4,403,164
Other benefits/ refund	-3,211,015	204,039
	89,056,671	95,359,848
Full time equivalent	91	88

Allowances:

There is no paid wages or other remuneration to the general manager from this company. He is employed by another company within the NOV Group.

Employees in the entity's sales department has an agreement of bonus based on a selection of criteria for calculation of the size of the bonus for the given year.

The entity is obligated by law to have an arrangement for occupational pension. It has been established a pension arrangement which meets these demands.

Audit fees for 2020 amounts to NOK 498 873 for statutory audit and. Audit fees are exclusive of VAT.



Note 3 - Fixed assets

	Fixed assets	Rental Tools	Total
Acquisition cost 01.01.	9,485,126	404,653,497	414,138,623
Correction historical cost	0	-5,739,673	-5,739,673
Additions during the year	0	124,744,002	124,744,002
Retirements	-515,442	-135,639,362	-136,154,804
Acquisition cost 31.12.2020	8,969,684	388,018,464	396,988,148
Accumulated depreciation 01.01.	5,802,454	183,551,769	189,354,223
Correction accumulated depreciation	0	-2,971,305	-2,971,305
Depreciation for the year	876,298	95,502,296	96,378,594
Accumulated depreciation retirements	-515,442	-78,450,474	-78,965,916
Dep. and amortization per 31.12.	6,163,310	197,632,286	203,795,596
Book value per 31.12.2020	2,806,375	190,386,178	193,192,553
Economic life	3-10 years	3-10 years	
Depreciation plan	Linear 10-33 %	Linear 10-33%	

Note 4 - Bank deposits

Deposit for withheld personal income tax have been secured with a bank guarantee of 5 000 000 NOK.

Note 5 - Balances with group companies

Total debt to entities in the group NOK 816,118,454
Total receivables from entities in the group NOK 78,506,475

The debt is included in the following amount in the balance sheet:

Accounts payable NOK 373,644,675
Other long term liabilities NOK 442,473,779



Note 6 Tax

This year's tax expense	2020	2019
Tax payable	0	0
Change in deferred tax	0	0
Total tax charge	0	0

Calculation of the tax base for the year:	2020	2019
Result before tax	-72,475,430	-137,263,652
Permanent differences	79,611	197,101
Change in temporary differences	59,148,823	55,028,073
Reduction interest charges	13 246 996	14,842,944
The year's tax base	0	-67,195,534

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

Overview of temporary differences:	2020	2019
Stock	24,762,094	19,936,465
Tangible fixed assets	87,080,066	28,188,517
Provision in accordance with good accounting practice	0	4,568,356
Total	111,842,160	52,693,338
Accumulated loss to be brought forward	233,256,629	233,256,629
Not included in the deferred tax calculation	-345,098,789	-285,949,966
Basis for calculation of deferred tax	0	0

Deferred tax (22 %/22 %)

Deferred tax is not booked to the balance sheet.

Note 7 - Equity

	Other equity
Equity pr 31.12.2019	-264,836,943
Correction Prior Year	-14,696,667
Result 2020	-72,475,430
Equity pr 31.12.2020	-352,009,041

Effective as of 29 September 2021, Grant Prideco, Inc. agreed to contribute USD 36,374,813 as capital contribution in NOV Wellbore Technologies Norway LLC.



Note 8 - Inventory

	2020	2019
Unused tools for rental or sale	2,475,084	12,829,382
Inventory of spares and related items	128,715,054	161,089,630
Total inventory	131,190,138	173,919,013

Note 9 - Pension

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

Note 10 - Revenue by segment

All major revenue for the company is connected to sale and rental of equipment for use in the oil industry for Norwegian customers.