



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 917 968 470  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: READ CH HOLDING AS  
Forretningsadresse: c/o Norvestor Equity AS  
Hieronymus Heyerdahls gate 1  
0160 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2017 - 31.12.2017

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bruce Melvin  
Dato for fastsettelse av årsregnskapet: 29.06.2018

### Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert  
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

*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, 02.11.2020



## Resultatregnskap

Beløp i: NOK	Note	2017	2016
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad	2	153 000	
<b>Sum kostnader</b>		<b>153 000</b>	
<b>Driftsresultat</b>		<b>-153 000</b>	
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		191 000	
Annen renteinntekt		1 000	
<b>Sum finansinntekter</b>		<b>192 000</b>	
Annen finanskostnad		1 000	
<b>Sum finanskostnader</b>		<b>1 000</b>	
<b>Netto finans</b>		<b>191 000</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>38 000</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>38 000</b>	<b>0</b>
Skattekostnad på ekstraordinært resultat	3	9 000	
<b>Årsresultat</b>		<b>29 000</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra annen egenkapital		29 000	
<b>Sum overføringer og disponeringer</b>		<b>29 000</b>	



## Balanse

Beløp i: NOK	Note	2017	2016
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Sum varige driftsmidler	3		
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	124 058 000	
Sum finansielle anleggsmidler		<b>124 058 000</b>	
Sum anleggsmidler		<b>124 058 000</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer	5	9 025 000	
Sum fordringer		<b>9 025 000</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	4	21 000	
Sum bankinnskudd, kontanter og lignende		<b>21 000</b>	
Sum omløpsmidler		<b>9 046 000</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>133 104 000</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	6, 7	214 000	
Overkurs	7	132 607 000	
Sum innskutt egenkapital		<b>132 821 000</b>	



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	7	29 000	
<b>Sum opptjent egenkapital</b>		<b>29 000</b>	
<b>Sum egenkapital</b>		<b>132 850 000</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Betalbar skatt	3	9 000	
Annen kortsiktig gjeld		245 000	
<b>Sum kortsiktig gjeld</b>		<b>254 000</b>	
<b>Sum gjeld</b>		<b>254 000</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>133 104 000</b>	<b>0</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2017	2016
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	62 688 000	
<b>Sum inntekter</b>		<b>62 688 000</b>	
<b>Kostnader</b>			
Varekostnad		8 881 000	
Lønnskostnad	3	38 065 000	
Avskrivning	4, 5	20 883 000	
Annen driftskostnad	3	16 662 000	
<b>Sum kostnader</b>		<b>84 491 000</b>	
<b>Driftsresultat</b>		<b>-21 803 000</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		664 000	
<b>Sum finansinntekter</b>		<b>664 000</b>	
Annen finanskostnad		4 060 000	
<b>Sum finanskostnader</b>		<b>4 060 000</b>	
<b>Netto finans</b>		<b>-3 396 000</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-25 199 000</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-25 199 000</b>	<b>0</b>
Skattekostnad på ekstraordinært resultat	6	1 660 000	
<b>Årsresultat</b>		<b>-26 859 000</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap	11	-26 859 000	
<b>Sum overføringer og disponeringer</b>		<b>-26 859 000</b>	



## Konsernets balanse

Beløp i: NOK	Note	2017	2016
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill	4, 12	112 932 000	
<b>Sum immaterielle eiendeler</b>		<b>112 932 000</b>	
<b>Varige driftsmidler</b>			
Maskiner og anlegg	5	39 737 000	
Driftsløsøre, inventar, verktøy, kontormaskiner		186 000	
<b>Sum varige driftsmidler</b>		<b>39 923 000</b>	
<b>Sum anleggsmidler</b>		<b>152 855 000</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		2 912 000	
<b>Sum varer</b>		<b>2 912 000</b>	
<b>Fordringer</b>			
Kundefordringer		2 380 000	
Andre fordringer		6 078 000	
<b>Sum fordringer</b>		<b>8 458 000</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	1 819 000	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 819 000</b>	
<b>Sum omløpsmidler</b>		<b>13 189 000</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>166 044 000</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Aksjekapital	10, 11	214 000	
Overkurs	11	132 607 000	
<b>Sum innskutt egenkapital</b>		<b>132 821 000</b>	
<b>Opptjent egenkapital</b>			
Udekket tap	11	24 439 000	
<b>Sum opptjent egenkapital</b>		<b>-24 439 000</b>	
<b>Sum egenkapital</b>		<b>108 382 000</b>	<b>0</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	8	47 635 000	
<b>Sum annen langsiktig gjeld</b>		<b>47 635 000</b>	
<b>Sum langsiktig gjeld</b>		<b>47 635 000</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	8	3 160 000	
Leverandørgjeld		4 011 000	
Betalbar skatt	6		
Skyldige offentlige avgifter		1 202 000	
Annen kortsiktig gjeld		1 654 000	
<b>Sum kortsiktig gjeld</b>		<b>10 027 000</b>	
<b>Sum gjeld</b>		<b>57 662 000</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>166 044 000</b>	<b>0</b>



15 December 2016 - 31 December 2017

**Read CH Holding AS**

**Annual report**

**2017**



## Read CH Holding AS

### Consolidated statement of profit and loss

15 December 2016 - 31 December 2017

(NOK'000)	Notes	2017
Revenue	2	62 688
<b>Total revenue</b>		<b>62 688</b>
Cost of goods sold		8 881
Salary and personell costs	3	38 065
Other operating expenses	3	16 662
Depreciation, amortizations and write downs	4, 5	20 883
Operating expenses		84 491
<b>Operating loss</b>		<b>-21 803</b>
Finance income		664
Finance expenses		4 060
Net finance expenses		-3 396
<b>Loss before income tax</b>		<b>-25 199</b>
Income tax expense	6	1 660
<b>Loss for the year</b>		<b>-26 859</b>
<b>Allocated as follows</b>		
Uncovered loss	11	-26 859



## Read CH Holding AS

### Consolidated statement of financial position

(NOK'000)	Notes	31.12.17
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Goodwill	4, 12	112 932
<b>Total intangible assets</b>		<b>112 932</b>
<b>Fixed assets</b>		
Property, plant and equipment	5	39 737
Other long term assets		186
<b>Total fixed assets</b>		<b>39 923</b>
<b>Current assets</b>		
Inventory		2 912
Accounts receivable		2 380
Other receivables		6 078
Cash and cash equivalents	7	1 819
<b>Total current assets</b>		<b>13 189</b>
<b>TOTAL ASSETS</b>		<b>166 044</b>





## Read CH Holding AS

### Consolidated statement of financial position


(NOK'000)	Notes	31.12.17
<b>Equity</b>		
<b>Paid in capital</b>		
Share capital	10, 11	214
Share premium	11	132 607
<b>Total paid in capital</b>		<b>132 821</b>
<b>Other equity</b>		
Retained earnings	11	-24 439
<b>Total equity</b>		<b>-24 439</b>
<b>Total equity</b>		<b>108 382</b>
<b>Non-current liabilities</b>		
Long term debt to financial institutions	8	47 635
<b>Total non-current liabilities</b>		<b>47 635</b>
<b>Current liabilities</b>		
Short term debt financial institutions	8	3 160
Accounts payable		4 011
Income tax payable	6	-
Public duties payable		1 202
Other current liabilities		1 654
<b>Total current liabilities</b>		<b>10 027</b>
<b>Total liabilities</b>		<b>57 662</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>166 044</b>


31 December 2017  
Savanger, 29 June 2016


  
Bjørn Ginnerød  
Chairman of the Board

  
Per-Cla Bæverfjord  
Member of the Board

  
Henning Omreng Krohnstad  
Member of the Board

  
Borge Richard Kolstad  
Member of the Board

  
Martin Gordon Ferry  
Member of the Board

  
Christopher Teesdale  
Resigned member of the Board



## Read CH Holding AS

### Consolidated statement of cash flows

15 December 2016 - 31 December 2017

(NOK'000)	2017
Profit before tax	-25 199
Taxes paid in the period	-134
Depreciation/amortisation	20 883
Change in inventory	-2 912
Change in trade debtors	-2 380
Change in trade creditors	1 747
Changes in other current balance sheet items	-20 441
<b>Net cash flow from operating activities</b>	<b>-28 435</b>
Sale of tangible assets	398
Payments relating to business acquisitions less cash in enties	-153 658
<b>Net cash flow from investing activities</b>	<b>-153 260</b>
Draw down of long term debt	49 850
Draw down of short term loan	3 160
Repayment of long term loan	-2 215
Proceeds from share subscriptions	132 821
Repayment of equity	-123
<b>Net cash flow from financing activities</b>	<b>183 493</b>
<b>Net changes in cash and cash equivalents</b>	<b>1 798</b>
Opening cash and cash equivalents	21
<b>Cash and cash equivalents at 31 December</b>	<b>1 819</b>



## **Read CH Holding AS**

### **Notes to the consolidated financial statements**

All notes in 1000 NOK

#### **Note 1: Accounting principles**

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

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

Read CH Holding AS was established in October 2016. In December 2016 Read Cased Hole Ltd and subsidiary was acquired and the group was formed.

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

###### **Consolidation of subsidiaries**

The Group's consolidated financial statements comprise Read CH Holding AS and companies in which Read CH Holding AS has a controlling interest. A controlling interest is normally obtained when the group owns more than 50% of the shares in the company and can exercise control over the company. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The acquisition method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Acquired subsidiaries are included in the consolidated financial statements based on the parent company's acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities of the subsidiary, which is recorded in the consolidated financial statements at fair value at the acquisition date. Any excess or shortfall in excess of what can be allocated to identifiable assets and liabilities is recorded as goodwill. Added value in the consolidated financial statements are amortized over the acquired asset's expected lifetime.

###### **Use of estimates**

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

###### **Foreign currency translation**

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

###### **Revenue recognition**

Revenue is recognized based on the time that assets are on hire with services being recognised when obligations are fulfilled and the receipt of revenue is considered probable. Revenue is stated net of discounts and rebates.

###### **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 is calculated as 23 % percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.



## **Read CH Holding AS**

### **Notes to the consolidated financial statements**

All notes in 1000 NOK

#### **Balance sheet classification**

Net current assets and current liabilities consist of receivables and payables due within one year after the date of acquisition, and items related to the inventory cycle. Other entries are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost of acquisition, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

#### **Inventory**

Raw materials and consumables are carried at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

#### **Account receivables and other current receivables**

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

#### **Defined contribution plans**

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

#### **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 2 - Segment Information

Geographic segment		2 017
Denmark		41 431
Kazakhstan		7 350
Qatar	0	5 333
UK		3 912
Tunisia		1 290
Germany		1 058
Norway		1 037
Other		1 277
<b>Total revenue</b>		<b>62 688</b>

All revenue was derived from the provision of cased hole logging services

#### Note 3 - Salary and personnel expense, management remuneration and auditor's fee

	2 017
Salaries and holiday pay	31 724
Social security tax	3 777
Pension costs defined contribution plans	2 564
	<b>38 065</b>

The average number of full time employees during the period has been: 39

#### Management remuneration

The Managing Director for the group is employed by the subsidiary Read Cased Hole Ltd. There has not been paid any remuneration to the Board of Directors.

	Salary	Bonus	Pension cost	Other	Total
<b>Management</b>					
Managing Director	2 183	125	153	2 590	5 051

As part of the acquirement of Read Cased Hole Ltd the managing director received an extraordinary bonus, this was received as shares in Read CH Holding AS. The amount received is listed under other above.

There is an agreement regarding quarterly bonus to the managing director which is governed by the revenue compared to the budget for the same period. The bonus is limited up to 40% of the salary for the quarter.



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Auditor

Specification of auditor's fee:

	<b>2 017</b>
Statutory audit fee	215
Other services	132
<b>Total fee to auditor</b>	<b>347</b>

VAT is not included in the fee specified above.

#### Note 4 - Intangible assets

	<b>Goodwill</b>
Opening balance	0
Accumulated additions	121 791
FX differences	3 688
<b>Accumulated acquisition cost 31.12.17</b>	<b>125 479</b>
Accumulated amortisation at 31.12.17	12 179
FX differences	368
Accumulated amortisation and impairments 31.12.17	12 547
<b>Net carrying value at 31.12.17</b>	<b>112 932</b>
Amortisation for the year	12 179
Useful economic life	10 years
Amortisation plan	Linear

Goodwill relates to the acquisition of subsidiary Read Cased Hole Ltd. Read Cased Hole Ltd was acquired in 2016.

Useful economic life of 10 years for goodwill is based on the expected period where one will expect to get a return on unidentified assets on date of acquisition.



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 5 - Property, plant and equipment

	Plant and machinery	Tenant's improvements	Computer equipment	Total
Opening balance				0
Additions	44 521	433	1 801	46 755
Disposals	-17	-	-381	-398
FX differences	1 968	19	79	2 067
<b>Accumulated acquisition cost 31.12</b>	<b>46 473</b>	<b>452</b>	<b>1 500</b>	<b>48 424</b>
Accumulated depreciation at 01.01				
This years depreciation	-8 106	-136	-462	-8 704
Depreciation on disposals	6	-	381	387
FX differences	-345	-6	2 919	88 531
Accumulated depreciation at 31.12	-8 445	-142	2 838	80 214
<b>Net carrying value at 31.12.17</b>	<b>38 028</b>	<b>310</b>	<b>4 337</b>	<b>128 638</b>
Amortisation for the year	8 106	21	462	8 590
Impairment loss for the year				0
Useful economic life	8 years	3 years	3 years	
Amortisation plan	Linear	Linear	Linear	



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 6 - Income taxes

<b>Income tax expense</b>	<b>2 017</b>
Tax payable	0
Changes in deferred tax	0
Forreign tax suffered	1 660
Effect of changes in tax rate	0
<b>Total income tax expense</b>	<b>1 660</b>

#### Tax base calculation

Result before tax	-25 199
Permanent differences **)	12 325
Changes in temporary differences	1 890
<b>Tax base</b>	<b>-10 984</b>

\*\*) Includes depreciation on goodwill in addition to other permanent differences like representation expenses etc.

#### Temporary differences:

Receivables	-180
Non current assets	-13 547
Tax loss carry forwards	-7 654
<b>Total</b>	<b>-21 381</b>

Deferred tax liability (asset)	-4 918
Deferred tax assets not recognized	4 918
Deferred tax liability (asset)	-

#### Explanation as of why the current year's tax expense is not 24% of the profit before tax:

	<b>2 017</b>
Result before tax	-25 199
24% taxes on profit before tax	-6 048
Permanent differences (24%)	3 003
Changes in not reconized tax asset	3 045
Impact from differences in tax rates in countries outside Norway	1 660
<b>Calculated income tax expense</b>	<b>1 660</b>

Effective tax rate in % \*\*) -6,6 %

#### Note 7 - Cash and cash equivalents

Restricted cash related to guarantees for the group per 31 December 2017 amounts to NOK 1 187.



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 8 - Long term debt to financial institutions

	Entity	Loan (GBP)	Carrying value (NOK)	Term	Maturity
Bank loan A	Read CH Group AS	3 800	42 095	5 years	08.06.2022
Bank loan B	Read CH Group AS	500	5 540	5 years	21.11.2022
Short term credit facility	Read CH Group AS	500	-3 160	1 year	08.06.2018
Total		4 800	50 795		

The bank loan A in Read CH Group AS was drawn down as part of the financing of the acquisition of Read Cased Hole Ltd. The loan runs for 5 years until maturity, 8th June 2022. The original amount of the loan was GBP 4 million. The yearly installments amounts to GBP 0,4 million. GBP 2 million are due on maturity of the loan.

Bank loan B of GBP 0,5 mill have yearly installments of GBP 0,1 million. The loan runs for 5 years until maturity, 21 November 2022.

The bank loan A of GBP 4 mill, bank loan B of GBP 0,5 mill and the short term credit facility of GBP 0,5 mill are formally entered into by Read CH Group AS.

Read CH Group AS has an overdraft facility of GBP 500 000. The facility is renewed yearly, next renewal is 8 June 2018. As of 31.12.17 there is a total withdraw of kGBP 282 /kNOK 3 160, where kGBP 218/ kNOK 2 431 is unused in the facility.

All of the above loans entered into are with the same bank and they have certain financial covenants on group level. The financial covenants relates to equity ratio and net interest bearing debt over EBITDA. The group was in breach with the covenant relating to net interest bearing debt to EBITDA as of 31.03.2018. A waiver for the breach has been obtained covering 2018 during which time the company expects to be compliant. Next measuring point for this covenant is 31 March 2019, during 2018 the group will therefore report on the financial covenant on group level related to equity ratio.

A bond and floating charge agreement has been entered into, where Read Cased Hole Ltd guarantees as the primary obligant for any amount payable up to NOK 50 million to the bank from any of the group companies controlled by Read CH Group AS.



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 9 - Consolidated entities

Company	Acquisition date	Location	Share ownership	Voting rights
Read CH Group AS	15.12.2016	Oslo	100 %	100 %
Investments held through subsidiaries:				
Read Cased Hole Ltd		Aberdeen	100 %	100 %
Read Cased Hole AS		Oslo	100 %	100 %

#### Note 10 - Share capital and shareholder information

The share capital in the parent company at 31 December 2017 consists of 107 170 shares of NOK 2, resulting in a total share capital of NOK 214 340.

##### Ownership structure

Shareholders as of 31 December 2017:

	Class A	Class B	Ownership share	Voting share
Norvestor VII LP	75 968		71 %	71 %
Norvestor VII OS LP	24 032		22 %	22 %
Wellwork Invest 1 AS	1 614		1,5 %	1,5 %
Martin Perry	679		0,6 %	0,6 %
Roy Henry Ivor Martin	212	1 909	2,0 %	2,0 %
Bruce Andrew Melvin	102	916	0,9 %	0,9 %
Gavin Lindsay	102	916	0,9 %	0,9 %
Alan Wash	34	305	0,3 %	0,3 %
Murillo Addario	34	305	0,3 %	0,3 %
Ian Kerr	4	38	0,0 %	0,0 %
<b>Total number of shares</b>	<b>102 781</b>	<b>4 389</b>	<b>100 %</b>	<b>100 %</b>



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 11 - Equity

	Share capital	Share premium	Retained earnings	Total equity
Equity at foundation of parent	101	22		122
Reduction in share capital	-101	-22		-122
Non cash contribution	211	130 610		130 821
<b>Equity at inception of group</b>	<b>211</b>	<b>130 610</b>	-	<b>130 821</b>
Issued share capital	3	1 997		2 000
Loss for the year			-26 859	-26 859
Currency translation differences			2 420	2 420
<b>Equity at 31 December 2017</b>	<b>214</b>	<b>132 607</b>	<b>-24 439</b>	<b>108 382</b>

#### Note 12 - Business combination

##### Business combinations:

On 15 December 2016, Read CH Holding AS through Read CH Group AS acquired 100% of the shares in Read Cased Hole Ltd for kNOK 171 516 (including transaction expenses). The acquisition was financed through cash from a share capital issue of kNOK 123 935 in addition to a long term loan of kGBP 4 000/ NOK 43 158. There were no activity in the group prior to the acquisition.

Read Cased Hole is a specialist in production and integrity evaluation of oil & gas wells. They offer services for better understanding of the status and performance of wells through independent data acquisition and analysis.

Read Cased Hole has its head office in Aberdeen and bases in Norway, Denmark and the Middle East.

Ownership interest equals the share of voting rights. The acquisition has been accounted for by using the acquisition method.

Management has made an analysis of excess values identified in the transaction as shown in the table below:



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

Preliminary allocation of excess value from the Read Cased Hole Ltd acquisition:

	Booked value (NGAAP) in acquired company
Fixed assets	31 393
Long term receivables	186
Inventory	3 131
Accounts receivables	11 525
Other receivables	2 929
Cash and cash equivalent	17 858
Non-interest bearing liabilities	-17 297
Net identified assets and liabilities acquired	49 725
Purchase price, including transaction expenses	171 516
Goodwill from acquisition	121 791
Paid in cash	171 516
Cash received	17 858
Net cash out	153 658



## Read CH Holding AS

### Notes to the consolidated financial statements

All notes in 1000 NOK

#### Note 13 - Financial market risk

The group is exposed to interest rate risk, credit risk, foreign currency risk and liquidity risk. The group's management oversees the management of these risks and monitors the changes and considers using financial instruments to reduce the risks as necessary. Currently the group has not entered into any such agreements.

##### Interest rate risk

The group's long term financing has a floating interest rate (LIBOR) and there is a risk that future cash flows will fluctuate because of changes in market interest rates.

##### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

##### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's investments in foreign subsidiaries.

##### Liquidity risk

The Group monitors its risk of a shortage of funds on an ongoing basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans, in addition to equity.

#### Note 14 - Commitments and contingencies

The group has entered into a leasing agreement for the rental of offices and warehouses in the UK.

All leasing agreements are recognized as operational lease agreements in the group accounts.

	Land and buildings	Other
Within one year	2 000	32
Between one and five years	8 000	-
After five years	16 000	-
	26 000	32

#### Note 15 - Going Concern

The liquidity situation of READ CH Holding AS and associated group companies is being monitored closely. The company will come very close to reaching the overdraft facility limit however it has been agreed with the shareholders that additional working capital will be invested into the company if required.



## Read CH Holding AS

### Statement of profit or loss for the parent company

19 September - 31 December

(NOK'000)	Notes	2017
Other operating expenses	2	<u>153</u>
<b>Total operating expenses</b>		<b>153</b>
<b>Operating loss</b>		<b>-153</b>
Interest income from group companies		191
Other finance income		1
Other finance costs		<u>1</u>
<b>Profit/ (loss) before income tax</b>		<b>38</b>
Income tax expense	3	<u>9</u>
<b>Profit for the year</b>		<b>29</b>
<b>Allocated as follows</b>		
Accumulated profit	7	<u>29</u>
<b>Total</b>		<b>29</b>

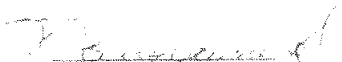


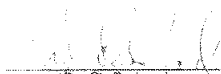
## Read CH Holding AS

Statement of financial position for the parent company

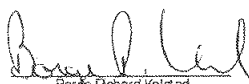
(NOK'000)	Notes	2017
<b>ASSETS</b>		
Non-current assets		
Deferred tax assets	3	0
Investments in subsidiaries	5	124 058
Total non-current assets		124 058
Current assets		
Other receivables	5	9 025
Cash and cash equivalents	4	21
Total current assets		9 046
<b>TOTAL ASSETS</b>		<b>133 104</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	6, 7	214
Share premium	7	132 607
Retained earnings	7	29
Total equity		132 850
Current liabilities		
Taxes payable	3	9
Other current liabilities		245
Total current liabilities		254
Total liabilities		254
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>133 104</b>

31 December 2017  
Savanger, 29 June 2018

  
Eirik Øunnerød  
Chairman of the Board

  
Per-Ole Baalrud  
Member of the Board

  
Henning Omräng Krohnstad  
Member of the Board

  
Borge Richard Holstad  
Member of the Board

  
Martin Gordon Perry  
Member of the Board

  
Christopher Teestjale  
Resigned member of the Board



## Read CH Holding AS

### Statement of cash flows for the parent company

19 September - 31 December

(NOK'000)	2017
Profit before tax	38
Changes in other current balance sheet items	-8 780
<b>Net cash flow from operating activities</b>	<b>-8 742</b>
Payments relating to investments in subsidiaries	-124 058
Dividends received from investments in subsidiaries	-
<b>Net cash flow from investing activities</b>	<b>-124 058</b>
Proceeds from long term loan	-
Proceeds from share subscriptions	132 821
<b>Net cash flow from financing activities</b>	<b>132 821</b>
Net change in cash and cash equivalents	21
Opening cash and cash equivalents	-
<b>Cash and cash equivalents at 31 December</b>	<b>21</b>



## **Read CH Holding AS**

### **Notes to the financial statements for the parent company**

All notes in 1000 NOK

#### **Note 1: Accounting principles**

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

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small companies. The company was founded 13.10.2016.

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

##### **Investment in subsidiaries**

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

##### **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 is calculated as 23 % percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

##### **Balance sheet classification**

Net current assets and current liabilities consist of receivables and payables due within one year after the date of acquisition, and items related to the inventory cycle. Other entries are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

##### **Account receivables and other current receivables**

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

##### **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



## Read CH Holding AS

### Notes to the financial statements for the parent company

All notes in 1000 NOK

#### Note 2 - Salary and personnel expense, management remuneration and auditor's fee

The entity have no employees and is not obliged to have an occupational pension scheme according to the Act on Mandatory Occupational Pensions.

##### Auditor

Specification of auditor's fee:

	2 017
Audit fee	-
Other services	132
<b>Total fee to auditor</b>	<b>132</b>

VAT is included in the fee specified above.

#### Note 3 - Income taxes

##### Income tax expense 2 017

Tax payable	9
Changes in deferred tax	-
<b>Total income tax expense</b>	<b>9</b>

##### Tax base calculation

Profit before income tax	38
Permanent differences	-
Changes in temporary differences	-
<b>Tax base</b>	<b>38</b>

	<b>2017</b>
Profit before tax	38
24% taxes on profit before tax	9
<b>Calculated income tax expense</b>	<b>9</b>

Effective tax rate in % \*) 24 %

\*) Tax expense in percentage of profit before tax

#### Note 4 - Cash and cash equivalents

There are no restricted cash as of 31. December 2017.



## Read CH Holding AS

### Notes to the financial statements for the parent company

All notes in 1000 NOK

#### Note 5 - Investment in subsidiaries and associates

Company	Acquisition date	Location	Share ownership	Voting rights	Profit/Loss 2017	Equity 31 December 2017	Book value 31.12.2017 (parent)
Read CH Group AS	04.11.2016	Norway	100 %	100 %	-1 611	122 447	124 058

Read CH Holding AS through Read CH Group AS acquired 100% of the shares in Read Cased Hole Ltd and subsidiary for kNOK 171 516 on 15 December 2016.

Company owned through subsidiary	Location	Share ownership	Voting rights
Read Cased Hole Ltd	UK	100 %	100 %
Read Cased Hole AS	Norway	100 %	100 %

#### Note 6 - Share capital and shareholder information

The share capital in the parent company at 31 December 2017 consists of 107 170 shares of NOK 2, resulting in a total share capital of NOK 214 340.

##### Ownership structure

Largest shareholders as of 31 December 2017:

	Class A	Class B	Ownership share	Voting share
Norvestor VII LP	75 968		71 %	71 %
Norvestor VII OS LP	24 032		22 %	22 %
Wellwork Invest 1 AS	1 614		2 %	2 %
Martin Perry	679		1 %	1 %
Roy Henry Ivor Martin	212	1 909	2 %	2 %
Bruce Andrew Melvin	102	916	1 %	1 %
Gavin Lindsay	102	916	1 %	1 %
Alan Wash	34	305	0 %	0 %
Murillo Addario	34	305	0 %	0 %
Ian Kerr	4	38	0 %	0 %
<b>Total number of shares</b>	<b>102 781</b>	<b>4 389</b>	<b>100 %</b>	<b>100 %</b>

#### Note 7 - Equity

	Share capital	Share premium	Retained earnings	Total equity
Equity at foundation	101	22		122
Reduction in share capital	-101	-22		-122
Non cash contribution	211	130 610		130 821
Issued share capital	3	1 997		2 000
Profit for the year			29	29
<b>Equity at 31 December 2017</b>	<b>214</b>	<b>132 607</b>	<b>29</b>	<b>132 850</b>



Statsautoriserte revisorer  
Ernst & Young AS

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Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00  
Fax: +47 51 70 66 01  
www.ey.no  
Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Read CH Holding AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Read CH Holding AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheet as at 31 December 2017, 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 and the Group as at 31 December 2017 and their 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 and the Group 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.

#### Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (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 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.



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working world

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;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

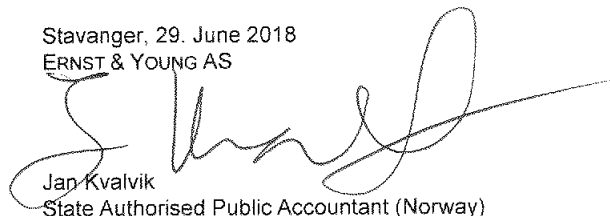
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### Opinion on 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, 29. June 2018  
ERNST & YOUNG AS



Jan Kvalvik  
State Authorised Public Accountant (Norway)



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	11.12.2017	13.02.2018
Telefon	Deres referanse	Vår referanse
90076012	Max-Einar Ludvigsen	2018/29050

Ernst & Young  
Postboks 1156 Sentrum  
0107 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, Read CH Holding AS, org. nr. 917 968 470

Vi viser til deres brev av 11. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Read CH Holding AS, samt senere e-post korrespondanse.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Read CH Holding 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

Fra søknaden gjengis:

*Read CH Holding AS er et holdingselskap, med datterselskaper i utlandet.*

*Selskapet opererer i sektorer og land, der engelsk er det dominerende språket. Deler av selskapets aksjonærer er utenlandske personer eller selskaper, og selskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet.*

*I lys av selskapets og konsernets situasjon, der enkelte av selskapets investorer og styremedlemmer kun behersker engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjen der selskapet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som unødvendig.*

Konsernet driver innenfor oljeservicesektoren, hvor kundene er internasjonale oljeselskaper. Eierne består av tre norske aksjeselskap og syv britiske personer. En norsk oversettelse vil kun ha til formål å tilfredsstille 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."

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)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



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

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

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 selskapet er et holdingselskap, hvor deler av aksjonærene er utenlandske. Eierkretsen er begrenset. Selskapet driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

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