



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	992 821 191
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ENHANCED DRILLING HOLDING AS
Forretningsadresse:	Smålonane 16 5353 STRAUME

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Rune M. Daae
Dato for fastsettelse av årsregnskapet:	30.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 16.08.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
Other operating revenue			
<b>Kostnader</b>			
Other operating expenses	2	39 000	108 000
<b>Sum kostnader</b>		<b>39 000</b>	<b>108 000</b>
<b>Driftsresultat</b>		<b>-39 000</b>	<b>-108 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income		17 005 000	12 100 000
<b>Sum finansinntekter</b>		<b>17 005 000</b>	<b>12 100 000</b>
Financial expenses		-385 022 000	-260 831 000
<b>Sum finanskostnader</b>		<b>-385 022 000</b>	<b>-260 831 000</b>
<b>Netto finans</b>	3	<b>402 027 000</b>	<b>272 931 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>401 988 000</b>	<b>272 823 000</b>
income tax	4		
<b>Ordinært resultat etter skattekostnad</b>		<b>401 988 000</b>	<b>272 823 000</b>
<b>Årsresultat</b>		<b>401 988 000</b>	<b>272 823 000</b>
<b>Overføringer og disponeringer</b>			
Retained earnings	5	401 988 000	272 823 000
<b>Sum overføringer og disponeringer</b>		<b>401 988 000</b>	<b>272 823 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	6,7	1 023 210 000	614 007 000
Lån til foretak i samme konsern	8,7	214 373 000	156 552 000
<b>Sum finansielle anleggsmidler</b>		<b>1 237 583 000</b>	<b>770 559 000</b>
<b>Sum anleggsmidler</b>		<b>1 237 583 000</b>	<b>770 559 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Group receivables	8,7	410 000	2 069 000
Other receivables	9,7	2 000	39 000
<b>Sum fordringer</b>		<b>412 000</b>	<b>2 108 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits, cash in hand, etc.	10	0	0
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>0</b>	<b>0</b>
<b>Sum omløpsmidler</b>		<b>412 000</b>	<b>2 108 000</b>
<b>SUM EIENDELER</b>		<b>1 237 995 000</b>	<b>772 667 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	11	15 056 000	15 056 000
Share Premium		234 334 000	234 334 000
Annen innskutt egenkapital		254 037 000	254 037 000
<b>Sum innskutt egenkapital</b>		<b>503 427 000</b>	<b>503 427 000</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>Opptjent egenkapital</b>			
Retained earnings		305 677 000	-96 311 000
<b>Sum opptjent egenkapital</b>		<b>305 677 000</b>	<b>-96 311 000</b>
<b>Sum egenkapital</b>	5	<b>809 104 000</b>	<b>407 116 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	8	428 890 000	365 551 000
<b>Sum annen langsiktig gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>Sum langsiktig gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>Kortsiktig gjeld</b>			
Betalbar skatt	4		
Kortsiktig konserngjeld	8		
<b>Sum gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 237 994 000</b>	<b>772 667 000</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		457 257 000	253 835 000
Other operating revenue		18 299 000	18 600 000
<b>Sum inntekter</b>	4,5	<b>475 556 000</b>	<b>272 435 000</b>
<b>Kostnader</b>			
Project cost		84 319 000	37 566 000
Payroll expenses	6	150 950 000	123 468 000
Depreciation	11,12	111 934 000	73 194 000
Other operating expenses	7	41 948 000	27 215 000
<b>Sum kostnader</b>		<b>389 151 000</b>	<b>261 443 000</b>
<b>Driftsresultat</b>		<b>86 405 000</b>	<b>10 992 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income		28 157 000	15 351 000
<b>Sum finansinntekter</b>		<b>28 157 000</b>	<b>15 351 000</b>
Financial expenses		49 399 000	59 858 000
<b>Sum finanskostnader</b>		<b>49 399 000</b>	<b>59 858 000</b>
<b>Netto finans</b>	8,26	<b>-21 242 000</b>	<b>-44 507 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>65 163 000</b>	<b>-33 515 000</b>
income tax	9	-132 643 000	-887 000
<b>Ordinært resultat etter skattekostnad</b>		<b>197 806 000</b>	<b>-32 628 000</b>
<b>Årsresultat</b>		<b>197 806 000</b>	<b>-32 628 000</b>
<b>Overføringer og disponeringer</b>			
Retained earnings		197 806 000	-32 628 000
<b>Sum overføringer og disponeringer</b>		<b>197 806 000</b>	<b>-32 628 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Other intangibles	11	35 334 000	43 147 000
Utsatt skattefordel	9	131 795 000	3 347 000
Goodwill	11	77 492 000	77 492 000
<b>Sum immaterielle eiendeler</b>		<b>244 621 000</b>	<b>123 986 000</b>
<b>Varige driftsmidler</b>			
Machinery and operating equipment	12	594 149 000	482 455 000
<b>Sum varige driftsmidler</b>		<b>594 149 000</b>	<b>482 455 000</b>
<b>Finansielle anleggsmidler</b>			
Long term receivables	13	65 000	65 000
<b>Sum finansielle anleggsmidler</b>		<b>65 000</b>	<b>65 000</b>
<b>Sum anleggsmidler</b>		<b>838 835 000</b>	<b>606 506 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	14	42 763 000	23 981 000
<b>Sum varer</b>		<b>42 763 000</b>	<b>23 981 000</b>
<b>Fordringer</b>			
Trade receivables	15,26	86 259 000	76 435 000
Other receivables	16	21 289 000	10 703 000
<b>Sum fordringer</b>		<b>107 548 000</b>	<b>87 138 000</b>
<b>Investeringer</b>			
Finacial asset at fair value	24		611 000
<b>Sum investeringer</b>			<b>611 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits, cash in hand, etc.	17	2 362 000	7 688 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 362 000</b>	<b>7 688 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum omløpsmidler		152 673 000	119 418 000
<b>SUM EIENDELER</b>		<b>991 508 000</b>	<b>725 924 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		15 056 000	15 056 000
Share Premium		488 371 000	488 371 000
<b>Sum innskutt egenkapital</b>	18	<b>503 427 000</b>	<b>503 427 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings		-288 457 000	-475 533 000
<b>Sum opptjent egenkapital</b>		<b>-288 457 000</b>	<b>-475 533 000</b>
<b>Sum egenkapital</b>		<b>214 970 000</b>	<b>27 894 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	9	32 736 000	37 515 000
<b>Sum avsetninger for forpliktelser</b>		<b>32 736 000</b>	<b>37 515 000</b>
<b>Annen langsiktig gjeld</b>			
Debt to credit institutions	19		3 750 000
Deferred revenue, grants received f	20	6 784 000	23 915 000
Other long term liability	21,26	573 954 000	498 056 000
<b>Sum annen langsiktig gjeld</b>		<b>580 738 000</b>	<b>525 721 000</b>
<b>Sum langsiktig gjeld</b>		<b>613 474 000</b>	<b>563 236 000</b>
<b>Kortsiktig gjeld</b>			
Debt to credit institutions	19	3 750 000	7 500 000
Leverandørgjeld		91 041 000	30 458 000
Income tax payable	9	39 000	105 000
Other taxes payable		8 048 000	7 099 000
Other current liabilities	22,26	60 186 000	89 630 000
<b>Sum kortsiktig gjeld</b>		<b>163 064 000</b>	<b>134 792 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Sum gjeld		776 538 000	698 028 000
<b>SUM EGENKAPITAL OG GJELD</b>		<b>991 508 000</b>	<b>725 922 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 629400

#### Enheten

Organisasjonsnummer: 992 821 191  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ENHANCED DRILLING HOLDING AS  
Forretningsadresse: Smålonane 16  
5353 STRAUME

#### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Forenklet IFRS  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: Forenklet IFRS

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Rune M. Daae  
Dato for fastsettelse av årsregnskapet: 30.06.2023

#### Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

*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, 01.08.2023



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>RESULTATREGNSKAP</b>			
Other operating revenue			
<b>Kostnader</b>			
Other operating expenses	2	39 000	108 000
<b>Sum kostnader</b>		<b>39 000</b>	<b>108 000</b>
<b>Driftsresultat</b>		<b>-39 000</b>	<b>-108 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income		17 005 000	12 100 000
<b>Sum finansinntekter</b>		<b>17 005 000</b>	<b>12 100 000</b>
Financial expenses		-385 022 000	-260 831 000
<b>Sum finanskostnader</b>		<b>-385 022 000</b>	<b>-260 831 000</b>
<b>Netto finans</b>	3	<b>402 027 000</b>	<b>272 931 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>401 988 000</b>	<b>272 823 000</b>
income tax	4		
<b>Ordinært resultat etter skattekostnad</b>		<b>401 988 000</b>	<b>272 823 000</b>
<b>Årsresultat</b>		<b>401 988 000</b>	<b>272 823 000</b>
<b>Overføringer og disponeringer</b>			
Retained earnings	5	401 988 000	272 823 000
<b>Sum overføringer og disponeringer</b>		<b>401 988 000</b>	<b>272 823 000</b>



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

## BALANSE

Beløp i: NOK Note 2022 2021

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

##### Finansielle anleggsmidler

Investering i datterselskap	6,7	1 023 210 000	614 007 000
Lån til foretak i samme konsern	8,7	214 373 000	156 552 000
<b>Sum finansielle anleggsmidler</b>		<b>1 237 583 000</b>	<b>770 559 000</b>
<b>Sum anleggsmidler</b>		<b>1 237 583 000</b>	<b>770 559 000</b>

#### Omløpsmidler

##### Varer

##### Fordringer

Group receivables	8,7	410 000	2 069 000
Other receivables	9,7	2 000	39 000
<b>Sum fordringer</b>		<b>412 000</b>	<b>2 108 000</b>

##### Bankinnskudd, kontanter og lignende

Bank deposits, cash in hand, etc.	10	0	0
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>0</b>	<b>0</b>
<b>Sum omløpsmidler</b>		<b>412 000</b>	<b>2 108 000</b>

**SUM EIENDELER** **1 237 995 000** **772 667 000**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share capital	11	15 056 000	15 056 000
Share Premium		234 334 000	234 334 000
Annen innskutt egenkapital		254 037 000	254 037 000
<b>Sum innskutt egenkapital</b>		<b>503 427 000</b>	<b>503 427 000</b>

##### Opptjent egenkapital

Retained earnings		305 677 000	-96 311 000
<b>Sum opptjent egenkapital</b>		<b>305 677 000</b>	<b>-96 311 000</b>
<b>Sum egenkapital</b>	<b>5</b>	<b>809 104 000</b>	<b>407 116 000</b>



<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	8	428 890 000	365 551 000
<b>Sum annen langsiktig gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>Sum langsiktig gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>Kortsiktig gjeld</b>			
Betalbar skatt	4		
Kortsiktig konserngjeld	8		
<b>Sum gjeld</b>		<b>428 890 000</b>	<b>365 551 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 237 994 000</b>	<b>772 667 000</b>



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

## KONSERNRESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		457 257 000	253 835 000
Other operating revenue		18 299 000	18 600 000
<b>Sum inntekter</b>	<b>4,5</b>	<b>475 556 000</b>	<b>272 435 000</b>
<b>Kostnader</b>			
Project cost		84 319 000	37 566 000
Payroll expenses	6	150 950 000	123 468 000
Depreciation	11,12	111 934 000	73 194 000
Other operating expenses	7	41 948 000	27 215 000
<b>Sum kostnader</b>		<b>389 151 000</b>	<b>261 443 000</b>
<b>Driftsresultat</b>		<b>86 405 000</b>	<b>10 992 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income		28 157 000	15 351 000
<b>Sum finansinntekter</b>		<b>28 157 000</b>	<b>15 351 000</b>
Financial expenses		49 399 000	59 858 000
<b>Sum finanskostnader</b>		<b>49 399 000</b>	<b>59 858 000</b>
<b>Netto finans</b>	<b>8,26</b>	<b>-21 242 000</b>	<b>-44 507 000</b>
<b>Ordinært resultat før skattekostnad</b>			
income tax	9	-132 643 000	-887 000
<b>Ordinært resultat etter skattekostnad</b>		<b>197 806 000</b>	<b>-32 628 000</b>
<b>Årsresultat</b>		<b>197 806 000</b>	<b>-32 628 000</b>
<b>Overføringer og disponeringer</b>			
Retained earnings		197 806 000	-32 628 000
<b>Sum overføringer og disponeringer</b>		<b>197 806 000</b>	<b>-32 628 000</b>



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

## KONSERNBALANSE

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Other intangibles	11	35 334 000	43 147 000
Utsatt skattefordel	9	131 795 000	3 347 000
Goodwill	11	77 492 000	77 492 000
<b>Sum immaterielle eiendeler</b>		<b>244 621 000</b>	<b>123 986 000</b>
<b>Varige driftsmidler</b>			
Machinery and operating equipment	12	594 149 000	482 455 000
<b>Sum varige driftsmidler</b>		<b>594 149 000</b>	<b>482 455 000</b>
<b>Finansielle anleggsmidler</b>			
Long term receivables	13	65 000	65 000
<b>Sum finansielle anleggsmidler</b>		<b>65 000</b>	<b>65 000</b>
<b>Sum anleggsmidler</b>		<b>838 835 000</b>	<b>606 506 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	14	42 763 000	23 981 000
<b>Sum varer</b>		<b>42 763 000</b>	<b>23 981 000</b>
<b>Fordringer</b>			
Trade receivables	15,26	86 259 000	76 435 000
Other receivables	16	21 289 000	10 703 000
<b>Sum fordringer</b>		<b>107 548 000</b>	<b>87 138 000</b>
<b>Investeringer</b>			
Finacial asset at fair value	24		611 000
<b>Sum investeringer</b>			<b>611 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits, cash in hand, etc.	17	2 362 000	7 688 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 362 000</b>	<b>7 688 000</b>
<b>Sum omløpsmidler</b>		<b>152 673 000</b>	<b>119 418 000</b>
<b>SUM EIENDELER</b>		<b>991 508 000</b>	<b>725 924 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			



<b>Egenkapital</b>		
<b>Innskutt egenkapital</b>		
Share capital	15 056 000	15 056 000
Share Premium	488 371 000	488 371 000
<b>Sum innskutt egenkapital</b>	<b>18 503 427 000</b>	<b>503 427 000</b>
<b>Opptjent egenkapital</b>		
Retained earnings	-288 457 000	-475 533 000
<b>Sum opptjent egenkapital</b>	<b>-288 457 000</b>	<b>-475 533 000</b>
<b>Sum egenkapital</b>	<b>214 970 000</b>	<b>27 894 000</b>
<b>Gjeld</b>		
<b>Langsiktig gjeld</b>		
Utsatt skatt	9 32 736 000	37 515 000
<b>Sum avsetninger for forpliktelseser</b>	<b>32 736 000</b>	<b>37 515 000</b>
<b>Annen langsiktig gjeld</b>		
Debt to credit institutions	19	3 750 000
Deferred revenue, grants received f	20	6 784 000
Other long term liability	21,26	573 954 000
<b>Sum annen langsiktig gjeld</b>	<b>580 738 000</b>	<b>525 721 000</b>
<b>Sum langsiktig gjeld</b>	<b>613 474 000</b>	<b>563 236 000</b>
<b>Kortsiktig gjeld</b>		
Debt to credit institutions	19	3 750 000
Leverandørgjeld		91 041 000
Income tax payable	9	39 000
Other taxes payable		8 048 000
Other current liabilities	22,26	60 186 000
<b>Sum kortsiktig gjeld</b>	<b>163 064 000</b>	<b>134 792 000</b>
<b>Sum gjeld</b>	<b>776 538 000</b>	<b>698 028 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>	<b>991 508 000</b>	<b>725 922 000</b>



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall



Organisasjonsnr: 992 821 191  
ENHANCED DRILLING HOLDING AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note  
1

Regnskapsprinsipper  
Se vedlegg

Note  
6

Antall årsverk i regnskapsåret  
110.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp



Beholdning av egne aksjer                      Antall                      Pålydende                      Andel av aksjek.



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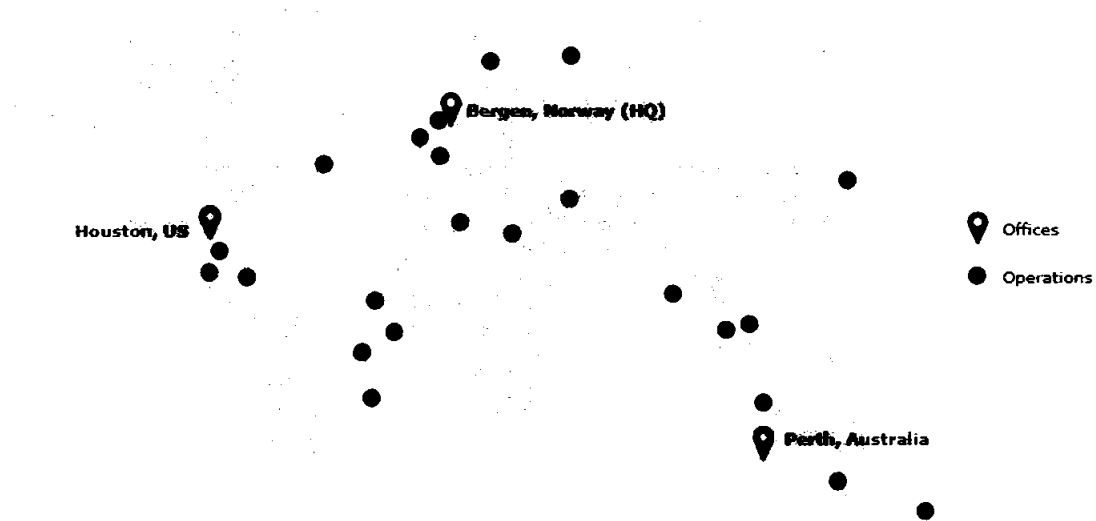
# ENHANCED DRILLING HOLDING AS

## ANNUAL REPORT 2022



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## ENHANCED DRILLING AT A GLANCE



Enhanced Drilling is the brand name for Enhanced Well Technologies Group AS.

Enhanced Drilling Holding is a sub group within the Enhanced Well Technologies Group of companies, and a provider of high-tech wellbore construction technologies and services for offshore wellbore pressure control, wellbore fluid containment, and well control influx monitoring.

The range of proprietary technologies and services are the result of more than three decades of technology development and accumulated operating know-how.

Enhanced Drilling has built an enviable track record and world-class reputation with deployment on more than 1000 wells.

The company's head office is in Straume, Norway. Offices and workshops globally include Houston in the US and Perth in Australia

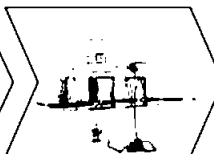
At year-end 2022, the group had 116 employees that have grown to 135 during Q1-23

### Impact throughout well construction

From risk-reduction technologies, to production enhancing and environmentally beneficial systems



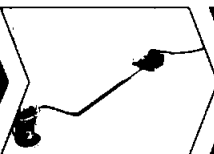
Unlocks un-recoverable reserves and increases production rates  
Reduces risk during challenging offshore drilling



Eliminates discharge to the environment  
Optimizes casing program and reduces use of drilling fluids  
Improves drilling efficiency



Ensures well integrity  
Safety-enhancing system  
Safe and cost-effective isolation of problematic zones



Eliminates dumping of drilling fluids around a subsea well-head  
Enables drilling in environmentally sensitive areas



Highly accurate volume control  
Early warning of drilling hazards  
Increases safety and drilling efficiency



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## ENHANCED DRILLING'S SERVICES

Around the world, Enhanced Drilling's solutions have enabled some of the most respected operators in the industry to drill with confidence and create new drilling opportunities. From risk-reduction technologies to environmentally beneficial systems, we deliver cost-effective, benefit-enhancing solutions that help clients around the world to solve challenges from top-hole to reservoir. The value attributes of the services compared to conventional drilling methods have a transformational effect on field economics.

### **Reduce total well construction cost**

Simplify well architecture by reducing no. of casing strings, lower occurrence of major operational upsets, & improved drilling efficiency.

### **Reduced environmental impact**

RMR eliminates discharge to sea and enables drilling in environmentally sensitive areas. Reduced GHG emissions and use of materials as a result of reduced time needed for well construction and reduced volume of drilling mud during operations.

### **Increased production rates**

Drill complex formations with longer laterals and utilize CML assisted completions such as trouble-free full gravel pack placement to increase production, well life and reserves recovery.

### **Extended life of depleted reservoirs**

Enhanced Drilling's services can enable drilling in depleted reservoirs, increasing the life of mature fields and reducing the need for reserves recovery via exploration.

### **Increased safety and drilling efficiency**

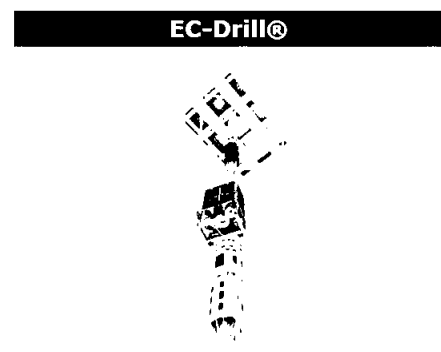
Early kick/loss detection with adjustable mud level improves well control and drilling efficiency.



EC-Monitor@ offers a step change in volume control and the manageability of well control operations both during drilling and tripping, compared to existing methods.

EC-Monitor@ can be retro-fitted on any rig and provides continuous flow-checking with minimal driller interaction needed. Flow anomalies can be detected earlier and with smaller volumes than with previous methods.

The system reduces frequency of flow checks to deliver time and cost savings. EC-Monitor@ also reduces the risk for unwanted events by enhanced kick detection in all stages of well construction.



EC-Drill@ is an MPD system based on a CML technique. It can be used in both shallow and deep water.

A subsea pump is used to manage the level of drilling fluid and control bottom-hole pressure, increasingly deployed in combination with a riser closure device allowing for influx management within a preapproved influx management envelope

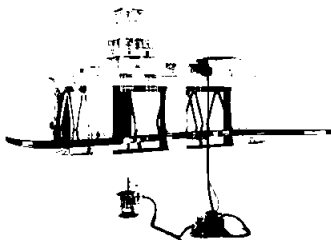
EC-Drill@ system allows the operator to simplify the well design, drill longer sections and reduce the material to build the well. The system can also be used during well completion to increase production, well life and reserves recovery.

Enhanced Drilling Holding AS Annual Report 2022



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## RMR®



The RMR® (Riserless Mud Recovery) system makes it possible to return drilling fluid and cuttings to the installation without discharge to the seabed before the riser is installed.

The service improves drilling efficiency and wellbore stability, reduces the number of casing strings, mud use and CO2 emissions per well.

The system eliminates discharge of mud and cuttings into the sea, enabling drilling fluids to be reused and protection of marine environments.

## MPC

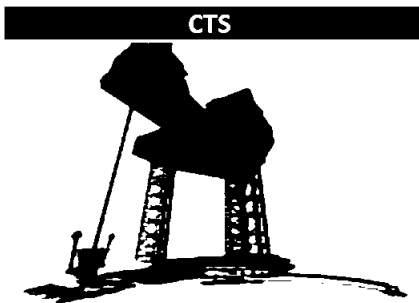


The MPC (Managed Pressure Cementing) is a safety-enhancing service that provides a cost-effective method to achieve barrier integrity and safe isolation of problematic zones in top-holes, even in challenging narrow pressure window scenarios.

The service provides precise control of the annulus pressure and flow during and after the cement job. In the case of a loss or influx, rapid action can be taken to prevent a situation from escalating.

The service, which is often delivered in combination with RMR®, can use conventional cement rather than costly foam or lightweight variants while still achieving effective isolation.

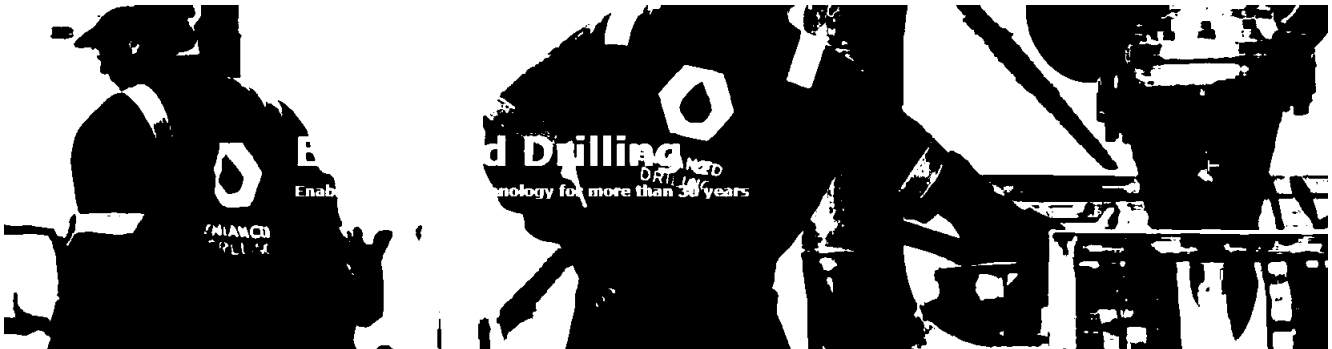
## CTS



CTS (Cutting Transportation System) is designed to remove cuttings from the drilling center to a predetermined location.

The CTS is often used to keep the well area clean to avoid costly cleanup operations after drilling. This saves rig time and makes future tie-ins easier, safer, and faster.

If the well is in an environmentally sensitive area, such as the presences of corals on seabed or spawning grounds, it might not be possible to dump the cuttings close by the drill center. CTS can then be used to pump cuttings to a safe location up to several kilometers away.



Enhanced Drilling Holding AS Annual Report 2022



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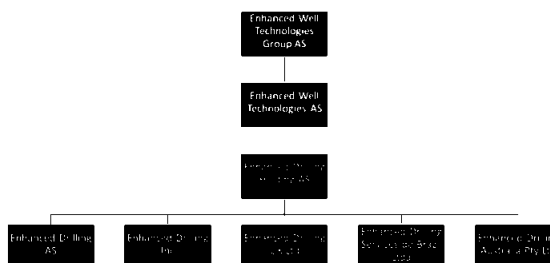
## BOARD OF DIRECTORS REPORT 2022 FOR ENHANCED DRILLING HOLDING AS

Reg. no: 992 821 191

### Company Overview

Enhanced Drilling Holding AS is the parent company of the Enhanced Drilling group of operating companies. As part of the group restructure in October 2021, IKM Cleandril AS (IKMCD) was acquired by Enhanced Drilling Holding AS, from Enhanced Well Technologies AS, prior to the subsequent legal merger between IKMCD and Enhanced Drilling AS. IKMCD is included in the Enhanced Drilling Holding group from October 2021.

The companies provide technology, expertise, and services to several of the world's major oil and gas fields, with a large blue-chip customer base comprising major operators, NOCs and independents. At year-end 2022, the Group had 116 professionals, all of whom were permanent employees. The annual turnover was NOK 476 million in 2022.



Enhanced Drilling Holding AS is a limited liability company incorporated in Norway with its head office and workshop located at Smålonane 16, 5353 Straume. The companies have operational hubs with office and workshop facilities in Perth Australia and Houston USA. In addition, the company has registered a branch office in Baku Azerbaijan, and legal entities in Aberdeen UK and Brazil to support our activities in these locations.

### Operations

The company operates internationally and had operations USA, Norway, Azerbaijan, Australia and UK during 2022. The revenue is generated from delivering our offshore services branded as EC-Drill®, RMR®, CTS, EC-Monitor® and MPC. In addition to offshore services, we experience an increasing demand from our clients for our engineering expertise.

The escalation of sanctions due to the Ukraine and Russian war in 2022 was viewed as a business risk. Mitigating actions to ensure sanctions compliance was initiated and included risk assessment workshops, screening of clients and vendors, updates of policies, company wide training and acquiring the tools to perform compliance verifications. The company engaged a highly regarded law firm to assist in developing and implementing the mitigating actions as well as verifying compliance. Although the general market for offshore drilling has returned with higher activity in 2022 a significant market is unavailable due to sanctions.

During 2020 and 2021, both turnover and profits for the group was highly affected by Covid. Travel restrictions effectively closed several important markets and contracts had to be turned down. Other markets became difficult and expensive to operate in due to requirements of weeks of quarantine when travelling. In addition, costs escalated during the period due to Covid's effect on global production and offshore drilling activity declined.

Early 2021, the company initiated a restructuring process with the aim of delivering on the strategy defined during 2020, reduce cost and improve efficiency and service quality. The effects are tangible with revenue increasing 75 % from 2021 and earnings before interest, taxes, depreciation, and amortization (EBITDA) increasing from NOK 84 million (31 %) to NOK 198 million (42 %). Net



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operating results improved from a profit in 2021 of NOK 11 million to a profit of NOK 86 million. The operational performance improved during the same period with NPT (non-productive time) declining from 1,69 % in 2021 to 0,41 % in 2022. Mean time between failures have increased to 2863h in 2022 compared to 1038h in 2021. Average illness absence during 2022 was 1,9 %, down from 3,9 % in 2021.

The General market conditions for oil field services have improved during 2022, driven by increased energy prices and focus on energy security. However, Enhanced Drilling's growth in the same period is significantly higher than the general market due to increased market adoption for our services. The company's technology and services are very well aligned with the current market drivers; environment and HSEQ focus, increased well complexity, reduction of well costs, field life extension and increased production from existing assets. As the market gains knowledge and understanding of the value proposition of our services, growth will be driven by market adoption rate rather than cyclical fluctuations.

The entry into the US market with our EC-Drill® services has been highly successful. From the first system starting operations third quarter in 2020, the company have signed contracts for two more systems to be deployed in 2023 and 2024. The new contracts are for second generation EC-Drill® systems combined with a riser closure device, highly suitable for deep water drilling. With the growth in the US and the interest shown from other regions in America, the company have invested in both organization and facilities during 2022. The organization have grown from around 13 employees to 30 employees during 2022 and a new training and technology center was opened first quarter 2023.

EC-Drill have also gained market adoption on the NCS, with two new clients in 2022. During 2022, the company had three EC-Drill systems in operations and three systems in order from clients including one contract for upgrade of deep-water capacity. To deliver on the growth, the company have invested in three new systems, including development of a system with increased capacity in combination with a riser closure device.

RMR, CTS and MPC activity have increased in the Caspian area, UK, Australia and NCS in 2022 compared to 2021. The market penetration beyond midwater wells have been limited by system capacity. The company performed the first deep water (1000m) RMR operations with an EC-Drill system during 2022. This is a milestone in expanding the envelope and enter new geographical areas for our well known RMR service.

With good contract inflow during 2022, the company has a significant backlog for the next 3 years. Future operations and activity are supported by long-term frame agreements and recurrent operations for customers.

## **Research and Development 2022**

Innovation is at the core of the Enhanced Drilling story, hence the continuing investment in both further product development as well as next-generation concepts and technologies. For more than 35 years we have developed new ideas into unique proprietary technologies that have delivered value to the offshore energy industry. By continuously developing our technologies, we are leading the way in next generation drilling solutions that deliver enhanced safety, reliability, cost effectiveness and environmental benefits.

During 2022, Enhanced Drilling launched the next generation EC-Drill® technology. The developments included a new control system and software enabling more advanced well planning, simulations and operations, a significantly improved subsea pump module and an integration to a riser closure device. EC-Drill® Closed Riser is a significant step forward in the capability of the EC-Drill® system by providing an additional barrier in the drilling system to increase safety and expand the capabilities of the system by allowing for influx management within a preapproved influx management envelope. The development is expected to contribute to future growth and open new market areas for EC-Drill®.

The EC-Drill® system has superior kick detection capabilities and Enhanced Drilling initiated in 2019 a project to develop a Kick Detection system designed on the EC-Drill® system. The development has been a joint development with Transocean. The first EC-Monitor system was deployed in Gulf of Mexico in 2021 as the industry's only fully automated Early Kick & Loss Detection technology that functions



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throughout the entire well construction process, including tripping. The technology is unmatched in the market and was awarded "Best Well Integrity Award" at World Oil Awards in 2022.

A significant part of the initiatives is characterized by development of new methodologies and the digital tools to support the operations.

## **Internal control**

Effective controls ensure that the group is not exposed to avoidable risk, that proper accounting records have been maintained, that the financial information used within the business is reliable and that the consolidated accounts preparation and financial reporting processes comply with all relevant regulatory reporting requirements.

The dynamics of the group and the environment within which it operates are continually evolving together with its exposure to risk. The internal control system is designed to manage rather than eliminate the risk of assets being unprotected and to guard against their unauthorized use and the failure to achieve business objectives. Internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The directors confirm that there is an ongoing process for identifying, evaluating and managing the risk faced by the group and the operational effectiveness of the related controls, which has been in place for the year under review and up to the date of approval of the annual report and accounts.

With reference to the Norwegian Accounting Act § 3-3 a) # 11, we confirm the group holds a Directors & Officers Liability Insurance with AIG

## **Standard**

Enhanced Drilling Holding has defined roles, responsibilities and timelines for the accounting procedures including guidelines on the minimum level of internal control that each of the subsidiary companies should exercise over specified processes.

All companies prepare annual operating plans and budgets, and business strategies are prepared at regional level and approved by the board. In addition, Enhanced Drilling Holding prepares financial forecast that are presented to the ultimate board. Detailed actual financial information is prepared monthly; performance compared to budget is monitored at company, regional and group level. In addition, actual performance is compared to latest forecast and prior year on a monthly basis including analysis of any significant variances.

Capital expenditure and investment decisions are treated as a part of the budget and forecast processes. Details about who has the right to approve investments are described in an authorization matrix. The cash position of the group is monitored daily and variances from expected levels are investigated thoroughly.

An important factor in ensuring proper financial reporting is good IT controls. There are many IT controls in place to access the accounting systems for the year as a whole and at the year-end. These controls are assessed on an ongoing basis and improvements are implemented as needed.

## **Financial risk**

### **Financial risk factors**

The Group's activities are exposed to a variety of financial risks. Market risks including currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in cooperation with the Group's operating units. The board provides risk management policies covering specific areas, such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.



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## **Market risk**

### **(i) Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AUD, EUR, GBP, and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Positions are reviewed monthly. The group held FX derivatives at year end 2022 in the amount of NOK 15 million to hedge sales contracts in USD.

### **(ii) Price risk**

The Group is indirectly exposed to changes in the oil price, however current group policy is to not hedge oil price changes.

(iii) As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings, including financial leasing agreements. Borrowings and leasing agreements are issued at variable rates, expose the group to cash flow interest rate risk. Group policy is that long term borrowings shall be based on floating interest rates, however interest rate derivatives shall be applied in order to avoid significant losses due to interest rate changes.

## **Credit risk**

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposure to customers, including receivables and committed transactions. The Group's customers are mainly the large international oil companies with limited to low credit risk potential. The Group seeks to obtain financial guarantees from debtors where the credit risk and exposure is considered to be high. The Group's main bank is DNB Bank ASA in Dronning Eufemias gate 30,0191 Oslo Norway.

## **Liquidity risk**

The Group has a customer portfolio with large, medium and small cap customers. Delayed payments from some of the largest customers at the same time could have a significant impact on the Group's liquidity situation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

## **Equity and shares**

The group's book equity at year end was NOK 214,970 million up by NOK 187,076 million from last year. Total equity over total asset ratio was 22% compared to 4% last year. Enhanced Drilling Holding AS has one share class. All ordinary shares carry equal rights. Each ordinary share carries one vote in the general meeting of the company.

31<sup>st</sup> December 2022 the company had a share capital of TNOK 15.056 divided into 5.018.695 shares. Face value of is NOK 3 per share. All issued shares are fully paid.

## **Environment, Social and Governance (ESG)**

Enhanced Drilling has an absolute commitment to environmental, social and corporate governance (ESG) considerations to execute honest and ethical business strategies. The group has implemented framework to manage and improve ESG performance. Enhanced Drilling monitors performance continuously, and report status to the Group Executive Management Team and the Board of Directors on a regular basis.

All Enhanced Drilling activities that affect the environment are managed by means of well-established systems and processes to identify and eliminate or reduce any negative impact, and to ensure, as a minimum, compliance with legislation and regulations set out by the authorities. Energy consumption is at a normal level for our type of business and chemicals are managed to reduce use and planned discharge of environmentally hazardous chemicals. Enhanced Drilling achieved carbon neutral production in 2022.

The company aims to facilitate the continuous environmental improvement in our operations by adopting the principles of ISO 14001:2015, international standard for environmental management.



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We have functioning safety organizations to ensure employee involvement in HSE related issues. Average illness absence during 2022 was 1,9%. During 2022, Enhanced Drilling had one lost time injury, zero medical treatment (MTI) and zero first aid incidents.

The last years positive trend and results within HSEQ have continued in 2022:

- Lost Time Incidents (LTI) – 1
- Medical Treatment Incidents (MTI) – 0
- First Aid Incidents (FAI) – 0
- Total Recordable Incident Frequency (TRIF) – 5,5

A core objective of Enhanced Drilling is to have a safe and healthy working environment. We manage our business in accordance with ISO 45001:2018 Occupational health and safety management systems and ISO 9001:2018 Quality management systems standard.

Our HR processes ensure that Enhanced Drilling looks after new and existing employees the best possible way, and through this ensure good working conditions. Internal guidelines are reviewed and are regularly updated. In accordance with the Norwegian Transparency Act (valid from 2022), UK Modern Slavery Act and Australia Modern Slavery Act, we publish a transparency statement and an account of due diligence assessments by 30<sup>th</sup> June 2023.

Gender equality

As of 31st December 2022, the Board of Enhanced Drilling Holding AS had 3 Board Members, all male.

Enhanced Drilling aspires to be an attractive employer. The Equality and Anti-Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion, and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment. The oil and gas industry generally has an over-representation of men. In Enhanced Drilling when hiring new employees, our ambition is to increase the proportion of women at all levels within the organization. Most of our female employees holds administrative positions. The gender balance deviates significantly within different group/professions in the company. The competence principle is decisive in all appointment processes. In a department where one gender is heavily under-represented, this is taken into account during the appointment process if other qualifications are otherwise equal. In connection with the yearly salary evaluation, attention is shown to possible inequality regarding average level of pay for men and women. The Enhanced Drilling Holding group provides equal pay for equal work and rewards good results. Enhanced Drilling is preoccupied with maintaining a good and fair wage balance between the genders. Competence and professional background vary within the individual job code, in addition to various tasks and area of responsibility. This leads to some variations within a given job code.

In accordance with the Norwegian Equality and Anti-Discrimination Act, applicable for the Norwegian subsidiary we assess the gender balance (annual requirement) and equal pay (biyearly requirement, to be performed next year) Status at end of 2022 was:

- Share of women employed of total workforce is 17,6%
- Share of women employed offshore and workshop is 5%
- We have no involuntary part time positions in the company

According to legislation, maternity/paternity leave is mandatory shared between partners with 1/3 each and the last 1/3 of the leave can be split as per decision. Of Enhanced Drilling personnel, who has been on maternity/paternity leave during 2022, women have in average taken 7 weeks maternity leave and men have taken 30 weeks. If the leave is taken over a year end, this leave will be reported for the year in which most of the weeks are taken.

For further information please refer to the ESG report at <https://www.enhanced-drilling.com/sustainability>



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## Remuneration

Information concerning remuneration of the Board of Directors and the Chief Executive Officer can be found in Note 6 to the consolidated financial statements.

The compensation for the external auditor can also be found in Note 7.

## Financial review

### Income statement, Cash Flow, Investments, Finance and Liquidity

The 2022 turnover was NOK 476 million compared to the 2021 turnover of NOK 272 million. The company continues its positive trend, as activity picks up. The company has a significant order backlog for the next three years.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) ended at NOK 198 million, compared to NOK 84 million in 2021. The EBITDA margin was 42%, up from 31% in 2021.

Accumulated cash flow from Enhanced Drilling Holding's operational activities was positive NOK 169,7 million vs NOK 128,1 million in 2021. Total investments for the group were NOK 207,3 million compared to NOK 234,5 million in 2021. Net cash flow from financing activities were positive NOK 32,3 million compared to NOK 95,0 million in 2021. Cash and cash equivalents for the Group at 31.12.2022 was NOK 2,4 million down from NOK 7,7 million at year end 2021.

The group has established a cash pool system with DNB and an overdraft facility that allows for a dynamic cash management.

Enhanced Drilling Holdings total interest-bearing debt at year end 2022 was NOK 577,7 of which NOK 514,2 million was loan from parent company compared to NOK 505,6 million in 2021, of which NOK 454,7 was loan from parent company.

At the end of the year, total assets amounted to NOK 991,5 million vs NOK 725,9 million last year. Total current liability to total asset ratio at 31.12.2022 was 16% compared to 19% last year. The equity to total assets ratio at 31.12.2022 was 22% compared to 4% last year.

## Parent Company

Enhanced Drilling Holding AS is the parent company of the Enhanced Drilling group of operating companies. The parent company has no employees. The operating loss in 2022 was NOK 0,04 million compared to a loss of NOK 0,1 million in 2021. The net profit in 2022 ends at NOK 402,0 million, compared to a profit of NOK 272,8 million in 2021. Enhanced Drilling Holding has assessed its investment in subsidiaries, including its goodwill. An assessment has also been made for subsidiaries' fixed asset. A discounted cash flow (DCF) method was applied. The impairment testing indicates no need for write down of investment in subsidiaries or goodwill. Previous years impairment loss has been reversed by NOK 409,2 million.

Accumulated cash flow from the company's operations was negative NOK 7,2 million compared to negative NOK 2,2 million in 2021. Total investment was NOK 0 million, compared to NOK 169,0 million last year. Cash and equivalent for both 31.12.2022 and 31.12.2021 was NOK 0.- million. The company participate in the Enhanced Well Technologies Group's multi-currency group account system. The company's bank accounts included in the group account system, and balances on these accounts, represented exclusively an intercompany balance between the group account holder and the individual participant. The multi-currency group account system will thus automatically establish credit relationships between participants and group account holder.

Enhanced Drilling Holding AS total interest-bearing debt at year end 2022 was NOK 428,9 million which represent 35 % of Enhanced Drilling Holding's total assets, compared to NOK 365,6 million and 47% of total asset at year end 2021. At the end of the year, total assets amounted to NOK 1.238,0 million compared to NOK 772,7 last year.

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Enhanced Drilling Holding AS Annual Report 2022



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The equity to total assets ratio at 31.12.2022 was 65 %, up from 53% at 31.12.2021.

## Annual Result and Allocations

The Board proposes the following allocations of the Enhanced Drilling Holding's consolidated net profit for the financial year:

Profit for the year:	NOK 197,805 million
Total profit allocated to retained earnings:	NOK 197,805 million

The Board proposes the following allocations of the parent company Enhanced Drilling Holding AS' net profit for the financial year:

Profit for the year:	NOK 401,988 million
Total profit allocated to retained earnings:	NOK 401,988 million

## Continued Operation

The Group's external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5 year senior facilities agreement with DNB Bank ASA. The Group has a long-term loan facility, a government-guaranteed Covid-19 liquidity loan, a CAPEX facility, and a revolving facility (the "RCF"). After the reporting date, an amendment and restatement agreement of the Senior Facilities Agreement was entered into with DNB Bank ASA. The CAPEX Facility was increased with TNOK 50 000, and the Revolving Facility was increased with TNOK 30 000.

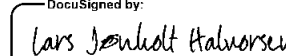
The key assumptions made in the impairment test reflect the Board's current assessment of Enhanced Drilling Holding's potential to adapt to and benefit from trends in the oil services industry. Management believes that the expectations reflected in the forward-looking forecasts used as a basis for the impairment reviews, are reasonable. However, as the impairment valuations are based on forward looking information, they will involve estimates, risk and uncertainty.

The Board has considered the factors above in relation to continued operations and concluded that in accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of a going concern.

Straume 28.06.2023

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Kjetil Lunde  
Chariman of the board

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Rune M. Daae  
Board member

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Lars J Halvorsen  
Board member



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## Enhanced Drilling Holding AS

Figures in TNOK

### Consolidated Income Statement

Revenues and expenses from continuing operations	Note	2022	2021
Revenue from customer contracts		457 257	253 835
Other revenue		18 299	18 600
<b>Total revenue</b>	4,5	<b>475 556</b>	<b>272 435</b>
Project costs		84 319	37 566
Payroll expenses	6	150 950	123 468
Other operating expenses	7	41 948	27 215
<b>Total operating expenses</b>		<b>277 217</b>	<b>188 249</b>
<b>Operating result before depreciation, amortization and impairment</b>		<b>198 339</b>	<b>84 186</b>
Impairment, depreciation and amortisation	11,12	111 934	73 194
<b>Net operating profit (loss)</b>		<b>86 404</b>	<b>10 992</b>
Financial income		28 157	15 351
Financial expenses		49 399	59 858
<b>Net financial items</b>	8,26	<b>(21 242)</b>	<b>(44 507)</b>
<b>Profit (loss) before tax</b>		<b>65 162</b>	<b>(33 515)</b>
Income tax	9	(132 643)	(887)
<b>Net profit (loss) for the year</b>		<b>197 805</b>	<b>(32 628)</b>
Profit (loss) attributable to equity holders		197 805	(32 628)
		<b>197 805</b>	<b>(32 628)</b>
Profit (loss) per share from continuing operations (NOK)	10	39,41	(6,50)
Profit (loss) per share including discontinuing operations (NOK)	10	39,41	(6,50)



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<b>Enhanced Drilling Holding AS</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
<b>Consolidated Statement of Comprehensive Income</b>		
Net profit (loss) for the year	197 805	(32 628)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences	(8 554)	441
Cash flow hedge	(2 175)	591
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(10 729)</b>	<b>1 032</b>
<b>Total comprehensive profit (loss) for the period</b>	<b>187 076</b>	<b>(31 596)</b>



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## Enhanced Drilling Holding AS

Figures in TNOK

### Consolidated Balance as of 31 December

Assets	Note	2022	2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	9	131 795	3 347
Other intangibles	11	35 334	43 147
Goodwill	11	77 492	77 492
<b>Total intangible assets</b>		<b>244 621</b>	<b>123 987</b>
<b>Tangible fixed assets</b>			
Machinery and operating equipment	12	594 149	482 455
<b>Total tangible fixed assets</b>		<b>594 149</b>	<b>482 455</b>
<b>Financial non-current assets</b>			
Long term receivables	13	65	65
<b>Total financial non-current assets</b>		<b>65</b>	<b>65</b>
<b>Total non-current assets</b>		<b>838 834</b>	<b>606 506</b>
<b>Current assets</b>			
<b>Inventories</b>			
Inventories	14	42 763	23 981
<b>Total inventories</b>		<b>42 763</b>	<b>23 981</b>
<b>Current receivables</b>			
Trade receivables	15,26	86 259	76 435
Other receivables	16	21 289	10 703
<b>Total current receivables</b>		<b>107 548</b>	<b>87 138</b>
<b>Financial assets at fair value</b>			
Financial assets at fair value	24	-	611
<b>Total financial assets at fair value</b>		<b>-</b>	<b>611</b>
<b>Bank deposits, cash in hand, etc.</b>			
Bank deposits, cash in hand, etc.	17	2 362	7 688
<b>Total bank deposits, cash in hand, etc.</b>		<b>2 362</b>	<b>7 688</b>
<b>Total current assets</b>		<b>152 673</b>	<b>119 417</b>
<b>Total assets</b>		<b>991 508</b>	<b>725 923</b>



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## Enhanced Drilling Holding AS

Figures in TNOK

### Consolidated Balance as of 31 December

Equity and liabilities	Note	2022	2021
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital		15 056	15 056
Share premium fund		488 371	488 371
<b>Total paid in equity</b>	18	<b>503 427</b>	<b>503 427</b>
<b>Earned equity</b>			
Retained earnings		(288 457)	(475 533)
<b>Total earned equity</b>		<b>(288 457)</b>	<b>(475 533)</b>
<b>Total equity</b>		<b>214 970</b>	<b>27 894</b>
<b>Liabilities</b>			
<b>Provisions for liabilities</b>			
Deferred tax	9	32 736	37 515
<b>Total provisions for liabilities</b>		<b>32 736</b>	<b>37 515</b>
<b>Non-current liabilities</b>			
Debt to credit institutions	19	-	3 750
Deferred revenue, grants received for R&D	20	6 784	23 915
Other long term liabilities	21,26	573 954	498 056
<b>Total non-current liabilities</b>		<b>580 738</b>	<b>525 721</b>
<b>Current liabilities</b>			
Debt to credit institutions	19	3 750	7 500
Trade payables		91 041	30 458
Income tax payable	9	39	105
Other taxes payable		8 048	7 099
Other current liabilities	22,26	60 186	89 630
<b>Total current liabilities</b>		<b>163 063</b>	<b>134 792</b>
<b>Total liabilities</b>		<b>776 537</b>	<b>698 029</b>
<b>Total equity and liabilities</b>		<b>991 508</b>	<b>725 923</b>

Straume, 28.06.2023

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Kjetil Lunde  
Chairman/CEO

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Rune M. Daae  
Board member

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Lars J Halvorsen  
Board member



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## Enhanced Drilling Holding AS Consolidated Statement of Changes in Equity

Figures in TNOK

	Share capital	Share premium fund	Total paid in equity	Translation effects	Retained earnings	Total equity
<b>Closing balance 31.12.2020</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>	<b>2 814</b>	<b>(476 326)</b>	<b>29 915</b>
Other equity transaction	-	-	-	-	29 573	29 573
Loss for the period	-	-	-	-	(32 628)	(32 628)
Other comprehensive income	-	-	-	1 032	-	1 032
<b>Adjustment to equity for 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 032</b>	<b>(3 055)</b>	<b>(2 023)</b>
<b>Closing balance 31.12.2021</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>	<b>3 848</b>	<b>(479 380)</b>	<b>27 894</b>
Profit for the period	-	-	-	-	197 805	197 805
Other comprehensive income	-	-	-	(10 729)	-	(10 729)
<b>Adjustment to equity for 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 729)</b>	<b>197 805</b>	<b>187 076</b>
<b>Closing balance 31.12.2022</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>	<b>(6 881)</b>	<b>(281 576)</b>	<b>214 970</b>



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## Enhanced Drilling Holding AS

Figures in TNOK

### Consolidated Statement of Cash Flows

	Note	2022	2021
<b>Operating activities</b>			
Profit (loss) before taxes from continuing operations		65 162	(33 515)
Profit (loss) before taxes from discontinued operations		-	-
<b>Profit (loss) before tax</b>		<b>65 162</b>	<b>(33 515)</b>
Non-cash adjustments to reconcile profit (loss) before tax to net cash flows			
Impairment, depreciation and amortisation	11,12	111 934	73 194
Finance income	8	(28 157)	(15 351)
Finance costs	8	49 399	59 858
Working capital adjustments:			
Decrease (increase) in trade and other receivables and prepayments		(20 411)	(4 929)
Decrease (increase) in inventory		(18 782)	834
Decrease in trade and other payables		60 582	(4 727)
Decrease (increase) in other provisions		(49 594)	52 740
		<b>170 134</b>	<b>128 105</b>
Interest received		109	-
Income tax paid		(536)	(516)
<b>Net cash flow from operational activities</b>		<b>169 707</b>	<b>127 589</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment and intangible assets	11,12	221	-
Capital expenditure for property, plant and equipment and intangible assets	11,12	(207 563)	(66 333)
Net outflow from acquisition of subsidiary	11	-	(168 170)
<b>Net cash flows used in investing activities</b>		<b>(207 342)</b>	<b>(234 503)</b>
<b>Financing activities</b>			
Proceeds from borrowings		81 485	173 780
Repayment of borrowings		(44 260)	(76 951)
Interest paid		(4 916)	(1 871)
<b>Net cash flow from (used) in financing activities</b>		<b>32 310</b>	<b>94 958</b>
Net increase in cash and cash equivalents		(5 325)	(11 957)
Cash and cash equivalents at start of period		7 688	19 645
<b>Cash and cash equivalents at end of period</b>	17	<b>2 362</b>	<b>7 688</b>



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## Note 1 Company Information

Enhanced Drilling Holding AS (the Company) and its subsidiaries (together 'the Group'), is a leading supplier of services and technology to the global oil and gas offshore industry. The Group's main operations are based at Straume (near Bergen), Norway. Offices and workshops globally include Oslo in Norway, Houston in the US, and Perth in Australia.

The company is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Smålonane 16, 5353 Straume.

## Note 2 Basis of Preparation

The consolidated financial statements of Enhanced Drilling Holding AS, for the full year 2022 were authorized for issue in accordance with the resolutions of the Board of Directors 28.06.2023.

## Statement of compliance

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act, Norwegian Generally Accepted Accounting Practice (NGAAP) and IFRS Light.

## Note 3 Accounting Principles

### Significant accounting policies

The financial statements are prepared under the historical cost convention with some exceptions, as detailed in the accounting policies set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements.

The financial year follows the calendar year. Income statement items are classified by nature.

The functional currency of Enhanced Drilling Holding AS is the Norwegian krone

(NOK). The consolidated financial statements are presented in NOK.

As a result of rounding adjustments, the figures in one columns included in the financial statements may not add up to the total of that column.

## Basis of consolidation

The consolidated financial statements include the accounts of Enhanced Drilling Holding AS and its subsidiaries, which are entities in which Enhanced Drilling Holding AS has the power to govern the financial and operating policies of the entity (control). Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Currently, Enhanced Drilling Holding AS has more than 50 percent of the voting power in all subsidiaries. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profits and losses resulting from intercompany transaction have been eliminated.

## Reportable segments

The Group identifies its operating segments on the basis of those components of Enhanced Drilling Holding AS that are regularly reviewed by the chief operating decision maker. Enhanced Drilling Holding AS combines operating segments when these satisfy relevant aggregation criteria.

The Group's accounting policies as described in this note also apply to the specific financial information included in the reportable segments related disclosure in these consolidated financial statements.



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## Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency of the entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the balance sheet date. Realized and unrealized currency gains or losses are included in Financial expense.

## Presentation currency

For consolidation purposes, the financial statements of subsidiaries with a functional currency other than Norwegian kroner (NOK) are translated into NOK. Assets and liabilities are translated using the rate of exchange as of the balance sheet date. Income, expenses and cash flows are translated using the average exchange rate for the reported period. Translation adjustments are recognized in Other comprehensive income and accumulated in Currency translation reserve in Other components of equity. On disposal of such subsidiary the cumulative translation adjustment of the disposed entity is recognized in the income statement.

## Business combinations

Determining whether an acquisition meets the definition of a business combination requires judgement to be applied on a case by case basis. Acquisitions are assessed under the relevant IFRS criteria to establish whether the transaction represents a business combination or an asset purchase.

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition.

## Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, when an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group's operations mainly consist of services related to personnel and equipment hire.

Revenue is measured based on the consideration specified in a contract with a customer. Enhanced Drilling Holding AS recognizes revenue when the Group transfers control over goods or services to



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a customer. A five-step process is applied before revenue can be recognized.

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligation, and
- recognize the revenue as each performance obligation is satisfied

Revenues relating to projects are recognized in the income statement in line with delivery of the service. For projects expected to generate a loss, the full estimated loss is recorded as cost immediately.

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

### Public grants

Government grants are recognized in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Grants are recognized when there is a reasonable assurance that the Group will comply with relevant conditions and the grants will be received. Government grants are deferred in Other non-current liabilities until the associated activity is performed or expenses recognized. Investment grants are recognized over the period the

associated asset is depreciated. Grants are recognized in Other income, net.

### Other income, net

Transactions resulting in income from activities other than normal sales operations are classified as Other income, net. This includes gains resulting from the sale of property, plant and equipment, investments in subsidiaries as well as government grants, insurance compensation and rental revenue.

### Classification of assets and liabilities

Assets are classified as current assets when:

- the asset is a part of the unit's service cycle and is expected to be realized or used during the course of the unit's normal production period;
- the asset is held for trading purposes and is expected to be realized within 12 months of balance sheet date;
- the asset is cash or cash equivalent

All other assets are classified as non-current.

Liabilities are classified as current liabilities when:

- the liability is a part of the unit's service range, and is expected to be settled during the course of normal production period;
- the liability is kept for trading purposes;
- settlement has been agreed within 12 months after balance sheet date;
- the unit does not have an unconditional right to postpone settlement of the liability until at least 12 months after balance sheet date;



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All other liabilities are classified as non-current.

## **Intangible assets**

### **(a) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

### **(b) Trademarks and licenses**

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 15 to 20 years.

### **(c) Contractual customer relationships**

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the

straight-line method over the expected life of the customer relationship (3-8 years).

### **(d) Computer software**

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-4 years).

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are probable to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives (3-4 years).

### **(e) Research and development**

Expenses relating to research are recognized in the income statement when they are incurred. Expenses relating to development are recognized in the income statement when they are incurred unless the following criteria are met in full:

- ability to measure reliably the expenditure attributable to the intangible asset during its development;
- the technical feasibility of completing the intangible asset so that it will be available for use or sale, has been demonstrated;
- the intention and ability to complete the intangible asset and sell it or use it in the company's operations has been demonstrated;



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- the intangible asset will generate probable future economic benefits; and

- availability of sufficient technical, financial and other resources for completing the project are present.

When all the above criteria are met, the costs relating to development start to be recognized in the balance sheet. Costs that have been charged as expenses in previous accounting periods are not recognized in the balance sheet.

Recognized development costs are depreciated on a straight-line basis over the estimated useful life of the asset (5-8 years). The recoverable amount of the development costs will be estimated when there is an indication of impairment or that the need for previous periods' impairment losses no longer exists and should be reversed to the original cost.

#### *(f) Other intangible assets*

Acquired technology, licenses and customer relationships are capitalized and carried at cost less accumulated amortization.

Amortization is calculated using the straight-line method over their estimated useful lives.

#### **Property, plant and equipment**

Property, plant and equipment is recognized in the balance sheet at acquisition cost when there are probable future economic benefits and the cost can be measured reliably. The carrying value of property, plant and equipment is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment comprises the purchase price, including duties/taxes and direct acquisition costs linked to making the asset fit for use. Expenses incurred after the asset has been taken into use, such as repairs and

maintenance, are normally recognized in the income statement. In cases where increased earnings can be demonstrated as a result of repairs/maintenance, the expenditure on this will be recognized in the balance sheet as additions to property, plant and equipment.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Machinery 5-10 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets under construction are classified as property, plant and equipment. Assets under construction are not depreciated.

Depreciation begins when the assets is available for use, and continues until the asset has been derecognized even if it is idle.

The write-down requirement for fixed assets is assessed if there are indications of impairment. If the carrying amount of an asset is higher than the recoverable amount, a write-down is recognized in the income statement. The recoverable amount is the higher of fair value less expected costs to sell and value in use.

Fair value less expected costs to sell is the amount which can be obtained if the asset is sold to an independent third party, less costs to sell. Recoverable amounts are determined separately for all assets, but – if impossible – recoverable amount is calculated together with the unit to which the asset belongs.



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Write-downs which have been recognized in the income statement in previous periods are reversed if there is information to suggest that the write-down no longer exists. However, no reversal is made if the carrying amount is higher than it would have been if normal depreciation had been used.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other operating revenue' in the income statement.

#### **IFRS 16 Leases**

IFRS 16 implemented from 2019 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and a corresponding lease liability. The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-to-use asset is depreciated over the lease term. For the Group this mainly applies to office buildings and other facilities. Short-term and low value lease agreements are exempted from IFRS 16 and accounted for as operating expenses.

#### **Impairment of non-financial assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than

goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **Financial assets**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.



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Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the income statement.

### **Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- (i) adverse changes in the payment status of borrowers in the portfolio;

- (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure



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impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

### **Inventories**

Inventories are valued at the lower of cost, using the first-in, first-out method (FIFO), or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory cost includes direct purchase costs, cost of production, transportation and manufacturing expenses.

Inventory write-downs to net realizable value occurs when the cost of the inventory is not recoverable and is reversed in later periods when there is clear evidence of an increase in the net realizable value.

### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition, and are measured at nominal value. Cash and cash equivalents in the statement of cash flows is presented net of outstanding bank overdrafts connected to cash management activities.

### **Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the

borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business



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combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **Employee benefits**

### **(a) Pension obligations**

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to

employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **(b) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

### **(c) Bonus plans**

The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.



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## Provisions

Provisions are recognized when, and only when, the company has a present liability (legal or constructive) as a result of events that have taken place, it is probable that a financial outflow will take place as a result of this liability, and that the size of the amount can be estimated reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability. Any increase in the provisions due to time is presented as interest costs.

## Contingent liabilities

Contingent liabilities are defined as:

- (i) possible obligations resulting from past events whose existence depends on future events;
- (ii) obligations that are not recognized because it is not probable that they will lead to an outflow of resources; and
- (iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the annual financial statements, apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognized at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognized in the income statement.

A contingent asset is not recognized in the annual financial statement unless deemed virtually certain to give rise to an inflow, but are disclosed where it is deemed probable that a benefit will accrue to the Group.

## Cash Flow Statement

The cash flow statement has been prepared in line with the indirect model. The cash flow statement presents the accumulated cash flow for operational, investment and financial activities. The statement outlines the effect each activity has on liquid assets.

## New standards and interpretations not yet adopted

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially impact the Group's Consolidated financial statements, or are not expected to be relevant to the Group's Consolidated financial statements upon adoption.



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<b>4 Revenue</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue from customer contracts</b>		
Revenue from sale of services	430 787	253 777
Revenue from sale of goods	26 470	58
<b>Total revenue from customer contracts</b>	<b>457 257</b>	<b>253 835</b>
<b>Other revenue</b>		
Revenue from rental of premises	512	433
Profit from sale of fixed assets	221	-
Revenue from recognised grants	17 501	16 488
Revenue from other sales	65	1 681
<b>Total other revenue</b>	<b>18 299</b>	<b>18 600</b>
<b>Total revenue</b>	<b>475 556</b>	<b>272 435</b>

Geographical segment reporting represents external customer sales based on the location of the customer.

<b>Total revenue</b>	<b>2022</b>	<b>2021</b>
Norway	250 958	139 700
Europe ex. Norway	67 377	69 950
Australia	36 505	23 321
America	120 217	38 708
Asia	500	757
Africa	-	-
<b>Total</b>	<b>475 556</b>	<b>272 435</b>



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**5 Segments**

**Figures in TNOK**

Segment information for 2022 and 2021 is reported in accordance with the reporting to Group Executive Management (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. The accounting principles for the segment reporting are consistent with those applied by the Group. Segment result is defined as EBITDA before other income and expenses.

The Group's reportable segments are based on the business activities and geographical location. The main products and services are EC-Drill - Managed Pressure Drilling system, RMR - Riserless Mud Recovery system, MPC - Managed Pressure Cementing System, and CIS - Cuttings Transportation system.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and EBITDA and is measured consistently with operating profit or loss and EBITDA in the consolidated financial statements. However, group financing and income taxes are managed on a group basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Geographical segments 2022	Australia	Azerbaijan	Brasil	Canada	Norway	UK	USA	Elim	Total
<b>Profit and loss Account</b>									
External operating revenues	36 805	18 779	-	-	333 432	46 333	40 206	-	475 556
Intercompany operating revenues	2 461	-	-	-	82 180	(0)	7 257	(91 897)	-
Project expenses/payroll expenses	(30 169)	(11 357)	-	-	(183 706)	(22 487)	(59 455)	71 906	(235 270)
Other operating expenses	(5 562)	(634)	(694)	-	(34 753)	(7 521)	(17 886)	25 102	(41 947)
<b>EBITDA<sup>1</sup></b>	<b>3 534</b>	<b>6 788</b>	<b>(694)</b>	<b>-</b>	<b>197 152</b>	<b>16 326</b>	<b>(29 878)</b>	<b>5 110</b>	<b>198 339</b>
Impairment, depreciation and amortisation	(225)	-	-	-	(110 208)	(474)	-	(978)	(111 935)
<b>Operating profit (loss)</b>	<b>3 259</b>	<b>6 788</b>	<b>(694)</b>	<b>-</b>	<b>86 945</b>	<b>15 852</b>	<b>(30 856)</b>	<b>5 110</b>	<b>86 404</b>
Net financial items	(3 049)	(320)	1 694	-	(13 402)	(328)	(1 286)	(2 870)	(21 242)
Tax	-	-	(3)	-	118 821	409	13 936	0	132 643
<b>Balance</b>									
Non-current assets	875	-	7 329	-	850 392	9 486	26 886	(56 134)	838 834
Total assets	12 089	-	7 586	-	1 037 309	18 295	62 210	(145 981)	991 507
Capex	587	-	-	-	205 779	-	9 237	-	215 604

Segment information 2021	Australia	Azerbaijan	Brasil	Canada	Norway	UK	USA	Elim	Total
<b>Profit and loss Account</b>									
External operating revenues	5 967	(160)	-	-	228 538	529	37 561	-	272 435
Intercompany operating revenues	-	-	-	-	44 569	20	2 155	(46 744)	0
Project expenses/payroll expenses	(4 496)	(1 662)	-	19	(136 848)	(650)	(47 330)	29 933	(161 034)
Other operating expenses	(679)	(137)	(530)	(104)	(22 073)	(1 357)	(9 695)	7 360	(27 215)
<b>EBITDA</b>	<b>792</b>	<b>(1 960)</b>	<b>(530)</b>	<b>(86)</b>	<b>114 186</b>	<b>(1 458)</b>	<b>(17 309)</b>	<b>(9 450)</b>	<b>84 186</b>
Depreciation and amortisation	(109)	-	-	-	(72 460)	(473)	(153)	-	(73 195)
<b>Operating profit (loss)</b>	<b>684</b>	<b>(1 960)</b>	<b>(530)</b>	<b>(86)</b>	<b>41 726</b>	<b>(1 930)</b>	<b>(17 462)</b>	<b>(9 450)</b>	<b>10 992</b>
Net financial items	(2 702)	4	(367)	-	(40 402)	(444)	(597)	-	(44 507)
Tax	-	(4)	(130)	684	735	-	(398)	-	887
<b>Balance</b>									
Non-current assets	538	-	7 869	-	601 966	-	4 119	(7 985)	606 506
Total assets	3 645	-	8 196	-	669 621	1 129	51 317	(7 985)	725 923
Capex	-	-	-	-	88 084	422	-	-	88 506

<sup>1</sup> EBITDA is short for Earnings Before Interest, Tax, Depreciation and Amortization, excluding stock write downs and is a non-GAAP measure which management uses to measure operations.



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<b>6 Payroll Expenses</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Wages	123 777	101 664
Employers' social security contributions	15 842	13 749
Pension costs	6 929	6 859
Other remunerations	10 798	7 226
Hired personnel	4 813	186
Capitalised wages	(11 210)	(6 216)
<b>Total</b>	<b>150 951</b>	<b>123 468</b>
Average number of man-labour years	110	94

The Covid-19 pandemic continued to be a challenge into 2021. The offshore activity remained lower than normal. Various regulations have been implemented by different governments and customers to slow the spread of the Covid-19 virus. As a direct consequence, Enhanced Drilling experienced increased costs levels.

As a response to the decline in activity caused by the Covid-19 pandemic, Enhanced Drilling executed a program to implement cost reductions and increase efficiency during 2020. The cost reduction program has carried on into 2021. The offshore activity levels regained some traction as the vaccine rollout progressed in the first half of 2021, which eventually led to reopening of borders and restrictions being lifted.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other Group executives and members of the parent company's board accordingly for 2022 and 2021 were:

<b>2022</b>	<b>Wages</b>	<b>Bonus</b>	<b>Pension premiums</b>	<b>Other remuneration</b>	<b>Total</b>
CEO - Kjetil Lunde	2 280	308	87	36	2 711
<b>Total</b>	<b>2 280</b>	<b>308</b>	<b>87</b>	<b>36</b>	<b>2 711</b>

<b>2021</b>	<b>Wages</b>	<b>Bonus</b>	<b>Pension premiums</b>	<b>Other remuneration</b>	<b>Total</b>
CEO - Kjetil Lunde	2 184	-	78	14	2 276
<b>Total</b>	<b>2 184</b>	<b>-</b>	<b>78</b>	<b>14</b>	<b>2 276</b>

Per 31.12.2022 and 31.12.2021 there are no loans or guarantees to the CEO or to members of the board. No related parties to these have loans or guarantees from the group.

An annual companywide bonus scheme has been implemented in 2022. The CEO has a performance-based bonus agreement. Bonus may not exceed 50% of the annual salary for CEO.



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## 6 Payroll Expenses (cont.)

Figures in TNOK

The Group companies provide various retirement plans in accordance with the local regulations and practice in the countries in which they operate.

### Contribution plan

Defined contribution plans require the companies to make agreed contributions to a separate fund when employees have rendered services entitling them to contributions. The companies have no legal or constructive obligations to pay further contributions.

### Defined benefit plan

Enhanced Drilling Holding participates in a supplementary pension plan that entitles its Norwegian employees' life-long benefits in addition to other pension benefits. The benefits are financed through a pooled arrangement by private sector employers (avtalefestet pensjon, AFP) where also the Norwegian state contributes. The plan is a defined benefit plan with limited funding and where plan assets are not segregated. The information required to calculate the share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. Enhanced Drilling Holding therefore accounts for the plan as if it were a defined contribution plan. The employer contributions are included in contribution plan.

	2022	2021
Cost contribution plan	6 929	6 859
Cost defined benefit scheme	-	-
<b>Total pension costs</b>	<b>6 929</b>	<b>6 859</b>

	2022	2021
Pension commitments	872	1 052
<b>Total pension commitments</b>	<b>872</b>	<b>1 052</b>

## 7 Other Operating Expenses

Figures in TNOK

### Auditor's fee

The Board has reviewed the level and distribution of fees paid to our auditors, and considers them to be appropriate.

Specification of auditor's fee excl. VAT	2022	2021
Fees for audit of annual accounts	640	1 228
Fees for other attestation services	-	9
Fees for tax-related services	762	792
Fees for other services	217	68
<b>Total</b>	<b>1 619</b>	<b>2 097</b>

## 8 Financial Income and Expenses

Figures in TNOK

	2022	2021
Interest income	109	-
Currency gain	28 036	15 317
Other financial income	12	34
<b>Financial income</b>	<b>28 157</b>	<b>15 351</b>

Interest expense	33 948	42 890
Currency loss	15 230	15 921
Other financial expense	221	1 044
<b>Financial expenses</b>	<b>49 399</b>	<b>59 858</b>

<b>Net financial items</b>	<b>(21 242)</b>	<b>(44 507)</b>
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<b>9 Tax</b>	<b>Figures in TNOK</b>	
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.		
	<b>2022</b>	<b>2021</b>
Current income tax expense Norway	-	-
Current income tax expense abroad	535	482
Changes in deferred tax Norway	(119 230)	(1 370)
Change in deferred tax abroad	(13 946)	-
<b>Income tax expense (from continuing operations)</b>	<b>(132 642)</b>	<b>(887)</b>
<b>Reconciliation of tax payable</b>		
Tax payable in profit and loss account	35	155
Prepaid tax	(519)	(821)
Tax, international	523	771
<b>Tax payable in balance sheet</b>	<b>39</b>	<b>105</b>
<b>Reconciliation of nominal and effective tax rate</b>		
Pre-tax result	65 162	(33 515)
<b>Applicable tax with tax rate 22%</b>	<b>14 336</b>	<b>(7 373)</b>
<b>Variance, actual and expected income tax expense</b>	<b>(146 978)</b>	<b>6 487</b>
<b>Explanation of why actual tax cost deviates from expected tax cost</b>		
Tax effect from non-deductible costs	(622)	6 624
Tax effect from non-taxable income	(54)	(57)
Tax effect from impairment	(330)	-
Tax losses for which no deferred income tax asset was recognised	(146 432)	647
International tax rate deviates from Norwegian tax rate	461	(731)
<b>Variance compared to applicable tax rate</b>	<b>(146 978)</b>	<b>6 483</b>
Deferred tax assets as of 31.12.	131 795	3 347
Deferred tax liability as of 31.12.	32 736	37 515
<b>Balance sheet value</b>	<b>(99 059)</b>	<b>34 168</b>
Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The tax losses are connected to previous year's tax losses.		
The Group have not recognised deferred income tax assets of TNOK 36 608 (170 864) in respect of losses amounting to TNOK 147 575 (759 031), related to Australian, Norwegian, UK, and US companies, that can be carried forward against future taxable income.		
Tax losses in Australia, Norway, US and UK can be offset against future taxable profit, and there is no limit for usage. Deferred tax assets will be booked when there is convincing evidence for future taxable profit. Interest cut off on intra group loans may be carried forward for deduction in the ten following income years.		
Below is a specification of temporary differences between accounting and tax values, as well as calculation of deferred tax/ tax advantage at the end of the financial year.		
	<b>2022</b>	<b>2021</b>
<b>Basis for deferred tax</b>		
Receivables	(65 400)	(61 050)
Inventory	(1 000)	(1 000)
Other current balance sheet items	(8 675)	(6 901)
<b>Amount linked to current balance sheet items</b>	<b>(75 075)</b>	<b>(68 951)</b>
Fixed assets and intangible assets	191 310	198 759
Long term receivables	(938)	(50)
Profit and loss account	(496)	(619)
Interest cut off on intra group loans	(60 216)	(68 253)
Loss carried forward	(717 352)	(768 070)
<b>Amount linked to long-term balance sheet items</b>	<b>(587 691)</b>	<b>(638 233)</b>
<b>Total basis for deferred tax assets</b>	<b>(662 766)</b>	<b>(707 184)</b>



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## 10 Earnings Per Share

Figures in TNOK

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares. There are no dilution effects as the company has no convertible bond or stock option plan.

Basis for calculation of earnings per share	2022	2021
Net result allocated to shareholders from continuing operations	197 805	(32 628)
Net result allocated to shareholders including discontinued operations	197 805	(32 628)
Weighted average number of outstanding shares excluding treasury shares	5 019	5 019
Earnings per share from continuing operations (NOK)	39,41	(6,50)
Earnings per share including discontinuing operations (NOK)	39,41	(6,50)



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## 11 Intangible Assets and Goodwill

Figures in TNOK

2022	Goodwill	Self-developed	Total
		patent/ development project	
Historical cost 01.01.	77 492	236 094	313 586
Additions	-	2 371	2 371
Disposals	-	-	-
Conversion variances	-	-	-
<b>Historical cost 31.12.</b>	<b>77 492</b>	<b>238 465</b>	<b>315 957</b>
Accumulated amortisation 01.01.	-	115 959	115 959
Amortisation of the year	-	10 184	10 184
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
<b>Amortisation 31.12.</b>	<b>-</b>	<b>126 143</b>	<b>126 143</b>
Accumulated impairments 01.01.	-	76 988	76 988
Impairments for the year	-	-	-
Conversion variances	-	-	-
<b>Accumulated impairments 31.12.</b>	<b>-</b>	<b>76 988</b>	<b>76 988</b>
<b>Book value 31.12.</b>	<b>77 492</b>	<b>35 334</b>	<b>112 826</b>
Amortisation rates		5-20 years	
Amortisation method		Linear	
Self-developed assets are started amortized when they are fully developed.			

2021	Goodwill	Self-developed	Total
		patent/ development project	
Historical cost 01.01.	39 692	236 094	275 786
Additions	37 800	-	37 800
Disposals	-	-	-
Exchange differences	-	-	-
<b>Historical cost 31.12.</b>	<b>77 492</b>	<b>236 094</b>	<b>313 586</b>
Accumulated amortisation 01.01.	-	105 350	105 350
Amortisation of the year	-	10 609	10 609
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
<b>Amortisation 31.12.</b>	<b>-</b>	<b>115 959</b>	<b>115 959</b>
Accumulated impairments 01.01.	-	76 988	76 988
Impairments for the year	-	-	-
Conversion variances	-	-	-
<b>Accumulated impairments 31.12.</b>	<b>-</b>	<b>76 988</b>	<b>76 988</b>
<b>Book value 31.12.</b>	<b>77 492</b>	<b>43 147</b>	<b>120 639</b>
Amortisation rates		5-20 years	
Amortisation method		Linear	
Self-developed assets are started amortized when they are fully developed.			

Goodwill for each acquisition	2022	2021
IKM Cleandrill AS	37 800	37 800
Ocean Riser Systems AS	39 692	39 692

Goodwill is related to synergy gains from the acquisition of IKM Cleandrill AS and Ocean Riser Systems AS, and is the assessment unit for goodwill.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The key assumptions used for value-in-use calculations are as follows:

	2022	2021
Margin	42,0 %	37,0 %
Discount rate	15,0 %	13,8 %



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## 12 Machinery and Operating Equipment

Figures in TNOK

	Right of use assets	Building	Machinery and operating equipment	Total
<b>2022</b>				
Historical cost 01.01.	45 973	446	1 505 794	1 552 213
Additions	8 041	-	205 192	213 233
Disposals	-	-	(401)	(401)
Conversion variances	9	-	576	584
<b>Historical cost 31.12.</b>	<b>54 023</b>	<b>446</b>	<b>1 711 161</b>	<b>1 765 630</b>
Accumulated depreciation 01.01.	19 617	316	974 238	994 171
Depreciation of the year	5 928	50	95 773	101 751
Disposals depreciation during the year	-	-	(401)	(401)
Conversion variances	(3)	-	331	329
<b>Accumulated depreciations 31.12.</b>	<b>25 542</b>	<b>366</b>	<b>1 069 943</b>	<b>1 095 850</b>
Accumulated impairments 01.01	1 902	-	73 686	75 587
Impairment of the year	-	-	-	-
Disposals impairment during the year	-	-	-	-
Conversion variances	3	-	41	44
<b>Accumulated impairments 31.12.</b>	<b>1 905</b>	<b>-</b>	<b>73 727</b>	<b>75 631</b>
<b>Book value 31.12.</b>	<b>26 576</b>	<b>80</b>	<b>567 491</b>	<b>594 148</b>
Depreciation rates	3 - 8 years	8 years	3 - 10 years	
Depreciation method	Linear	Linear	Linear	

	Right of use assets	Building	Machinery and operating equipment	Total
<b>2021</b>				
Historical cost 01.01	23 217	446	1 271 000	1 294 663
Additions	22 173	-	234 726	256 899
Disposals	466	-	(5)	461
Conversion variances	116	-	74	190
<b>Historical cost 31.12.</b>	<b>45 973</b>	<b>446</b>	<b>1 505 794</b>	<b>1 552 213</b>
Accumulated depreciation 01.01	13 376	265	918 954	932 595
Depreciation of the year	6 195	50	55 223	61 469
Disposals depreciation during the year	-	-	-	-
Conversion variances	46	-	61	107
<b>Accumulated depreciations 31.12.</b>	<b>19 617</b>	<b>316</b>	<b>974 238</b>	<b>994 171</b>
Accumulated impairments 01.01	1 859	-	72 557	74 416
Impairment of the year	-	-	1 117	1 117
Disposals impairment during the year	-	-	-	-
Conversion variances	43	-	11	54
<b>Accumulated impairments 31.12.</b>	<b>1 902</b>	<b>-</b>	<b>73 686</b>	<b>75 587</b>
<b>Book value 31.12.</b>	<b>24 455</b>	<b>130</b>	<b>457 870</b>	<b>482 455</b>
Depreciation rates	3 - 8 years	8 years	3 - 10 years	
Depreciation method	Linear	Linear	Linear	

The Group has implemented IFRS 16, resulted in long term rental agreements of offices and workshop facilities in addition to rented machinery are being treated as financial leasing.

The value of right to use assets is calculated by the sum of all future rent obligations, discounted to the implementation date by applying discount rate of 8%. The right to use assets are depreciated by straight line over the remaining rental period.



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<b>13 Financial Non-Current Assets</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Security deposit	65	65
<b>Long term receivables 31.12.</b>	<b>65</b>	<b>65</b>

<b>14 Inventories</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Stocks	-	-
Work in progress	-	-
Finished goods	42 763	23 981
<b>Inventories 31.12.</b>	<b>42 763</b>	<b>23 981</b>

All amounts are net of any write-downs for obsolescence. For 2022 and 2021 the total accumulated write-down for obsolescence included in inventory is TNOK 1 000.

<b>15 Trade Receivables</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Trade debtors at nominal value	65 782	54 536
Revenues not invoiced	20 478	21 899
Provisions for bad debt	-	-
<b>Trade receivables 31.12.</b>	<b>86 259</b>	<b>76 435</b>

	<b>2022</b>	<b>2021</b>
Receivables not overdue	68 964	73 286
Receivables overdue up to 3 months	17 295	3 263
Receivables overdue more than 3 months	-	(114)
Provision	-	-
<b>Trade debtors 31.12.</b>	<b>86 259</b>	<b>76 435</b>

<b>16 Other Receivables</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Other taxes receivables	10 513	6 742
Advanced payments to suppliers	9 683	3 173
Advanced payments employees	171	257
Other prepaid expenses	502	378
Other current assets	420	154
<b>Other current receivables 31.12.</b>	<b>21 289</b>	<b>10 703</b>

<b>17 Cash and Cash Equivalents</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Cash	-	-
Bank deposits	2 362	7 688
<b>Cash and cash equivalents 31.12.</b>	<b>2 362</b>	<b>7 688</b>
<b>Of which is restricted deposits</b>	<b>238</b>	<b>143</b>
<b>Unused overdraft facilities 31.12.</b>	<b>12 758</b>	<b>51 000</b>



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## 18 Share Capital and Shareholder Information

At 31 December 2022 and 2021 the company had a share capital of TNOK 15 056 distributed in 5 018 085 shares, each with a face value of NOK 3.

All issued shares are fully paid. The company has one share class, and all shares have equal voting and dividend rights.

Shareholders	2022		2021	
	Number of shares	Equity interest	Number of shares	Equity interest
Enhanced Well Technologies AS	5 018 695	100 %	5 018 695	100 %
<b>Total shareholders</b>	<b>5 018 695</b>	<b>100 %</b>	<b>5 018 695</b>	<b>100 %</b>

	Number of shares	Share capital (TNOK)	Share premium	Total (TNOK)
			(TNOK)	
<b>31.12.20</b>	<b>5 018 695</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>
Proceeds from shares issued 2021	-	-	-	-
<b>31.12.21</b>	<b>5 018 695</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>
Proceeds from shares issued 2022	-	-	-	-
<b>31.12.22</b>	<b>5 018 695</b>	<b>15 056</b>	<b>488 371</b>	<b>503 427</b>



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<b>19 Borrowings</b>	<b>Figures in TNOK</b>				
	<b>2022</b>	<b>2021</b>			
Long-term debt to credit institutions	-	3 750			
<b>Total long-term debt to credit institutions</b>	<b>-</b>	<b>3 750</b>			
	<b>2022</b>	<b>2021</b>			
First year installment on long-term debt	3 750	7 500			
<b>Total short-term debt to credit institutions</b>	<b>3 750</b>	<b>7 500</b>			
<b>Guaranteed liabilities</b>	<b>2022</b>	<b>2021</b>			
<b>Total guaranteed liabilities</b>	<b>3 750</b>	<b>11 250</b>			
<b>Average interest rate NOK loans</b>	<b>4,2 %</b>	<b>2,1 %</b>			
<b>Amortization profile Debt to Credit Institutions</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Thereafter</b>	<b>Total</b>
Long-term loans	3 750	-	-	-	3 750
<b>Total</b>	<b>3 750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 750</b>

<b>20 Deferred Revenue, Grants Received for R&amp;D</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
The Group has received grants from the Research Council of Norway in connection with research and developments projects. No terms and conditions apply to these grants.		
The grants from the Research Council of Norway are recognised in the balance sheet and are posted as revenue in line with depreciation on the fixed assets to which they are linked.		
Other long term liability	6 059	10 422
Received during the year	371	72
Released to the income statement	(4 307)	(4 435)
<b>Public grants</b>	<b>2 122</b>	<b>6 059</b>
Other grants	4 662	17 856
<b>Total</b>	<b>6 784</b>	<b>23 915</b>



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## 21 Leases

Figures in TNOK

The company has adopted IFRS 16 using the simplified approach. The company has implemented the standard by applying the exceptions in the standard to exclude short-term and low-value leases. See note 12 for capitalized right of use assets. Short term leases, low value leases and variable elements of lease agreements as shared cost and government charges are all recognised as operating expenses. Ordinary utility cost is not included as part of this note.

The Group has entered into the following operating lease agreements for tangible assets not recognised in the balance sheet, but expensed as incurred:

	2022	2021
Land, buildings and permanent property	2 264	2 221
Apartments	248	215
Machinery and operating equipment	485	347
<b>Total</b>	<b>2 998</b>	<b>2 782</b>

The Group has entered into lease agreements for premises, among others at Straume in Norway, Aberdeen in the UK, Houston in USA, Perth in Australia. Duration of leases from 1 to 6 years.

Lease liabilities	2022	2021
IFRS 16 lease liabilities	27 986	25 332
Lease liabilities related to lease contracts	30 784	16 976
<b>Total</b>	<b>58 770</b>	<b>42 308</b>

## 22 Other Current Liabilities

Figures in TNOK

	2022	2021
Holiday pay and wages due	21 249	17 248
Advances from customers	21 070	71 472
Incurred interest cost	-	10
Accrued costs	1 197	819
Other current liabilities	-	62
Currency cash flow hedge at fair value	1 584	20
Other current liabilities, related parties	15 085	-
<b>Total</b>	<b>60 186</b>	<b>89 629</b>



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## 23 Financial Risk Management and Exposures (cont.)

Figures in TNOK

### Financial risk factors

The Group's activities are exposed to a variety of financial risks. Market risks including currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AUD, GBP, and USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. As of 31 December 2022 and 2021, the Group has foreign exchange contracts to hedge future sales to customers in USD.

##### (ii) Price risk

The Group is indirectly exposed to changes in the oil price, however current group policy is to not hedge oil price changes.

##### (iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Below is an outline of the Group's total operating revenue, trade receivables and trade payables converted into NOK at balance sheet date:

Currency	2022			2021		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
<b>Total operating revenue:</b>						
AUD	5 499	36 805	8 %	931	5 968	2 %
GBP	3 941	46 358	10 %	45	529	0 %
NOK	345 080	345 080	73 %	127 300	127 300	47 %
USD	5 001	47 312	10 %	16 076	138 638	51 %
<b>Total</b>		<b>475 556</b>	<b>100 %</b>		<b>272 435</b>	<b>100 %</b>

Currency	2022			2021		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
<b>Trade receivables:</b>						
AUD	1 364	9 168	11 %	256	1 640	2 %
GBP	380	4 527	5 %	8	95	0 %
NOK	55 026	55 026	64 %	30 521	30 521	40 %
USD	1 770	17 538	20 %	5 000	44 178	58 %
<b>Total</b>		<b>86 259</b>	<b>100 %</b>		<b>76 435</b>	<b>100 %</b>

Currency	2022			2021		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
<b>Trade payables:</b>						
AUD	189	1 273	1 %	63	406	1 %
AZN	10	56	0 %	(4)	(19)	0 %
BRL	5	10	0 %	1	1	0 %
EUR	417	4 398	5 %	6	63	0 %
GBP	37	437	0 %	112	1 332	4 %
NOK	79 034	79 034	87 %	27 329	27 329	90 %
USD	589	5 833	6 %	152	1 346	4 %
<b>Total</b>		<b>91 040</b>	<b>100 %</b>		<b>30 458</b>	<b>100 %</b>



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## 23 Financial Risk Management and Exposures (cont.)

Figures in TNOK

### (b) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, and deposits with banks, as well as credit exposure to customers, including receivables and committed transactions.

The majority of the Group's debtors are publicly listed Norwegian and international oil companies. The Group's customers are mainly the large international oil companies with limited to low credit risk potential.

The Group's main bank at 31 December 2022 and 2021 is DNB Bank ASA where the majority of group cash is deposited. In addition, the Group has other local banking relations in countries where DNB does not provide local services.

### (c) Liquidity risk

The Group has a customer portfolio with large, medium and small cap customers. Delayed payments from some of the largest customers at the same time could have a significant impact on the Group's liquidity situation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of short-term and long-term cash flow forecasts.

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>2022</b>				
Borrowings	3 750	-	-	-
Leasing	11 696	7 960	10 991	137
Trade and other payables	151 227	-	-	-
<b>2021</b>				
Borrowings	7 500	3 750	-	-
Leasing	9 408	5 523	2 045	-
Trade and other payables	120 088	-	-	-

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There were no dividends in 2022 or 2021.

The gearing ratios, defined as net debt to total capital, at 31 December 2022 and 2021 were as follows:

	2022	2021
Total borrowings and leasing (excluding capitalized arrangement fees)	34 534	28 226
Less: cash and cash equivalents	(2 362)	(7 688)
<b>Net debt</b>	<b>32 171</b>	<b>20 538</b>
Total equity	214 970	27 894
<b>Total capital</b>	<b>991 508</b>	<b>725 923</b>
<b>Gearing ratio</b>	<b>3 %</b>	<b>3 %</b>



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## 24 Derivates

Figures in TNOK

As of 31 December, the Group has foreign exchange contracts to hedge future sales to customers in USD. Forward exchange derivatives are utilised to hedge currency risk related to projected future sales.

The table below displays the fair value of derivative financial instruments, and the impact on the cash flow hedges on profit and loss and equity, as of 31 December 2022 and 2021.

2022	Assets	Liabilities	Recognized in P&L	Deferred in equity
Foreign exchange contracts	-	1 584	-	(1 584)
<b>Total</b>	-	<b>1 584</b>	-	<b>(1 584)</b>
<b>Non-current portion</b>				
Foreign exchange contracts	-	-	-	-
<b>Non-current portion</b>	-	-	-	-
<b>Current portion</b>	-	<b>1 584</b>	-	-

2021	Assets	Liabilities	Recognized in P&L	Deferred in equity
Foreign exchange contracts	611	20	-	591
<b>Total</b>	<b>611</b>	<b>20</b>	-	<b>591</b>
<b>Non-current portion</b>				
Foreign exchange contracts	-	-	-	-
<b>Non-current portion</b>	-	-	-	-
<b>Current portion</b>	<b>611</b>	<b>20</b>	-	-

The full fair value of a hedging derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or a current liability, if the maturity of the hedged item is less than 12 months.

### Foreign exchange derivatives

The Group has committed to sell USD against NOK on forward contracts. As of 31.12 the Group held the following foreign exchange rate derivatives.

Instrument	Committed	Amount	Remaining term to maturity
<b>31.12.2022</b>			
Foreign exchange contracts	NOK/USD	15 048	< 1 year
Foreign exchange contracts	NOK/USD	-	> 1 year
<b>31.12.2021</b>			
Foreign exchange contracts	NOK/USD	57 778	< 1 year
Foreign exchange contracts	NOK/USD	15 048	> 1 year



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## 25 Group Entities

Company	Head Office	Owner	Equity interest/ voting share	
			2022	2021
Enhanced Drilling AS	Straume-Norway	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Australia Pty Ltd	Perth-Australia	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Inc	Houston-USA	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Services do Brasil Ltda	Rio de Janeiro-Brasil	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling UK Ltd	Aberdeen-UK	Enhanced Drilling Holding AS	100 %	100 %
IKM Cleandrill Australia Pty Ltd	Perth-Australia	Enhanced Drilling AS	100 %	100 %

During 2021, Enhanced Drilling AS has entered into a merger with its sister companies Enhanced Drilling Assets AS and IKM Cleandrill AS. For accounting purposes, the mergers have been carried out with continuity with effect from January 1st 2021.

Enhanced Drilling Canada Inc has been dissolved during 2021.



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## 26 Related Parties

Figures in TNOK

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	Operating revenue	
	2022	2021
AS Norske Shell	79 606	50 382
Shell Australia Pty Ltd	867	-
Shell Exploration and Production	1 371	-
Shell Offshore Inc	89 233	73 516
Transocean Offshore Deepwater Drilling Inc	2 226	1 359
Transocean Sedco Forex Ventures Limited	-	3 489
<b>Total</b>	<b>173 303</b>	<b>128 746</b>

	Other operating costs	
	2022	2021
Martyn James Fear	1 345	940
<b>Total</b>	<b>1 345</b>	<b>940</b>

	Financial expenses	
	2022	2021
Enhanced Well Tecnologies AS	28 631	12 609
<b>Total</b>	<b>28 631</b>	<b>12 609</b>

	Other long term liabilities	
	2022	2021
Enhanced Well Tecnologies AS	514 244	454 696
<b>Total</b>	<b>514 244</b>	<b>454 696</b>

Interest charge on loans is 3-months NIBOR + 4.0% margin.

	Trade receivables	
	2022	2021
AS Norske Shell	2 741	328
Enhanced Well Tecnologies AS	105	-
Shell Exploration and Production	1 115	-
Shell Offshore Inc	15 751	36 762
Transocean Offshore Deepwater Drilling Inc	885	-
<b>Total</b>	<b>20 596</b>	<b>37 090</b>

	Trade payables	
	2022	2021
Martyn James Fear	105	-
<b>Total</b>	<b>105</b>	<b>-</b>

	Other current liabilities	
	2022	2021
Enhanced Well Tecnologies AS	15 085	-
<b>Total</b>	<b>15 085</b>	<b>-</b>

AS Norske Shell, Shell Australia Pty Ltd, Shell Exploration and Production and Shell Offshore Inc are related companies with the shareholder Shell Ventures B.V.

Transocean Offshore Deepwater Drilling Inc is a related company with the shareholder Transocean Sedco Forex Ventures Limited. Martyn James Fear is the Chairman of the company.

All transactions with related parties are carried out at market prices in connection with ordinary business transactions. There is not given or received any guarantees related to transaction with related parties in 2022 or 2021. There is not recognised any provision for doubtful debts related to the amount of outstanding balances, and there is not recognised any expense during 2022 or 2021 in respect of bad or doubtful debts due from related parties.



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## **27 Share Investment Program**

In 2021 Enhanced Well Technologies Group AS introduced a co-investment program in the parent company. In 2021 EWTG MIP AS was established for the purpose of serving as the holding company through which key employees in the Enhanced Well Technologies Group, invest in the Group in connection with the established management incentive program ("MIP"). As part of the program a capital increase was made available in Enhanced Well Technologies Group AS.

The price per share EWTG MIP paid was NOK 701.96, of which NOK 700.96 is share premium. The subscription price reflects an estimated market value of the shareholding that EWTG MIP subscribes for in the Company, taking into account the size of the shareholding and the terms defined in the shareholder agreement. The assessment of market value is based on a valuation by an independent third party in June 2021.

In addition to a cash infusion from EWTG MIP investors, a loan has been granted on arm's length terms to increase the investment made by EWTG MIP AS in Enhanced Well Technologies Group AS. It is noted in this regard that the Loan is interest bearing equivalent to the norwegian "normrente" set by the Norwegian Tax Authorities. The shares in the Company will be EWTG MIP's only material assets and EWTG MIP will not have any material obligations other than the Loan. In the MIP shareholder's agreement, the investors and EWTG MIP are obliged to repay the loan before resolving any distributions from EWTG MIP AS.

The co-investment program within EWTG MIP AS, is governed by the provisions in a shareholder's agreement. The shareholder's agreement is entered into by and between the holding company, the investment company and the participants in the program. Among other things the shareholder agreement will provide for drag-along and tag-along provisions for the event that Enhanced Well Technologies Group AS should sell the company.

## **28 Subsequent Events**

After the reporting date, the parent company Enhanced Well Technologies AS has entered into an amendment and restatement agreement for the Credit Facilities Agreement with DNB.



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## 29 Business Combinations

Figures in TNOK

During 2021, a reorganization of the Group was carried out. IKM Cleandrift AS was sold from Enhanced Well Technologies AS to Enhanced Drilling Holding AS. Further Enhanced Drilling AS has entered into a merger with its sister companies Enhanced Drilling Assets AS and IKM Cleandrift AS. For accounting purposes, the mergers have been carried out with continuity with effect from January 1st 2021. There were no acquisitions in the year ended 31 December 2022.

The fair values of the identifiable assets and liabilities of the business as the acquisition date 11 October 2021.

Fair values as of acquisition date	IKM Cleandrift AS
<b>Assets</b>	
Goodwill	37 878
Patent research and development	17 385
Fixed assets	269 415
Financial fixed assets	117
Inventories	781
Trade receivables	8 550
Other current assets	1 736
Cash and cash equivalents	830
<b>Total assets</b>	<b>336 691</b>
Total equity	169 000
Deferred tax	37 500
Other provisions for liabilities	21 448
Group loan	95 268
Trade payables	13 829
Tax payable	(55)
Public duties	(299)
<b>Total shareholders' equity and liabilities</b>	<b>336 691</b>



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# **Enhanced Drilling Holding AS**

Company number 992 821 191

## **Parent Company**



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## Enhanced Drilling Holding AS

Figures in TNOK

### Income Statement

Revenues and expenses	Note	2022	2021
Other operating revenue		-	-
<b>Total operating revenue</b>		<u>-</u>	<u>-</u>
Other operating expenses	2	39	108
<b>Total operating expenses</b>		<u>39</u>	<u>108</u>
<b>Net operating income</b>		<u>(39)</u>	<u>(108)</u>
<b>Financial income and expenses</b>			
Financial income		17 005	12 100
Financial expenses		(385 022)	(260 831)
<b>Net financial items</b>	3	<u>402 028</u>	<u>272 931</u>
<b>Income before tax</b>		<u>401 988</u>	<u>272 824</u>
Income tax	4	-	-
<b>Net income</b>		<u>401 988</u>	<u>272 824</u>
<b>Appropriation of net income</b>			
Retained earnings		401 988	272 824
<b>Total appropriation</b>	5	<u>401 988</u>	<u>272 824</u>



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## Enhanced Drilling Holding AS

Figures in TNOK

### Balance as of 31 December

Assets	Note	2022	2021
<b>Non-current assets</b>			
<b>Financial non-current assets</b>			
Investment in subsidiaries	6, 7	1 023 210	614 007
Loan to subsidiaries	8, 7	214 373	156 552
<b>Total financial non-current assets</b>		<b>1 237 583</b>	<b>770 559</b>
<b>Total non-current assets</b>		<b>1 237 583</b>	<b>770 559</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables		-	-
Group receivables	8, 7	410	2 069
Other receivables	9, 7	2	39
<b>Total current receivables</b>		<b>412</b>	<b>2 108</b>
<b>Bank deposits, cash in hand, etc.</b>			
Bank deposits, cash in hand, etc.	10	-	-
<b>Total bank deposits, cash in hand, etc.</b>		<b>-</b>	<b>-</b>
<b>Total current assets</b>		<b>412</b>	<b>2 108</b>
<b>Total assets</b>		<b>1 237 994</b>	<b>772 667</b>



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## Enhanced Drilling Holding AS

Figures in TNOK

Balance as of 31 December

Equity and liabilities	Note	2022	2021
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	11	15 056	15 056
Share premium fund		234 334	234 334
Other paid in capital		254 037	254 037
<b>Total paid in equity</b>		<b>503 427</b>	<b>503 427</b>
<b>Earned equity</b>			
Earned equity		305 677	(96 311)
<b>Total earned equity</b>		<b>305 677</b>	<b>(96 311)</b>
<b>Total equity</b>	5	<b>809 104</b>	<b>407 116</b>
<b>Liabilities</b>			
<b>Other non-current liabilities</b>			
Group debt	8	428 890	365 551
<b>Total non-current liabilities</b>		<b>428 890</b>	<b>365 551</b>
<b>Current liabilities</b>			
Trade payables		-	-
Income tax payable	4	-	-
Group debt	8	-	-
Other current liabilities		-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>428 890</b>	<b>365 551</b>
<b>Total equity and liabilities</b>		<b>1 237 994</b>	<b>772 667</b>

Straume, 28.06.2023

DocuSigned by:

Kjetil Lunde  
Chairman/CEO

DocuSigned by:

Rune M. Daae  
Board member

DocuSigned by:

Lars J Halvorsen  
Board member



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## Enhanced Drilling Holding AS

Figures in TNOK

### Cash flow statement

	2022	2021
<b>Cash flow from operating activities</b>		
Ordinary profit/(loss) before taxes	401 988	272 824
Impairment of financial assets	(409 203)	(274 958)
Change in trade receivables	-	-
Change in trade payables	-	-
Change in other accruals	37	(37)
<b>Net cash flow from operational activities</b>	<b>(7 177)</b>	<b>(2 171)</b>
<b>Cash flow from investment activities</b>		
Cash outflows for acquisitions of shares in subsidiaries	-	(169 000)
<b>Net cash flow from investment activities</b>	<b>-</b>	<b>(169 000)</b>
<b>Cash flow from finance activities</b>		
Proceeds from borrowings		
Increased equity, conversion of loan		
Net change group receivables/ payables	7 176	171 126
<b>Net cash flow from finance activities</b>	<b>7 176</b>	<b>171 126</b>
<b>Net change in cash and equivalents</b>	<b>0</b>	<b>(45)</b>
<b>Cash and equivalents at start of period</b>	<b>-</b>	<b>45</b>
<b>Cash and equivalents at end of period</b>	<b>0</b>	<b>-</b>



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## 1 Accounting principles

Enhanced Drilling Holding AS and its subsidiaries, are leading suppliers of services and technology to the oil and gas offshore industry. The company's main operations are based at Straume (near Bergen) Norway. The company provides management services to subsidiaries of the group.

The company is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Smålonane 16, 5353 Straume.

The financial statements have been prepared in accordance with the Norwegian accounting act and accounting principles generally accepted in Norway (NGAAP) and IFRS light. The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities.

The financial year follows the calendar year. Income statement items are classified by nature.

### Changes in accounting policy and disclosures

Effects of changes in accounting policies and correction of material errors in previous annual financial statements are recognised directly in equity. The comparative figures are restated accordingly.

### Subsidiary companies

Subsidiary companies are valued in accordance with the cost method in the company accounts. The investment is calculated according to acquisition cost of the shares unless a write-down has been required. Group contributions are entered as revenue in the same year as allocation in the subsidiary company is made. If distribution exceeds ratio of retained earnings for the ownership in the period, the excess part is accounted for as a repayment of invested capital and recognised as a reduction of investment in the balance.

### Classification and valuation of balance sheet items

Assets meant for permanent ownership or use is classified as non-current assets. Assets held as a part of the company's service cycle and is expected to be realised or used during the course of the unit's normal production period are classified as current assets. Receivables are classified as current if they are to be settled within one year. Analogous criteria apply for liabilities.

Non-current assets are valued at historical cost. Tangible fixed assets that deteriorate in value are depreciated on a linear basis over estimated financial lifespan. Tangible fixed assets are written down to real value in the event of a permanent decrease in value. Long-term liabilities in NOK, excluding other provisions, are entered in the balance sheet at nominal value at the time they arise. Provisions are discounted if the interest rate element is material.

Current assets are valued at the lowest of acquisition cost and fair value. Current liabilities are entered at nominal value at the time they arise.

### Revenue recognition

The company's business consists corporate services to subsidiaries of the group.

Services are recognised in the time of execution. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met.

### Estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities. Unrealised losses that are probable and quantifiable, and unconditional commitments and orders are expensed in accordance with generally accepted accounting principles.

### Currency

Monetary items in foreign currency are converted according to the exchange rate of the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account and are classified as financial items.

### Contingent liabilities and contingent assets

Contingent liabilities are recognised if there is more than 50 % chance that they will have to be settled. Best estimates are used in calculating the settlement value. Provisions for contingencies inherent in the product cycle or with the expected settlement date within one year from the balance sheet date are classified as current liabilities. Other provisions are classified as provisions for liabilities under long-term debt.

### Extraordinary income and expenses

Income is classified as extraordinary if they are unusual, irregular and material considered in relation to the company's business.

### Tangible fixed assets

Tangible fixed assets are valued at cost less accumulated depreciation and write-downs. The costs of tangible fixed assets comprise the purchase price, including duties/taxes and direct acquisition costs linked to making the asset fit for use.

The write-down requirement for fixed assets is assessed if there are indications of impairment. If indication of impairment is present there are performed an estimate of discounted future cash flows for assets that will continue to be in use in the company, and an estimate of selling price less cost of assets that are for sale. If calculation shows a value less than the carrying value assets will be written off to fair value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating revenue or other operating expenses in the income statement.



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## 1 Accounting principles

### Short-term investments

Short-term investments (shares classified as current) are valued at lowest of acquisition cost and fair value at the balance sheet date. Dividends and other disbursements are recognized as other financial income.

### Receivables

Debtors and other receivables are entered in the balance sheet at nominal value less provision for bad debt. Provision for bad debt is estimated based on individual assessment of the debtors.

### Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank deposit.

The company participate in the Enhanced Well Technologies Group's cash pool system. The company's bank accounts included in the cash pool system, and balances on these accounts, represented exclusively an intercompany balance between the cash pool account holder and the individual participant. The cash pool will thus automatically establish credit relationships between participants and cash pool holder. In the financial statements all transaction between the cash pool holder and participants are recognised as intercompany balance.

### Best estimate

When there is uncertainty associated with financial statement item, best estimate is used. Changes in estimates are recognised in the period in which the estimate is changed. Use of estimates is uncertain and may differ from actual results.

### Tax

The cost of tax in the profit and loss account comprises both the period's tax payable, and changes in deferred tax. Deferred tax is calculated at a rate of 22 % (22%) based on the temporary differences between accounting and tax values, as well as any loss to be carried forward at the end of the financial year. Taxable and deductible temporary differences that reverse or may reverse in the same period is offset. Deferred tax assets are recognized when it is probable that the company will have a sufficient future profit to utilize the tax asset. Tax increasing and tax reducing temporary differences are disclosed net.



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## 2 Wages, fees, number of employees etc.

In NOK 1 000

Accumulated expenses for wages, pension premiums and other remuneration to CEO are paid by the subsidiary Enhanced Drilling AS. The company has no employees and is therefore not obligated to have pension scheme. The Chairman and members of the board have not received remuneration.

<b>Specification of auditor's fee excl. VAT</b>	<b>2022</b>	<b>2021</b>
Fees for audit of annual accounts	36	105
Fees for other attestation services	-	-
Fees for tax-related services	-	-
Fees for other services	-	-
<b>Total</b>	<b>36</b>	<b>105</b>

## 3 Financial income and expenses

In NOK 1 000

	<b>2022</b>	<b>2021</b>
Other interest income	5	-
Interest income from group companies	11 607	8 900
Aglo	5 393	3 200
<b>Total financial income</b>	<b>17 005</b>	<b>12 100</b>
Other interest expense	16	-
Interest cost from group companies	23 454	11 495
Disagio	3 580	2 631
Other financial expenses	(2 870)	-
Impairment investment in subsidiaries	(409 202)	(274 958)
<b>Total financial expenses</b>	<b>(385 022)</b>	<b>(260 831)</b>
<b>Net financial items</b>	<b>402 028</b>	<b>272 931</b>



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<b>4 Taxes</b>	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
Tax payable Norway	-	-
Amendments, deferred tax Norway	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of tax payable</b>		
Tax payable	-	-
Tax payable of group contribution	-	-
<b>Tax payable in balance sheet</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of tax payable</b>		
Income before tax	401 988	272 824
<b>Expected 22 % tax cost</b>	<b>88 437</b>	<b>60 021</b>
<b>Variance, actual and expected tax cost</b>	<b>(88 437)</b>	<b>(60 021)</b>
Tax effect from non-deductible costs		
Tax effect from non-taxable income	(90 024)	(60 491)
Tax effect for which no deferred income tax asset was recognised	1 587	470
<b>Variance compared to expected tax cost</b>	<b>(88 437)</b>	<b>(60 021)</b>
<b>Calculation of tax payable:</b>	<b>2022</b>	<b>2021</b>
Income before tax	401 988	272 824
Permanent differences	(412 072)	(274 958)
Interest cut off on intra group loans		
Amendments, deferred tax	(458)	(572)
<b>Basis for tax calculation</b>	<b>(10 541)</b>	<b>(2 707)</b>

#### Deferred tax

Below is a specification of interim variations between account-related and tax-related values, as well as calculation of deferred tax/ tax advantage at the end of the financial year.

<b>Basis for deferred tax</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
Non-current assets	(1 654)	(4 524)	(2 870)
Profit and loss account	(508)	(635)	(127)
Interest cut off on intra group loans carried forward	(15 338)	(15 338)	-
Bank loan fee	-	-	-
Loss carried forward	(94 026)	(83 815)	10 211
<b>Amount linked to long-term balance sheet items</b>	<b>(111 526)</b>	<b>(104 312)</b>	<b>7 214</b>
<b>Total basis for deferred tax assets</b>	<b>(111 526)</b>	<b>(104 312)</b>	<b>7 214</b>
<b>Deferred tax assets - 22% (22 %)</b>	<b>(24 536)</b>	<b>(22 949)</b>	<b>(1 587)</b>

Deferred tax assets are not recognised in the balance sheet because it is less likely that the company can make use of the advantage it represents. There is no time limit attached to the application of the loss carried forward. Interest cut off on intra group loans may be carried forward for deduction in the ten following tax years.



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## 5 Changes in equity

In NOK 1 000

	Share capital	Share premium fund	Other paid in capital	Total paid in equity	Earned equity	Sum
Opening balance 01.01.2021	15 056	234 334	254 037	503 427	(369 135)	134 292
Profit for the year					272 824	272 824
<b>Closing balance 31.12.2021</b>	<b>15 056</b>	<b>234 334</b>	<b>254 037</b>	<b>503 427</b>	<b>(96 311)</b>	<b>407 116</b>
Opening balance 01.01.2022	15 056	234 334	254 037	503 427	(96 311)	407 116
Profit for the year	-	-	-	-	401 988	401 988
<b>Closing balance 31.12.2022</b>	<b>15 056</b>	<b>234 334</b>	<b>254 037</b>	<b>503 427</b>	<b>305 677</b>	<b>809 104</b>

## 6 Investment in subsidiaries

Figures in TNOK

Company 2022	Head office	Equity interest / voting share	Share capital TNOK 100%	Equity TNOK 100%	Profit/(loss) TNOK 100%	Book value
Enhanced Drilling AS	Straume Norway	100 %	5 273	175 575	105 821	1 023 203
Enhanced Drilling Australia Pty Ltd	Perth - Australia	100 %	1	(52 311)	1 422	-
Enhanced Drilling Inc	Houston - USA	100 %	9	(78 112)	(31 881)	7
Enhanced Drilling Services do Brasil Ltda*	Rio - Brasil	99 %	4 599	(11 704)	997	-
Enhanced Drilling UK Ltd	Aberdeen - UK	100 %	12	11 750	15 826	-
<b>Total</b>				<b>45 198</b>	<b>92 184</b>	<b>1 023 210</b>

\*1% owned by Enhanced Drilling AS.

In connection with a restructuring of the Enhanced Well Technologies group (EWT), Enhanced Drilling Holding acquired IKM Cleandril AS from EWT, prior to a contemplated subsequent merger between IKM Cleandril and the Company's subsidiaries Enhanced Drilling Asset and Enhanced Drilling AS.

Company 2021	Head office	Equity interest / voting share	Share capital TNOK 100%	Equity TNOK 100%	Profit/(loss) TNOK 100%	Book value
Enhanced Drilling AS	Straume Norway	1	5 273	68 930	13 167	614 000
Enhanced Drilling Australia Pty Ltd	Perth - Australia	1	1	(51 407)	(3 715)	-
Enhanced Drilling Inc	Houston - USA	1	9	(41 034)	(16 942)	7
Enhanced Drilling Services do Brasil Ltda*	Rio - Brasil	1	6 466	(10 901)	(1 026)	-
Enhanced Drilling UK Ltd	Aberdeen - UK	1	-	(5 006)	(2 771)	-
<b>Total</b>				<b>(39 418)</b>	<b>(11 287)</b>	<b>614 007</b>

\*1% owned by Enhanced Drilling AS.

## 7 Registered mortgage

In the Register of Mortgage, registered lines include mortgages in inventory in its entirety up to TNOK 444 000, pledge in operating equipment in its entirety up to TNOK 444 000, and pledge in receivables that the company has and receives for the entire business activity up to TNOK 444 000.

	2022	2021
Carrying amount of pledged assets		
Investment in subsidiaries	1 023 210	614 007
Inventory	-	-
Receivables	214 785	158 660
Bank deposits, cash in hand, etc.	-	-
	<b>1 237 994</b>	<b>772 667</b>



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## 7 Share capital and shareholder information

Share capital is distributed in 5 018 695 shares at face value NOK 3.-. All issued shares are fully paid. The company has one share class, and all shares have equal voting and dividend rights.

	<b>Number of shares</b>	<b>Equity interest</b>
<b>Shareholders 2022</b>		
Enhanced Well Technologies AS	5 018 695	100 %
<b>Shareholders 2021</b>		
Enhanced Well Technologies AS	5 018 695	100,0 %



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<b>8 Intra group</b>		
	<b>2022</b>	<b>2021</b>
<b>Long term-group receivables:</b>		
Enhanced Drilling AS	180 298	137 285
Enhanced Drilling Inc	26 722	14 574
Enhanced Drilling UK Ltd		4 610
Enhanced Drilling Pty Ltd	7 353	2 953
Impairment of IC receivables	-	(2 870)
<b>Total long term-loan to subsidiaries</b>	<b>214 372</b>	<b>156 552</b>
<b>Short-term group receivables:</b>		
Enhanced Drilling AS	333	109
Enhanced Well Technologies AS	33	1 958
Enhanced Drilling Australia Pty Ltd	42	
Enhanced Drilling Services do Brasil Ltda	2	2
<b>Total short term group receivables</b>	<b>410</b>	<b>2 069</b>
<b>Long term-group payables:</b>		
Enhanced Well Technologies AS	419 882	365 551
Enhanced Drilling UK	9 008	
<b>Total long term group payables</b>	<b>428 890</b>	<b>365 551</b>

The company is part of the Enhanced Well Technologies Group, and the Group's external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5-year senior facilities agreement with DNB Bank ASA. The companies covered by the scheme are jointly and severally liable for obligations under the scheme. In the list of current group receivables the company's share of the corporate account is recognised as receivables to Enhanced Well Technologies AS.

<b>9 Other current receivables</b>		
	<b>Figures in TNOK</b>	
	<b>2022</b>	<b>2021</b>
VAT receivables	-	-
Other current receivables	-	-
Other current receivables	2	39
<b>Other current receivables</b>	<b>2</b>	<b>39</b>
<b>10 Cash</b>		
	<b>2022</b>	<b>2021</b>
Cash	-	-
Bank deposits	-	-
<b>Cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Of which is restricted deposits:</b>	<b>-</b>	<b>-</b>

The company participate in the Enhanced Well Technologies Group's multi-currency group account system. The company's bank accounts included in the group account system, and balances on these accounts, represented exclusively an intercompany balance between the group account holder and the individual participant. The multi-currency account system will thus automatically establish credit relationships between participants and group account holder. In the financial statements all transaction between the group account holder and participants are recognised as intercompany balance.



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## 11 Share capital and shareholder information

Share capital is distributed in 5 018 695 shares at face value NOK 3.-. All issued shares are fully paid. The company has one share class, and all shares have equal voting and dividend rights.

	Number of shares	Equity interest
<b>Shareholders 2022</b>		
Enhanced Well Technologies AS	5 018 695	100 %
<b>Shareholders 2021</b>		
Enhanced Well Technologies AS	5 018 695	100 %

## 12 Financial market risk

The company is a holding company owning shares in subsidiaries and providing loans to subsidiaries. Enhanced Drilling Holding does not currently use financial instruments for managing financial risk. Group treasury identifies, evaluates and hedges financial risks in cooperation with Enhanced Drilling Holding's operating units. The company's current receivables are mainly towards other companies in the Group. Enhanced Drilling Holding has no significant interest-bearing risks as most of the intergroup borrowings are being turned around as loan to subsidiaries at similar terms. The company's credit risk exposure is therefore considered to be low.

## 13 After balance sheet date

After the reporting date, an amendment and restatement agreement for the Senior Facilities Agreement was entered into with DNB Bank ASA. The CAPEX facility was increased by TNOK 50 000, and the Revolving Credit Facility was increased with TNOK 30 000.



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Enhanced Drilling Holding AS

### Opinion

We have audited the financial statements of Enhanced Drilling Holding AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of 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 comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for opinion

We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, 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.

As part of an audit in accordance with 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 and the Group'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 and the Group'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 and the Group 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.

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

Bergen, 30 June 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Eirik Moe  
State Authorised Public Accountant (Norway)

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"By my signature I confirm all dates and content in this document."

## Eirik Moe

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5994-4-673444

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Skatteetaten

Vår dato  
16.03 2020

Din/Deres dato  
24.01 2020

Saksbehandler  
Lars Waalorp

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
32212244

Org nr  
974761076

Vår referanse  
2019/5633232

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

ENHANCED DRILLING HOLDING AS  
Postboks 351  
5343 STRAUME

Att. Kjetil Lunde

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Enhanced Drilling Holding AS, org.nr. 992 821 191

Vi viser til deres brev av 24. januar 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Enhanced Drilling Holding AS.

Enhanced Drilling Holding AS er tidligere innvilget dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på engelsk. I 2019 er det imidlertid skjedd endringer i eierforholdet i konsernet, og selskapet søker derfor om en fornyet tillatelse med grunnlag i det nye eierforholdet.

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

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

### Bakgrunn

Enhanced Drilling Holding AS er eid av et norsk aksjeselskap som gjennom et annet selskap er eid av norske og utenlandske finansielle og industrielle investorer. Selskapet inngår i et konsern som driver virksomhet innen olje- og gassindustrien. Konsernet har datterselskaper i Australia, Brasil, Canada, Norge, Storbritannia og USA hvor den operative virksomheten utøves. Selskapets og konsernets arbeidsspråk er engelsk.

### Skattekontorets vurdering

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

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



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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

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