



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 925 270 172
Organisasjonsform: Aksjeselskap
Foretaksnavn: ALTUS INTERVENTION HOLDING AS
Forretningsadresse: Lagervegen 30
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Bethuelen
Dato for fastsettelse av årsregnskapet: 26.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 18.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Payroll and related costs	2	1 568 067	475 417
Other operating expenses	2	4 224 780	114 176
Sum kostnader		5 792 847	589 593
Driftsresultat		-5 792 847	-589 593
Finansinntekter og finanskostnader			
Income from subsidiaries and associated companies		10 000 000	2 000 000
Annen renteinntekt		2 300	236
Other financial income		8 439	11 236
Sum finansinntekter		10 010 739	2 011 472
Annen rentekostnad	5	264 490	2 500
Other financial expenses		25 463	0
Sum finanskostnader		289 953	2 500
Netto finans		9 720 786	2 008 972
Ordinært resultat før skattekostnad		3 927 939	1 419 379
Ordinært resultat etter skattekostnad		3 927 939	1 419 379
Årsresultat		3 927 939	1 419 379
Overføringer og disponeringer			
Profit/(loss) for the financial year	7	3 927 939	1 419 379
Sum overføringer og disponeringer		3 927 939	1 419 379



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	2	2
Sum finansielle anleggsmidler		2	2
Sum anleggsmidler		2	2
Omløpsmidler			
Varer			
Fordringer			
Other short term receivables		530 170	177 527
Konsernfordringer	5	10 000 000	2 000 000
Sum fordringer		10 530 170	2 177 527
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		1 131 350	185 067
Sum bankinnskudd, kontanter og lignende		1 131 350	185 067
Sum omløpsmidler		11 661 520	2 362 594
SUM EIENDELER		11 661 522	2 362 596
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (353.000 shares at NOK 0,1)	3, 7	35 300	35 300
Overkurs	7	30 000	30 000
Sum innskutt egenkapital		65 300	65 300
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2021	2020
Retained earnings		5 347 318	1 419 379
Sum opptjent egenkapital		5 347 318	1 419 379
Sum egenkapital		5 412 618	1 484 679
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	5	2 666 990	402 500
Sum annen langsiktig gjeld		2 666 990	402 500
Sum langsiktig gjeld		2 666 990	402 500
Kortsiktig gjeld			
Leverandørgjeld	5	2 155 664	0
Other current liabilities		1 426 250	475 417
Sum kortsiktig gjeld		3 581 914	475 417
Sum gjeld		6 248 904	877 917
SUM EGENKAPITAL OG GJELD		11 661 522	2 362 596



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Rendering of services	4	2 212 243 000	1 568 161 000
Other operating revenue	7	6 520 000	4 967 000
Sum inntekter		2 218 763 000	1 573 128 000
Kostnader			
Cost of goods sold	3	390 781 000	261 154 000
Salary and personnel costs	8,23,2 6	1 033 710 000	908 794 000
Depreciation and amortisation expenses	11,13	258 964 000	285 720 000
Depreciation and amortisation expenses - business combinations	11,13	65 297 000	65 074 000
Amortisation Right-of use assets	12	52 940 000	54 190 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	13,14	0	82 000 000
Other operating expenses	6,12,1 8	240 796 000	245 149 000
Sum kostnader		2 042 488 000	1 902 081 000
Driftsresultat		176 275 000	-328 953 000
Finansinntekter og finanskostnader			
Finance income	9	27 422 000	1 249 001 000
Sum finansinntekter		27 422 000	1 249 001 000
Finance costs	9,12,2 2	100 252 000	271 590 000
Sum finanskostnader		100 252 000	271 590 000
Netto finans		-72 830 000	977 411 000
Ordinært resultat før skattekostnad		103 445 000	648 458 000
Income tax expense	10	-247 857 000	5 276 000
Ordinært resultat etter skattekostnad		351 302 000	643 182 000
Årsresultat		351 302 000	643 182 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Actuarial gains (losses) on defined benefit pension plans	23	-2 097 000	6 383 000
Tax related to items which will not be reclassified over profit and loss		378 000	-1 151 000
Translation differences		6 001 000	17 319 000
Sum resultatkomponenter for IFRS-foretak		4 282 000	22 551 000
Totalresultat		355 584 000	665 733 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		355 583 000	665 733 000
Sum overføringer og disponeringer		355 583 000	665 733 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	13,22	356 945 000	374 330 000
Utsatt skattefordel	10	259 356 000	14 647 000
Goodwill	13,14	1 094 282 000	1 082 715 000
Other non-current assets		6 457 000	6 125 000
Sum immaterielle eiendeler		1 717 040 000	1 477 817 000
Varige driftsmidler			
Property, plant and equipment	11,22	928 408 000	1 003 164 000
Right-of-use assets	12	184 955 000	202 502 000
Sum varige driftsmidler		1 113 363 000	1 205 666 000
Sum anleggsmidler		2 830 403 000	2 683 483 000
Omløpsmidler			
Varer			
Inventories	3,22	162 200 000	169 359 000
Sum varer		162 200 000	169 359 000
Fordringer			
Accounts receivable	17,18, 22	320 537 000	190 920 000
Other current assets	17,19	196 064 000	136 643 000
Sum fordringer		516 601 000	327 563 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17,20, 22	230 188 000	69 427 000
Sum bankinnskudd, kontanter og lignende		230 188 000	69 427 000
Sum omløpsmidler		908 989 000	566 349 000
SUM EIENDELER		3 739 392 000	3 249 832 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Issued capital	21	35 000	35 000
Overkurs	21	30 000	30 000
Sum innskutt egenkapital		65 000	65 000
Opptjent egenkapital			
Other equity		1 454 276 000	1 098 725 000
Sum opptjent egenkapital		1 454 276 000	1 098 725 000
Sum egenkapital		1 454 341 000	1 098 790 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	23	48 264 000	44 990 000
Utsatt skatt	10	19 668 000	32 826 000
Sum avsetninger for forpliktelser		67 932 000	77 816 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	15,17, 22	1 576 959 000	1 535 377 000
Other long-term liabilities	8,15,1 7,22	0	2 252 000
Lease liability	12,15, 17	128 181 000	156 183 000
Sum annen langsiktig gjeld		1 705 140 000	1 693 812 000
Sum langsiktig gjeld		1 773 072 000	1 771 628 000
Kortsiktig gjeld			
Leverandørgjeld	15,17	164 392 000	78 257 000
Current income taxes payable	10,15	4 305 000	1 145 000
Other taxes and public duties	15	54 842 000	58 598 000
Lease liabilities	12,15, 17	62 692 000	51 860 000
Accrued operating expenses and other liabilities	15,17, 24	225 750 000	189 556 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum kortsiktig gjeld		511 981 000	379 416 000
Sum gjeld		2 285 053 000	2 151 044 000
SUM EGENKAPITAL OG GJELD		3 739 394 000	3 249 834 000
POSTER UTENOM BALANSEN			
Garantistillelser	22	1 576 959 000	1 535 377 000
Pantstillelser	22	1 576 959 000	1 537 629 000



Skatteetaten

Vår dato
02.02.2021

Din/Deres dato
19.01.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR411386712

Telefon
32212244

Org.nr
974761076

Vår referanse
2021/5071372

Postadresse
Postboks 9200 Grønland
0134 OSLO

ALTUS INTERVENTION HOLDING AS
Postboks 281 Forus
4068 STAVANGER

Att. Anniken Bjerke

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Altus Intervention Holding AS, org.nr. 925 270 172

Vi viser til deres brev av 19. januar 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Altus Intervention Holding AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Altus Intervention 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

Altus Intervention Holding AS er eid av norske og utenlandske profesjonelle eiere. Selskapet er morselskap til Altus-konsernet som er et norsk konsern bestående av internasjonale selskaper med verdensomspennende operasjoner i oljeservicebransjen. Øvrige selskaper i konsernet er tidligere gitt tillatelse til å utarbeide årsregnskap og årsberetning på engelsk. Konsernets kunder er store, internasjonale aktører, og arbeidsspråket i konsernet 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 er eid av profesjonelle eiere og 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.



Annual Report 2021

Altus Intervention Holding AS

Org.no.: 925 270 172

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Altus Intervention Holding AS Consolidated Accounts

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Business operations

Altus Intervention Holding AS (Parent) is the parent company of the Altus Intervention Group of companies. Altus Intervention Holding AS with its subsidiaries (Company) is a specialist well intervention service and technology provider to the global oil and gas industry. The Company was established 9th of January 2014 when Aker Solution's Well Intervention Services business was acquired. Altus Interventions Holding AS was established as parent in connection with a restructuring process in 2020 where Altus Intervention Holding AS acquired all shares of Oz Midco AS from the former parent Oz Topco AS.

The Company's main office is in Stavanger, Norway and have presence in Denmark, United Kingdom, U.S.A, Canada, Saudi Arabia, UAE, Malaysia, Indonesia, India and Equatorial Guinea.

2021 was another year influenced by the COVID-19 virus. Protecting health and life of the employees has remained a key priority throughout the company. During the past two years our employees have despite the constraints caused by the virus adapted to new ways of working and continued to set new standards for well intervention operations.

In February 2022, Russian armed forces invaded Ukraine. The Company has no employees in Ukraine or Russia as well as no activity or planned activities in Ukraine or Russia. The Company is closely monitoring the risk for any impact on the Group's operation including supply chain and other associated risks.

Financial results and allocation of net profit

The consolidated total revenues for 2021 were NOK 2,219 million, up 41% from NOK 1,573 million in 2020 primarily due to increase in activity following recovery in the market and gradually lower impact of the pandemic. The Parent had no revenues for 2021.

The Consolidated operating result before depreciations and amortizations (EBITDA) was 553 NOK million. The Company's operating profit was NOK 176 million and the Company's profit for the year from total operations was NOK 351 million. The Parent recorded an operating loss of NOK 5,8 million and an annual net profit of NOK 3,9 million for 2021. The Company had a positive cash flow from operating activities of NOK 441 million and total cash flow for the year was NOK 161 million. The Parent's total cash flow for the year ended at 1 MNOK.

The consolidated profit for the year from total operations was NOK 351 million. All goodwill derived from the acquisition of the Company 9th January 2014 and goodwill is in accordance with IFRS tested for impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations using cash flow projections. In the impairment test it was concluded that the recoverable amount of goodwill did exceed the carrying amount at 31.12.21 and no impairment is recognised.



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The Parent's financial result for the year is a profit of NOK 3,9 million which the directors propose to allocate to Profit brought forward.

Business and Industry related risks

The Company continues to be in a sound position in the market. However, our business is ultimately affected by the level of activity in the oil and gas industry, which is significantly affected by among other things volatile oil prices. Our Company's statement of operations may thus be adversely affected by a decline in the global oil and gas industry.

A significant portion of the Company's contract revenues for the year ended December 31, 2021, were received from major oil companies. There is thus a concentration of revenue risk towards these customers. The Company competes with larger multinational companies and this competition can result in pricing pressure and lower margins on our revenues. This could have an adverse effect on our statement of operations and cash flows.

Financial risk

The Company has financial assets, including cash and cash equivalents, receivables and other investments. These assets expose the Company to credit risk arising from possible default by the counterparty. The Company considers the counterparties to be creditworthy financial institutions and customers and does not expect any significant losses from non-performance by such counterparties.

The Company has operations and assets and liabilities in countries with currency other than NOK and incurs expenditures in other currencies. This is causing its results from operations to be affected by fluctuations in currency rates. The company is also exposed to changes in interest rates on floating interest rate debt. There is thus a risk that currency and interest rate fluctuations will have a negative effect on the value of the Company's cash flows.

The Company's ability to make payments and to refinance its indebtedness and to fund planned capital expenditure depends on its ability to generate cash in the future. The Company has plans to make capital investments in order to develop the Company and increase its capacity to return cash to its owners. To secure the growth plans the Company has undrawn commitments from credit facilities.

Working environment, personnel, and equal rights

The work environment in the company is considered satisfactory. Absence due to illness constitute of 3 % of total working time. No serious workplace injuries or major damages to material have occurred or been reported during the year.

The Parent company has no employees, while the Company had on average 1,058 employees during 2021. The company is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality, or other factors. The company has a diverse workforce, which it seeks to develop and motivate through strategy involvement, competency management, employee engagement, career development and leadership training.



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The Company seeks to promote diversity in its workforce through clear requirements for diversity in recruitment and development of individuals and programs supporting equal opportunity, in accordance with its Code of Conduct, People Policy and recruitment procedures. Men have traditionally dominated the oil and gas industry and, particularly, offshore work. This continues to be reflected in the company's organization, where around 11 percent of its employees are women. The Company is highly conscious of recruiting qualified female work force. The company actively promotes equality throughout the organisation and complies with Norwegian laws regarding non-discrimination and equality.

The Company has organized the daily operation to focus on equal treatment and opportunities for men and women, and with equal treatment no matter what ethnicity, nationality, language, religion or belief. The board is of the opinion that the Company operates within the objective of the Norwegian Act of discrimination, where gender diversity and equality between people are highly rated.

The directors and officers of the Company are covered under a Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

Research and development

The Company's research and development activities take place in Houston (USA) and Stavanger (Norway).

The company maintains a level of sustaining development with relation to wireline tractor and tractor application technology, including a mixture of client funded new product research, plus internally funded development of existing designs and technologies. This work is ongoing and represents a cycle of continuous improvement.

Environment

Protection of the external environment is considered good, and protocols for use of chemicals and radioactive isotopes comply with government standards. The Company is certified according to ISO 14001. In 2021 there were no incidents in respect of the outside environment.

Going concern

The COVID-19 virus may have negative influence on the operations also in 2022. Although future developments are difficult to predict the Company is cautiously optimistic that the increased rate of vaccination will lead to lower impact of the virus going forward.

During 2021 the Company's order backlog has increased significantly following several long-term contract awards which has created a solid foundation for the Company.

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the consolidated financial statements and parent company financial statements have been prepared based on the going-concern assumption. The Board of Directors confirm that the Annual Report for 2021 gives a true and fair overview of the development during



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the year and the impact on the financial statements, the most significant risk and uncertainties facing the company.

Subsequent events

In March 2022 Baker Hughes signed an agreement to acquire Altus Intervention. The acquisition agreement includes all intellectual property, personnel, and commercial agreements. The transaction is expected to close in the second half of 2022.

There are no events after 31st December 2021 affecting the Consolidated Financial Statement for the year ending 31st December 2021.

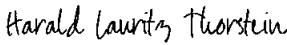
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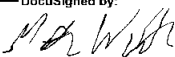
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For the Board of Directors of Altus Intervention Holding AS
Stavanger, 26 April 2022

DocuSigned by:

606CDDBD2712433
Harald Lauritz Thorstein
Chairman of the Board

DocuSigned by:

2563CF74DD6E4CD
Helga Cotgrove
Member of the Board

DocuSigned by:

A778CC26DB4E40A
Morten Haakon Walde
Member of the Board

DocuSigned by:

E4711750BA394E6
Ian Malcolm Smith
Member of the Board



Altus Intervention Holding AS

Profit and loss statement

OPERATING REVENUE AND OPERATING EXPENSES	NOTE	2021	2020
Payroll and related costs	2	1 568 067	475 417
Other operating expenses	2	4 224 780	114 176
Total operating expenses		5 792 847	589 593
Operating profit/(loss)		-5 792 847	-589 593
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from subsidiaries and associated companies		10 000 000	2 000 000
Other interest income		2 300	236
Other financial income		8 439	11 236
Interest expense to group companies	5	-264 490	-2 500
Other financial expenses		-25 463	0
Financial items, net		9 720 786	2 008 972
Profit/(loss) before taxation		3 927 939	1 419 379
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3 927 939	1 419 379
Annual net profit/(loss)		3 927 939	1 419 379
ALLOCATION OF NET PROFIT/(LOSS)			
Profit/loss brought forward	7	-3 927 939	-1 419 379
Total allocations and equity transfers		3 927 939	1 419 379



Altus Intervention Holding AS

Balance sheet at 31 December

ASSETS	NOTE	2021	2020
Non-current assets			
Financial non-current assets			
Investments in subsidiary companies	4	2	2
Total financial non-current assets		<u>2</u>	<u>2</u>
Total non-current assets		<u>2</u>	<u>2</u>
Current assets			
Receivables			
Other short-term receivables		530 170	177 527
Group contribution	5	10 000 000	2 000 000
Total receivables		<u>10 530 170</u>	<u>2 177 527</u>
Cash and cash equivalents		1 131 350	185 067
Total current assets		<u>11 661 520</u>	<u>2 362 594</u>
TOTAL ASSETS		<u>11 661 522</u>	<u>2 362 596</u>




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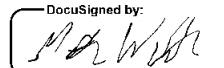
Altus Intervention Holding AS

Balance sheet at 31 December

SHAREHOLDERS EQUITY AND LIABILITIES	NOTE	2021	2020
Shareholders equity			
Paid-in capital			
Share capital (353.000 shares at NOK 0,1)	3, 7	35 300	35 300
Share premium reserve	7	30 000	30 000
Total paid-in capital		65 300	65 300
Retained earnings			
Retained earnings		5 347 318	1 419 379
Total retained earnings		5 347 318	1 419 379
Total shareholders equity		5 412 618	1 484 679
Liabilities			
Other non-current liabilities			
Loans from group companies	5	2 666 990	402 500
Total non-current liabilities		2 666 990	402 500
Current debt			
Accounts payable	5	2 155 664	0
Other current liabilities		1 426 250	475 417
Total current liabilities		3 581 914	475 417
Total liabilities		6 248 904	877 917
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		11 661 522	2 362 596

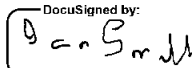
Stavanger, 26.04.2022

DocuSigned by:

Harald Lauritz Thorstein
chairman of the board

DocuSigned by:

Morten Haakon Waide
member of the board

DocuSigned by:

Helga Cotgrove
member of the board

DocuSigned by:

Ian Malcolm Smith
member of the board



Altus Intervention Holding AS Cash flow statement

CASH FLOW FROM OPERATIONS:	2021	2020
Profit/(loss) before taxation	3 927 939	1 419 379
Other non-cash financial income	-10 000 000	-2 000 000
Change in trade payables	2 155 664	0
Changes in other current assets and other liabilities	598 190	297 892
Net cash flow from operations	-3 318 207	-282 729
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Inflows due to investments in financial non-current assets	0	-2
Net cash flow from investment activities	0	-2
CASH FLOW FROM FINANCING ACTIVITIES:		
Net change in loans from group companies	2 264 490	402 500
Equity repayment	0	65 300
Payments in due to group contribution	2 000 000	0
Inflow due to change in equity	0	65 300
Net cash flow from financing activities	4 264 490	467 800
Net change in cash and equivalents	946 283	185 067
Cash and equivalents at 1 January	185 067	0
Cash and equivalents at 31 December	1 131 350	185 067



Altus Intervention Holding AS - Notes to the accounts

925 270 172

Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Valuation and classification of assets and liabilities

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

Current assets are valued at the lower of historical cost and fair value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost in the parent company accounts. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Dividends and group contributions received are recognised as other financial income, provided that such receipts exceed Altus Intervention Holding AS's share of profit over the period the shares have been held by Altus Intervention Holding AS or to the extent dividend/group contribution received exceeds the book value of such shares.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity. Tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.



Altus Intervention Holding AS - Notes to the accounts

925 270 172

Note 2 Number of employees, remuneration, loans to employees etc.

In 2021 the company has no employees and fee to the Board of Directors is NOK 1 568 067.

Remuneration to auditor incl vat	2021	2020
Audit	951 395	0
Other services	65 708	25 000
Other assurance reports	323 038	0
Total	1 340 141	25 000

Exit Bonus

In 2020 Altus Intervention Holding AS established an exit bonus agreement for a group of key employees. Subject to the occurrence of an Exit Event based on an Enterprise Value above a minimum threshold, the employee is entitled to the exit bonus. The employee is entitled to the exit bonus only if the employee remains continuously employed in a non-terminated position within the Altus Group from the date of the agreement until completion of the exit event.

There is no expiration date on the agreements. Any exit bonus is paid in cash.

In accordance with IFRS standards, no liability is recorded in the balance sheet at 31 December 2021.



Altus Intervention Holding AS - Notes to the accounts

925 270 172

Note 3 Shareholders

The share capital in Altus Intervention Holding AS as of 31.12 consists of the following share classes:

	Total	Face value	Entered
Ordinary shares	300 000	0,1	30 000
Preference shares	53 000	0,1	5 300
Total	353 000		35 300

Ownership structure

The largest shareholders in % at year end:

	Ordinary shares	Preference shares	Total	Owner interest	Share of votes
Qserve Management Invest AS	300 000		300 000	85,0	85,0
Godskipet 4 AS		20 829	20 829	5,9	5,9
Danske Bank A/S		20 776	20 776	5,9	5,9
IFA DBB AB		11 395	11 395	3,2	3,2
Total number of shares	300 000	53 000	353 000	100,0	100,0

Note 4 Subsidiaries, associated companies etc.

Company	Date of acquisition	Office	Ownership interest	Voting interest
OZ Midco AS	11.09.2020	Stavanger	100%	100%

Company	Cost	Equity per latest financial statements	Profit/Loss per latest financial statements
OZ Midco AS	2	451 834 688	-3 796 470

Note 5 Inter-company balances

	2021	2020
Group companies - long term liability	2 666 990	402 500
Group companies - short term liability	617 234	0
Group companies - group contribution receivables	10 000 000	2 000 000
Total	13 284 224	2 402 500



Altus Intervention Holding AS - Notes to the accounts

925 270 172

Note 6 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	3 927 939	1 419 379
Permanent differences	-10 000 000	-2 000 000
Cut interest deduction	262 190	2 264
Taxable income	-5 809 871	-578 357
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

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

	2021	2020	Difference
Accumulated loss to be brought forward	-6 388 228	-578 357	5 809 871
Cut interest deduction	-264 454	-2 264	262 190
Not included in the deferred tax calculation	6 652 682	580 621	-6 072 061
Deferred tax assets (25 %)	-1 663 170	-145 155	1 518 015

Deferred tax not included in the balance sheet.

Note 7 Equity

	Share capital	Share premium	Retained earnings	Total
Opening balance 01 January 2021	35 300	30 000	1 419 379	1 484 679
Profit of the year			3 927 939	3 927 939
Closing balance 31 December 2021	35 300	30 000	5 347 319	5 412 618

Note 8 Events after the balance sheet day

In March 2022 Baker Hughes agreed to acquire 100 percent of the shares in Oz Midco AS. The agreement includes the whole Altus Intervention Group including all subsidiaries, intellectual property, personnel, and commercial agreements. The transaction is expected to close in the second half of 2022.

In February 2022, Russian armed forces invaded Ukraine. The Company has no employees in Ukraine or Russia as well as no activity or planned activities in Ukraine or Russia. The Management are closely monitoring the risk for any impact on the Group's operation including supply chain and other associated risks.

There have been no events after 31st December 2021 affecting the Consolidated Financial Statement for the year ending 31st December 2021.



Altus Intervention Holding AS

Consolidated Statement of profit & loss and other comprehensive income

1 January - 31 December

(NOK 1000)

	Note	2021	2020
Rendering of services	4	2 212 243	1 568 161
Other operating revenue	7	6 520	4 967
Total revenue		2 218 763	1 573 128
Cost of goods sold	3	-390 781	-261 154
Salary and personnel costs	8,23,26	-1 033 710	-908 794
Other operating expenses	6,12,18	-240 796	-245 149
Depreciation and amortisation expenses	11,13	-258 964	-285 720
Depreciation and amortisation expenses - business combinations	11,13	-65 297	-65 074
Amortisation Right-of use assets	12	-52 940	-54 190
Impairment and write downs	13,14	0	-82 000
Operating profit (- loss)		176 274	-328 953
Finance income	9	27 422	1 249 001
Finance costs	9,12,22	-100 252	-271 590
Profit (- loss) before tax		103 444	648 458
Income tax expense	10	247 857	-5 276
Profit (- loss) for the year from total operations		351 301	643 182
Other comprehensive income			
<i>Items which will not be reclassified over profit and loss</i>			
Actuarial gains (losses) on defined benefit pension plans	23	-2 097	6 383
Tax related to items which will not be reclassified over profit and loss		378	-1 151
<i>Items which may be reclassified over profit and loss</i>			
Translation differences		6 001	17 319
Other comprehensive income (-loss) net of income tax		4 282	22 551
Total comprehensive income (-loss) for the year		355 583	665 733
Profit (-loss) for the year attributable to:			
Equity holders of the parent company		351 301	643 182
Profit (-loss) for the year		351 301	643 182
Total comprehensive income (-loss) attributable to:			
Equity holders of the parent company		355 583	665 733
Total comprehensive income (-loss)		355 583	665 733



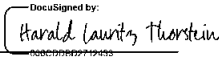
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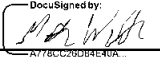
Altus Intervention Holding AS

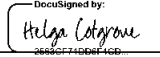
Consolidated Statement of financial position (NOK 1000)

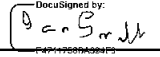
	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	11,22	928 408	1 003 164
Right-of-use assets	12	184 955	202 502
Intangible assets	13,22	356 945	374 330
Goodwill	13,14	1 094 282	1 082 715
Deferred tax assets	10	259 356	14 647
Other non-current assets		6 457	6 125
Total non-current assets		2 830 404	2 683 483
Current assets			
Inventories	3,22	162 200	169 359
Accounts receivable	17,18,22	320 537	190 920
Other current assets	17,19	196 064	136 643
Cash and cash equivalents	17,20,22	230 188	69 427
Total current assets		908 989	566 350
Non-current assets classified as held for sale		0	0
TOTAL ASSETS		3 739 393	3 249 833
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital	21	35	35
Share premium	21	30	30
Total paid in capital		65	65
Other equity			
Other equity		1 454 276	1 098 725
Total other equity		1 454 276	1 098 725
Non-controlling interests			
Total equity		1 454 341	1 098 790
Non-current liabilities			
Interest-bearing loans and borrowings	15,17,22	1 576 959	1 535 377
Other long-term liabilities	8,15,17,22	0	2 252
Lease liabilities	12,15,17	128 181	156 183
Pension liability	23	48 264	44 990
Deferred tax liabilities	10	19 668	32 826
Total non-current liabilities		1 773 071	1 771 629
Current liabilities			
Lease liabilities	12,15,17	62 692	51 860
Accounts payable	15,17	164 392	78 257
Current income taxes payable	10,15	4 305	1 145
Other taxes and public duties	15	54 842	58 598
Accrued operating expenses and other liabilities	15,17,24	225 750	189 556
Total current liabilities		511 981	379 415
Total liabilities		2 285 052	2 151 043
TOTAL EQUITY AND LIABILITIES		3 739 393	3 249 833

For the Board of Directors of Altus Intervention Holding AS
Stavanger, 26 April 2022

DocuSigned by:

DocuSigned by:
4778C200B8E8A4
Harald Lauritz Thorstein
Chairman of the Board

DocuSigned by:

DocuSigned by:
A778C200B8E8A4
Morten Haakon Walde
Member of the Board

DocuSigned by:

DocuSigned by:
2660CF34D88F4C6
Helga Cotgrove
Member of the Board

DocuSigned by:

DocuSigned by:
E2P117689A3884F3
Ian Malcolm Smith
Member of the Board



Consolidated statement of changes in equity
(NOK 1000)

Altus Intervention Holding AS Consolidated

	Share capital	Share premium	Translation differences	Actuarial gains and losses	Retained earnings	Total other equity	Total equity
Equity as at 01.01.2020	375 371	1 438 497	103 025	-4 901	-2 823 782	-2 725 658	-911 790
Restructuring Oz Topco AS	-375 371	-1 438 497			1 813 868	1 813 868	0
Incorporation of Altus Intervention Holding AS	30					0	30
Share capital decrease	-30					0	-30
Share capital increase ordinary shares	30	30				0	60
Share capital increase preference shares	5					0	5
Conversion of debt to equity					1 344 366	1 344 366	1 344 366
Profit for the period					643 182	643 182	643 182
Actuarial gains and losses				5 232		5 232	5 232
Translation differences			17 735			17 735	17 735
Equity as at 31.12. 2020	35	30	120 760	331	977 634	1 098 725	1 098 790
Profit for the period					351 301	351 301	351 301
Actuarial gains and losses				-1 719		-1 719	-1 719
Translation differences			5 968			5 968	5 968
Equity as at 31.12. 2021	35	30	126 728	-1 388	1 328 935	1 454 275	1 454 341



Consolidated financial statements

Altus Intervention Holding AS

Consolidated statement of cash flows

	2021	2020
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	103 444	648 458
Adjustments for:		
Taxes paid for the period	-6 849	-23 997
Depreciation and amortisation	377 202	364 094
Impairment and write downs	0	82 000
Effect of currency rate changes	-5 589	17 735
(Gain)/loss on sale of fixed assets and intangibles	-6 520	-4 967
Other non-cash financial expense	41 581	-1 095 371
Change in inventory	7 158	-2 309
Change in trade receivables	-129 616	58 090
Change in trade payables	86 135	-64 067
Changes in other current assets and other liabilities	-25 427	35 572
Net cash flow from operations	441 519	15 237
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Inflows due to sales of fixed assets	14 976	7 633
Outflows due to purchases of fixed assets	-188 675	-121 823
Outflows due to purchases of intangibles	-46 626	-56 574
Net cash flow from investment activities	-220 325	-170 764
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow due to new non-current liabilities	0	290 666
Outflow due to repayment of non-current liabilities	-2 252	-33 766
Inflow due to share capitla increase	0	65
Outflow due to new long-term receivable	-332	-5 694
Payments of leases	-57 850	-25 021
Net change in bank overdraft	0	-17 659
Net cash flow from financing activities	-60 434	208 591
Net change in cash and equivalents	160 761	53 064
Cash and equivalents at 1 January	69 427	16 363
Cash and equivalents at 31 December	230 188	69 427



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Note 1 - Summary of significant accounting policies – IFRS

1. General information

Altus Intervention Holding AS is a limited company, incorporated in Norway, headquartered in Stavanger. Address to the headquarter is Lagerveien 30, 4033 Stavanger, Norway.

The consolidated financial statements of Altus Intervention Holding AS for the fiscal year 2020 were approved in the board meeting on 26 April 2022.

All amounts in notes are in NOK 1000, except has otherwise specifically stated.

2. Adoption of new and revised Standards

New and amended IFRS Standards that are effective for the current year

None of the amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 21 is applicable for the Group. Their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including the June 2020 amendments to IFRS 17) – Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Significant accounting policies

Basis for preparation of the annual accounts

The Altus Intervention Holding AS Group's consolidated financial statements have been prepared in accordance with simplified IFRS defined by the Norwegian Accounting Act §3-9. From this follows that principles for measurement and recognition to the profit and loss accounts are according to IFRS, while the income statement, balance sheet and cash flow statements including notes are presented in accordance to the Norwegian Accounting Act's remaining sections, unless there are specific references to IFRS and its framework. In these instances, the IFRS framework is applied. The parent company financial statements have been prepared in accordance with the Norwegian Accounting Act. The financial statements have been prepared based on the standards and interpretations that were effective at 31 December 2021.



The consolidated financial statements are based on historical cost, with the exception of financial instruments at fair value and loans which are recognised at amortised cost.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Functional currency and presentation currency

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

Changes in the exchange rate are recognised continuously in the accounting period.

The Group's presentation currency is NOK. This is also the parent company's functional currency.

The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income ("OCI").

When investments in foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary attributable to the equity holders of the parent are recognised in the statement of comprehensive income. When a loss of control, significant influence or joint control is present the accumulated exchange differences related to investments allocated to controlled interests is recognised in profit and loss.

When a partial disposal of a subsidiary (not loss of control) is present the proportionate share of the accumulated exchange differences is allocated to non-controlling interests.

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of December 31, 2021. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following: Power over the entity; exposure, or rights, to variable returns from its involvement with the entity; and the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

The assessments are done for each individual investment.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.



Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented separately under equity in the Group's balance sheet. The Group do not have any non-controlling interest as per 31 December 2020.

Change in ownership interest without loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognised at the equity attributable to the parent.

Loss of control

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognised and any investment retained is recognised at fair value. Gain or loss is recognised in profit and loss at the date when the control is lost.

The use of estimates and assessment of accounting policies when preparing the annual accounts

Estimates and assumptions

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation of tangible fixed assets, evaluation of goodwill, evaluations related to share-based payments and pension commitments. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

Revenue recognition

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligation in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligation in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group recognizes revenue from the following major sources:

- Rendering of services – Ad-hoc provision of equipment, personnel and related services at contracted rates.
- Sale of goods – Sale of manufactured assets of consumables to customers as part of overall rendering of services.



Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a service or product to a customer. Revenues are presented net of value added tax and discounts.

Revenue from rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Revenue from sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 8. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Income tax

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

temporary differences linked to goodwill that are not tax deductible
temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

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



Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Research and development

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

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

Tangible assets

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

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

Depreciation is calculated using the straight-line method over useful life of 3 to 15 years.

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

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

Leasing

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments). Less any lease incentives;

Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;



The amount expected to be payable by the lessee under residual value guarantees;

The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Payments of penalties for termination the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct cost. They are subsequently measured at cost less accumulated depreciations and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The cost are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 11.

Variable rent that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss (see note 12)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

the technical feasibility of completing the intangible asset so that it will be available for use or sale;

the intention to complete the intangible asset and use or sell it;

the ability to use or sell the intangible asset;

how the intangible asset will generate probable future economic benefits;

the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Business combinations and goodwill

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee benefits respectively;

liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date, and

assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values



are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if the interest were disposed of.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is assumed to have an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The acquisition of a company is based upon its strategic fit and anticipated profitability of that company over a long time of period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill is not amortised but tested yearly for impairment.

Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognised systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised either as deferred income or as a deduction of the asset's carrying amount.

Non - current assets held for sale and discontinued operations

Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and groups of non-current assets and liabilities which are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

The Group has classified all of its financial assets at amortised cost.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.



For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item, ref note 9.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the finance income and finance costs line item (note 9). The Group does not apply hedge accounting.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.



Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).



(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.



Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.



Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the finance income and finance costs line item in profit or loss (note 9). The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Inventories

Inventories are recognised at average cost.

Cash and cash equivalents

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

Equity

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economical realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Convertible bonds and similar instruments which contain both a liability and equity element are divided into two components when issued, and these are recognised separately as a liability or equity.

Treasury shares

When treasury shares are repurchased, the purchase price including directly attributable costs is recognised in equity. Treasury shares are presented as a reduction in equity. Losses or gains on transactions involving treasury shares are not recognised in the statement of comprehensive income.

Costs of equity transactions

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.



Other equity

Reserve

This reserve contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost. The reserve also contains total net changes in the fair value of financial instruments classified as available for sale until the investment has been sold or it has been determined that the investment is of no value.

Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.

Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognised in the statement of comprehensive income in the same period as the gain or loss on the sale is recognised.

Employee benefits

Defined benefit plans

Defined benefit plans are valued at the present value of accrued future pension benefits at the end of the reporting period. Pension plan assets are valued at their fair value.

The current service cost and net interest income/costs are recognised immediately and is presented in the salary and personnel cost in the income statement. Net interest income/costs is calculated by using the discount rate of the liability at the beginning of the period on the net liability. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognised continuously through other comprehensive income. The pension costs are affecting the salary and personnel costs in the income statement. Actuarial gains and losses, including changes in value, both for assets and liabilities, are recognised through other comprehensive income. Actuarial gains and losses are not reclassified over profit and loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised through profit and loss when the curtailment or settlement occurs.

A curtailment occurs when the Group decides to make a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan such that a considerable part of the current employees' future earnings will no longer qualify for benefits or will qualify only for reduced benefits.

The introduction of a new defined benefit plan or an improvement to the current defined benefit plan will lead to changes in the pension liabilities. These will be charged to expenses in a straight line during the period until the effect of the change has been accrued. The introduction of new plans or changes to existing plans which take place with retroactive effect so that the employees immediately accrue a paid-up policy (or a change in a paid-up policy) are recognised in the statement of comprehensive income immediately. Gains or losses linked to curtailments or terminations of pension plans are recognised in the statement of comprehensive income when they arise.

Defined contribution plans

In addition to the defined benefit plan described above, the Group's other companies have made contributions to local pension plans. The pension premiums are charged to expenses as they are incurred.

Provisions

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.



A provision for a guarantee is recognised when the underlying products or services are sold. The provision is based on historical information on guarantees and a weighting of possible outcomes according to the likelihood of their occurrence.

Restructuring provisions are recognised when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognised when the Group's estimated revenues from a contract are lower than unavoidable costs which were incurred to meet the obligations pursuant to the contract.

Contingent liabilities and assets

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2: List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Owned by Parent company					
Oz MidCo AS	09.01.14	Yes	Norway	100 %	100 %
Owned by subsidiary company					
Oz HoldCo AS	09.01.14	Yes	Norway	100 %	100 %
Altus Intervention Group AS	09.01.14	Yes	Norway	100 %	100 %
Altus Intervention AS	09.01.14	Yes	Norway	100 %	100 %
Altus Intervention Holding Ltd	09.01.14	Yes	England	100 %	100 %
Altus Intervention Ltd	09.01.14	Yes	England	100 %	100 %
Altus Intervention USA Inc	09.01.14	Yes	US	100 %	100 %
Altus Intervention Canada Inc	09.01.14	Yes	Canada	100 %	100 %
Altus Intervention Technologies AS	01.07.15	Yes	Norway	100 %	100 %
Altus Intervention SA de C.V	18.12.15	Yes	Mexico	100 %	100 %
Altus Intervention Services SA de C.V	18.12.15	Yes	Mexico	100 %	100 %
Altus Intervention (ME) Ltd	31.07.16	Yes	Aberdeen	100 %	100 %
Altus Intervention Sdn. Bhd.	25.10.16	Yes	Malaysia	100 %	100 %
Altus Intervensi Teknologi, PT	25.09.17	Yes	Indonesia	100 %	0 %
Altus Intervention Saudi Arabia LLC	13.11.19	Yes	Saudi Arabia	100 %	100 %
Alati AS	06.01.21	Yes	Norway	80 %	80 %

Company	Cost	Equity latest financial statements	Profit/loss latest financial statements
Owned by Parent company			
Oz MidCo AS	0,002	451 835	-3 796
Owned by subsidiary company			
Oz HoldCo AS		1 560 559	219 381
Altus Intervention Group AS		1 323 978	-7 385
Altus Intervention AS		723 845	151 596
Altus Intervention Holding Ltd		513 219	591 690
Altus Intervention Ltd		724 571	22 789
Altus Intervention USA Inc		-1 820	6 985
Altus Intervention Canada Inc		-66 906	-713
Altus Intervention Technologies AS		568 650	1 521
Altus Intervention SA de C.V		-2 405	-
Altus Intervention Services SA de C.V		-1 450	-
Altus Intervention (ME) Ltd		-61 017	8 728
Altus Intervention Sdn. Bhd.		2 625	-1 531
Altus Intervensi Teknologi, PT		2 354	-910
Altus Intervention Saudi Arabia LLC		-13 153	-4 818
Alati AS		-	-



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 3: Inventories

	2021	2020
Inventories at cost	171 909	176 288
Provision for obsolescence	-9 709	-6 929
Total	162 200	169 359

The Group's inventories includes spare parts, the in-house manufacturing process and inventory items used in the continuous engineering and development programs.

The cost of inventories recognised as an expense during the year in respect of continuing operations was 391 MNOK (31 December 2020: 261 MNOK) in the profit & loss in the line item cost of goods sold.

The cost of inventories recognised as an expense in 2021 is 3,1 MNOK (2020: 0,4 MNOK)

Inventories with a carrying amount of 155 MNOK (2020: 160 MNOK) have been pledged as security for certain of the Group's bank overdraft and external loans.

Note 4: Revenues

The Group provides well intervention services to the oil and gas industry, offering services including wireline services, wireline tractor services, logging services and coiled tubing services.

The geographical split of revenue is as follows:

	2021	2020
Norway	969 760	598 099
United Kingdom	717 033	564 635
North America	133 073	82 481
Other countries	392 377	322 946
Total	2 212 243	1 568 161

All of the Group's revenues derives from the same business segment.

Note 5: Transactions and balances with related parties

Long term debt/receivable	Relation	Note	2021	2020
Loan to related party	Parent		102	0
Total			102	0

Intercompany interest	Relation	2021	2020
Loan from related party	Parent	0	-14 452
Loan to related party	Parent	2	0
Total		2	-14 452

Interest has been charged at 13 % and the interest is capitalised to the loan and payable together with repayment of the loan. The loan was settled as part of the completed restructuring process of external financing on 11 September 2020. Loan to parent has been charged at 5 % and the interest is capitalised to the loan and payable together with repayment of the loan.

Note 6: Other Operating Expenses

Specification auditor's fee	2021	2020
Statutory audit	2 375	2 069
Other assurance services	207	414
Tax consultant services	946	791
Other assurance reports	468	433
Total	3 997	3 707

VAT is not included in the fees specified above.

Note 7: Other Operating Income

	2021	2020
Net gain on disposal of property, plant and equipment	6 520	4 967
Other operating income	6 520	4 967



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 8: Salary and personnel expense and management remuneration

	2021	2020
Salaries and holiday pay	856 657	815 096
Government's COVID-19 Retention Scheme (see note 26)	-13 336	-50 986
Social Security tax	104 171	96 380
Pension costs (Note 23)	66 785	67 984
Other personnel costs	19 433	20 670
Share-based payments and exit bonus (Note 17)	0	-40 350
Total salaries and personnel expense	1 033 710	908 794

Average number of fulltime equivalents during the year: 1 058 1 059

In addition to the Total Salaries and personell costs charged to profit and loss, 26,8 MNOK is capitalized as part of development of new technology in 2021 (2020: 27,8 MNOK) in the line item intangible assets.

Directors' remuneration		2021	2020
Name	Function		
Harald Lauritz Thorstein ***	Chairman	167	0
Helga Cotgrove ***	Member of the board	83	0
Morten Haakon Walde ***	Member of the board	83	0
Ian Smith ***	Member of the board	83	0
Previous board of directors:			
Odd Christopher Hansen **	Chairman	0	917
Peter Mellbye **	Member of the board	0	250
Jørgen Peter Rasmussen *	Member of the board	0	106
Total		417	1273

There have not been any remuneration related to pension, severance allowance or share based payments. None of the shares in the Company are held by Board of Directors.

* Resigned during 2019

** Resigned during 2020. Board fee up to 10 September paid in 2020.

*** Board fee 11th September to 31 December 2020 paid in February 2021

Share based payments

In connection with the restructuring process completed on 11 September 2020, the accrued share based exit bonus recorded for under IFRS 2 of 40,4 MNOK, was reversed.

Exit bonus

In 2020 Altus Intervention Holding AS established an exit bonus agreement for a group of key employees. Subject to the occurrence of an Exit Event based on an Enterprise Value above a minimum threshold, the employee is entitled to the exit bonus. The employee is entitled to the exit bonus only if the employee remains continuously employed in a non-terminated position within the Altus Group from the date of the agreement until completion of the exit event.

There is no expiration date on the agreements. Any exit bonus is paid in cash.

In accordance with IFRS standards, no liability is recorded in the balance sheet at 31 December 2021.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 9: Financial income and expenses

Financial income	2021	2020
Interest income	2 115	597
Gain from settlement of non-current liabilities	0	1 212 694
Foreign exchange gains	18 091	35 709
Other financial income	7 216	1
Total financial income	27 422	1 249 001

Financial expenses	2021	2020
Interest expense loan from financial institutions	-77 002	-191 991
Interest expense shareholder loan	0	-14 452
Interest expense on lease liabilities	-12 421	-10 301
Foreign exchange losses	-9 503	-53 393
Other financial expenses	-1 326	-1 453
Total financial expenses	-100 252	-271 590

Interest expense	2021	2020
Payable interest	-47 843	-69 922
Non-payable interest capitalised	-41 580	-146 822
Total financial expense recognised at amortized cost	-89 423	-216 744

In connection with the restructuring process completed on 11 September 2020 a part of Oz Holdco AS' debt was settled by Oz Midco AS. The gain from debt settled by Oz Midco AS is accounted for as derecognition of debt presented as financial income. See note 27.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 10: Income tax

Income tax expense:

	2021	2020
Current tax:		
Tax payable	9 592	19 601
Deferred tax		
Changes in deferred tax	-257 449	-14 325
Tax expense	-247 857	5 276

A reconciliation of the effective rate:

	2021	2020
Pre-tax profit (- loss)	103 444	648 459
Income taxes calculated at 22% (22 %)	22 758	142 661
Adjustment in respect of current income tax of previous years	77	462
Changes in deferred tax asset	-321 154	26 125
This year's loss without the deferred tax benefit recognised	136 908	97 808
Permanent differences	-79 766	-277 311
Effect of other tax rates in subsidiaries	2 640	7 103
Other	-9 320	8 428
Tax expense	-247 857	5 276
Income tax expense reported in consolidated income statement	-247 857	5 276
Income tax expense	-247 857	5 276

Deferred tax and deferred tax assets:

	Consolidated balance sheet	
	2021	2020
Deferred tax assets		
Inventories	2 136	1 525
Property, plant and equipment	53 207	42 311
Receivables	13 606	11 359
Investments	8 067	1 207
Pensions	10 542	9 793
Current liabilities	11 313	6 175
Tax losses carried forward	319 520	359 059
Other interest restriction	25 451	53 198
Leases	1 023	1 071
Deferred tax assets	444 865	485 698
Reclassified in balance sheet	-20 918	-25 301
Deferred tax assets not recognised in the Balance Sheet	-164 591	-445 750
Net deferred tax benefit in the balance sheet	259 356	14 647
Deferred tax liabilities		
Property, plant and equipment	-39 128	-55 979
Other	-1 458	-2 148
Deferred tax liabilities	-40 586	-58 127
Reclassified in balance sheet	20 918	25 301
Net deferred liability in the balance sheet	-19 668	-32 826
Net recognised deferred tax assets / liabilities	239 689	-18 179

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group holds material tax loss carryforward. Based on the Group's estimate for sustainable profit the next years, deferred tax assets based on the US and Norwegian companies' tax loss carryforward is recorded in the Balance Sheet.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 11: Property, plant and equipment

Carrying amounts of:	31.12.2021	31.12.2020
Building and land	3 865	5 038
Plant and machinery	924 543	998 126
Assets subject to operating lease agreements	0	0
Total	928 408	1 003 164

Acquisition cost	Buildings and land	Plant and machinery	Total
At 1 January 2020	31 575	2 623 787	2 655 362
Additions	139	114 473	114 612
Transfers	0	-5 255	-5 255
Disposals	0	-11 054	-11 054
Scrapping	0	-12 662	-12 662
Currency translation	201	6 599	6 800
At 31 December 2020	31 915	2 715 888	2 747 803
Additions	0	188 675	188 675
Transfers	0	-12 614	-12 614
Disposals	0	-21 049	-21 049
Scrapping	0	-12 908	-12 908
Currency translation	708	32 555	33 263
At 31 December 2021	32 623	2 890 547	2 923 170
Accumulated depreciation			
At 1 January 2020	25 246	1 471 890	1 497 136
Current year depreciation expense	1 508	268 957	270 465
Disposals	0	-8 423	-8 423
Transfers	0	-4 082	-4 082
Scrapping	0	-12 662	-12 662
Currency translation	123	2 082	2 205
At 31 December 2020	26 877	1 717 762	1 744 639
Current year depreciation expense	1 264	260 260	261 524
Disposals	0	-12 592	-12 592
Transfers	0	-12 083	-12 083
Scrapping	0	-12 908	-12 908
Currency translation	617	25 566	26 183
At 31 December 2021	28 758	1 966 005	1 994 763
Net book value:			
At 31 December 2020	5 038	998 126	1 003 164
At 31 December 2021	3 865	924 543	928 408

Buildings, plant and machinery are depreciated on a straight line basis over an estimated useful economic lifetime 3 - 15 years.

Fair value measurement of the Group's property, plant and equipment

The company has decided to extend the useful lifetime of tractor equipment from eight to ten years, effective from 1st January 2020. The Company has been utilizing tractor equipment for many years, since mid-90's. The tractor assets are developed, operated and maintained by own personnel. The operational track record on tractors is analysed by the in-house R&D department (EDS) and the assets are subject to continuous enhancements. The Company has noticed that fully depreciated assets are still being deployed in the field. Net effect on 2020 Financial Statements in connection with change in useful lifetime of tractor equipment to ten years is a decrease in depreciations of 19,9 MNOK compared to useful lifetime of eight years.

The Company has reviewed the fixed assets for indicators for potential impairment. In 2020 and 2021 the Group did not identify any indicators for potential impairment.

Assets pledged as security

Property, plant and equipment and intangible assets with a carrying amount of 1,237 MNOK (31 December 2020: 1,255 MNOK) have been pledged to secure borrowings of the Group (see note 22).



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 12: Leases

The Group leases several assets including buildings, plants and machinery and IT equipment.

Right-of-use assets	31.12.21	31.12.20
Acquisition cost 1 January	339 318	311 770
Additions	26 126	21 148
Transfer to capitalised fixed assets	-	-
Rental adjustments	12 370	12 249
FX effects assets	(3 102)	(5 849)
Aquisition value at 31 December	374 712	339 318
Accumulated depreciation at 1 January	136 816	82 626
Depreciations for the year	52 941	54 190
Accumulated depreciation at 31 December	189 757	136 816
Right-of-use assets at 31 December	184 955	202 502
Interest cost on lease liabilities for the year	12 421	10 301

At 31 December 2021, the Group has no commitment for short-term leases and leases of low value.

Lease liabilities	31.12.21	31.12.20
Non-current	128 181	156 183
Current	62 692	51 860
Total	190 873	208 043

Maturity analysis	31.12.21	31.12.20
Not later than 1 year	62 692	51 860
Later than 1 year and not later than 5 years	124 129	136 797
Later than 5 years	4 052	19 386
Total	190 873	208 043

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group treasury function.

The Group has entered into different operating leases for machinery, offices and other facilities. The leases do not represent any restrictions on the company's dividend policy or financing. Some of the leases contain an option for extension.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 13: Intangible assets

Carrying amounts of:	31.12.2021	31.12.2020
Internal development cost	106 707	170 852
Goodwill	1 094 282	1 082 715
Other intangible assets	250 229	203 479
Total	1 451 217	1 457 045

	Internally development cost	Goodwill	Other intangible assets	Total
Acquisition cost				
Acquisition cost as at January 1, 2020	227 985	1 665 706	1 080 260	2 973 951
Additions internal development cost	34 947	0	14 335	49 281
Transfer from internal development to other intangible assets	-36 308	0	36 308	0
Reclass	1 110	0	0	1 110
Currency translation differences	0	2 006	107	2 113
Acquisition cost as at December 31, 2020	227 734	1 667 712	1 131 010	3 026 455
Additions	-64 145	0	110 771	46 626
Transfer from internal development to other intangible assets	0	0	-1 299	-1 299
Reclass	0	0	0	0
Currency translation differences	0	13 799	987	14 786
Acquisition cost as at December 31, 2021	163 589	1 681 511	1 241 469	3 086 568
Accumulated amortisation				
Accumulated amortisation as at January 1, 2020	56 882	503 518	846 929	1 407 329
Current year amortisation expense	0	0	83 729	83 729
Reversal of impairment	0	0	-3 400	-3 400
Impairment	0	82 000	0	82 000
Currency translation differences	0	-521	273	-248
Accumulated amortisation as at December 31, 2020	56 882	584 997	927 531	1 569 410
Current year amortisation expense	0	0	66 372	66 372
Reversal of impairment	0	0	-3 625	-3 625
Impairment	0	0	0	0
Currency translation differences	0	2 232	962	3 194
Accumulated amortisation as at December 31, 2021	56 882	587 229	991 240	1 635 351
Net carrying amount as at December 31, 2020	170 852	1 082 715	203 479	1 457 045
Net carrying amount as at December 31, 2021	106 707	1 094 282	250 229	1 451 217

Economic life	2,5-10 years	NA	2,5-10 years
Amortisation method	linear	NA	linear

Internal development cost is related to the Group's development of tractor technology and the Groups DWI project. The Group maintains a level of sustaining development with relation to e-line conveyed tractor and tractor application technology, including a mixture of client funded new product research. Current year's addition is offset by 8,5 MNOK (2020: 6,6 MNOK) related to Skattefunn grants and 9,6 MNOK (2020: 4,2 MNOK) related to Petromaks grants.

Altus Intervention Group acquired Aker Solutions' well intervention services division on 9 January 2014. As part of the purchase price allocation, intangible assets of NOK 2.403 million were recognised, including goodwill of NOK 1.683 million and other intangibles of NOK 720 million (comprising technology, customer relationships and customer contracts). Intangible assets related to the purchase price allocation are amortised over their respective useful lives on a straight line basis. Net book value of other intangibles related to purchase price 31 December 2021 was 59 MNOK (2020: 88 MNOK).

Goodwill is not amortised, but tested yearly for impairment. See note 14 for the impairment test of goodwill.

Of the total impairment of 37,5 MNOK in 2017 related to Plugs & Packers 3,6 MNOK is reversed in 2021 (2020: 3,4 MNOK).

The Company has reviewed the tangible fixed assets and intangible assets for indicators for potential impairment. In 2020 and 2021 the Group did not identify any indicators for potential impairment.

ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 14: Impairment testing of goodwill

Recognised goodwill in the Group amounts to MNOK 1.094 as of 31.12.2021. All goodwill is derived from the acquisition of Altus Intervention Group which was completed in January 2014. Goodwill is tested for impairment by two groups of cash-generating units (CGU).

Goodwill is tested for impairment on an annual basis at cash generating unit level, and more frequently if there are indications that amounts may be impaired. In accordance with IAS 36 Impairment of assets, the carrying amount of the cash generating units to which goodwill has been allocated is compared with the recoverable amount of the cash generating unit. The recoverable amount is determined based on value-in-use calculations.

CGU Altus was from the acquisition of the Altus Intervention Group in 2014 split in two CGU's, CGU Altus North Sea and Altus UK. In December 2015 the Group commenced a restructuring process of the Group to align the company structure of the Group to the existing reporting structure and the two business areas of the Group. The shares in Altus Intervention Ltd were demerged from Altus Intervention Group AS and merged into Altus Intervention AS. In connection with the demerger all tractor equipment and related R&D were demerged from Altus Intervention AS and merged into Altus Intervention Technologies AS. The result from the restructuring process is that all mechanical wireline services, logging services, coiled tubing services and process and pipeline services are provided from CGU Altus, and all tractor equipment and related R&D is owned by and mostly operated by CGU Altus Technologies. In the planning of the restructuring process in December 2015 it was decided that the Group, going forward, will present CGU Altus as one CGU.

The recoverable amount is determined based on a value in use calculation using cash flow projections from board approved budget for 2022, board approved Strategy Plan for 2023 and the Managements estimates for 2024 and 2025. The outlook is based on historical numbers and moderate growth in the total market, our market share and the prices of our products expected. According to the management these are reasonable assumptions.

The discount rate (WACC) after tax is calculated for each country the Group operates in. WACC varies from 8,1 % in Canada to 9,9 % in UAE. The discount rate calculations is based on the specific circumstances of the Group and its operating segment and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to serve. Market risk premium of 5,0 % to 6,2 % has been used in the calculations depending on which market the activity the included relates to. CGU-specific risk is incorporated by applying individual beta factors. The beta factor is based on public available market information.

Book value of goodwill (MNOK):	2021	2020
CGU Altus	991	980
CGU Altus Technologies	103	104
Total	1094	1083

CGU Altus

Altus consist of the geographical segment Scandinavia, UK and West Africa. The main services provided to the customers are mechanical wireline services, logging services coiled tubing services, process and pipeline services as well as wireline tractor services.

CGU Altus Technologies

Altus Technologies comprise the geographical segments USA, Canada, Asia Pacific, Saudi Arabia, UAE and Kuwait. In addition to these segments, all new locations outside of Scandinavia and UK will be served by Altus Technologies. These are together identified as one CGU in Altus Intervention Group. The main service provided to customers from Altus Technologies is wireline tractor services.

Managements evaluation of impairment of goodwill per 31.12.21:

Altus:

The recoverable amount of CGU Altus exceeds the carrying amount at 31.12.21 and the management did not identify an impairment for this CGU. If the WACC increases with 1 % it would not result in an impairment charge.

Altus Technologies:

The recoverable amount of CGU Altus Technologies exceeds the carrying amount at 31.12.21 and the management did not identify an impairment for this CGU. If the WACC increases with 1 % it would not result in an impairment charge.

Sensitivity analysis:

An increase of 1 % in WACC would result in a reduction in value in use of 376 MNOK (CGU Altus) and 150 MNOK (CGU Altus Technologies), which would not result in any impairment of goodwill for CGU Altus or CGU Technologies. A decrease in EBITDA of 2 % would not result in any impairment of goodwill for CGU Altus or CGU Technologies.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 15: Financial instruments (IFRS 9)

Financial risk

The Group uses financial instruments like bank loans and credit facilities. The purpose of the financial instruments is to raise capital for investments necessary for Group operations. In addition the Group has financial instruments such as account receivables, accounts payables etc. which are directly linked to the every day operation. The Group may from time to time use financial derivatives for hedging purposes. As of 31 December 2021 no such derivatives are in place.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

Guidelines for risk-management have been approved by the board and are carried out by the Group finance department in cooperation with the individual operational units.

The most significant financial risk for the Group are interest rate risk, liquidity risk and exchange rate risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Group.

The Group uses financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. The Group may from time to time find it appropriate to use financial derivatives to reduce these risks in accordance with the Group's strategy for its interest-rate and exchange-rate exposure. The accounting treatment of financial derivatives is described in Note 1.

(i) Credit risk

The Group is exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through evaluation of the creditworthiness of its customers before credit is given.

The Group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits.

The maximum risk exposure is represented by the carrying amount of the financial assets in the statement of financial position. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables (see Note 18) and other current assets (see Note 19).

(ii) Market risk - Interest-rate risk

The Group is exposed to interest-rate risk through its funding activities (see Note 22). Part of the interest bearing debt has floating interest rate conditions which makes the Group influenced by changes in the market rate.

The following table shows the Group's sensitivity for fluctuations in interest rates with effect up til 2021. The calculation includes all interest bearing instruments and interest rate financial derivatives.

	Adjustments in interest rate level in basis points	Effect on profit before tax (NOKm)	Effect on equity (NOK 1000)
2021	+ / - 100	+ /- 15.83	+ /- 12.35
2020	+ / - 100	+ /- 15.45	+ /- 12.05

Based on the financial instruments that existed as of 31 December 2021 (31 December 2020), an increase of 1 % in the interest rate will reduce the Group's profit before tax by TNOK 15 832 (2020: TNOK 15 448).

The effective interest rate on financial instruments was as follows:

	2021	2020
Loans secured by collateral	4,4 %	4,2 %
Finance leases	6,4 %	6,4 %
Shareholder loan *	N/A	13,0 %

* The loan was settled as part of the completed restructuring process of external financing on 11 September 2020.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation. Unutilised credit opportunities are discussed in Note 20.

The table below sets out the maturity profile of the Groups for financial liabilities based on contractual undiscounted payments exclusive interests. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay. Financial liabilities that can be required to be repaid on demand are included in the "within 1 year" column.

31.12.2021	Period left				
	Less than 1 year	1-2	2-5 years	More than 5 years	Total
Financial liabilities (non- derivative)					
Bank loan		1 577			1 577
Obligations under finance lease	63	94	34		191
Exit bonus					-
Accounts payable and other loans	449				449
Total	512	1 671	34	-	2 217

31.12.2020	Period left				
	Less than 1 year	1-2	2-5 years	More than 5 years	Total
Financial liabilities (non- derivative)					
Bank loan			1 535		1 535
Obligations under finance lease	52	100	56	-	208
Exit bonus			2	2	5
Accounts payable and other loans	328				328
Total	379	100	1 594	2	2 075

Refer to Note 22 for the loan repayment schedule.

(iv) Market risk - Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies, due to production and sales operations in foreign entities with different functional currencies. The carrying amount of the Groups net investment in foreign entities varies with changes in the value of NOK compared to other currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using the weighted average exchange rate for the period.

The following table sets the Group's sensitivity for potential adjustments in NOK exchange rate, with all the other variables kept constant. The calculation is based on the same percentage adjustment for all relevant currency. The effect in the profit is a result of adjustments in monetary value, and the effect on the equity is an result of the value of net investments in foreign currency.

	Adjustment in exchange rate, NOK	Effect on profit before tax	Effect on equity
2021	+5 %	-19,3	3,8
	-5 %	19,3	-3,8
2020	+5 %	-20,3	23,9
	-5 %	20,3	-23,9

Capital structure and equity

The primary focus of the Group's capital management is to ensure continued going concern ability to fulfilling its obligations to bank, employees and other interested parties and to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the year 31 December 2021 and 31 December 2020.

Covenants in the loan agreements require us to meet certain financial tests and ratios. Failure to comply with these covenants in our debt agreements could result in default and could have an adverse effect on the Group.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 16: Categories of assets and liabilities

31.12.2021	Financial instruments measured at amortised cost	Financial instruments at FVTPL	Non-financial assets / liabilities	Total
Assets				
Property, plant and equipment			928 408	928 408
Right-of-use assets			184 955	184 955
Intangible assets			356 945	356 945
Goodwill			1 094 282	1 094 282
Deferred tax assets			259 356	259 356
Other non-current assets			6 457	6 457
Inventories			162 200	162 200
Accounts receivable	320 537			320 537
Other current assets	196 064			196 064
Cash and cash equivalents	230 188			230 188
Total assets	746 789	0	2 992 604	3 739 393
Liabilities				
Interest-bearing loans and borrowings	1 576 959		190 873	1 767 831
Other long-term liabilities	-			-
Pension liability			48 264	48 264
Deferred tax liabilities			19 668	19 668
Share-based payments and exit bonus				-
Short term liabilities			284 897	284 897
Accounts payable			164 392	164 392
Total liabilities	1 576 959	-	708 093	2 285 052

31.12.2020	Financial instruments measured at amortised cost	Financial instruments at FVTPL	Non-financial assets / liabilities	Total
Assets				
Property, plant and equipment			1 003 164	1 003 164
Right-of-use assets			202 502	202 502
Intangible assets			374 330	374 330
Goodwill			1 082 715	1 082 715
Deferred tax assets			14 647	14 647
Other non-current assets			6 125	6 125
Inventories			169 359	169 359
Accounts receivable	190 920			190 920
Other current assets	136 643			136 643
Cash and cash equivalents	69 427			69 427
Total assets	396 991	0	2 852 842	3 249 833
Liabilities				
Interest-bearing loans and borrowings	1 535 377		208 043	1 743 420
Other long-term liabilities				-
Pension liability			44 990	44 990
Deferred tax liabilities			32 826	32 826
Share-based payments			2 252	2 252
Short term liabilities			249 298	249 298
Accounts payable			78 257	78 257
Total liabilities	1 535 377	-	615 666	2 151 042



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 17: Determination of fair value of financial assets and liabilities

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	Fair value hierarchy	2021		2020	
		Book value	Fair value	Book value	Fair value
<i>Financial assets</i>					
Cash	2	230 188	230 188	69 427	69 427
Trade receivables	2	320 537	320 537	190 920	190 920
Other receivables	2	196 064	196 064	136 643	136 643
Total financial assets		746 789	746 789	396 991	396 991
Trade and other payables	2	164 392	164 392	78 257	78 257
Cash pool overdraft	2	-	-	-	-
<i>Interest-bearing loans and borrowings:</i>					
Bank loans (note 22)	2	1 576 959	1 576 959	1 535 377	1 535 377
Share-based payments and exit bonus	2/3	-	-	2 252	2 252
Obligations under finance lease	2	190 873	190 873	208 043	208 043
Total financial liabilities		1 932 224	1 932 224	1 823 929	1 823 929

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuations technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For recurring level 3 measurements, transfers between the levels in the fair value hierarchy are evaluated when reassessing the categories of the financial instruments at the end of the period.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 18: Account receivables

	2021	2020
Accounts receivables	331 169	203 400
Bad debt provision 31 December	-10 633	-12 479
Accounts receivables, net	320 537	190 920

Changes in bad debt provision :

	2021	2020
Provisions as of January 1	12 479	6 400
Provision for bad debt during the period	-1 846	6 079
31 December	10 633	12 479

Provision for bad debt is classified as other operating expenses in the profit & loss statement. Credit risk and foreign exchange risk regarding accounts receivable is discussed in note 15.

Aging of accounts receivable as of 31.12.2021 was as follows:

(NOK 1000)	Total	Not due	Overdue		
			Less than 30 days	30-60 days	More than 60 days
2021	320 537	227 962	40 367	11 253	40 955
2020	190 920	153 685	25 052	5 860	6 323

The credit period on sales of goods is between 30 and 60 days. Trade receivable are non-interest bearing. The Group has recognised an allowance for doubtful debts of 10.6 MNOK 31 December 2021 (31 December 2020: 12.5 MNOK). Of a total accounts receivable of 321 MNOK 31 December 2021 12.8 % are past due beyond 60 days (31 December 2020: 3.3 %) and historical experience has been that there are only minor loss on outstanding accounts receivables.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit risk and the amounts are still considered recoverable. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Note 19: Other current assets

	2021	2020
Accrued operating revenues	135 676	81 624
Public duties and taxes refunds	5 622	3 553
Prepaid expenses	32 852	35 651
R&D refund / prepaid tax	1 228	4 363
Other current assets	20 686	11 451
Total other current assets	196 064	136 643

Accrued operating revenues is revenues not yet invoiced as of 31 December.

Note 20: Cash and cash equivalents

	2021	2020
Short-term bank deposits	230 188	69 427
Cash and cash equivalents in the balance sheet	230 188	69 427

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2021	2020
Cash at banks and on hand	230 188	69 427
Cash and cash equivalents	230 188	69 427

The Group had unused credit facilities of MNOK 125 as at 31 December 2021 (2020: MNOK 125). There are no restrictions on the use of these funds.

The Group holds a multi currency cash pool facility in Danske Bank. Oz Holdco AS is the owner of the cash pool. The multi currency cash pool facility has a limit of 125 MNOK. Each of the participating companies are joint liable for any debt. At year end the cash pool balance was 203,915 MNOK (2020: 49.1 MNOK).

The company has a guarantee for tax withholdings. Withholding employee tax as of 31.12.21 is 36.9 MNOK (31.12.20: 25.2 MNOK).



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 21: Share capital, shareholder information and dividend

Amounts in NOK	Number	Nominal amount	Carrying value	Number of votes
Preference shares	53 000	0,1	5 300	5 300
Ordinary shares	300 000	0,1	30 000	30 000
Total number of shares	353 000		35 300	35 300

Changes to share capital and premium:

	No. of shares		Share capital		Share premium	
	2021	2020	2021	2020	2021	2020
Issued and fully paid 1 January	353 000	28 875	35	375 371	30	1 438 497
Restructuring process Oz Topco AS	0	-28 875	0	-375 371	0	-1 438 497
Incorporation of Altus Intervention Holding AS	0	30 000	0	30	0	0
Share capital decrease	0	-30 000	0	-30	0	0
Share capital increase ordinary shares	0	300 000	0	30	0	30
Share capital increase preference shares	0	53 000	0	5	0	0
31 December	353 000	353 000	35	35	30	30

On 11 September 2020 the Group completed a restructuring process, see note 27.

Largest shareholders as of 31 December 2021:

	Number of shares:	Ownership share	Voting Share	Share class
Danske Bank AS	20 776	5,89 %	5,89 %	Preference shares
Godskipet AS c/o DNB Bank ASA	20 829	5,90 %	5,90 %	Preference shares
IFA DBB AB	11 395	3,23 %	3,23 %	Preference shares
Qserve Management Invest AS	300 000	84,99 %	84,99 %	Ordinary shares
Total	353 000	100,00 %	100,00 %	

Dividend paid and proposed

There is no dividend to be approved at annual general meeting.

Treasury shares

The company do not have any treasury shares on 31 December 2020 or 31 December 2021.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 22: Long-term debt

On September 11 2020, the Company executed amendment agreements in respect of all of its debt facilities.

	Effective interest rate	Maturity date	Carrying amount	
			2021	2020
Secured				
Term Loan Facility B1	4,41 %	2023	1 542 152	1 502 143
Loan Facility - Oz Midco	3,41 %	2023	34 807	33 234
Total interest-bearing loans and borrowings *	4,39 %		1 576 959	1 535 377
Total secured long-term debt			1 576 959	1 535 377
Unsecured				
Share-based payment and Exit bonus (note 8, 17)			0	2 252
Total unsecured long-term debt			0	2 252
Total long-term debt			1 576 959	1 537 629
1st year's principal repayments on long-term debt			-	-
Total long-term debt excluding the 1st year's principal repayments			1 576 959	1 537 629

* There is a right to toggle cash payable interest above 2 % into PIK interest.

On 11 September 2020 the Group completed a restructuring process where the senior facilities (all facilities except from Shareholder loan and Mezzanine facility and except from 1 500 000 MNOK) was converted to equity and the Mezzanine facility and the shareholder loan was purchased by Oz Midco AS with an amount of 33.8 MNOK. PIK interests are accrued and included in the loan balance.

The rate of interest is a calculated weighted average.

Long-term debt have been recognised at amortised cost by using the effective interest rate method.

Secured borrowings and guarantees	2021	2020
Secured borrowings etc.:		
Borrowings from financial institutions	1 576 959	1 535 377
Total	1 576 959	1 535 377
Carrying amount of pledged assets		
Cash and cash equivalents	203 916	49 109
Fixed and intangible assets	1 237 373	1 254 628
Inventory	154 592	159 977
Accounts receivables	252 654	161 624
Total	1 848 535	1 625 338

Contract guarantees **1 510** 2 161
The company has a guarantee for tax withholdings.

The outstanding debt as at 31.12.21 is repayable as follows:

Year ending December 31st

2023 and thereafter	1 576 959
Total	1 576 959

There are covenants requirements related to interest cover, net debt cover, minimum EBITDA and liquidity in the executed amendment agreement. As of 31 December 2021 the Group was not in breach of any of the covenants.



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 23: Pensions and other long-term employee benefits

The Group's pension costs show the employee's earned future pension in the accounting year. In a defined contribution plan, the company is responsible for paying an agreed contribution to the employee's pension assets. In a defined benefit plan, the company is responsible for paying an agreed pension to the employee based on his final salary. In certain countries, the Group is subject to mandatory laws on occupational pension schemes and the plans offered are in keeping with this.

UK

In the UK, the Group has only defined contribution plans. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Norway

In connection with the transition to a defined contribution scheme in Norway, Altus Intervention AS established a system of compensation which ensures that employees will not suffer losses on the transition to the new regime. The basis for the compensation amount is the difference between the calculated pension capital from the defined benefit scheme and value of defined benefit plan at the age of 67. The compensation amount will be adjusted annually in line with changes in the individual's pension income, and accrued at market rates. If an employee leaves voluntarily before the age of 67, the compensation amount will be reduced. Actuarial gains and losses on defined benefit pension plans are recognised to other comprehensive income.

Details of the Norwegian defined benefit pension plan are included below.

The company is required to have an occupational post-employment plan in accordance with Norwegian legislation on occupational post-employment ("lov om obligatorisk tjenestepensjon"). The company's post-employment plan meet the requirements of this legislation.

	2021	2020
Present value of current year service cost	3 570	4 005
Interest cost on projected benefit obligations	734	1 039
Other pension expenses (defined contribution plan)	62 481	62 940
Net pension costs (note 8)	66 785	67 984

	2021	2020
Defined benefit obligation at beginning of period	44 990	46 205
Current year pension entitlement, service cost	3 570	4 005
Interest expense on pension obligations	734	1 039
Pension payments	-2 624	-925
Actuarial losses / (gains) recognized in OCI	1 594	-5 334
Defined benefit obligation at end of period	48 264	44 990
Net pension assets / (liabilities)	-48 264	-44 990

Number of people covered by plans (end of year)	31.12.21	31.12.20
--	-----------------	-----------------

Defined benefit plan (Norway):

Current employees	191	200
Retirees	0	0
Total	191	200

Defined contribution plans (Norway and UK):

Current employees - Norway	441	386
Current employees - UK	534	472
Total	975	858

Financial assumptions (defined benefit plans - beginning of year)	31.12.21	31.12.20
Discount rate	1,90 %	1,70 %
Expected return on pension fund	0,00 %	0,00 %
Expected increase in salaries	2,75 %	2,25 %
Expected increase in pensions	1,90 %	1,70 %

Actuarial assumptions (defined benefit plans - beginning of year)	31.12.21	31.12.20
Applied mortality table	K2013 BE	K2013 BE
Applied disability tariff	IR02	IR02
Expected withdrawal rate AFP	0,00 %	0,00 %
Expected voluntary retirement (all ages)	before 50: 6% after 50: 2%	before 50: 6% after 50: 2%



ALTUS INTERVENTION HOLDING AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 24: Accrued operating expenses and other liabilities

	2021	2020
Accrued expenses and other current liabilities	94 524	68 617
Accruals for payroll cost, vacation payment etc	131 226	120 938
SUM	225 750	189 555

Note 25: Events after the balance sheet date

In March 2022 Baker Hughes agreed to acquire 100 percent of the shares in Oz Midco AS. The agreement includes the whole Altus Intervention Group including all subsidiaries, intellectual property, personnel, and commercial agreements. The transaction is expected to close in the second half of 2022.

In February 2022, Russian armed forces invaded Ukraine. The Company has no employees in Ukraine or Russia as well as no activity or planned activities in Ukraine or Russia. The Management are closely monitoring the risk for any impact on the Group's operation including supply chain and other associated risks.

There have been no events after 31st December 2021 affecting the Consolidated Financial Statement for the year ending 31st December 2021.

Note 26: Government grants

During 2021 the Company received 2,7 MNOK (2020: 7,9 MNOK) in Denmark related to compensation for loss due to COVID-19. This is a scheme that allows reclaim of a portion of employee's usual wages when they are unable to work their usual hours while Coronavirus restrictions are in place. The received compensation is presented as reduction in Salary and personnel costs in Consolidated Statement of profit & loss and other comprehensive income.

During 2021 the Company also received 0,9 MGBP (2020: 3,6 MGBP) in UK related to UK Government's Coronavirus Job Retention Scheme. This is a scheme that allows reclaim of a portion of employee's usual wages when they are unable to work their usual hours while Coronavirus restrictions are in place. The received compensation is presented as reduction in Salary and personnel costs in Consolidated Statement of profit & loss and other comprehensive income.

Note 27: Restructuring process

On 11 September 2020 the group completed a restructuring process. The parent company of the group, Oz Topco AS, sold all of its shares in Oz Midco AS to Altus Intervention Holding AS. From 11 September 2020, Altus Intervention Holding AS is the legal parent company of the Altus Group.

As it follows from IFRS 3 Business Combinations, a new entity formed to effect a business combination is not necessarily the acquirer. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes. Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree).

In the restructuring process Oz Midco AS is the acquirer for accounting purposes. The Consolidated Financial Statement prepared for 2020 following a reverse acquisition are issued under the name of the legal parent, Altus Intervention Holding AS.

The Consolidated Financial Statement of Altus Intervention Holding AS includes net income up to 11 September 2020 from Oz Topco AS.

As a part of the transaction, external debt of 1 344 366 KNOK was converted to equity.

At the time of the restructuring process the group had external debt of 4 090 826 KNOK.

Also as part of the transaction, Oz Midco AS bought receivables towards Oz Holdco AS from external lender of 1 246 460 KNOK for an amount of 33 766 KNOK.

The deviation between the debt of 1 246 460 KNOK and the purchase price of 33 766 KNOK is presented as gain in the financial income in the Statement of profit & loss and other comprehensive income.



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To the General Meeting of Altus Intervention Holding AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Altus Intervention Holding AS, which comprise:

- The financial statements of the parent company Altus Intervention Holding AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Altus Intervention Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity 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 statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its 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 as required by laws and regulations 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

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Independent Auditor's Report -
Altus Intervention Holding AS

- 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 of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate 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 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. We 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 or 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 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 a true and fair view.
- 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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Independent Auditor's Report -
Altus Intervention Holding AS

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.

Stavanger, 26 April 2022
Deloitte AS

Ommund Skalland
State Authorised Public Accountant

Penneo Dokumentnøkkel: 7YXCV-PKW7C-KWDTJ-DNQ00-H582B-JF05U



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