



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 987 364 467  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ARDYNE AS  
Forretningsadresse: Kontinentalvegen 10  
4056 TANANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Frode Sunde  
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, 17.07.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		78 888 407	107 570 186
Annen driftsinntekt		610 415	
<b>Sum inntekter</b>	3	<b>79 498 822</b>	<b>107 570 186</b>
<b>Kostnader</b>			
Varekostnad		15 244 865	26 259 112
Lønnskostnad	4	38 929 979	50 083 693
Avskrivning	5,6,15	21 796 559	19 708 670
Nedskrivning av varige driftsmidler og immaterielle eiendeler			440 610
Annen driftskostnad	15	4 874 953	6 501 725
<b>Sum kostnader</b>		<b>80 846 356</b>	<b>102 993 810</b>
<b>Driftsresultat</b>		<b>-1 347 534</b>	<b>4 576 376</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		4 872	5 423
Annen finansinntekt	14	129 314	587 704
<b>Sum finansinntekter</b>		<b>134 186</b>	<b>593 127</b>
Rentekostnad til foretak i samme konsern		1 730 641	1 631 002
Annen rentekostnad		982 624	1 480 432
Annen finanskostnad	14	41 061	109 921
<b>Sum finanskostnader</b>		<b>2 754 326</b>	<b>3 221 355</b>
<b>Netto finans</b>		<b>-2 620 140</b>	<b>-2 628 228</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-3 967 674</b>	<b>1 948 148</b>
Skattekostnad på ordinært resultat	7		
<b>Ordinært resultat etter skattekostnad</b>		<b>-3 967 674</b>	<b>1 948 148</b>
<b>Årsresultat</b>		<b>-3 967 674</b>	<b>1 948 148</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra annen egenkapital		3 967 674	-1 948 148



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Sum overføringer og disponeringer		3 967 674	-1 948 148



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	6	6 909 634	7 757 457
<b>Sum immaterielle eiendeler</b>		<b>6 909 634</b>	<b>7 757 457</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner	5,9	42 204 197	47 005 418
<b>Sum varige driftsmidler</b>		<b>42 204 197</b>	<b>47 005 418</b>
<b>Finansielle anleggsmidler</b>			
Andre fordringer	15	8 750 384	12 983 827
<b>Sum finansielle anleggsmidler</b>		<b>8 750 384</b>	<b>12 983 827</b>
<b>Sum anleggsmidler</b>		<b>57 864 215</b>	<b>67 746 702</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	8, 9	8 043 218	6 105 687
<b>Sum varer</b>		<b>8 043 218</b>	<b>6 105 687</b>
<b>Fordringer</b>			
Kundefordringer	9, 16	21 141 010	7 343 871
Andre fordringer		1 535 110	1 431 994
<b>Sum fordringer</b>		<b>22 676 120</b>	<b>8 775 865</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	5 755 950	4 417 994
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>5 755 950</b>	<b>4 417 994</b>
<b>Sum omløpsmidler</b>		<b>36 475 288</b>	<b>19 299 546</b>
<b>SUM EIENDELER</b>		<b>94 339 503</b>	<b>87 046 248</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	12,13	11 810 000	11 810 000
Overkurs	13	36 140 000	36 140 000
<b>Sum innskutt egenkapital</b>		<b>47 950 000</b>	<b>47 950 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	13	-46 810 335	-42 842 661
<b>Sum opptjent egenkapital</b>		<b>-46 810 335</b>	<b>-42 842 661</b>
<b>Sum egenkapital</b>		<b>1 139 665</b>	<b>5 107 339</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Andre avsetninger for forpliktelser	15	4 431 538	8 285 583
<b>Sum avsetninger for forpliktelser</b>		<b>4 431 538</b>	<b>8 285 583</b>
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	10	64 680 226	51 960 933
<b>Sum annen langsiktig gjeld</b>		<b>64 680 226</b>	<b>51 960 933</b>
<b>Sum langsiktig gjeld</b>		<b>69 111 764</b>	<b>60 246 516</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		8 335 404	3 949 597
Skyldige offentlige avgifter		3 450 163	3 785 055
Kortsiktig konserngjeld	10		
Annen kortsiktig gjeld		7 322 579	8 765 009
leasinggjeld	15	4 979 928	5 192 732
<b>Sum kortsiktig gjeld</b>		<b>24 088 074</b>	<b>21 692 393</b>
<b>Sum gjeld</b>		<b>93 199 838</b>	<b>81 938 909</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>94 339 503</b>	<b>87 046 248</b>
<b>POSTER UTENOM BALANSEN</b>			
Pantstillelser	9	71 388 424	60 454 975



Financial Statement

**Ardyne AS**

31.12.2020



## ARDYNE AS

### DIRECTORS REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

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#### 1. THE BUSINESS AND LOCALIZATION

The Ardyne AS business consists of well intervention services and equipment. The company's main office is located at Tananger in Sola, Norway.

Following its acquisition in December 2015, Ardyne AS is wholly owned subsidiary of Ardyne Holdings Limited and as part of the integration and rebranding process changed its name from Wellbore AS on 1<sup>st</sup> November 2016.

#### 2. BUSINESS DEVELOPMENT

Ardyne AS operates under both exclusive and non-exclusive contracts with several international oil companies, notably Equinor ASA, covering a variety of plug and abandonment, slot recovery and general fishing services across its fields on the Norwegian Continental Shelf. Ardyne AS is one of the leading providers of these services in its segment.

The business benefited from the continued market acceptance of its two core tool families during the course of the year. Trident, a one trip casing cut & pull technology introduced in 2017 swiftly followed by Titan, based around the Downhole Power Tool, in early 2018. The value proposition underpinning both systems in support of the mature and complex Norwegian well stock remain highly desirable and provides a strong foundation for sustained activity growth. The company's market for these tools and associated services is global and with the support of the rest of the Ardyne group is increasingly effective in presenting its services to a greatly extended international customer base.

#### 3. GOING CONCERN

The company made a loss of NOK -3,967,674 (2019 profit of NOK 1,948,149) for the year, however delivered a positive net cash flow from operating activities of NOK 8,105,862 (2019 36,581,735). The company has total assets of NOK 94,339,503 (2019 NOK 87,046,248), equity of NOK 1,139,665 (2019 NOK 5,107,339) and an equity ratio of 1.2% (2019 5.8%) at the year end. The reduction in reserves is as a result of the trading losses in the year. The directors remain alert to the net equity position, which has improved post year-end. The company has received confirmation from its parent company that it will receive any necessary support to enable it to continue trading for a period of at least twelve months from the date of signing these financial statements.

The operational disruption caused by the COVID-19 global pandemic had a meaningful impact on the sector during 2020. Ardyne was not immune to this, and experienced material delays in the commencement of planned project work during the period March through to November 2020. Towards the end of the year however, this dynamic changed, and the company experienced a marked increase in activity following commencement of work on two exclusive contracts. This level of activity has continued in 2021. The company has experienced minimal incremental costs as a result of the pandemic and decisive action was taken to swiftly reduce the cost base and preserve cash to sustain the business until activity levels return to normal. ~~These actions unfortunately involved some temporary lay-offs, accessing government contribution to funding fixed costs and timing benefits of VAT & taxes.~~

The directors, having made appropriate enquires, believe that the company has adequate financial resources available to meet its obligations for a period of at least twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due.

#### 4. FINANCIAL RISK

##### *Market Risk*

Ardyne AS experienced market volatility during 2020 as a result of project delays which occurred during the early stages of the COVID-19 pandemic, however this was offset by the commencement of operations on two exclusive contracts towards the end of the year which has provided a good level of regular and repeat trading activity for the



## ARDYNE AS

### DIRECTORS REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Having integrated into the Ardyne group capability in 2016, the company's capabilities have been developed considerably with access to an enlarged team of industry experts. Ardyne AS in turn also makes a significant contribution to market leading projects managed elsewhere in the group.

Costs associated with ongoing projects in 2020 of NOK 1,783,168 (2019 NOK 1,675,007) have been capitalised. The Board are particularly pleased with the operational and financial support received from customers to-date as well as tax incentives which all contribute towards maximising the rapid adoption of our technology into the field.

The company's primary focus is on further developing existing tool families.

#### 9. THE COMPANY'S POSITION AND RESULT

It is the Board's opinion that the financial statements for 2020 provide comprehensive information about the company's financial position and result.

As a direct consequence of the COVID-19 pandemic, the company saw a decrease in revenue to NOK 79,498,822 (2019 NOK 107,570,186) which resulted in a loss of NOK -3,967,674 (2019 profit of NOK 1,948,149) in the year. Despite the undoubted impact of COVID-19 on operations during 2020, the underlying trend is positive, with a significant increase in activity experienced towards the end of the year. This trend has continued into 2021, with trading underpinned by the continuation of activity on both the company's exclusive and non-exclusive contracts.

The directors remain alert to the net equity position and cash financing and have a clear plan to address any shortfall should this prove necessary. To the extent that this may require incremental funding, the parent has confirmed its ability and willingness to support the company.

Other than as stated in the financial statements, the Board is not aware of any issues related to the market or price included in the company activities, that may affect the evaluation of the company. There are no subsequent events since the year end and none that have a negative impact on the evaluation of the company.

#### 10. FUTURE DEVELOPMENTS

Notwithstanding the disruption to the market during 2020, the Board expect that the company's underlying sales opportunity will continue to improve in line with market conditions and as further new technology is commercialised. The company's ability to diversify by market its services on a global basis has been considerably enhanced by the capabilities of its UK headquartered parent.

#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the board:

Tanger 29 June 2021

Alan Fairweather  
Chairman

Frode Sunde  
Director & General Manager

Leif Gunnar Volstad  
Director



### Statement of comprehensive income


1 January - 31 December  
(NOK)

	Note	YTD 2020	YTD 2019
Revenue		78 888 407	107 570 186
Other revenue		610 415	0
<b>Total revenue</b>	<b>3</b>	<b>79 498 822</b>	<b>107 570 186</b>
Cost of goods sold		15 244 865	26 259 111
Salary and personnel costs	4	38 929 978	50 083 693
Other operating expenses	15	4 874 954	6 501 726
Depreciation, amortizations and write downs	5,6,15	21 796 559	20 149 280
<b>Operating profit</b>		<b>-1 347 534</b>	<b>4 576 376</b>
Interest income		4 872	5 423
Other finance income	14	129 314	587 704
Interest cost to group company		1 730 641	1 631 002
Interest costs		982 624	1 480 432
Other finance costs	14	41 051	109 921
<b>Profit before tax</b>		<b>-3 967 674</b>	<b>1 948 149</b>
Income tax expense	7	0	0
<b>Profit after tax</b>		<b>-3 967 674</b>	<b>1 948 149</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the year</b>		<b>-3 967 674</b>	<b>1 948 149</b>

**Statement of financial position**

(NOK)

	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Research and development	6	6 909 634	7 757 457
Property, plant and equipment	5,9	42 204 197	47 005 418
Right of use assets	15	8 750 384	12 983 827
<b>Total non-current assets</b>		<b>57 864 215</b>	<b>67 746 702</b>
<b>Current assets</b>			
Inventory	8,9	8 043 218	6 105 687
Accounts receivable	9,16	21 141 010	7 343 870
Other receivables		1 197 112	1 025 094
Prepayments		337 999	406 901
Cash and cash equivalents	11	5 755 950	4 417 994
<b>Total current assets</b>		<b>36 475 288</b>	<b>19 299 546</b>
<b>TOTAL ASSETS</b>		<b>94 339 503</b>	<b>87 046 248</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12,13	11 810 000	11 810 000
Share premium	13	36 140 000	36 140 000
Retained earnings	13	-46 810 335	-42 842 661
<b>Total equity</b>		<b>1 139 665</b>	<b>5 107 339</b>
<b>Non-current liabilities</b>			
Long term loan from Group company	10	64 680 226	51 960 933
Lease liability	15	4 431 538	8 285 583
<b>Total non-current liabilities</b>		<b>69 111 764</b>	<b>60 246 516</b>
<b>Current liabilities</b>			
Accounts payable		8 335 404	3 949 597
Indirect taxes		3 450 163	3 785 055
Lease liability	15	4 979 928	5 192 732
Other current liabilities		7 322 578	8 765 010
<b>Total current liabilities</b>		<b>24 088 073</b>	<b>21 692 393</b>
<b>Total liabilities</b>		<b>93 199 837</b>	<b>81 938 909</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94 339 503</b>	<b>87 046 248</b>

31 December 2020  
Stavanger, 29 June 2021  
Alan Fairweather  
Chairman  
Frode Sunde  
General Manager  
Leif Gunnar Vølstad  
Board Member



## Statement of cash flows (NOK)

	Note	2020	2019
Profit before tax		-3 967 674	1 948 149
Depreciation/amortisation		21 795 430	20 149 280
Profit/loss disposals		0	38 397
Finance income		-4 872	-5 423
Finance cost		2 713 265	1 843 700
Change in inventory		-1 937 531	1 913 924
Change in trade debtors		-13 797 139	19 278 734
Change in trade creditors		4 385 808	-7 430 267
Changes in other current balance sheet items		1 626 968	470 819
Interests received		4 872	5 423
Interests paid		-2 713 265	-1 631 002
<b>Net cash flow from operating activities</b>		<b>8 105 862</b>	<b>36 581 735</b>
Sale of tangible assets		0	11 505 645
Purchase of tangible assets		-13 538 348	-34 681 330
Investment in intangible assets		-1 783 168	-870 191
<b>Net cash flow from investing activities</b>		<b>-15 321 516</b>	<b>-24 045 876</b>
Draw down/repayment of long term debt		12 719 293	-6 593 218
Draw long term debt		0	0
Payment of principal portion of lease liabilities		-4 165 683	-5 103 156
<b>Net cash flow from financing activities</b>		<b>8 553 611</b>	<b>-11 696 374</b>
Net change in cash and cash equivalents		1 337 956	839 484
Opening cash and cash equivalents		4 417 994	3 578 510
<b>Cash and cash equivalents at 31 December</b>		<b>5 755 950</b>	<b>4 417 994</b>



**Statement of changes in equity**  
(NOK)

	Share capital	Share premium reserve	Retained earnings	Total equity
<b>Equity as at 01.01</b>	<b>11 810 000</b>	<b>36 140 000</b>	<b>-42 842 661</b>	<b>5 107 339</b>
Profit of the year			-3 967 674	-3 967 674
<b>Equity as at 31.12</b>	<b>11 810 000</b>	<b>36 140 000</b>	<b>-46 810 335</b>	<b>1 139 665</b>



### **Note 1 Accounting policies**

Ardyne AS is a limited liability company, incorporated in Norway, headquartered in Tananger. The company is included in the group financial statements prepared by the ultimate parent, Ardyne Holdings Ltd, and can be accessed upon request (<http://ardyne.co/>).

Ardyne AS business consist of well intervention services and equipment.

### **Basis for preparation of the annual accounts**

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulation of simplified IFRS issued by the Ministry of Finance January 21, 2008. This means that recognition and measurement comply with international accounting standards (IFRS) and presentation and disclosures in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

### **Summary of significant accounting policies**

#### **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### **Trade receivables**

Trade receivables are recognised at their cost less any impairment. The impairment assessment for trade receivables is based on an expected credit losses (ECLs) model. The company applies a simplified approach in calculating ECLs.

#### **Borrowing costs**

Borrowing costs are recognised in the statement of comprehensive income when they arise.



## **Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The company recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates, which as substantively enacted, applicable to the company where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity on the statement of other comprehensive income (OCI) to the extent that they relate to equity on OCI transactions.

## **Research and development**

Expenses relating to research activities are recognised in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the company has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

## **Tangible assets**

Tangible assets are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. ~~Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalised.~~

Depreciation is calculated using the straight-line method.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to depreciations resulting from the estimated residual value are recognised as a change in an estimate on a prospective asset.



## **Leasing**

### *Recognition of leases and exemptions*

At the lease commencement date, the Company recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Company recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

### *Lease liabilities*

The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Company does not include variable lease payments in the lease liability. Instead, the Company recognizes these variable lease expenses in profit or loss.

### *Right-of-use assets:*

The Company measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

## **Inventories**

Inventories are recognised at the lowest of cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the weighted average method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include variable costs and fixed costs that can be allocated based on normal capacity utilisation.

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**Cash and cash equivalents**

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

**Defined contribution plans**

The company has a defined contribution pension plan. The pension premiums are charged to expenses as they are incurred.

**Functional currency**

The functional currency is determined based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

**Presentation currency**

The company's presentation currency and functional currency is NOK.

**Valuation and classification of assets and liabilities**

Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as fixed assets/long term liabilities. The classification of current and non-current liabilities are based on the same criteria.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is not expected to be temporary. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

The part of long-term liabilities that are payable within 12 months, are reclassified as short-term liabilities.

**Changes in accounting policies and disclosures.**

There are no new or amended standards and interpretations that have been implemented for the first time in 2020.

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**Amendments to standards and interpretations with a future effective date**

The company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.



At the date of authorization of the Company's financial statements, no new standards and interpretations that were issued but not yet effective are expected to have a significant impact on the financial statements of the Company.



## Note 2 Estimation uncertainty

In the process of applying the company's accounting policies, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the managements best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year.

The company's most important accounting estimates are the following items:

Balance sheet item	Note	Estimate/assumptions	Net book value
Property, plant and equipment	5	Net present value of expected future cash flows	42 204 197
Research and development	6	Net present value of expected future cash flows	6 909 634
Deferred tax asset	7	Net present value of expected future cash flows	0
Inventory	8	Assessment of obsolete goods	8 043 218

### *Depreciation of Property, plant and equipment and Research and development*

Depreciation is based on management's estimate of useful life. Such estimates may change as a result of technological developments, competition, changes in market conditions and other matters. This may cause change in the estimated useful life and accordingly in depreciation.

### *Capitalization of Research and development*

Expenses relating to development activities are capitalised to the extent that the product and process is assessed to be technically and commercially viable and the company has sufficient resources to complete the development work. The estimate of net present value of expected future cash flows is based on managements assumptions and changes in these assumptions may have a significant effect and cause material adjustments to the carrying value of the assets.

### *Impairment of Property, plant and equipment and Research and development*

IAS 36 requires an entity to perform an impairment test when there are indicators of impairment on every tangible and intangible asset. This is done by discounting future cash flow. Change in assumptions may have a significant effect and may cause material adjustments to the carrying value of the assets.

### *Deferred tax asset*

Deferred tax assets are recognised when it is probable that sufficient future taxable profits exists and can be utilized towards the deferred tax assets. The company has significant tax loss carry forwards at the balance sheet date as a result of previous periods losses. As a consequence, it is uncertain when future taxable profits can be reported and the management and the board are of the opinion that a deferred tax asset cannot be recognized in the financial statements for 2020.

### *Inventory*

Inventories are recognised at the lowest of cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. A provision is made for obsolete goods. Change in the assessment regarding obsolete goods and net selling price could lead to change in the balance sheet value.



## Note 3 Segment Information

Revenue by geographic segment	2020	2019
Norway	78 870 860	94 782 975
Others	627 962	12 787 211
<b>Total revenue</b>	<b>79 498 822</b>	<b>107 570 186</b>

Ardyne has received 610 415 NOK in a government compensations scheme related to loss of revenue due to covid-19. The grant is included as revenue in Norway in the table above and classified as other revenue in the income statement.

## Note 4 Salary and personnel expense and management remuneration

	2020	2019
Salaries	27 753 125	38 768 037
Holiday pay	3 579 052	4 945 223
Social security	4 589 606	6 961 346
Pension costs defined benefit plans	556 540	582 794
Other personnel costs	2 451 655	-1 173 708
<b>Total salaries and personnel expense</b>	<b>38 929 978</b>	<b>50 083 693</b>

The number of FTEs that has been employed during the financial year:

	2020	2019
Norway	29,1	37,73
<b>Total</b>	<b>29,1</b>	<b>38</b>

The reduction in FTEs in 2020 is due to temporary lay offs due to covid-19.

### Management remuneration

	Salary	Other remuneration	Pension cost	Total remuneration
General manager	1 654 839	300 802	33 097	1 988 738

Remuneration for the board was NOK 0 in 2019 and NOK 0 in 2020.

### Pensions

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension. The company has defined contribution plans for the employees. The premium is expensed as incurred.

### Auditor

The Auditor fee excluding VAT is divided as follows:

Statutory audit fee	382 000
Other services	121 610
<b>Total</b>	<b>503 610</b>



## Note 5 Tangible assets

<b>Tangible assets</b>	<b>Property, plant and equipment</b>
Acquisition cost per 01.01	95 579 146
Additions	13 538 348
Disposals	-9 200 966
<b>Acquisition cost per 31.12</b>	<b>99 916 529</b>
Accumulated depreciation and write downs per 01.01	48 573 728
Accumulated depreciation disposals	-5 693 557
Current year depreciation	14 832 162
Current year impairment	0
<b>Accumulated depreciation and write downs per 31.12</b>	<b>57 712 332</b>
<b>Carrying amount per 31.12</b>	<b>42 204 197</b>
Economic life	3-5 years
Depreciation method	linear

## Note 6 Intangible assets

<b>Internally developed intangible assets</b>	<b>Development costs</b>
Acquisition cost per 01.01	11 239 642
Additions - internally developed	1 783 168
Disposals	0
<b>Acquisition cost per 31.12</b>	<b>13 022 810</b>
Accumulated amortisation and write downs per 01.01	3 482 185
Current year amortisation	2 630 991
<b>Accumulated amortisation and write downs per 31.12</b>	<b>6 113 176</b>
<b>Carrying amount per 31.12</b>	<b>6 909 634</b>
Economic life	5 years
Depreciation method	linear

The depreciation of internally developed intangible assets starts once a project is finalized. Five out of eight internally developed projects are finalized as of 31 December 2020.



### Note 7 Income tax

#### Income tax expense:

	2020	2019
Tax payable	0	0
Changes in deferred tax	0	0
<b>Tax expense</b>	<b>0</b>	<b>0</b>

A reconciliation of the effective rate of tax and the tax rate in Ardyne AS's country of registration:

	2020	2019
Pre-tax profit	-3 967 674	1 948 149
Permanent differences	90 380	-424 756
Change in temporary differences	1 531 778	6 195 959
Carried forward loss utilized		-7 719 352
<b>Taxable income</b>	<b>-2 345 516</b>	<b>0</b>

Deferred tax and deferred tax assets:

#### Balance sheet

	2020	2019
Fixed assets	-6 014 500	-3 596 722
Inventory	-2 768 370	-3 820 966
Leasing	-661 083	-494 488
Carried forward loss from previous years	-56 588 419	-57 632 344
Taxable income/ (loss) in current year	0	0
Carried forward loss utilized	0	3 389 442
<b>Total</b>	<b>-66 032 372</b>	<b>-62 155 078</b>
Deferred tax asset	-14 527 122	-13 674 117
Not recognized deferred tax asset	-14 527 122	-13 674 117
<b>Recognized deferred tax asset</b>	<b>0</b>	<b>0</b>

Deferred tax asset is not recognized due to uncertainty related to future taxable profit.

Reconciliation from nominal to real income tax rate:

	2020	2019
Profit/(loss) before taxation	-3 967 674	1 948 149
Estimated income tax according to nominal tax rate 22 %	-872 888	428 593
Permanent differences 22 %	19 884	-93 446
Change in not recognized deferred tax asset	853 005	-335 146
Effect of change in tax rate	0	0
<b>Tax expense</b>	<b>0</b>	<b>0</b>

### Note 8 Inventories

	2020	2019
Finished goods	10 811 588	9 926 652
Obsolescence reserve	-2 768 370	-3 820 966
<b>Total</b>	<b>8 043 218</b>	<b>6 105 687</b>



**Note 9 Interest bearing debt and guarantees**

**Book value of liabilities with pledged securities**

	<b>2020</b>	<b>2019</b>
Property, plant and equipment	42 204 197	47 005 418
Inventory	8 043 218	6 105 687
Accounts receivable	21 141 010	7 343 870
<b>Sum</b>	<b>71 388 424</b>	<b>60 454 975</b>

Ardyne Holding Ltd has pledged assets in Ardyne AS as collateral for a loan in Clydesdale Bank Plc. At December 31, 2020, the internal loan is MNOK 64,7, including interest costs of MNOK 5,1. The loan facility has an upper limit of 70 MNOK. Undrawn amount of the loan facility is 5,3 MNOK.

**Note 10 Transactions with related parties**

The company has various transactions with group companies. All the transactions have been carried out as part of the ordinary operations and at arms length prices.

The balance sheet includes the following receivables and payables resulting from transactions with associated companies:

	<b>2020</b>	<b>2019</b>
Long term liabilities	64 680 226	51 960 933
<b>Total</b>	<b>64 680 226</b>	<b>51 960 933</b>

Ardyne AS is being charged an interest of 3 % on the intercompany loan from Ardyne Holding Ltd. During the period the company charged Ardyne Holdings Limited for a management fee of MNOK 1,4, mainly relating to management recharge.

**Note 11 Cash and cash equivalents**

Included in the cash and cash equivalents are employees tax deduction, deposited in a restricted separate bank account of NOK 2 059 898 per 31 December 2020 (NOK 2 194 329 per 31 December 2019)



## Note 12 Share capital

<b>Share capital:</b>	<b>Number of shares</b>	<b>Face value</b>	<b>Book value</b>
Ordinary shares	1 181 000	1	11 810 000

<b>Shareholders per 31.12:</b>	<b>Ordinary shares</b>	<b>Ownership share</b>	<b>Voting rights</b>
Ardyne Holdings Ltd.	1 181 000	100 %	100 %

The ordinary shares hold full voting rights and rights to dividends and capital distributions.

## Note 13 Going concern

The Company has lost 98 % of its share capital and share premium. Per 31.12.20 it has positive net equity of 1,1 MNOK. The Company also has an intercompany loan of 64,7 MNOK. The company has received confirmation from its parent company that it will receive any necessary support to enable it to continue trading for a period of at least twelve months from the date of signing these financial statements.

## Note 14 Specification of combined amounts

<b>Other finance income</b>	<b>2020</b>	<b>2019</b>
Currency gains	83 098	546 831
Other	46 216	40 873
<b>Total</b>	<b>129 314</b>	<b>587 704</b>

<b>Other finance costs</b>	<b>2020</b>	<b>2019</b>
Currency losses	41 061	109 921
Other	0	0
<b>Total</b>	<b>41 061</b>	<b>109 921</b>



**Note 15 - Leasing contracts**

**Recognised lease agreements**

The company's recognised lease agreements include buildings and vehicles. In addition to the rental payments the company has an obligation to cover maintenance and insurance. The rental term is from 1-5 years.

Some of the lease agreements have an option for extension, which is included when determining the rental term if it is reasonable certain that it will be used.

<b>Right-of-use assets</b>	land	Vehicles	Total
<b>Acquisition costs January 1 2020</b>	12 828 672	155 155	12 983 827
Additions	0	98 834	98 834
Disposals	0	0	0
<b>Acquisition costs December 31 2020</b>	<b>12 828 672</b>	<b>253 989</b>	<b>13 082 661</b>
<b>January 1 2020</b>			
Depreciation	4 160 650	171 627	4 332 277
Disposals	0	0	0
<b>December 31 2020</b>	<b>4 160 650</b>	<b>171 627</b>	<b>4 332 277</b>
	<b>8 668 022</b>	<b>82 362</b>	<b>8 750 384</b>
<b>Carrying amount December 31 2020</b>			
Lower of remaining lease term or economic life	4 years	1 year	
Depreciation method	Linear	Linear	
<b>Lease liabilities</b>			
<b>Undiscounted lease liabilities and maturity of cash outflows</b>			<b>Total</b>
Less than 1 year			4 979 928
1-2 years			4 891 908
2-3 years			407 659
More than 3 years			0
<b>Total undiscounted lease liabilities at 31 December 2020</b>			<b>10 279 495</b>
<b>Summary of the lease liabilities</b>			<b>Total</b>
Lease liability at 01.01.2020			13 478 315
New lease liabilities recognised in the year			98 834
Cash payments for the principal portion of the lease			-5 103 156
Interest expense on lease liabilities			937 473
<b>Total lease liabilities at 31 December 2020</b>			<b>9 411 466</b>



**Note 16 - Accounts receivable**

	<b>2020</b>	<b>2019</b>
Accounts receivable	11 102 879	2 385 047
Contract assets	10 038 131	4 958 824
<b>Total</b>	<b>21 141 010</b>	<b>7 343 871</b>



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Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Ardyne AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Ardyne AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, 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. 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.



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## 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.

Independent auditor's report - Ardyne AS

A member firm of Ernst & Young Global Limited

Pennco Dokumentnøkkel: DSIZZ-TAVXD-10P3F-ETMKN-C72T3-1DYNB



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### 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.

Stavanger, 1. July 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Stig Tore Strand  
State Authorised Public Accountant (Norway)

Pennco Dokumentnøkket: DSIZZ-TAVXD-10P3F-ET1NKW-C72T3-1DYNB

Independent auditor's report - Ardyne AS

A member firm of Ernst & Young Global Limited



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## Stig Tore Strand

Statsautorisert revisor

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**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 14.03.2017	Vår dato 31.03.2017
Telefon 22078139	Deres referanse Frode Sunde	Vår referanse 2017/294300

ARDYNE AS  
Postboks 151  
4098 TANANGER

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Ardyne AS, org. nr. 987 364 467**

Vi viser til deres brev av 14. mars 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Ardyne AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Ardyne AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

Ardyne AS er eid av det britiske selskapet Ardyne Holdings Limited. Selskapet er et oljeservice selskap og leverer utstyr til oljeindustrien. Konsernets arbeidsspråk er engelsk. Selskapet driver virksomhet i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**Skattedirektoratets vurdering**

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

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

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

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentraltbord  
800 80 000  
Telefaks  
22 17 08 60



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets morselskap er et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

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