



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Nei
-----------------------	-----

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Robbert Oudendijk
Dato for fastsettelse av årsregnskapet:	11.07.2023

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, 20.09.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	2	580 990 809	459 156 131
Other income		17 536 021	28 707 965
Sum inntekter		598 526 830	487 864 096
Kostnader			
Raw materials and consumables used		341 016 962	329 973 375
Employee benefits expense	3	113 232 357	91 221 876
Depreciation and amortization	4, 5	72 741 908	89 210 407
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		
Other expenses		38 700 622	11 544 031
Sum kostnader		565 691 850	521 949 688
Driftsresultat		32 834 981	-34 085 592
Finansinntekter og finanskostnader			
Annen renteinntekt		987 976	-827
Other financial income			85 460
Sum finansinntekter		987 976	84 633
Rentekostnad til foretak i samme konsern	6	17 030 321	15 247 094
Annen rentekostnad		44 079	
Other financial expenses		39 150 762	14 658 608
Sum finanskostnader		56 225 162	29 905 702
Netto finans		-55 237 187	-29 821 069
Ordinært resultat før skattekostnad		-22 402 206	-63 906 662
Income tax expense	7		
Ordinært resultat etter skattekostnad		-22 402 206	-63 906 662
Årsresultat		-22 402 206	-63 906 662
Årsresultat etter minoritetsinteresser		-22 402 206	-63 906 662



Resultatregnskap

Beløp i: USD	Note	2022	2021
Totalresultat		-22 402 206	-63 906 662
Overføringer og disponeringer			
To / from other equity	8	-22 402 206	-63 906 662
Sum overføringer og disponeringer		-22 402 206	-63 906 662



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7		
Goodwill	4	14 906 328	
Sum immaterielle eiendeler	4	14 906 328	
Varige driftsmidler			
Equipment and other movables	5	208 686 773	190 416 696
Sum varige driftsmidler		208 686 773	190 416 696
Sum anleggsmidler		223 593 101	190 416 696
Omløpsmidler			
Varer			
Sum varer	9	83 521 831	83 218 772
Fordringer			
Accounts receivables		79 835 856	68 834 587
Account receivables group companies	6	113 660 946	59 287 193
Other short-term receivables		7 539 863	3 958 683
Sum fordringer		201 036 665	132 080 463
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	51 571 109	93 492 960
Sum bankinnskudd, kontanter og lignende		51 571 109	93 492 960
Sum omløpsmidler		336 129 604	308 792 196
SUM EIENDELER		559 722 705	499 208 892

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: USD	Note	2022	2021
Sum innskutt egenkapital	8		
Opptjent egenkapital			
Other equity	8	-117 806 737	-95 404 530
Sum opptjent egenkapital		-117 806 737	-95 404 530
Sum egenkapital		-117 806 737	-95 404 530
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	11		
Utsatt skatt	7		
Annen langsiktig gjeld			
Long term note group companies	6	432 275 241	440 567 451
Sum annen langsiktig gjeld		432 275 241	440 567 451
Sum langsiktig gjeld		432 275 241	440 567 451
Kortsiktig gjeld			
Leverandørgjeld		19 397 949	4 044 390
Tax payable	7	-100 268	
Public duties payable		8 582 126	6 552 862
Liabilities to group companies	6	159 312 534	88 252 997
Other current liabilities		58 061 858	55 195 722
Sum kortsiktig gjeld		245 254 200	154 045 971
Sum gjeld		677 529 442	594 613 422
SUM EGENKAPITAL OG GJELD		559 722 705	499 208 892



Skattedirektoratet

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

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

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

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

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

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

Bakgrunn

Fra søknaden gjengis:

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

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

Skattedirektoratets vurdering

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

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

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

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



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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad



Financial Statement

NOV Wellbore Technologies Norway LLC NUF

2022

Org.no 985 377 545

Pemso Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCRHV-ZZUGN



Annual Report for NOV Wellbore Technologies Norway LLC NUF - 2022 Org.no 985 377 545

General information about the Company, nature of business and location

NOV Wellbore Technologies Norway LLC NUF is registered as a Norwegian foreign enterprise. The company is a division of NOV Wellbore Technologies LLC, Delaware, USA and part of the group NOV Inc., Houston, USA. The branch does not have its own board.

The company's operations include sales, rental, service of downhole drilling instrumentation, highspeed telemetry services, visualization solutions, and data delivery to the offshore energy industry.

The company has operations at Stavanger, Norway and supports the Norway Market.

The Company's operations include sales, rental, service of downhole drilling instrumentation, highspeed telemetry services, visualization solutions, and data delivery to the offshore energy industry.

Report on financial statements

The financial statements have been prepared under the assumption of going concern in accordance with Norwegian Accounting Act§3-3a and it is confirmed that the financial statements have been prepared under the assumption of continued operations, and the assumption of continued operations have been met. This is emphasised by the issue of letter of support from parent group company.

The general manager does not know of any conditions that have occurred after accounting year, that may be relevant to the assessment of the Company. The financial statement gives a true and fair view of the assets and liabilities, financial position, and result.

The company had revenues in 2022 of Nok 598 526 830. The company's revenues in 2021 was in comparison NOK 487 864 096. The increase of revenue was driven by greater activity in the offshore market for the company's products and the addition of the Wellsite Services business. The Company reported a net operating gain in 2022 NOK 32 834 981. The Company reported a net operating loss in 2021, in comparison, NOK 34 085 592. The improved operating profit is driven by larger activity causing better efficiency, addition of a profitable wellsite business and lower depreciation.

The Company reported a net loss in 2022 of NOK 22 402 206. The Company reported a net loss in 2021 in comparison, NOK 63 906 662. This was driven by better operating results.

The equity of the company is NOK -117 806 737 on 31.12.2022, 2021: -95 404 530 and total assets in the balance sheet is 559 722 705, (2021 499 208 892)

In 2022, the operating gain was Nok 32 834 981, and the cashflow from operating activities was NOK -46 813 469.

The Company's total assets have increased to NOK 559 722 705, compared to 2021 NOK 499 208 892

The equity ratio in the company decreased in 2022 to -21 % from 2021 which was -19 %

Report on health, safety and environment

NOV Wellbore Technologies LLC is committed to conducting our business in a manner to safeguard people and the environment in which we operate. In line with this, the Company has implemented a Health, Safety and Environmental (HSE) Management System that aligns with the NOV Global HSE Management System Manual and Policy.



Equal opportunities

The objective of the Company is to be a workplace with equal opportunities and rights for women and men. The Company policy is based on well-established principles with focus on equal rights when it comes to recruitment, remuneration and promotion.

There are 21 women out of the 101 employees in the Company. The Company’s Norwegian representative on the Board of Directors is male. The top management are all male. The employees can be categorized by employment and gender as follows:?

Category of employment	Number of Women	Share Of Women	Total Number of employees	Difference in base salary (%)
Grand total	21	21%	101	95,4%
6	5	42%	18	102,5%
8	7	39%	18	96,7%

(The categories of employment are based on NOV's Job Leveling Framework, divided into 13 different categories that reflect the amount of responsibility, impact and scope of a job.)

1	2	3	4	5	6	7	8	9	10	11	12	13
Management Job Level Guide												
Supervisor			Manager			Director			Executive			
I	II	I	II	I	II	I	II	I	II	EX		
Engineering Job Level Guide												
Engineer						Principal			Chief			
I	II	III	IV	V	VI							
Professional Job Level Guide												
Analyst						Advisor						
I	II	III	IV	V	VI							
Specialist Job Level Guide												
Specialist												
I	II	III										
Support Job Level Guide												
Clerk			Assistant			Coordinator						
Helper			Operator			Lead						
0	I	II	III	IV	V							

The working time arrangements of the Company are linked to the job function and are not dependent on gender. No employees work part-time. There are not major differences in overtime worked between men and women. Men worked on average 176 hours overtime in 2022, while women worked on average 164 hours. Women represented 19,7 % of the overtime worked. We see that women’s base salary on an average, is 95,4 % of men’s base salary, and women’s annual total cash at target is 89 % of men’s. Regarding legally required cash payments and bonuses, we also see that men are on average paid more than women.

As some categories contain less than five female and/or male employees, we will not report numbers on all categories of employment in this report. They are, however, included in the grand total numbers.

Action taken to avoid discrimination?

The purpose of the Act of Discriminations is to enhance equal opportunities regardless of gender, secure equal rights and opportunities and prevent discrimination based on ethnic origin, color of skin, religion or disability. The Company works actively, goal oriented and systematically to facilitate the Act of Discrimination. The Company is working to meet the required activities under § 26 of “likestillings og diskrimineringsloven” (Act of discrimination and equal opportunities).

In 2023, introduced a Diversity and Inclusion topic to the Leading Self and Others Manager

Penneo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHV-ZZUGN



Development Program with a focus on Interrupting and Counteracting Bias. Topic is named 'Diversity, Inclusion and Belonging: Counteracting Bias and Leading Inclusively'.?

Recruitment interview questions forms refer to questions not to ask to ensure fairness and importance of being aware of not discriminating against employees on protected grounds.?

All new and existing employees are required to read and sign the code of conduct on a regular basis and go through online training. Code of conduct references fair treatment, discrimination and harassment.?

Continued participation in Energy Workforce & Technology Council "The Council" Inclusion & Diversity Programs?

Employee Resource Group: Empowering Women Together began planning stages in 2022 to launch in NOV Norway in 2023, (already in US) all employees from all genders are welcome to participate.?

Planned 2023 and beyond: After Empowering Women resource group launched, introduce Multicultural Professional Partnerships Resource Group to Norway.?

Please read the Equality Statement NOV Wellbore Technologies 2022 for more information regarding the status and actions taken to promote equality and avoid discrimination in the Company. www.nov.com/Norway

The Transparency Act.

The Transparency Act was implemented effective from July 1 2022. The Company have implemented procedures and activities ensuring compliance to the requirements. The 2022 disclosure will be made available on Jun 30 2023:

<https://www.nov.com/-/media/nov/files/about/sustainability/2022-nov-sustainability-report.pdf?v=20230410>

?

The NOV Group has several global policies, as NOV Equal Employment Opportunity Policy, and NOV Sexual Harassment Policy. These policies are guidelines for all employees of NOV globally. NOV regularly conduct global campaigns of these themes.

The NOV Group has several global policies, as NOV Equal Employment Opportunity Policy, and NOV Sexual Harassment Policy. These policies are guidelines for all employees of NOV globally. NOV regularly conduct global campaigns of these themes

HSE performance

Safe operations remain the company's priority. The Company had an HSE performance in 2022 with a Total Recordable Incident Rate (TRIR) of 0, equal to 0 in 2021. To further improve our safety efforts, we continue to improve our ability to identify hazards before they occur.

Reporting

The HSE reporting system is used to promote a good HSE culture and it is essential to ensure continuous development and improvement of HSE. All incidents and observations are registered and followed up in the HSE reporting system. We have focus on registering preventative measures such as stop work, safety inspections, meetings with actions, audits, management of change, lessons learned, risk assessment meetings, training and best management practice.

Investigations

The Company investigates all serious incidents and high risk near misses to learn from these and



improve. Investigations revealed some shortcomings and mitigating measures are identified and initiated.

Risk

The Company will continuously identify risks related to Health, Environment and Safety and take necessary measures to make the risk as low as reasonably achievable. All hazardous operations in the Company are risk assessed continuously.

HSE audits

The company performs annual Internal HSE audits. Findings and improvement opportunities are mainly related to low reporting, 3rd. party contractors, supervisor responsibilities, and not following the Management of Change (MOC) procedure. We welcome audits by customers and third party to focus on learning and uncover possible shortcomings. Mitigating measures are identified and initiated continuously.

Environment

The Company is working continuously to control our environmental aspects and have objectives and targets to improve significant activities, products or services which impact the environment.

Our largest environmental aspects are with regards to purchase, repair, and transportation of our products.

No accidental discharge was reported in 2022..

The company have several initiatives ongoing related to energy transition and green technologies. We believe this will give us important opportunities in the future.

Financial risk

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

Credit risk

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

Liquidity risk

The company is funded by companies in the same group. This funding will continue, and the group has issued a letter of confirmation for continued financial support for the coming year. The group has a strong financial position and liquidity risk is considered to be low. The net change in cash and cash equivalents was -41 921 851 for 2022. We will continue to improve cash balances and monitoring outstanding receivables.

Report on business outlook

During 2020, the COVID-19 outbreak rapidly spread across the world, driving sharp demand destruction for crude oil as countries took measures that curtailed economic activity to slow the spread of the outbreak. Companies across the industry responded with severe capital spending budget cuts, curtailed production, cost reductions, personnel layoffs, facility closures and



bankruptcy filings. Towards the end of 2020 and into 2021, commodity prices stabilized and began to recover resulting in improving industry activity levels in North America.

During 2021, greater availability of COVID-19 vaccines resulted in the gradual reopening of economies around the world. Pent-up consumer and industrial demand combined with government economic stimulus programs amplified the global recovery, improving economic activity, and driving higher demand for oil and gas. Oil and gas drilling activity levels began to increase in every major region of the world during 2021, reflecting this growing demand.

In early 2022, the war in Ukraine roiled energy markets, driving commodity prices to their highest levels in nearly a decade, and forcing many countries to reconsider their sources of energy supplies and the importance of energy security.

Despite a recent pullback in commodity prices, tightening government fiscal policies, concerns regarding a global recession, ongoing global supply chain disruptions and rising inflationary costs, management believes the industry is in the early stages of an extended recovery. Diminished global oil and gas inventories and productive capacity resulting from underinvestment in the industry over the last seven years, along with rising energy security risks, and higher commodity prices should continue to spur increased oilfield activity and demand for the Company's equipment and technology.

The Company remains committed to improving organizational efficiencies while focusing on the development and commercialization of innovative products and services, including technologies to reduce environmental impact of oil and gas operations, and technologies to accelerate the energy transition that are responsive to the longer-term needs of our customers. We believe this strategy will further advance the Company's competitive position in all market conditions

Subsequent events

We refer to business outlook for information surrounding current market conditions.

No other subsequent events noted.

Allocation of loss for the year

The loss is proposed transferred to carry forward loss.: 22 402 206

Stavanger, 11 July 2023

Frank Bakke
Norwegian Representative



NOV Wellbore Technologies Norway LLC

Profit and Loss Statement

Operating income and operating expenses	Note	2022	2021
Revenue	2	580 990 809	459 156 131
Other income		17 536 021	28 707 965
Total income		<u>598 526 830</u>	<u>487 864 096</u>
Raw materials and consumables used		341 016 962	329 973 375
Employee benefits expense	3	113 232 357	91 221 876
Depreciation and amortization	4, 5	72 741 908	89 210 407
Other expenses		38 700 622	11 544 031
Total expenses		<u>565 691 850</u>	<u>521 949 688</u>
Operating profit		<u>32 834 981</u>	<u>-34 085 592</u>
Financial income and expenses			
Other interest income		987 976	-827
Other financial income		0	85 460
Interest expense to group companies	6	17 030 321	15 247 094
Other interest expenses		44 079	0
Other financial expenses		39 150 762	14 658 608
Net financial items		<u>-55 237 187</u>	<u>-29 821 069</u>
Profit before tax		<u>-22 402 206</u>	<u>-63 906 662</u>
Profit after tax		<u>-22 402 206</u>	<u>-63 906 662</u>
Net income		<u>-22 402 206</u>	<u>-63 906 662</u>
Attributable to			
To / from other equity	8	-22 402 206	-63 906 662
Total		<u>-22 402 206</u>	<u>-63 906 662</u>

Pemmo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHV-ZZUGN



NOV Wellbore Technologies Norway LLC

Balance sheet

Assets	Note	2022	2021
Non-current assets			
Goodwill	4	14 906 328	0
Total intangible assets	4	<u>14 906 328</u>	<u>0</u>
Property, plant and equipment			
Equipment and other movables	5	208 686 773	190 416 696
Total property, plant and equipment		<u>208 686 773</u>	<u>190 416 696</u>
Total non-current assets		<u>223 593 101</u>	<u>190 416 696</u>
Current assets			
Inventories	9	<u>83 521 831</u>	<u>83 218 772</u>
Debtors			
Accounts receivables		79 835 856	68 834 587
Account receivables group companies	6	113 660 946	59 287 193
Other short-term receivables		7 539 863	3 958 683
Total receivables		<u>201 036 665</u>	<u>132 080 463</u>
Cash and cash equivalents	10	<u>51 571 109</u>	<u>93 492 960</u>
Total current assets		<u>336 129 604</u>	<u>308 792 196</u>
Total assets		<u>559 722 705</u>	<u>499 208 892</u>

Penneo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHV-ZZUGN



NOV Wellbore Technologies Norway LLC

Balance sheet

Equity and liabilities	Note	2022	2021
Retained earnings			
Other equity	8	-117 806 737	-95 404 530
Total retained earnings		<u>-117 806 737</u>	<u>-95 404 530</u>
Total equity		<u>-117 806 737</u>	<u>-95 404 530</u>
Liabilities			
Long term note group companies	6	432 275 241	440 567 451
Total non-current liabilities		<u>432 275 241</u>	<u>440 567 451</u>
Current liabilities			
Trade payables		19 397 949	4 044 390
Tax payable	7	-100 268	0
Liabilities to group companies	6	159 312 534	88 252 997
Public duties payable		8 582 126	6 552 862
Other current liabilities		58 061 858	55 195 722
Total current liabilities		<u>245 254 200</u>	<u>154 045 971</u>
Total liabilities		<u>677 529 442</u>	<u>594 613 422</u>
Total equity and liabilities		<u>559 722 705</u>	<u>499 208 892</u>

Stavanger, 11.07.2023

Frank Bakke
Company Representative

Pemmo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHV-ZZUGN



Cash flow statement

NOV Wellbore Technologies Norway LLC

	Note	2022	2021
Cash flows from operating activities			
Profit before tax		-22 402 206	-63 906 662
+/- Loss/Gain sales of fixed assets		-17 536 021	-28 950 755
Ordinary depreciation		72 741 908	89 210 407
Change in inventory		-303 059	47 971 365
Change in accounts receivable		-65 375 022	-14 182 043
Change in accounts payable		-15 353 559	10 710 046
Change in other accrual items		1 414 489	-5 454 395
Net cash flows from operating activities		<u>-46 813 469</u>	<u>35 397 964</u>
Cash flows from investment activities			
Proceeds from the sale of fixed assets		62 345 234	58 906 052
Payments to buy tangible assets		-148 528 960	-116 389 847
Net cash flows from investment activities		<u>-86 183 726</u>	<u>-57 483 795</u>
Cash flows from financing activities			
Change in loan/ receivables from owner		91 075 345	-296 664 837
+ Payments from owners		0	320 511 173
Net cash flows from financing activities		<u>91 075 345</u>	<u>23 846 336</u>
Net change in cash and cash equivalents		<u>-41 921 851</u>	<u>1 760 506</u>
Cash and cash equivalents at the start of the period		<u>93 492 960</u>	<u>91 732 456</u>
Cash and cash equivalents at the end of the period		<u>51 571 109</u>	<u>93 492 961</u>

Pemneo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHY-ZZUGN



Note 1 - Accounting Principles

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

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

Principles for assessment and classification of assets and liabilities

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

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

Fixed assets

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

Inventories

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

Receivables

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

Currency

Monetary items denominated in foreign currencies are calculated at exchange rates on the balance sheet date (USD/NOK 8.11349). Non-monetary items are calculated at historical rate of the transaction date. Transactions in foreign currencies are generally calculated at the exchange rate in the current period (Year to date average USD/NOK 8.593274).

Revenue

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

Costs

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

Pensions

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

Tax

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



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

Cash Flow Statement

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

Note 2 - Revenue by segment

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

Revenue by segment	2022	2021
Rental/Service revenue	354 658 573	323 707 651
Sales Revenue	226 332 237	135 448 480
Total revenue by segment	580 990 809	459 156 131

Revenue by Country	Totals	Percentage
Norway	493 320 474	85 %
UAE	39 779 241	7 %
UK	30 945 215	5 %
Other	16 945 879	3 %
Total	580 990 809	100 %

Note 3 - Wage costs

Wage costs consists of the following:

	2022	2021
Salary	94 810 564	77 244 570
Social security expenses	13 527 265	11 349 422
Pension amount	5 269 852	4 516 614
Other benefits/ refund	-375 323	-1 888 731
Sum	113 232 357	91 221 876

Average number of employees TBA 107

Allowances:

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

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

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



Audit fees for 2022 amounts to NOK 489 500 for statutory audit. Audit fees are exclusive of VAT.

Pemso Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHY-ZZUGN



Note 4 - Intangible Asset

	Goodwill
Acquisition cost 01.01.	0
Additions during the year	17 199 609
Retirements	
Acquisition cost 31.12.2022	17 199 609
Accumulated depreciation 01.01.	0
Depreciation for the year	2 293 281
Accumulated depreciation retirements	
Dep. and amortization per 31.12.	2 293 281
Book value per 31.12.2022	14 906 328
Economic life	5 years
Depreciation plan	Linear 5-20 %



Note 5 - Fixed assets

	Fixed assets	Rental Tools	Total
Acquisition cost 01.01.	11 505 573	431 997 797	443 503 370
Adjustment Historical cost	0	0	0
Additions during the year	20 044 858	113 577 774	133 622 632
Retirements	-17 816	-110 110 654	-110 128 470
Acquisition cost 31.12.2022	31 532 615	435 464 917	466 997 532
Accumulated depreciation 01.01.	6 976 353	246 204 767	253 181 120
Correction accumulated depreciation	0	271	271
Depreciation for the year	970 316	69 478 311	70 448 627
Accumulated depreciation retirements	-17 816	-65 301 442	-65 319 258
Dep. and amortization per 31.12.	7 928 852	250 381 907	258 310 759
Book value per 31.12.2022	23 603 763	185 083 010	208 686 773
Economic life	3-10 years	3-10 years	
Depreciation plan	Linear 10-33 %	Linear 10-33%	

Pemso Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHY-ZZUGN



Note 6 - Balances with group companies

Total debt to entities in the group	NOK	591 587 776
Total receivables from entities in the group	NOK	113 660 946

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

Accounts payable group companies	NOK	159 312 534
Long term note to group companies	NOK	432 275 241

Related Parties Transactions	Amount 2022
Purchase of products and services:	
Subsidiaries	0
Other Group companies	414 636 090
Sales of product and services	
Subsidiaries	0
Other Group companies	186 321 328
Incurred management fee	
Subsidiaries	0
Other Group companies	11 646 796
Invocied management fee	
Subsidiaries	0
Other Group companies	5 968 672
Interest expense	
Subsidiaries	0
Other Group companies	17 030 297
Global insurance	
Subsidiaries	0
Other Group companies (As per invoiced in 2022)	2 064 388

Pemneo Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCKHV-ZZUGN



Note 7 Tax

This year's tax expense	2022	2021
Tax payable	0	0
Change in deferred tax	0	0
Total tax charge	0	0

Calculation of the tax base for the year:	2022	2021
Result before tax	-22 402 206	-63 906 662
Permanent differences	327 164	113 439
Change in temporary differences	-23 727 507	55 028 073
Reduction interest charges	10 071 760	13 246 996

The year's tax base	-35 730 789	-4 644 400
----------------------------	--------------------	-------------------

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

Overview of temporary differences:	2022	2021
Stock	37 354 519	34 196 435
Tangible fixed assets	104 525 706	131 367 188
Provision in accordance with good accounting practice	0	4 568 356
Total	141 880 225	170 131 979
Accumulated loss to be brought forward	276 221 931	233 367 641
Not included in the deferred tax calculation	-418 102 155	-403 499 620
Basis for calculation of deferred tax	0	0

Deferred tax (22 %/22 %)

Deferred tax is not booked to the balance sheet.

Note 8 - Equity

	Other equity
Equity pr 31.12.2021	-95 404 530
Result 2022	-22 402 206
Equity pr 31.12.2022	-117 806 736



Note 9 - Inventory

	2022	2021
Unused tools for rental or sale	1 683 974	4 062 638
Inventory of spares and related items	119 126 343	113 268 437
Total reserve	-37 288 487	-34 044 528
Total inventory	83 521 831	83 286 548

Note 10 - Bank deposits

Deposit for withheld personal income tax have been secured with a bank guarantee of 6 000 000 NOK.

Note 11 - Pension

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

Note 12 Subsequent events

No subsequent events identified.

Pemso Dokumentnøkkel: AEEGK-EZ164-EEGKN-HGCB4-SCRHV-ZZUGN



PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

FRANK BAKKE

Underskriver

Serial number: 9578-5995-4-620275

IP: 147.161.xxx.xxx

2023-07-11 09:46:06 UTC



Penneo document key: AEEGK-EZ164-EEGKIV-HGCB4-SCXHV-ZZUGN

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at **<https://penneo.com/validator>**



Statsautoriserte revisorer
Ernst & Young AS

Markens gate 9, 4610 Kristiansand
Postboks 184, 4662 Kristiansand

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of
Nov Wellbore Technologies Norway Llc NUF

Opinion

We have audited the financial statements of Nov Wellbore Technologies Norway Llc NUF (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the 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) 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Building a better
working world

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Kristiansand, 13 July 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

Independent auditor's report - Nov Wellbore Technologies Norway Llc NUF 2022

A member firm of Ernst & Young Global Limited

Penneo document key: Q4427-IL8KV-U03B4-UYPYH-PF745-1SWPA



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.
De signerende parter sin identitet er registrert, og er listet nedenfor.

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

Espen Fyllingen

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

Serienummer: UN:NO-9578-5999-4-2137889

IP: 77.16.xxx.xxx

2023-07-13 10:58:56 UTC



Penneo Dokumentnøkkel: Q4427-IL8KN-U03B4-UYPHY-PFT45-1SWPA

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>