Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	922 585 881
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ENHANCED WELL TECHNOLOGIES GROUP AS
Forretningsadresse:	c/o Enhanced Drilling Holding AS
	Smålonane 16
	5353 STRAUME

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Rune M. Daae
Dato for fastsettelse av årsregnskapet:	27.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 30.07.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Other operating revenue			
Kostnader			
Other operating expenses	2	387 000	-204 000
Sum kostnader		**387 000**	**-204 000**
Driftsresultat		**-387 000**	**204 000**
Finansinntekter og finanskostnader			
Financial income		748 000	282 000
Sum finansinntekter		**748 000**	**282 000**
Financial expenses		1 000	
Sum finanskostnader		**1 000**	
Netto finans	3	**747 000**	**282 000**
Ordinært resultat før skattekostnad		**360 000**	**486 000**
Income tax	4		
Ordinært resultat etter skattekostnad		**360 000**	**486 000**
Årsresultat		**360 000**	**486 000**
Overføringer og disponeringer			
Retained earnings	5	360 000	486 000
Sum overføringer og disponeringer		**360 000**	**486 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	492 101 000	492 101 000
Other financial non-current assets	7	19 592 000	18 516 000
Sum finansielle anleggsmidler		**511 693 000**	**510 617 000**
Sum anleggsmidler		**511 693 000**	**510 617 000**
Omløpsmidler			
Varer			
Fordringer			
Group receivables	8	1 280 000	2 058 000
Other receivables	9	62 000	
Sum fordringer		**1 342 000**	**2 058 000**
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc	10	1 000	
Sum bankinnskudd, kontanter og lignende		**1 000**	
Sum omløpsmidler		**1 343 000**	**2 058 000**
SUM EIENDELER		**513 036 000**	**512 675 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10	514 000	514 000
Share premium fund	11,5	513 055 000	513 055 000
Sum innskutt egenkapital		**513 569 000**	**513 569 000**

Balanse

Beløp i: NOK	Note	2023	2022
Opptjent egenkapital			
Earned equity		-534 000	-893 000
Sum opptjent egenkapital		**-534 000**	**-893 000**
Sum egenkapital	5	**513 035 000**	**512 676 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	12		
Kortsiktig konserngjeld	8		
Income tax payable	4		
Other current liabilities			
Sum gjeld		**0**	**0**
SUM EGENKAPITAL OG GJELD		**513 035 000**	**512 676 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue from customer contracts		618 535 000	457 257 000
Other operating revenue		2 927 000	18 299 000
Sum inntekter	4,5	**621 462 000**	**475 556 000**
Kostnader			
Project cost		144 246 000	84 319 000
Paroll expenses	6	239 467 000	151 260 000
Impairment, depreciation and amortisation	11,12	118 860 000	120 427 000
Other operating expenses	7	64 234 000	44 380 000
Sum kostnader		**566 807 000**	**400 386 000**
Driftsresultat		**54 655 000**	**75 170 000**
Finansinntekter og finanskostnader			
Financial income		32 766 000	29 434 000
Sum finansinntekter		**32 766 000**	**29 434 000**
Financial expenses		58 772 000	38 589 000
Sum finanskostnader		**58 772 000**	**38 589 000**
Netto finans	8	**-26 006 000**	**-9 155 000**
Ordinært resultat før skattekostnad		**28 649 000**	**66 015 000**
Income tax	9	10 931 000	-134 511 000
Ordinært resultat etter skattekostnad		**17 718 000**	**200 526 000**
Årsresultat		**17 718 000**	**200 526 000**
Overføringer og disponeringer			
Retained earnings		17 718 000	200 226 000
Sum overføringer og disponeringer	10	**17 718 000**	**200 226 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangibles	11	44 041 000	35 334 000
Utsatt skattefordel	9	121 125 000	131 795 000
Goodwill	11	29 400 000	29 400 000
Sum immaterielle eiendeler		**194 566 000**	**196 529 000**
Varige driftsmidler			
Machinery and operating equipment	12	645 532 000	658 546 000
Sum varige driftsmidler		**645 532 000**	**658 546 000**
Finansielle anleggsmidler			
Financial non-current assets	13	19 730 000	18 581 000
Sum finansielle anleggsmidler		**19 730 000**	**18 581 000**
Sum anleggsmidler		**859 828 000**	**873 656 000**
Omløpsmidler			
Varer			
Inventories	14	60 607 000	42 763 000
Sum varer		**60 607 000**	**42 763 000**
Fordringer			
Trade receivables	15	86 399 000	86 155 000
Other receivables	16	37 771 000	22 498 000
Sum fordringer		**124 170 000**	**108 653 000**
Investeringer			
Financial assets at fair value	24		38 000
Sum investeringer			**38 000**
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc	17	5 997 000	2 372 000
Sum bankinnskudd, kontanter og lignende		**5 997 000**	**2 372 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		**190 774 000**	**153 826 000**
SUM EIENDELER		**1 050 602 000**	**1 027 482 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		514 000	514 000
Share premium fund		513 055 000	513 055 000
Sum innskutt egenkapital	18	**513 569 000**	**513 569 000**
Opptjent egenkapital			
Retained earnings		10 035 000	-7 170 000
Sum opptjent egenkapital		**10 035 000**	**-7 170 000**
Sum egenkapital		**523 604 000**	**506 399 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	40 943 000	46 903 000
Sum avsetninger for forpliktelser		**40 943 000**	**46 903 000**
Annen langsiktig gjeld			
Debt to credit institutions	19		185 111 000
Deferred revenue, grants received for R&D	20	9 353 000	6 784 000
Other long term liabilities	21	56 023 000	59 710 000
Sum annen langsiktig gjeld		**65 376 000**	**251 605 000**
Sum langsiktig gjeld		**106 319 000**	**298 508 000**
Kortsiktig gjeld			
Debt to credit institutions	19	261 581 000	75 213 000
Leverandørgjeld	23	101 821 000	91 107 000
Income tax payable	9	-769 000	39 000
Other taxes payable		13 828 000	8 048 000
Other current liabilities	22	44 218 000	48 167 000
Sum kortsiktig gjeld		**420 679 000**	**222 574 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum gjeld		**526 998 000**	**521 082 000**
SUM EGENKAPITAL OG GJELD		**1 050 602 000**	**1 027 481 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer:	2024 664608

Enheten

Organisasjonsnummer:	922 585 881
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ENHANCED WELL TECHNOLOGIES GROUP AS
Forretningsadresse:	c/o Enhanced Drilling Holding AS Smålonane 16 5353 STRAUME

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Rune M. Daae
Dato for fastsettelse av årsregnskapet:	27.06.2024

Grunnlag for avgivelse

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År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 13.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Other operating revenue			
Kostnader			
Other operating expenses	2	387 000	-204 000
Sum kostnader		**387 000**	**-204 000**
Driftsresultat		**-387 000**	**204 000**
Finansinntekter og finanskostnader			
Financial income		748 000	282 000
Sum finansinntekter		**748 000**	**282 000**
Financial expenses		1 000	
Sum finanskostnader		**1 000**	
Netto finans	3	**747 000**	**282 000**
Ordinært resultat før skattekostnad		**360 000**	**486 000**
Income tax	4		
Ordinært resultat etter skattekostnad		**360 000**	**486 000**
Årsresultat		**360 000**	**486 000**
Overføringer og disponeringer			
Retained earnings	5	360 000	486 000
Sum overføringer og disponeringer		**360 000**	**486 000**

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

BALANSE

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	492 101 000	492 101 000
Other financial non-current assets	7	19 592 000	18 516 000
Sum finansielle anleggsmidler		**511 693 000**	**510 617 000**
Sum anleggsmidler		**511 693 000**	**510 617 000**
Omløpsmidler			
Varer			
Fordringer			
Group receivables	8	1 280 000	2 058 000
Other receivables	9	62 000	
Sum fordringer		**1 342 000**	**2 058 000**
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc	10	1 000	
Sum bankinnskudd, kontanter og lignende		**1 000**	
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SUM EIENDELER		**513 036 000**	**512 675 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10	514 000	514 000
Share premium fund	11,5	513 055 000	513 055 000
Sum innskutt egenkapital		**513 569 000**	**513 569 000**
Opptjent egenkapital			
Earned equity		-534 000	-893 000
Sum opptjent egenkapital		**-534 000**	**-893 000**
Sum egenkapital	**5**	**513 035 000**	**512 676 000**
Sum langsiktig gjeld		**0**	**0**

Kortsiktig gjeld			
Leverandørgjeld	12		
Kortsiktig konserngjeld	8		
Income tax payable	4		
Other current liabilities			
Sum gjeld		**0**	**0**
SUM EGENKAPITAL OG GJELD		**513 035 000**	**512 676 000**

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue from customer contracts		618 535 000	457 257 000
Other operating revenue		2 927 000	18 299 000
Sum inntekter	**4,5**	**621 462 000**	**475 556 000**
Kostnader			
Project cost		144 246 000	84 319 000
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Finansinntekter og finanskostnader			
Financial income		32 766 000	29 434 000
Sum finansinntekter		**32 766 000**	**29 434 000**
Financial expenses		58 772 000	38 589 000
Sum finanskostnader		**58 772 000**	**38 589 000**
Netto finans	**8**	**-26 006 000**	**-9 155 000**
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Income tax	9	10 931 000	-134 511 000
Ordinært resultat etter skattekostnad		**17 718 000**	**200 526 000**
Årsresultat		**17 718 000**	**200 526 000**
Overføringer og disponeringer			
Retained earnings		17 718 000	200 226 000
Sum overføringer og disponeringer	**10**	**17 718 000**	**200 226 000**

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

KONSERNBALANSE

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangibles	11	44 041 000	35 334 000
Utsatt skattefordel	9	121 125 000	131 795 000
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Sum omløpsmidler		**190 774 000**	**153 826 000**
SUM EIENDELER		**1 050 602 000**	**1 027 482 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Share capital		514 000	514 000
Share premium fund		513 055 000	513 055 000
Sum innskutt egenkapital	**18**	**513 569 000**	**513 569 000**
Opptjent egenkapital			
Retained earnings		10 035 000	-7 170 000
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Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	40 943 000	46 903 000
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Annen langsiktig gjeld			
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Kortsiktig gjeld			
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Sum gjeld		**526 998 000**	**521 082 000**
SUM EGENKAPITAL OG GJELD		**1 050 602 000**	**1 027 481 000**

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se vedlegg

Note
2

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
3

Regnskapsprinsipper
Se vedlegg

Note
6

Antall årsverk i regnskapsåret
149.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

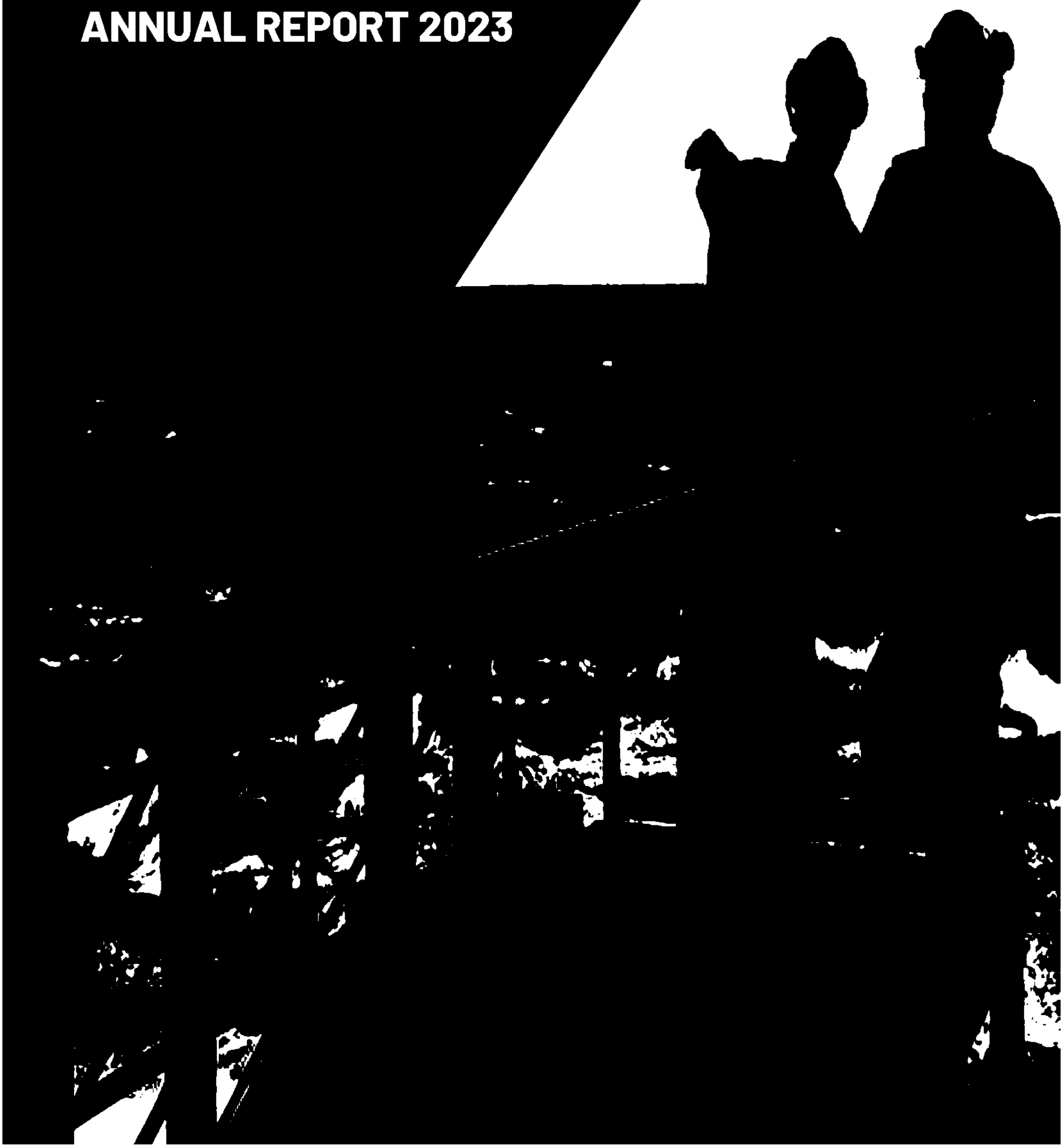
Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

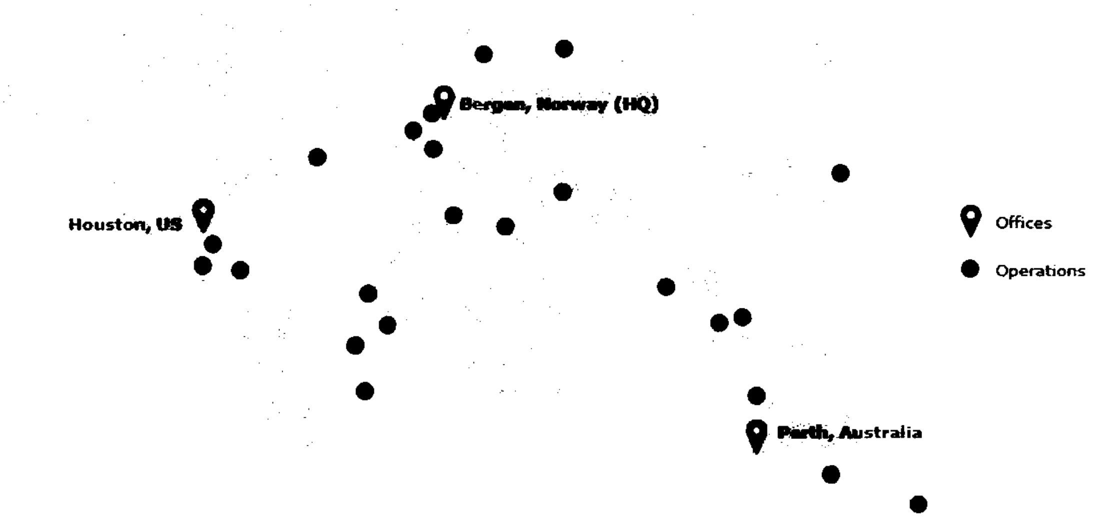
ENHANCED WELL TECHNOLOGIES GROUP AS

ENHANCED DRILLING

ANNUAL REPORT 2023



ENHANCED DRILLING AT A GLANCE



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

Enhanced Drilling is a provider of high-tech wellbore construction technologies and services for offshore wellbore pressure control, wellbore fluid containment, and well control influx monitoring.

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

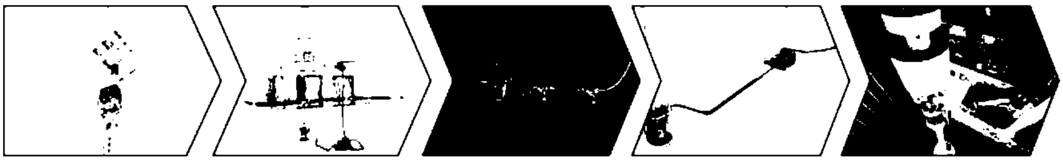
Enhanced Drilling has built an enviable track record and world-class reputation with deployment on more than 1000 wells.

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

At year-end 2023, the group had 153 employees that has grown to 174 during Q1-24

Impact throughout well construction

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



Unlocks un-recoverable reserves and increases production rates Reduces risk during challenging offshore drilling	Eliminates discharge to the environment Optimizes casing program and reduces use of drilling fluids Improves drilling efficiency	Ensures well integrity Safety-enhancing system Safe and cost-effective isolation of problematic zones	Eliminates dumping of drilling fluids around a subsea well-head Enables drilling in environmentally sensitive areas	Highly accurate volume control Early warning of drilling hazards Increases safety and drilling efficiency

ENHANCED DRILLING'S SERVICES

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

Reduce total well construction cost
Simplify well architecture by reducing no. of casing strings, lower occurrence of major operational upsets and improved drilling efficiency

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

Increased production rates
Allow for drilling of complex formations with longer laterals by utilization of CML assisted completions such as trouble-free full gravel pack placement to increase production, well life and reserves recovery.

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

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

EC-Monitor®

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

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

The system delivers earlier and more accurate measures, enabling the client to adjust operations to reduce losses of drilling mud, as well as gaining an earlier indication of potential well control scenarios.

EC-Drill®

EC-Drill® is a Managed Pressure Drilling (MPD) system based on a Controlled Mud Level (CML) technique. The system provides very accurate control of wellbore pressures during offshore well construction, by adjusting the fluid level in the marine drilling riser.

The system is used to drill challenging formations, and maintain optimal bottom hole pressure during drilling, tripping, cementing, and completion operations. EC-Drill® system enable significant reductions in well cost through removal of casing strings/liners to simplify well architecture, as well as reducing NPT.

EC-Drill® delivers benefits to clients through increased production rates, lower well construction costs and not least, the ability to construct wells previously considered impossible

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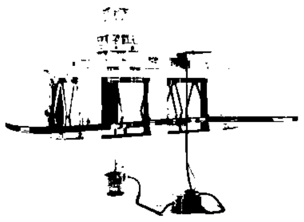
RMR®

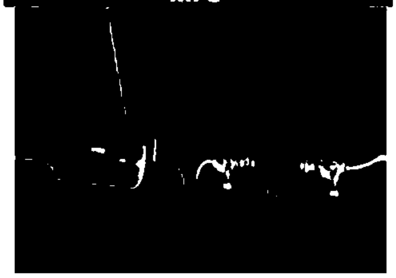


The RMR® (Riserless Mud Recovery) system makes it possible to return drilling fluid and cuttings to the installation without discharge to the seabed before the riser is installed.

The mud volume is continuously monitored so that any gains or losses can be detected at an early stage during top hole operations. The service improves drilling efficiency and wellbore stability by enabling drilling of better quality and more stable top hole sections. RMR enables cost effective use of weighted fluid in the top hole.

Use of RMR contributes to reducing the impact on marine environments from drilling operations.

MPC

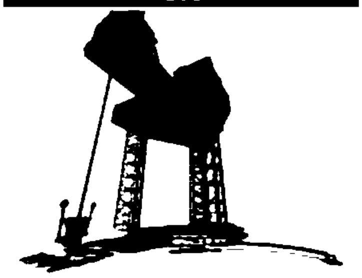


The MPC (Managed Pressure Cementing) is a safety-enhancing service that provides a cost-effective method to achieve barrier integrity and safe isolation of problematic zones in top-holes, even in challenging narrow pressure window scenarios.

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

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

CTS



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

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

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

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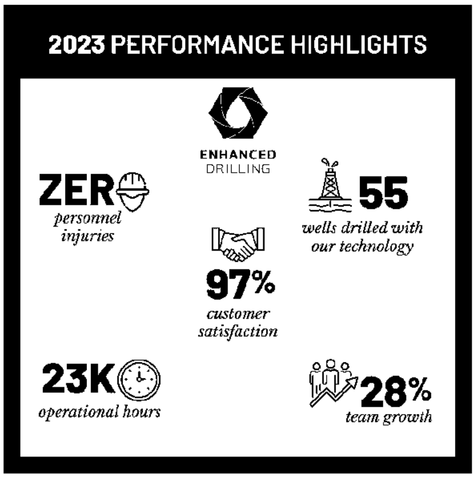
Highlights

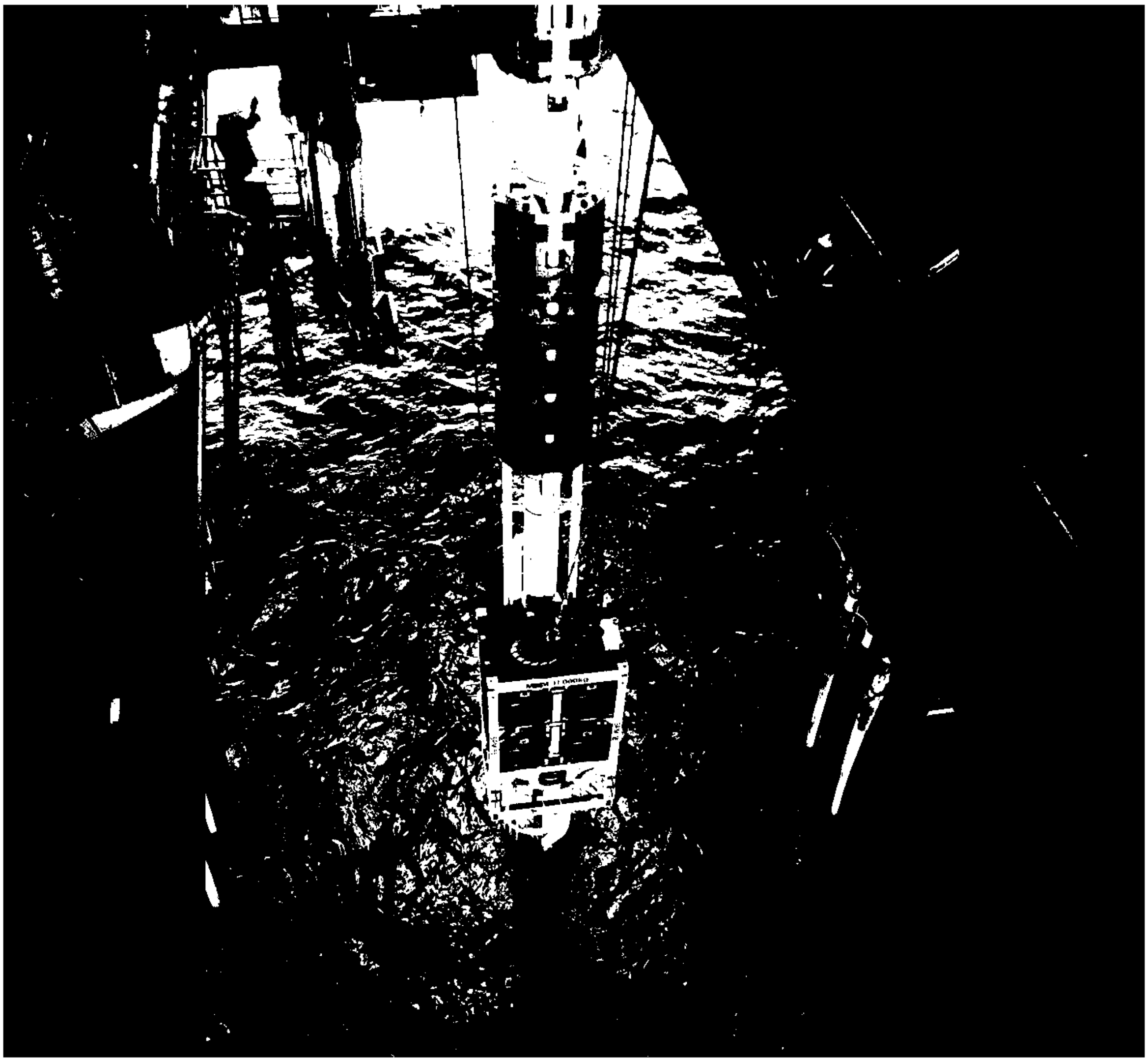
Our new Training & Technical Center was established in Houston USA with a grand opening in April 2023.

Our groundbreaking technology producing "Best in Class" Open Hole Gravel Packs.

The next generation Managed Pressure Drilling system, CML Closed Riser deployed for operation in Gulf of Mexico

Combined EC-Drill® system deployed in NCS.
One system, three services in one, performing CML (Controlled Mud Level) services, as well as CTS (Cuttings Transport) and zero-discharge RMR® Riserless Mud Recovery) services.





BOARD OF DIRECTORS REPORT 2023

FOR

ENHANCED WELL TECHNOLOGIES GROUP AS

Reg. no: 922 585 881

Company Overview
Enhanced Well Technologies Group AS is the ultimate parent company of the Enhanced Well Technologies Group of companies, operating under the Enhanced Drilling brand.

The company provides technology, expertise, and services to several of the world's major oil and gas fields, with a large blue-chip customer base comprising major operators, NOCs and Independents. At year-end 2023, the Group had 153 professionals, all of whom were permanent employees. The annual turnover was NOK 621 million in 2023.

Enhanced Well Technologies Group was founded in 2019 and acquired Enhanced Drilling Holding and IKM Cleandrill the same year. The two companies were merged in 2020.

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

Operations
The company operates internationally and had operations USA, Norway, Azerbaijan, Australia, and UK during 2023. The revenue is generated from delivering our offshore services branded as EC-Drill®, RMR®, CTS, EC-Monitor® and MPC. In addition to offshore services, we experience an increasing demand from our clients for our engineering expertise.

The General market conditions for oil field services continue to improve during 2023. Following increased energy prices in 2022, oil prices averaged $19 per barrel less in 2023 than 2022. Overall, the oil services market is poised for growth, driven by strong investment, increased demand for services in complex projects, and a strategic shift towards low-carbon energy solutions. This positive outlook is expected to continue through 2024 and beyond, with significant activity across various global regions. Enhanced Drilling's growth in the same period is significantly higher than the general market due to increased market adoption for our services. The company's technology and services are very well aligned with the current market drivers; environment and HSEQ focus, increased well complexity, reduction of well costs, field life extension and increased production from existing assets. As the market gains knowledge and understanding of the value proposition of our services, growth will be driven by market adoption rather than cyclical fluctuations.

The entry into the US market with our EC-Drill® services has been highly successful. From the first system starting operations third quarter in 2020, the company deployed a second system in 2023 and prepared for deployment of a third system early 2024. The new contracts are for second generation EC-Drill® systems combined with a riser closure device, highly suitable for deep water drilling.

In line with our strategy for the American market, we have continued to strengthen our US organization during 2023. With a 50% growth in employees, we are building a strong onshore and offshore organization to deliver our EC-Drill services to our US customers. A new training and technology center was opened first quarter 2023, in time for the deployment of the 2nd EC-Drill system.

EC-Drill has taken drilling to success on the NCS Balder field. Where conventional drilling saw instances of wellbore collapse and downhole losses, resulting in operational delays, EC-Drill has been an enabler for successful drilling.

RMR, CTS and MPC activity continue to increase in the Caspian area, UK, Australia and NCS in 2023 and is up by 27% compared to 2022.

With good contract inflow during 2022 and 2023, the company has a significant backlog for the next 3 years. Future operations and activity are supported by long-term frame agreements and recurrent operations for customers.

Research and Development 2023
Innovation is at the core of the Enhanced Drilling story, hence the continuing investment in both further product development as well as next-generation concepts and technologies. For more than 35 years we have developed new ideas into unique proprietary technologies that have delivered value to the offshore energy industry. By continuously developing our technologies, we are leading the way in next generation drilling solutions that deliver enhanced safety, reliability, cost effectiveness and environmental benefits.

During 2023, Enhanced Drilling launched operations with the next generation EC-Drill® technology, branded as EC-Drill® dual MPD. The developments included a new control system and software enabling more advanced well planning, simulations, and operations, a significantly improved subsea pump module and an integration to a riser closure device. EC-Drill® dual MPD is a significant step forward in the capability of the EC-Drill® system by providing an additional barrier in the drilling system to increase safety and expand the capabilities of the system by allowing for influx management within a preapproved influx management envelope. The development is expected to contribute to future growth and open new market areas for EC-Drill®.

A significant part of the initiatives is characterized by development of new methodologies and the digital tools to support the operations. Development initiatives delivered in 2023 within the area of real time data access and data capture capabilities will be the foundation for future initiatives within the area of data driven services. In addition to enabling condition-based maintenance, remote operations and real time diagnostics, products within the area of reservoir characterization, well control, down hole diagnostics and real time modelling is enabled by real time data.

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

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

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

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

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

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

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

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

Financial risk

Financial risk factors

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

Market risk

(i) **Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AUD, EUR, GBP, and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Positions are reviewed monthly.

(ii) **Price risk**

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

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

Credit risk

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

Liquidity risk

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

Equity and shares
The group's book equity at year end was NOK 523,6 million up from NOK 506,4 million from last year. Total equity over total asset ratio was 50% compared to 49% last year. Enhanced Well Technologies AS has two share classes. A-Shares (ordinary shares) and B-shares (preference shares). All ordinary A-shares carry equal rights. Each ordinary share carries one vote in the general meeting of the company. The B-shares do not have voting rights in the general meeting of the company. Both share classes have right to participate in the General Meeting. Unequal distributions may be made to the different share classes, and the B-shares shall have a preferred right to distributions so that distributions on the A-shares may not take place before the B-shares have received full distribution as set out in § 4 in the Articles of Association of Enhanced Well Technologies Group AS.
At 31st December 2023 the company had a share capital of NOK 513 905 divided into 475 184 A-shares and 38 721 B-shares. Face value of is NOK 1 per share. All issued shares are fully paid.

Environment, Social and Governance (ESG)
Enhanced Drilling is dedicated to upholding environmental, social, and corporate governance (ESG) principles and implementing ethical business strategies. Since 2019, we have been broadening our ESG Key Performance Indicators (KPIs) with a focus on environmental and social responsibility while establishing a framework to enhance ESG performance. Our goal is to actively enhance our impact on the planet and society. We aim not only to minimize our carbon footprint but also to introduce products and services that collectively reduce the industry's environmental impact.
Enhanced Well Technologies Group monitors performance continuously, and report status to the Group Executive Management Team and the Board of Directors on a regular basis.

All Enhanced Drilling activities that affect the environment are managed by means of well-established systems and processes to identify and eliminate or reduce any negative impact, and to ensure, as a minimum, compliance with legislation and regulations set out by the authorities. Energy consumption is at a normal level for our type of business and chemicals are managed to reduce use and planned discharge of environmentally hazardous chemicals. Analysis of carbon footprint (scope 1-3) clearly indicates that the transportation of our equipment and business travel are the primary contributors to our CO2 emissions. The CO2 emissions have increased compared to 2022, primarily due to increase in international projects, which necessitates transportation of both equipment and personnel. In response to these findings, we are actively exploring more sustainable transportation options and enhancing our remote working capabilities to reduce the necessity for frequent travel. Enhanced Drilling achieved carbon neutral production in 2023.

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

We have functioning safety organizations to ensure employee involvement in HSE related issues. Average illness absence during 2023 was 3,8%. During 2023, Enhanced Drilling had zero lost time injury, zero medical treatment (MTI) and zero first aid incidents.

The last years positive trend and results within HSEQ have continued in 2023:
- Lost Time Incidents (LTI) – 0
- Medical Treatment Incidents (MTI) – 0
- First Aid Incidents (FAI) – 0
- Total Recordable Incident Frequency (TRIF) – 0

A core objective of Enhanced Drilling is to have a safe and healthy working environment. We manage our business in accordance with ISO 45001:2018 Occupational health and safety management systems and ISO 9001:2018 Quality management systems standard, API Q2 Quality Management for Service Supply Organizations for the Petroleum and Natural Gas Industry.

Our HR processes ensure that Enhanced Drilling looks after new and existing employees the best possible way, and through this ensure good working conditions. Internal guidelines are reviewed and are regularly updated. In accordance with the Norwegian Transparency Act (valid from 2022), UK Modern Slavery Act

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and Australia Modern Slavery Act, we publish a transparency statement and an account of due diligence assessments by 30th June 2024.

Gender equality
As of 31st December 2023, the Board of Enhanced Well Technologies Group had 6 Board Members and 2 Observers, comprising of 8 male and 0 female.

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

In accordance with the Norwegian Equality and Anti-Discrimination Act, applicable for the Norwegian subsidiary we assess the gender balance (annual requirement) and equal pay (biyearly requirement, to be performed next year) Status at end of 2023 was:

- Share of women employed of total workforce is 17,3%
- Share of women employed offshore and workshop is 4,5%
- We have no involuntary part time positions in the company

According to legislation, maternity/paternity leave is mandatory shared between partners with 1/3 each and the last 1/3 of the leave can be split as per decision. Of Enhanced Drilling personnel, who has been on maternity/paternity leave during 2023, women have in average taken 28 weeks maternity leave and men average at 9 weeks.

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

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

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

Financial review
Income statement, Cash Flow, Investments, Finance and Liquidity

The 2023 turnover was NOK 621 million compared to the 2022 turnover of NOK 475 million. The company continues its positive trend with increased activity and market adoption for new technology. The company has a significant order backlog that takes us through 2024 and further.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) ended at NOK 173,5 million, compared to NOK 195,6 million in 2022. The EBITDA margin was 28%, down from 41% in 2022.

In 2023 according to our strategy we have increased the organization by 25%. We have strengthened the engineering capacity and the entire US organization. Offshore field specialists have been hired early to carry out extensive training prior to their offshore mobilization. We have also seen a change in revenue mix in 2023, with a larger portion of pass-through cost and sale of top side equipment with lower margins compared to 2022. Based on our forecast we expect the EBITDA margin to increase going forward.

Accumulated cash flow from Enhanced Well Technologies Group's operational activities was positive NOK 147,8 million vs NOK 155,7 million in 2022. Total investments for the group were NOK 107,2 million compared to NOK 210,9 million in 2022. Net cash flow from financing activities were negative NOK 36,8 million compared to positive NOK 48,7 million in 2022. Cash and cash equivalents for the Group at 31.12.2023 was NOK 6,0 million up from NOK 2,4 million at year end 2022.

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

Enhanced Well Technologies Group's total interest-bearing debt at year end 2023 was NOK 291 million, which represent 27,8% of the group's total asset compared to NOK 294 million in 2022 representing 28,6 % of the group's total assets.

At the end of the year, total assets amounted to NOK 1.050 million vs NOK 1.027 million last year.
Total current liability to total asset ratio at 31.12.2023 was 40% compared to 22% last year. The increase in ratio is due to the bank loans maturing in 2024 has been reclassified as short term. After reporting date Enhanced Well Technologies has agreed refinancing with DnB.
The equity to total assets ratio at 31.12.2023 was 50% compared to 49% last year.

Parent Company

Enhanced Well Technologies Group AS is the ultimate parent company, and its main activity is to act as the owner of the shares in its subsidiaries. The operating loss in 2023 was NOK 387 thousand compared to a profit of NOK 204 thousand in 2022. The net profit in 2023 ends at NOK 360 thousand, compared to a profit of NOK 486 thousand in 2022. Enhanced Well Technologies Group has assessed its investment in subsidiaries, including its goodwill. An assessment has also been made for subsidiaries' fixed asset. A discounted cash flow (DCF) method was applied. The impairment testing indicates no need for write down of investment in subsidiaries or goodwill.

Accumulated cash flow from the company's operations was NOK 1 million. Net cashflow of investment activities was negative NOK 1,1 million vs negative NOK 3,8 million in 2022. The negative amount in 2023 and 2022 relates to a loan granted on arm's length terms in connection with the established management incentive program. 2023 also includes an 8% shareholding in EWTG MIP. Please refer to Parent company note # 7 for further details. The cashflow from finance activities was NOK 0 million compared to NOK 4,2 million in 2022 relating to capital increase.

The total assets were NOK 513,0 million at year end 2023 and NOK 512,6 million at year end 2022. The equity to asset ratio was 100% at 31.12.2023, same as last year.

Events after balance sheet date

After the reporting date, the group has entered into an amendment and restatement agreement for the Credit Facilities Agreement with DNB. Please refer to Note 28 in the consolidated financial statement.

Annual Result and Allocations

The Board proposes the following allocations of the Enhanced Well Technologies Group's net profit for the financial year:

Profit for the year:	TNOK 17.717
Total profit allocated to retained earnings:	TNOK 17.717

The Board proposes the following allocations of the parent company Enhanced Well Technologies Group AS' net profit for the financial year:

Profit for the year:	TNOK	360
Total profit allocated to retained earnings:	TNOK	360

Continued Operation

The Group`s external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5-year senior facilities agreement with DNB Bank ASA, a facility that matures in July 2024.

After the reporting date, an amendment and restatement agreement of the Senior Facilities Agreement was entered into with DNB Bank ASA. New facilities at total NOK 550 million have been made available for the Group, and termination date has been extended to 12th July 2027.
The key assumptions made in the impairment test reflect the Board's current assessment of Enhanced Well Technologies Group's potential to adapt to and benefit from trends in the oil services industry. Management believes that the expectations reflected in the forward-looking forecasts used as a basis for the impairment reviews, are reasonable. However, as the impairment valuations are based on forward looking information, they will involve estimates, risk, and uncertainty.

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

Straume 06.06.2024

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Martyn James Fear Chairman	Gregory John Herrera Board Member	Geert-Peter Van Giessel Board Member
DocuSigned by: Kjell erik jacobsen C8B05A78CE2E42E...	DocuSigned by: Tom Atkins 14AF87E9DF984C2...	DocuSigned by: Erling Meinich-Bache D5E139D3E14A483...
Kjell Erik Jacobsen Board Member	Tom Atkins Board Member	Erling Meinich-Bache Board Member

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Income Statement

Revenues and expenses from continuing operations	**Note**	**2023**	**2022**
Revenue from customer contracts		618 535	457 257
Other revenue		2 927	18 299
Total revenue	4,5	**621 462**	**475 556**
Project costs		144 246	84 319
Payroll expenses	6	239 467	151 260
Other operating expenses	7	64 234	44 380
Total operating expenses		**447 946**	**279 958**
Operating result before depreciation, amortization and impairment		**173 515**	**195 597**
Impairment, depreciation and amortisation	11,12	118 860	120 427
Net operating profit (loss)		**54 655**	**75 171**
Financial income		32 766	29 434
Financial expenses		58 772	38 589
Net financial items	8	**(26 006)**	**(9 155)**
Profit (loss) before tax		**28 649**	**66 016**
Income tax	9	10 931	(134 511)
Net profit (loss) for the year		**17 717**	**200 527**
Profit (loss) attributable to equity holders		17 717	200 527
		17 717	**200 527**
Profit (loss) per share from continuing operations (NOK)	10	34,48	392,23
Profit (loss) per share including discontinuing operations (NOK)	10	34,48	392,23

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Statement of Comprehensive Income	**2023**	**2022**
Net profit (loss) for the year	17 717	200 527
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Currency translation differences	(2 097)	(8 571)
Cash flow hedge	1 584	(2 175)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(513)**	**(10 746)**
Total comprehensive profit (loss) for the period	**17 204**	**189 781**

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Balance as of 31 December

Assets	Note	2023	2022
Non-current assets			
Intangible assets			
Deferred tax assets	9	121 125	131 795
Other intangibles	11	44 041	35 334
Goodwill	11	29 400	29 400
Total intangible assets		**194 566**	**196 529**
Tangible fixed assets			
Machinery and operating equipment	12	645 532	658 546
Total tangible fixed assets		**645 532**	**658 546**
Financial non-current assets			
Financial non-current assets	13	19 730	18 581
Total financial non-current assets		**19 730**	**18 581**
Total non-current assets		**859 828**	**873 656**
Current assets			
Inventories			
Inventories	14	60 607	42 763
Total inventories		**60 607**	**42 763**
Current receivables			
Trade receivables	15	86 399	86 155
Other receivables	16	37 771	22 498
Total current receivables		**124 170**	**108 652**
Financial assets at fair value			
Financial assets at fair value	24	-	38
Total financial assets at fair value		**-**	**38**
Bank deposits, cash in hand, etc.			
Bank deposits, cash in hand, etc.		5 997	2 372
Total bank deposits, cash in hand, etc.	17	**5 997**	**2 372**
Total current assets		**190 773**	**153 824**
Total assets		**1 050 601**	**1 027 480**

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Balance as of 31 December

Equity and liabilities	Note	2023	2022
Equity			
Paid in equity			
Share capital		514	514
Share premium fund		513 055	513 055
Total paid in equity	18	**513 569**	**513 569**
Earned equity			
Retained earnings		10 035	(7 170)
Total earned equity		**10 035**	**(7 170)**
Total equity		**523 604**	**506 399**
Liabilities			
Provisions for liabilities			
Deferred tax	9	40 943	46 903
Total provisions for liabilities		**40 943**	**46 903**
Non-current liabilities			
Debt to credit institutions	19	-	185 111
Deferred revenue, grants received for R&D	20	9 353	6 784
Other long term liabilities	21	56 023	59 710
Total non-current liabilities		**65 376**	**251 605**
Current liabilities			
Debt to credit institutions	19	261 581	75 213
Trade payables	23	101 821	91 107
Income tax payable	9	(769)	39
Other taxes payable		13 828	8 048
Other current liabilities	22	44 218	48 167
Total current liabilities		**420 678**	**222 573**
Total liabilities		**526 997**	**521 082**
Total equity and liabilities		**1 050 601**	**1 027 480**

Straume, 06.06.2024

DocuSigned by: Martyn James Fear
Martyn James Fear
Chairman

DocuSigned by: Gregory John Herrera
Gregory John Herrera
Board Member

DocuSigned by:
Geert-Peter Van Giessel
Board Member

DocuSigned by: Kjell erik jacobsen
Kjell Erik Jacobsen
Board Member

DocuSigned by: Tom Atkins
Tom Atkins
Board Member

DocuSigned by: Erling Meinich-Bache
Erling Meinich-Bache
Board Member

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Statement of Changes in Equity

	Share capital	Share premium fund	Total paid in equity	Translation effects	Retained earnings	Total equity
Closing balance 31.12.2021	**510**	**508 797**	**509 306**	**3 848**	**(200 799)**	**312 356**
Increase in share capital 22.09.22	4	4 259	4 263	-	-	4 263
Profit for the period	-	-	-	-	200 527	200 527
Other comprehensive income	-	-	-	(10 746)	-	(10 746)
Adjustment to equity for 2022	**4**	**4 259**	**4 263**	**(10 746)**	**200 527**	**194 043**
Closing balance 31.12.2022	**514**	**513 055**	**513 569**	**(6 898)**	**(272)**	**506 399**
Profit for the period	-	-	-	-	17 717	17 717
Other comprehensive income	-	-	-	(513)	-	(513)
Adjustment to equity for 2023	**-**	**-**	**-**	**(513)**	**17 717**	**17 204**
Closing balance 31.12.2023	**514**	**513 055**	**513 569**	**(7 411)**	**17 445**	**523 603**

Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated Statement of Cash Flows

	Note	2023	2022
Operating activities			
Profit (loss) before taxes from continuing operations		28 649	66 016
Profit (loss) before taxes from discontinued operations		-	-
Profit (loss) before tax		**28 649**	**66 016**
Non-cash adjustments to reconcile profit (loss) before tax to net cash flows			
Impairment, depreciation and amortisation	11,12	118 860	120 427
Finance income	8	(32 766)	(29 434)
Finance costs	8	58 772	38 589
Working capital adjustments:			
Decrease (increase) in trade and other receivables and prepayments		(16 665)	(20 171)
Decrease (increase) in inventory		(17 844)	(18 782)
Decrease in trade and other payables		10 714	60 146
Decrease (increase) in other provisions		(3 216)	(61 852)
		146 504	**154 938**
Interest received		4 147	1 342
Income tax paid		(2 882)	(536)
Net cash flow from operational activities		**147 769**	**155 744**
Investing activities			
Proceeds from sale of property, plant and equipment and intangible assets	11,12	1 043	221
Capital expenditure for property, plant and equipment and intangible assets	11,12	(108 291)	(207 563)
Other long term receivables	13	-	(3 623)
Net cash flows used in investing activities		**(107 247)**	**(210 965)**
Financing activities			
Proceeds from borrowings		87 382	106 098
Repayment of borrowings		(89 828)	(39 027)
Proceeds from equity		-	4 263
Interest paid		(34 449)	(22 602)
Net cash flow from (used) in financing activities		**(36 895)**	**48 732**
Net increase in cash and cash equivalents		3 626	(6 489)
Cash and cash equivalents at start of period		2 371	8 861
Cash and cash equivalents at end of period	17	**5 997**	**2 371**

Note 1 Company Information

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

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

Note 2 Basis of Preparation

The consolidated financial statements of Enhanced Well Technologies Group AS, for the full year 2023 were authorized for issue in accordance with the resolutions of the Board of Directors 06.06.2024.

Statement of compliance

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

Note 3 Accounting Principles

Significant accounting policies

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

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

The functional currency of Enhanced Well Technologies Group AS is the Norwegian krone (NOK). The consolidated financial statements are presented in NOK.

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

Basis of consolidation

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

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

Reportable segments

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

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

Foreign currency translation

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

Presentation currency

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

Business combinations

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

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

Revenue recognition

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

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

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

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

Revenue is measured based on the consideration specified in a contract with a customer. Enhanced Well Technologies Group recognizes revenue when the Group transfers control over a goods or service to a customer. A five-step process is applied before revenue can be recognized.

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

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

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

Public grants

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

Other income, net

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

Classification of assets and liabilities

Assets are classified as current assets when:

- the asset is a part of the unit's service cycle and is expected to be realized or used during the course of the unit's normal production period;

- the asset is held for trading purposes and is expected to be realized within 12 months of balance sheet date;

- the asset is cash or cash equivalent

All other assets are classified as non-current.

Liabilities are classified as current liabilities when:

- the liability is a part of the unit's service range, and is expected to be settled during the course of normal production period;

- the liability is kept for trading purposes;

- settlement has been agreed within 12 months after balance sheet date;

- the unit does not have an unconditional right to postpone settlement of the liability until at least 12 months after balance sheet date;

All other liabilities are classified as non-current.

Intangible assets

(a) Goodwill

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

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

(b) Trademarks and licenses

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

(c) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship (3-8 years).

(d) Computer software

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

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

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

(e) Research and development

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale, has been demonstrated;

- the intention and ability to complete the intangible asset and sell it or use it in the company's operations has been demonstrated;

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

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

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

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

(f) Other intangible assets

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

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

Property, plant and equipment

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

The cost of property, plant and equipment comprises the purchase price, including duties/taxes and direct acquisition costs linked to making the asset fit for use. Expenses incurred after the asset has been taken into use, such as repairs and maintenance, are normally recognized in the income statement. In cases where increased earnings can be demonstrated as a result of repairs/maintenance, the expenditure on this will be recognized in the balance sheet as additions to property, plant and equipment.

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

– Machinery 3-15 years

– Vehicles 3-5 years

– Furniture, fittings and equipment 3-8 years

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

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

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

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

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

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

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

IFRS 16 Leases

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

Impairment of non-financial assets

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

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

Financial assets

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

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

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

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or obligor;

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

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

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

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

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

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

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

The Group first assesses whether objective evidence of impairment exists.

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

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

Inventories

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

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

Cash and cash equivalents

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

Borrowings

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

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

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

Current and deferred income tax

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

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

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

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

Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

(b) Termination benefits

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

(c) Bonus plans

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

Provisions

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

Contingent liabilities

Contingent liabilities are defined as:

(i) possible obligations resulting from past events whose existence depends on future events;

(ii) obligations that are not recognized because it is not probable that they will lead to an outflow of resources; and

(iii) obligations that cannot be measured with sufficient reliability.

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

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

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

Cash Flow Statement

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

New standards and interpretations not yet adopted

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

4 Revenue **Figures in TNOK**

Revenue from customer contracts	2023	2022
Revenue from sale of services	601 016	430 787
Revenue from sale of goods	17 519	26 470
Total revenue from customer contracts	**618 535**	**457 257**
Other revenue		
Revenue from rental of premises	554	512
Profit from sale of fixed assets	1 043	221
Revenue from recognised grants	1 321	17 501
Revenue from other sales	9	65
Total other revenue	**2 927**	**18 299**
Total revenue	**621 462**	**475 556**

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

Total revenue	2023	2022
Norway	236 134	250 958
Europe ex. Norway	148 184	67 377
Australia	66 864	36 505
America	170 779	120 217
Asia	(500)	500
Africa	-	-
Total	**621 461**	**475 556**

5 Segments **Figures in TNOK**

Segment information for 2023 and 2022 is reported in accordance with the reporting to Group Executive Management (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. The accounting principles for the segment reporting are consistent with those applied by the Group. Segment result is defined as EBITDA before other income and expenses.

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

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

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

Geographical segments 2023	Australia	Azerbaijan	Brasil	Norway	UK	USA	Elim	Total
Profit and loss Account								
External operating revenues	66 864	44 075	-	322 042	30 269	158 212	-	621 462
Intercompany operating revenues	1 127	-	-	165 641	(0)	18 739	(185 508)	-
Project expenses/payroll expenses	(46 075)	(34 156)	-	(267 949)	(11 782)	(153 223)	129 473	(383 713)
Other operating expenses	(9 049)	(2 089)	(864)	(36 126)	(17 897)	(38 344)	40 135	(64 234)
EBITDA[1]	**12 867**	**7 830**	**(864)**	**183 608**	**591**	**(14 617)**	**(15 900)**	**173 515**
Impairment, depreciation and amortisation	(676)	-	-	(114 177)	(525)	(3 482)	(0)	(118 860)
Operating profit (loss)	**12 191**	**7 830**	**(864)**	**69 431**	**65**	**(18 099)**	**(15 900)**	**54 655**
Net financial items	(2 479)	4	1 323	(22 938)	1 786	(3 703)	-	(26 006)
Tax	-	(3 061)	(6)	(9 564)	(2 969)	4 669	-	(10 932)
Balance								
Non-current assets	1 442	-	6 332	862 186	28 058	39 531	(77 721)	859 828
Total assets	24 564	-	6 731	1 179 495	28 790	122 685	(311 664)	1 050 601
Capex	1 186	-	-	102 062	-	10 863	-	114 111

Segment information 2022	Australia	Azerbaijan	Brasil	Norway	UK	USA	Elim	Total
Profit and loss Account								
External operating revenues	36 805	18 779	-	333 432	46 333	40 206	-	475 556
Intercompany operating revenues	2 461	-	-	82 180	(0)	7 257	(91 897)	-
Project expenses/payroll expenses	(30 169)	(11 357)	-	(184 015)	(22 487)	(59 455)	71 906	(235 579)
Other operating expenses	(5 562)	(634)	(694)	(37 185)	(7 521)	(17 886)	25 102	(44 380)
EBITDA[1]	**3 534**	**6 788**	**(694)**	**194 411**	**16 326**	**(29 878)**	**5 110**	**195 597**
Depreciation and amortisation	(275)	-	-	(118 700)	(474)	(978)	-	(120 427)
Operating profit (loss)	**3 259**	**6 788**	**(694)**	**75 712**	**15 852**	**(30 856)**	**5 110**	**75 171**
Net financial items	(3 049)	(1)	1 694	(3 315)	(328)	(1 286)	(2 870)	(9 155)
Tax	-	(520)	(3)	120 689	409	13 936	0	134 511
Balance								
Non-current assets	875	-	7 329	885 213	9 486	26 887	(56 134)	873 656
Total assets	12 089	-	7 586	1 078 687	18 295	62 210	(151 386)	1 027 480
Capex	587	-	-	205 779	-	9 237	-	215 604

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

6 Payroll Expenses

Figures in TNOK

	2023	2022
Wages	192 992	123 777
Employers' social security contributions	23 242	15 842
Pension costs	11 472	6 929
Other remunerations	10 611	11 107
Hired personnel	15 452	4 813
Capitalised wages	(14 301)	(11 210)
Total	**239 467**	**151 260**
Average number of man-labour years	149	110

Several new employees have been onboarded during 2023 and 2022 in line with increased activity. At year end the group had 153 (116) fixed employees.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other Group executives and members of the parent company's board accordingly for 2023 and 2022 were:

2023	Wages	Bonus	Pension premiums	Other remuneration	Total
CEO - Kjetil Lunde	2 394	1 028	93	24	3 538
Chariman of the Board - Martyn James Fear	323				323
Total	**2 717**	**1 028**	**93**	**24**	**3 861**

2022	Wages	Bonus	Pension premiums	Other remuneration	Total
CEO - Kjetil Lunde	2 280	308	87	36	2 711
Chariman of the Board - Martyn James Fear	293	-	-	-	293
Total	**2 573**	**308**	**87**	**36**	**3 005**

Per 31.12.2023 and 31.12.2022 there are no loans or guarantees to the CEO or to members of the board. No related parties to these have loans or guarantees from the group.

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

6 Payroll Expenses (cont.) **Figures in TNOK**

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

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

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

	2023	2022
Cost contribution plan	11 472	6 929
Cost defined benefit scheme	-	-
Total pension costs	**11 472**	**6 929**

	2023	2022
Pension commitments	872	872
Total pension commitments	**872**	**872**

7 Other Operating Expenses **Figures in TNOK**

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

Specification of auditor's fee excl. VAT	**2023**	**2022**
Fees for audit of annual accounts	1 328	1 072
Fees for other attestation services	40	53
Fees for tax-related services	741	862
Fees for other services	3	167
Total	**2 112**	**2 154**

8 Financial Income and Expenses **Figures in TNOK**

	2023	2022
Interest income	4 147	1 342
Currency gain	28 625	28 043
Other financial income	(6)	49
Financial Income	**32 766**	**29 434**
Interest expense	34 449	22 602
Currency loss	24 119	15 256
Unrealised loss on interest swap	-	(428)
Other financial expense	204	1 159
Financial expenses	**58 772**	**38 589**
Net financial items	**(26 006)**	**(9 155)**

9 Tax

Figures in TNOK

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2023	2022
Current income tax expense Norway	-	-
Current income tax expense abroad	2 994	535
Changes in deferred tax Norway	12 531	(121 098)
Change in deferred tax abroad	(4 595)	(13 946)
Income tax expense (from continuing operations)	**10 931**	**(134 511)**
Reconciliation of tax payable		
Tax payable in profit and loss account	-	35
Prepaid tax	(4 220)	(519)
Tax, international	3 451	523
Tax payable in balance sheet	**(769)**	**39**
Reconciliation of nominal and effective tax rate		
Pre-tax result	28 649	66 016
Applicable tax with tax rate 22%	**6 303**	**14 523**
Variance, actual and expected income tax expense	**4 628**	**(149 034)**
Explanation of why actual tax cost deviates from expected tax cost		
Tax effect from non-deductible costs	2 883	(622)
Tax effect from non-taxable income	(1)	(54)
Tax effect from impairment	1 672	(330)
Tax losses for which no deferred income tax asset was recognised	(3 982)	(148 488)
International tax rate deviates from Norwegian tax rate	4 057	461
Variance compared to applicable tax rate	**4 628**	**(149 034)**
Deferred tax assets as of 31.12.	121 125	131 795
Deferred tax liability as of 31.12.	40 943	46 903
Balance sheet value	**(80 182)**	**(84 892)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The tax losses are connected to previous year's tax losses.

The Group have not recognised deferred income tax assets of TNOK 36 441 (38 236) in respect of losses amounting to TNOK 149 569 (154 977), related to Australian, Norwegian, UK, and US companies, that can be carried forward against future taxable income.

Tax losses in Australia, Norway, US and UK can be offset against future taxable profit, and there is no limit for usage. Deferred tax assets will be booked when there is convincing evidence for future taxable profit. Interest cut off on intra group loans may be carried forward for deduction in the ten following income years.

Below is a specification of temporary differences between accounting and tax values, as well as calculation of deferred tax/ tax advantage at the end of the financial year.

Basis for deferred tax	**2023**	**2022**
Receivables	(57 800)	(65 400)
Inventory	(1 000)	(1 000)
Other current balance sheet items	(17 225)	(8 675)
Amount linked to current balance sheet items	**(76 025)**	**(75 075)**
Fixed assets and intangible assets	245 252	255 707
Balanced lease agreements	(1 615)	(938)
Foreign Tax credits	(997)	(968)
Profit and loss account	(406)	(496)
Interest cut off on intra group loans	(54 009)	(59 248)
Loss carried forward	(686 599)	(724 754)
Amount linked to long-term balance sheet items	**(498 374)**	**(530 696)**
Total basis for deferred tax assets	**(574 399)**	**(605 771)**

10 Earnings Per Share **Figures in TNOK**

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

Basis for calculation of earnings per share	**2023**	**2022**
Net result allocated to shareholders from continuing operations	17 717	200 527
Net result allocated to shareholders including discontinued operations	17 717	200 527
Weighted average number of outstanding shares excluding treasury shares	514	511
Earnings per share from continuing operations (NOK)	34,48	392,23
Earnings per share including discontinuing operations (NOK)	34,48	392,23

11 Intangible Assets and Goodwill

Figures in TNOK

2023	Goodwill	Self-developed patent/ development project	Total
Historical cost 01.01.	41 600	238 465	280 065
Additions	-	16 141	16 141
Disposals	-	-	-
Conversion variances	-	-	-
Historical cost 31.12.	**41 600**	**254 605**	**296 205**
Accumulated amortisation 01.01.	-	126 143	126 143
Amortisation of the year	-	7 434	7 434
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
Amortisation 31.12.	**-**	**133 577**	**133 577**
Accumulated impairments 01.01.	12 200	76 988	89 188
Impairments for the year	-	-	-
Conversion variances	-	-	-
Accumulated impairments 31.12.	**12 200**	**76 988**	**89 188**
Book value 31.12.	**29 400**	**44 041**	**73 441**
Amortisation rates		5-20 years	
Amortisation method		Linear	

Self-developed assets are started amortized when they are fully developed.

2022	Goodwill	Self-developed patent/ development project	Total
Historical cost 01.01.	41 600	236 094	277 694
Additions	-	2 371	2 371
Disposals	-	-	-
Exchange differences	-	-	-
Historical cost 31.12.	**41 600**	**238 465**	**280 065**
Accumulated amortisation 01.01.	-	115 959	115 959
Amortisation of the year	-	10 184	10 184
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
Amortisation 31.12.	**-**	**126 143**	**126 143**
Accumulated impairments 01.01.	12 200	76 988	89 188
Impairments for the year	-	-	-
Conversion variances	-	-	-
Accumulated impairments 31.12.	**12 200**	**76 988**	**89 188**
Book value 31.12.	**29 400**	**35 334**	**64 734**
Amortisation rates		5-20 years	
Amortisation method		Linear	

Self-developed assets are started amortized when they are fully developed.

Goodwill for each acquisition	2023	2022
IKM Cleandrill AS	29 400	29 400

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

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

	2023	2022
Margin	38,0 %	42,0 %
Discount rate	15,2 %	15,0 %

12 Machinery and Operating Equipment **Figures in TNOK**

2023	Right of use assets	Building	Machinery and operating equipment	Total
Historical cost 01.01.	53 090	446	1 842 877	1 896 413
Additions	5 821	72	92 078	97 971
Disposals	-	-	(211 500)	(211 500)
Conversion variances	627	-	310	936
Historical cost 31.12.	**59 538**	**518**	**1 723 764**	**1 783 820**
Accumulated depreciation 01.01.	25 542	366	1 136 328	1 162 237
Depreciation of the year	8 526	53	102 847	111 426
Disposals depreciation during the year	-	-	(211 448)	(211 448)
Conversion variances	182	-	91	274
Accumulated depreciations 31.12.	**34 250**	**419**	**1 027 820**	**1 062 489**
Accumulated impairments 01.01	1 905	-	73 727	75 631
Impairment of the year	-	-		-
Disposals impairment during the year	-	-		-
Conversion variances	167	-		167
Accumulated impairments 31.12.	**2 072**	**-**	**73 727**	**75 799**
Book value 31.12.	**23 215**	**99**	**622 217**	**645 533**
Depreciation rates	3 - 8 years	8 years	3 - 15 years	
Depreciation method	Linear	Linear	Linear	

Based on assessment of future demand, operational experience and maintencance records, the lifespan of Enhanced Drilling EC Drill systems was in 2023 increased from 8 to 15 years. Subsequently, depreciation and carrying amount was re-calculated for FY23.

2022	Right of use assets	Building	Machinery and operating equipment	Total
Historical cost 01.01	45 041	446	1 637 510	1 682 997
Additions	8 041	-	205 192	213 233
Disposals	-	-	(401)	(401)
Conversion variances	9	-	576	584
Historical cost 31.12.	**53 090**	**446**	**1 842 877**	**1 896 413**
Accumulated depreciation 01.01	19 617	316	1 032 132	1 052 065
Depreciation of the year	5 928	50	104 266	110 244
Disposals depreciation during the year	-	-	(401)	(401)
Conversion variances	(3)	-	331	329
Accumulated depreciations 31.12.	**25 542**	**366**	**1 136 328**	**1 162 237**
Accumulated impairments 01.01	1 902	-	73 686	75 587
Impairment of the year	-	-	-	-
Disposals impairment during the year	-	-	-	-
Conversion variances	3	-	41	44
Accumulated impairments 31.12.	**1 905**	**-**	**73 727**	**75 631**
Book value 31.12.	**25 643**	**80**	**632 822**	**658 545**
Depreciation rates	3 - 8 years	8 years	3 - 10 years	
Depreciation method	Linear	Linear	Linear	

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

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

13 Financial Non-Current Assets **Figures in TNOK**

	2023	2022
Security deposit	138	65
Shares EWTG MIP AS	389	-
Loan EWTG MIP AS	19 202	18 516
Financial non-current assets 31.12.	**19 730**	**18 581**

Interest on loan to EWTG MIP AS is calculated in accordance with the standard interest rate set by the Norwegian tax administration.

14 Inventories **Figures in TNOK**

	2023	2022
Stocks	-	-
Work in progress	-	-
Finished goods	60 607	42 763
Inventories 31.12.	**60 607**	**42 763**

All amounts are net of any write-downs for obsolescence. For 2023 and 2022 the total accumulated write-down for obsolescence included in inventory is TNOK 1 000.

15 Trade Receivables **Figures in TNOK**

	2023	2022
Trade debtors at nominal value	71 272	65 677
Revenues not invoiced	15 127	20 478
Provisions for bad debt	-	-
Trade receivables 31.12.	**86 399**	**86 155**

16 Other Receivables **Figures in TNOK**

	2023	2022
Other taxes receivables	7 007	10 513
Advanced payments to suppliers	28 799	10 892
Overseas witholding taxes	4	-
Advanced payments employees	1 473	171
Other prepaid expenses	57	502
Other current assets	430	420
Other current receivables 31.12.	**37 771**	**22 498**

17 Cash and Cash Equivalents **Figures in TNOK**

	2023	2022
Cash	-	-
Bank deposits	5 997	2 372
Cash and cash equivalents 31.12.	**5 997**	**2 372**
Of which is restricted deposits	**256**	**238**
Unused overdraft facilities 31.12.	**25 848**	**12 758**

18 Share Capital and Shareholder Information

At 31 December 2023 and 2022 the company had a share capital of NOK 513 905 divided into 475 184 A-shares with total face value of NOK 475 184 and 38 721 B-shares with total face value of NOK 38 721, in total 513 905 shares each with a face value of NOK 1. All issued shares are fully paid.

All ordinary A-shares carry equal rights. Each ordinary share carries one vote at the general meeting of the company. The B-shares do not have any voting rights at the general meeting of the company. Unequal distributions may be made to the different shares classes, and the B-shares shall have a preferred right to distributions so that distributions on the A-shares may not take place before the B-shares have received full distribution as set out in § 4 in the Articles of Association of Enhanced Well Technologies Group AS.

Shareholders in Enhanced Well Technologies Group AS, as well as shares held by executive employees and board members including shares owned by affiliated individuals and companies, were at 31 December 2023 and 2022 as follows:

Shareholders 2023	A-shares	B-shares	Number of shares	Equity interest	Vote
EV EFT I AS	181 504	-	181 504	35,3 %	38,2 %
Shell Ventures B.V.	96 000	-	96 000	18,7 %	20,2 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,0 %	19,5 %
IKM Gruppen AS	62 225	3 692	65 917	12,8 %	13,1 %
EWTG MIP AS	28 500	-	28 500	5,5 %	6,0 %
IKM Testing AS	-	20 442	20 442	4,0 %	0,0 %
Socap AS	-	8 516	8 516	1,7 %	0,0 %
CDI AS	6 255	2 687	8 942	1,7 %	1,3 %
HC Invest AS	6 254	2 687	8 941	1,7 %	1,3 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Total shareholders	**475 184**	**38 721**	**513 905**	**100,0 %**	**100,0 %**
Board					
Thomas Arthur Hasler (owned via CDI AS)	6 255	2 687	8 942	1,7 %	1,3 %
Total shares owned by board members	**6 255**	**2 687**	**8 942**	**1,7 %**	**1,3 %**

Shareholders 2022	A-shares	B-shares	Number of shares	Equity interest	Vote
EV Private Equity V Plus LP	181 504	-	181 504	35,3 %	38,2 %
Shell Ventures B.V.	96 000	-	96 000	18,7 %	20,2 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,0 %	19,5 %
IKM Gruppen AS	62 225	3 692	65 917	12,8 %	13,1 %
EWTG MIP AS	28 500	-	28 500	5,5 %	6,0 %
IKM Testing AS	-	20 442	20 442	4,0 %	0,0 %
Socap AS	-	8 516	8 516	1,7 %	0,0 %
CDI AS	6 255	2 687	8 942	1,7 %	1,3 %
HC Invest AS	6 254	2 687	8 941	1,7 %	1,3 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Total shareholders	**475 184**	**38 721**	**513 905**	**100,0 %**	**100,0 %**
Board					
Thomas Arthur Hasler (owned via CDI AS)	6 255	2 687	8 942	1,7 %	1,3 %
Total shares owned by board members	**6 255**	**2 687**	**8 942**	**1,7 %**	**1,3 %**

Share Capital and Premium	Number of shares	A-Shares	B-Shares	Share premium (TNOK)	Total (TNOK)
31.12.2021	**509 915**	**471 194**	**38 721**	**508 797**	**509 306**
22.09.2022 Shares issued	3 990	3 990	-	4 259	4 263
31.12.2022	**513 905**	**475 184**	**38 721**	**513 055**	**513 569**
2023 Shared issued	-	-	-	-	-
31.12.2023	**513 905**	**475 184**	**38 721**	**513 055**	**513 569**

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19 Borrowings **Figures in TNOK**

	2023	2022
Long-term debt to credit institutions	-	149 800
Capex Facility	-	38 500
Capitalised arrangement fee deducted	-	(3 189)
Total long-term debt to credit institutions	**-**	**185 111**

	2023	2022
Short-term debt to credit institutions	25 152	40 613
First year installment on long-term debt	237 550	34 600
Capitalised arrangement fee deducted	(1 121)	-
Total short-term debt to credit institutions	**261 581**	**75 213**

Guaranteed liabilities	**2023**	**2022**
Total guaranteed liabilities	**262 702**	**263 513**
Average interest rate NOK loans	**8,3 %**	**5,9 %**

Amortization profile Debt to Credit Institutions	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Revolving Facility	25 152	-	-	-	25 152
CAPEX Facility	87 750	-	-	-	87 750
Long-term loans	149 800	-	-	-	149 800
Total	**262 702**	**-**	**-**	**-**	**262 702**

The Group has a long-term loan facility of TNOK 262 000, a government-guaranteed Covid-19 liquidity loan of TNOK 15 000, a CAPEX facility of TNOK 100 000, and a revolving facility (the "RCF") of TNOK 58 000.

During 2023 (2022) there was made installments on the long-term loan of TNOK 21 600 (21 600), balance per 31.12.2023 was TNOK 149 800 (171 400). During 2023 TNOK 3 750 (7 500) in installments was paid on the Covid 19 liquidity loan, balance per 31.12.2023 was TNOK 0 (3 750). TNOK 10 000 (750) was down paid on the Capex facility and TNOK 50 000 (42 500) was drawn. Balance per 31.12.2023 was TNOK 87 750 (47 750). TNOK 32 152 (47 613) was drawn under the RCF per December 2023, TNOK 25 152 (40 613) in cash drawings and TNOK 7 000 (7 000) in guarantees.

The Senior Facilities Agreement entered into with DNB Bank ASA includes the following financial covenants

(a) Cash flow cover:
the ratio of Cash flow to Debt Service for each period shall not be less than the ratio set out below opposite that relevant period:

(b) Leverage cover:
the ratio of Total Net Debt on the last day of the relevant period to adjusted EBITDA in respect of that relevant period shall not exceed the ratio set out below opposite that relevant period:

Relevant Period expiring	**Cash flow cover ratio**	**Leverage cover ratio**
31 December 2022	0,20	2,50
31 March 2023	0,01	2,50
30 June 2023	0,60	2,25
Each relevant period expiring thereafter	1,00	2,25

The group's long-term debt is secured by pledge. Enhanced Well Technologies AS has in its involvement with DNB Bank ASA issued a negative pledge which includes the majority of its subsidiaries. Subsidiaries that are defined as obligors under Enhanced Well Technologies' loan agreement are jointly and severally liable for the group's debt.

According to the borrowing agreement with DNB Bank ASA there are other conditions related to disposals of assets, substantial change in the nature of business, mergers and further encumbrances.

20 Deferred Revenue, Grants Received for R&D

Figures in TNOK

The Group has received grants from the Research Council of Norway in connection with research and developments projects. No terms and conditions apply to these grants.

The grants from the Research Council of Norway are recognised in the balance sheet and are posted as revenue in line with depreciation on the fixed assets to which they are linked.

	2023	2022
Other long term liability	2 122	6 059
Received during the year	351	371
Released to the income statement	(655)	(4 307)
Public grants	**1 818**	**2 122**
Other grants	7 535	4 662
Total	**9 353**	**6 784**

21 Leases

Figures in TNOK

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

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

	2023	2022
Land, buildings and permanent property	3 380	2 264
Apartments	538	248
Machinery and operating equipment	353	485
Total	**4 271**	**2 998**

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

Lease liabilities	2023	2022
IFRS 16 lease liabilities	25 934	27 986
Lease liabilities related to lease contracts	29 149	30 784
Total	**55 083**	**58 770**

22 Other Current Liabilities

Figures in TNOK

	2023	2022
Holiday pay and wages due	28 375	21 398
Advances from customers	11 194	21 070
Incurred interest cost	3 341	2 917
Accrued costs	1 308	1 197
Currency cash flow hedge at fair value	-	1 584
Total	**44 218**	**48 166**

23 Financial Risk Management and Exposures

Figures in TNOK

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

(a) Market risk
(i) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AUD, GBP, and USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. As of 31 December 2023 and 2022, the Group has foreign exchange contracts to hedge future sales to customers in USD.

(ii) Price risk
The Group is indirectly exposed to changes in the oil price, however current group policy is to not hedge oil price changes.

(iii) Cash flow and fair value interest rate risk
As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

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

		2023			2022	
Currency	**Currency (1000)**	**TNOK**	**Share %**	**Currency (1000)**	**TNOK**	**Share %**
Total operating revenue:						
AUD	1 736	12 135	2 %	5 499	36 805	8 %
GBP	2 349	30 090	5 %	3 941	46 358	10 %
NOK	280 433	280 426	45 %	345 080	345 080	73 %
USD	28 124	298 811	48 %	5 001	47 312	10 %
Total		**621 462**	**100 %**		**475 556**	**100 %**

		2023			2022	
Currency	**Currency (1000)**	**TNOK**	**Share %**	**Currency (1000)**	**TNOK**	**Share %**
Trade receivables:						
AUD	331	2 308	3 %	1 364	9 168	11 %
GBP	-	-	0 %	370	4 423	5 %
NOK	30 742	30 742	36 %	55 026	55 026	64 %
USD	5 229	53 350	62 %	1 770	17 538	20 %
Total		**86 399**	**100 %**		**86 155**	**100 %**

		2023			2022	
Currency	**Currency (1000)**	**TNOK**	**Share %**	**Currency (1000)**	**TNOK**	**Share %**
Trade payables:						
AUD	122	851	1 %	189	1 273	1 %
AZN	2	11	0 %	10	56	0 %
BRL	1	1	0 %	5	10	0 %
DKK	38	57	0 %	-	-	0 %
EUR	363	4 097	4 %	417	4 398	5 %
GBP	4	47	0 %	38	459	1 %
NOK	86 854	86 854	85 %	79 078	79 078	87 %
USD	971	9 903	10 %	589	5 833	6 %
Total		**101 821**	**100 %**		**91 106**	**100 %**

23 Financial Risk Management and Exposures (cont.) **Figures in TNOK**

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

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

The Group's main bank at 31 December 2023 and 2022 is DNB Bank ASA where the majority of group cash is deposited. In addition, the Group has other local banking relations in countries where DNB does not provide local services.

The table below shows the rating of the Group main cash management bank.

	Rating		2023		2022	
Counterparty	**Moody`s**	**S&P**	**Overdraft facility limit**	**Cash balance in DNB Bank ASA**	**Overdraft facility limit**	**Cash balance in DNB Bank ASA**
DNB Bank ASA	Aa2	AA-	58 000	(8 327)	58 000	(23 275)

In addition the Group has a CAPEX Facility of TNOK 100 000.

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

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

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

2023	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	262 702	-	-	-
Leasing	8 673	5 957	14 518	-
Derivative financial instruments (interest rate swap)	-	-	-	-
Trade and other payables	146 039	-	-	-

2022	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings	75 213	188 300	-	-
Leasing	11 696	7 960	10 991	137
Derivative financial instruments (interest rate swap)	-	-	-	-
Trade and other payables	139 273	-	-	-

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There were no dividends in 2023 or 2022.
The gearing ratios, defined as net debt to total capital, at 31 December 2023 and 2022 were as follows:

	2023	**2022**
Total borrowings and leasing (excluding capitalized arrangement fees)	291 850	294 297
Less: cash and cash equivalents	(5 997)	(2 372)
Net debt	**285 853**	**291 925**
Total equity	523 604	506 399
Total capital	**1 050 601**	**1 027 480**
Gearing ratio	**27 %**	**28 %**

24 Derivates **Figures in TNOK**

As of 31 December, the Group has foreign exchange contracts to hedge future sales to customers in USD. Forward exchange derivatives are utilised to hedge currency risk related to projected future sales. Interest rate swap is utilised to manage interest rate risk by converting from floating to fixed interest rate. The Group has not applied hedge accounting for the interest rate swap agreement.

The table below displays the fair value of derivative financial instruments, and the impact on the cash flow hedges on profit and loss and equity, as of 31 December 2023 and 2022.

2023	**Assets**	**Liabilities**	**Recognized in P&L**	**Deferred in equity**
Interest rate swap	-	-	38	-
Foreign exhange contracts	-	-	-	-
Total	**-**	**-**	**38**	**-**
Non-current portion				
Interest rate swap	-	-		
Foreign exhange contracts	-	-		
Non-current portion	-	-		
Current portion	**-**	**-**		

2022	**Assets**	**Liabilities**	**Recognized in P&L**	**Deferred in equity**
Interest rate swap	38	-	466	-
Foreign exhange contracts	-	1 584	-	(1 584)
Total	**38**	**1 584**	**466**	**(1 584)**
Non-current portion				
Interest rate swap	-	-		
Foreign exhange contracts	-	-		
Non-current portion	-	**-**		
Current portion	**38**	**1 584**		

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

Interest rate derivates

As of 31 December the Group held the following interest rate swap to manage interest rate risk by converting from floating to fixed interest rate. The Group has not applied hedge accounting for the interest rate swap agreement.

Instrument	**Fixed rate**	**Floating rate**	**Notional amount**	**Effective from**	**Maturity date**
31.12.2023					
Interest rate swap - NOK	na.	na.	na.	na.	na.
31.12.2022					
Interest rate swap - NOK	1,85 %	Nibor 3m	65 000	2019	2023

Foreign exchange derivatives

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

Instrument	**Commited**	**Amount**	**Remaining term to maturity**
31.12.2023			
Foreign exchange contracts	NOK/USD	-	< 1 year
Foreign exchange contracts	NOK/USD	-	> 1 year
31.12.2022			
Foreign exchange contracts	NOK/USD	15 048	< 1 year
Foreign exchange contracts	NOK/USD	-	> 1 year

25 Group Entities

Company	Head Office	Owner	Equity interest/ voting share 2023	2022
Enhanced Drilling AS	Straume-Norway	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Australia Pty Ltd	Perth-Australia	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Holding AS	Straume-Norway	Enhanced Well Technologies AS	100 %	100 %
Enhanced Drilling Inc	Houston-USA	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Services do Brasil Ltda	Rio de Janeiro-Brasil	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling UK Ltd	Aberdeen-UK	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Well Technologies AS	Straume-Norway	Enhanced Well Technologies Group AS	100 %	100 %
IKM Cleandrill Australia Pty Ltd *)	Perth-Australia	Enhanced Drilling AS	100 %	100 %

*) All business in Australia is executed by Enhanced Drilling Australia Pty Ltd.
IKM Cleandrill Australia is dormant, and under liquidation as of 31.12.2023. The company was deregistered 20th April 2024.

26 Related Parties **Figures in TNOK**

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

	Operating revenue	
	2023	**2022**
Shell Ventures B.V.	184 867	171 077
Total	**184 867**	**171 077**

	Other operating costs	
	2023	**2022**
EV Private Equity V Plus LP	-	125
EV EFT I AS	162	-
Martyn James Fear	1 837	1 345
Total	**2 000**	**1 470**

	Trade receivables	
	2023	**2022**
Shell Ventures B.V.	37 399	19 607
Total	**37 399**	**19 607**

	Trade payables	
	2023	**2022**
EV Private Equity V Plus LP	-	22
Martyn James Fear	121	105
Total	**121**	**127**

All transactions with related parties are carried out at market prices in connection with ordinary business transactions. There is not given or received any guarantees related to transaction with related parties in 2023 or 2022. There is not recognised any provision for doubtful debts related to the amount of outstanding balances, and there is not recognised any expense during 2023 or 2022 in respect of bad or doubtful debts due from related parties.

27 Share Investment Program

In 2021 Enhanced Well Technologies Group AS introduced a co-investment program in the parent company. In 2021 EWTG MIP AS was established for the purpose of serving as the holding company through which key employees in the Enhanced Well Technologies Group, invest in the Group in connection with the established management incentive program ("MIP"). A further investment was executed during 2022.

As part of the program a capital increase was made available in Enhanced Well Technologies Group AS.

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

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

28 Subsequent Events

The Group`s external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5-year senior facilities agreement with DNB Bank ASA, and the loan matures in July 2024. After the reporting date, the group has entered into an amendment and restatement agreement for the Senior Facilities Agreement with DNB.

The Parties have agreed to, inter alia, increase the Total Facility A Commitments up to TNOK 150 000, to increase the Total Facility B Commitments up to TNOK 250 000, to extend the termination date to 12th July 2027, and to make certain amendments to the Original Facilities Agreement in relation thereto. A capex facility of TNOK 80 000 has been established together with a Revolving Credit Facility of TNOK 70 000.

The amended facilities secure the day to day operations of Enhanced Drilling in an international market, and allows for further growth.

During 2023, Enhanced Drilling has invested in a new EC-Drill Dual MPD System for Stena Drilling. Stena Evolution left Korea in January 2024 and is now in operation in Gulf of Mexico. The system operates by default in CML mode with the ability to seamlessly switch to SBP mode to enable the best of both MPD worlds. This is achieved by adding a Riser Closure Device to the EC-Drill system.

Enhanced Well Technologies Group AS

Company number 922 585 881

Parent Company

Enhanced Well Technologies Group AS

Figures in TNOK

Income Statement

Revenues and expenses	**Note**	**2023**	**2022**
Other operating revenue		-	-
Total operating revenue		**-**	**-**
Other operating expenses	2	387	(204)
Total operating expenses		**387**	**(204)**
Net operating income		**(387)**	**204**
Financial income and expenses			
Financial income		748	282
Financial expenses		1	-
Net financial items	3	**747**	**282**
Income before tax		**360**	**486**
Income tax	4	-	-
Net income		**360**	**486**
Appropriation of net income			
Retained earnings		360	486
Total appropriation	5	**360**	**486**

Enhanced Well Technologies Group AS

Figures in TNOK

Balance as of 31 December

Assets	**Note**	**2023**	**2022**
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	6	492 101	492 101
Other financial non-current assets	7	19 592	18 516
Total financial non-current assets		**511 693**	**510 618**
Total non-current assets		**511 693**	**510 618**
Current assets			
Current receivables			
Group receivables	8	1 280	2 058
Other receivables	9	62	-
Total current receivables		**1 342**	**2 058**
Bank deposits, cash in hand, etc.			
Bank deposits, cash in hand, etc.	10	1	-
Total bank deposits, cash in hand, etc.		**1**	**-**
Total current assets		**1 342**	**2 058**
Total assets		**513 035**	**512 676**

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Enhanced Well Technologies Group AS

Figures in TNOK

Balance as of 31 December

Equity and liabilities	Note	2023	2022
Equity			
Paid in equity			
Share capital	11	514	514
Share premium fund	11,5	513 055	513 055
Total paid in equity		**513 569**	**513 569**
Earned equity			
Earned equity		(534)	(893)
Total earned equity		**(534)**	**(893)**
Total equity	5	**513 035**	**512 676**
Liabilities			
Current liabilities			
Trade payables	12	-	-
Income tax payable	4	-	-
Group liabilities	8	-	-
Other current liabilities		0	0
Total current liabilities		**0**	**0**
Total liabilities		**0**	**0**
Total equity and liabilities		**513 035**	**512 676**

Straume, 06.06.2024

DocuSigned by: Martyn James Fear
Martyn James Fear
Chairman

DocuSigned by: Gregory John Herrera
Gregory John Herrera
Board Member

DocuSigned by:
Geert-Peter Van Giessel
Board Member

DocuSigned by: Kjell erik jacobsen
Kjell Erik Jacobsen
Board Member

DocuSigned by: Tom Atkins
Tom Atkins
Board Member

DocuSigned by: Erling Meinich-Bache
Erling Meinich-Bache
Board Member

Enhanced Well Technologies Group AS

Figures in TNOK

Cash flow statement

	Note	2023	2022
Cash flow from operating activities			
Ordinary profit/(loss) before taxes		360	486
Change in other accruals		716	(859)
Net cash flow from operational activities		**1 076**	**(372)**
Cash flow from investment activities			
Cash outflows for acquisitions of shares		(389)	-
Other long term receivables	7	(686)	(3 890)
Net cash flow from investment activities		**(1 076)**	**(3 890)**
Cash flow from finance activities			
Increased equity	5	-	4 262
Net cash flow from finance activities		**-**	**4 262**
Net change in cash and equivalents		**0**	**(0)**
Cash and equivalents at start of period		**(0)**	**-**
Cash and equivalents at end of period	10	**1**	**(0)**

1 Accounting principles

Enhanced Well Technologies Group AS and its subsidiaries, are leading suppliers of services and technology to the oil and gas offshore industry. The company's main operations are based at Straume (outside Bergen). The company is a holding company and its business activity is investment in other companies in the oil field service sector and therewith realted activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Accounting principles

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

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

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

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

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

2 Group CEO, Board of directors and Auditor

Figures in TNOK

Accumulated expenses for wages, pension premiums and other remuneration to group's CEO is paid by the subsidiary Enhanced Drilling AS. The parent company has no employees and is therefore not obligated to have pension scheme.
The Chariman of the Board is rewarded for his service as Chairman of the Board from the subsidiary Enhanced Well Technologies AS.

Specification of auditor's fee excl. VAT	2023	2022
Fees for audit of annual accounts, expenses during the year	28	158
Fees for other attestation services	18	-
Fees for tax-related services	18	-
Fees for other services	-	-
Total	**63**	**158**

3 Financial income and expenses

Figures in TNOK

	2023	2022
Other interest income	747	282
Agio	1	-
Total financial income	**748**	**282**
Other financial expenses	1	-
Total financial expenses	**1**	**-**
Net financial items	**747**	**282**

4 Taxes

Figures in TNOK

	2023	2022
Tax payable Norway	-	-
Amendments, deferred tax Norway	-	-
Income tax expense	**-**	**-**
Reconciliation of tax payable		
Tax payable	-	-
Tax payable in balance sheet	**-**	**-**
Reconciliation of tax payable		
Income before tax	360	486
Expected 22 % tax cost	**79**	**107**
Variance, actual and expected tax cost	**(79)**	**(107)**
Explanation why actual tax cost deviates from expected tax cost:		
Tax effect from non-deductible costs	-	-
Tax effect from non-taxable income	-	-
Tax effect for which no deferred income tax asset was recognised	(79)	141
Variance compared to expected tax cost	**(79)**	**141**

Calculation of tax payable:	2023	2022
Income before tax	360	486
Permanent differences	-	-
Utilization of loss carried forward	(360)	(486)
Basis for tax calculation	**-**	**-**

Deferred tax

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

Basis for deferred tax	2023	2022	Change
Loss carried forward	(504)	(864)	(360)
Amount linked to long-term balance sheet items	**(504)**	**(864)**	**(360)**
Total basis for deferred tax assets	**(504)**	**(864)**	**(360)**
Deferred tax assets - 22%	**(111)**	**(190)**	**79**

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

5 Changes in equity **Figures in TNOK**

	Share capital	Share premium fund	Other paid in capital	Total paid in equity	Earned equity	Sum
Opening balance 01.01.2022	**510**	**508 797**	-	**509 307**	**(1 379)**	**507 927**
Cash infusion	4	4 259	-	4 263	-	4 263
Profit for the year	-	-	-	-	486	486
Closing balance 31.12.2022	**514**	**513 056**	-	**513 570**	**(892)**	**512 676**
Opening balance 01.01.2023	**514**	**513 056**	-	**513 570**	**(892)**	**512 676**
Profit for the year	-	-	-	-	360	360
Closing balance 31.12.2023	**514**	**513 056**	-	**513 570**	**(532)**	**513 036**

6 Investment in subsidiaries **Figures in TNOK**

Company 2023	Head office	Equity interest / voting share	Share capital	Equity	Profit/(loss)	Book value
Enhanced Well Technologies AS	Straume Norway	100 %	1 110	444 635	11 832	492 101
Total			**1 110**	**444 635**	**11 832**	**492 101**

Company 2022	Head office	Equity interest / voting share	Share capital	Equity	Profit/(loss)	Book value
Enhanced Well Technologies AS	Straume Norway	100 %	1 110	432 802	8 860	492 101
Total			**1 110**	**432 802**	**8 860**	**492 101**

7 Other financial non-current assets **Figures in TNOK**

	2023	2022
Loan EWTG MIP AS	19 202	18 516
Shares in EWTG MIP AS	389	
Other financial non-current assets 31.12.	**19 592**	**18 516**

Interest on loan to EWTG MIP AS is calculated in accordance with the standard interest rate set by the Norwegian tax administration

8 Intra group **Figures in TNOK**

Short-term group receivables:	**2023**	**2022**
Enhanced Well Technologies AS	1 280	2 058
Total short-term group receivables	**1 280**	**2 058**

The company's share of the corporate account (cash pool) is recognized as receivables to Enhanced Well Technologies AS.

Short-term group payables:	**2023**	**2022**
Enhanced Well Technologies AS	-	-
Total short-term group receivables	-	-

9 Other receivabels **Figures in TNOK**

	2023	2022
Other prepaid expenses	62	-
Total other receivables	**62**	-

10 Cash **Figures in TNOK**

	2023	2022
Cash	-	
Bank deposits	1	-
Cash and cash equivalents	**1**	-
Of which is restricted deposits:	-	-

11 Share Capital information

Figures in TNOK

At 31 December 2023 and 2022 the company had a share capital of NOK 513 905 divided into 475 184 A-shares with total face value of NOK 475 184 and 38 721 B-shares with total face value of NOK 38 721, in total 513 905 shares each with a face value of NOK 1. All issued shares are fully paid.

All ordinary A-shares carry equal rights. Each ordinary share carries one vote at the general meeting of the company. The B-shares do not have any voting rights at the general meeting of the company. Unequal distributions may be made to the different shares classes, and the B-shares shall have a preferred right to distributions so that distributions on the A-shares may not take place before the B-shares have received full distribution as set out in § 4 in the Articles of Association of Enhanced Well Technologies Group AS.

Shareholders in Enhanced Well Technologies Group AS, as well as shares held by executive employees and board members including shares owned by affiliated individuals and companies, were at 31 December 2023 and 2022 as follows:

Share capital 31.12.	Number	Face value	Balance
A-Shares	475 184	1	475 184
B-Shares (Preference shares)	38 721	1	38 721
Total	513 905		513 905

Shareholders 2023	A-Shares	B-Shares	Number of shares	Equity interest	Vote
EV EFT I AS	181 504	-	181 504	35,3 %	38,2 %
Shell Ventures B.V	96 000	-	96 000	18,7 %	20,2 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,0 %	19,5 %
IKM Gruppen AS	62 225	3 692	65 917	12,8 %	13,1 %
EWTG MIP AS	28 500	-	28 500	5,5 %	6,0 %
IKM Testing AS	-	20 442	20 442	4,0 %	0,0 %
CDI AS	6 255	2 687	8 942	1,7 %	1,3 %
HC Invest AS	6 254	2 687	8 941	1,7 %	1,3 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Socap AS	-	8 516	8 516	1,7 %	0,0 %
Sum	**475 184**	**38 721**	**513 905**	**100 %**	**100,0 %**
Board					
Thomas Arthur Hasler (owned via CDI AS)	6 255	2 687	8 942	1,7 %	1,3 %
Total shares owned by board members	**6 255**	**2 687**	**8 942**	**2 %**	**1,3 %**

Shareholders 2022	A-Shares	B-Shares	Number of shares	Equity interest	Vote
EV Private Equity V Plus LP	181 504	-	181 504	35,3 %	38,2 %
Shell Ventures B.V	96 000	-	96 000	18,7 %	20,2 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,0 %	19,5 %
IKM Gruppen AS	62 225	3 692	65 917	12,8 %	13,1 %
EWTG MIP AS	28 500	-	28 500	5,5 %	6,0 %
IKM Testing AS	-	20 442	20 442	4,0 %	0,0 %
CDI AS	6 255	2 687	8 942	1,7 %	1,3 %
HC Invest AS	6 254	2 687	8 941	1,7 %	1,3 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Socap AS	-	8 516	8 516	1,7 %	0,0 %
Sum	**475 184**	**38 721**	**513 905**	**100 %**	**100,0 %**
Board					
Thomas Arthur Hasler (owned via CDI AS)	6 255	2 687	8 942	0	0
Total shares owned by board members	**6 255**	**2 687**	**8 942**	**0**	**0**

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12 Trade payables **Figures in TNOK**

	2023	2022
Trade payables	-	-
Total other current liabilities	-	-

13 Subsequent event

The Group`s external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5-year senior facilities agreement with DNB Bank ASA, and the loan matures in July 2024. After the reporting date, the group has entered into an amendment and restatement agreement for the Senior Facilities Agreement with DNB.

The Parties have agreed to, inter alia, increase the Total Facility A Commitments up to TNOK 150 000, to increase the Total Facility B Commitments up to TNOK 250 000, to extend the Termination Date to 12th July 2027, and to make certain amendments to the Original Facilities Agreement in relation thereto. A capex facility of TNOK 80 000 has been established together with a Revolving Credit Facility of TNOK 70 000.

The amended facilities secure the day to day operations of Enhanced Drilling in an international market, and allows for furth er growth.

14 Share investment program

In 2021 Enhanced Well Technologies Group AS introduced a co-investment program in the parent company. In 2021 EWTG MIP AS was established for the purpose of serving as the holding company through which key employees in the Enhanced Well Technologies Group, invest in the Group in connection with the established management incentive program ("MIP"). A further investment has been executed during 2022.

As part of the program a capital increase was made available in Enhanced Well Technologies Group AS.

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

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

EY
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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Enhanced Well Technologies Group AS

Opinion

We have audited the financial statements of Enhanced Well Technologies Group AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2023, 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 legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Bergen, 17. juni 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Eirik Moe
State Authorised Public Accountant (Norway)

PENNEO

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

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

Moe, Eirik
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: no_bankid:9578-5994-4-673444
IP: 147.161.xxx.xxx
2024-06-17 12:47:24 UTC

bankID

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
16.03.2020	24.01.2020	Lars Waaltorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 32212244
Org.nr 974761076	Vår referanse 2020/5115727	Postadresse Postboks 9200 Grønland 0134 OSLO

ENHANCED WELL TECHNOLOGIES GROUP AS
c/o EV Private Equity Postboks 202
4001 STAVANGER

Att. Kjetil Lunde

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Enhanced Well Technologies Group AS, org.nr. 922 585 881

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

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

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

Bakgrunn

Enhanced Well Technologies Group AS er eid av norske og utenlandske finansielle og industrielle investorer. Selskapet inngår i et konsern som driver virksomhet innen olje- og gassindustrien. Konsernet har datterselskaper i Australia, Brasil, Canada, Norge, Storbritannia og USA hvor den operative virksomheten utøves. Selskapets og konsernets arbeidsspråk er engelsk. Flere av styremedlemmene i selskapet er utenlandske.

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. 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 Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.