



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	991 977 651
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ADD ENERGY GROUP AS
Forretningsadresse:	Bjødnabeen 4 4031 STAVANGER

### Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Harald Justnæs
Dato for fastsettelse av årsregnskapet:	07.11.2022

### Grunnlag for avgivelse

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

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 12.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	20	4 925 000	5 843 000
<b>Sum inntekter</b>		<b>4 925 000</b>	<b>5 843 000</b>
<b>Kostnader</b>			
Varekostnad	20	647 000	1 196 000
Lønnskostnad	7,13	8 096 000	8 028 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	14,18	275 000	265 000
Annen driftskostnad	7,11,1 8	2 653 000	3 562 000
<b>Sum kostnader</b>		<b>11 671 000</b>	<b>13 051 000</b>
<b>Driftsresultat</b>		<b>-6 746 000</b>	<b>-7 208 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	5,9	1 871 000	53 504 000
Annen finansinntekt	11	5 725 000	7 559 000
<b>Sum finansinntekter</b>		<b>7 596 000</b>	<b>61 063 000</b>
Annen finanskostnad	11,18	158 552 000	5 368 000
<b>Sum finanskostnader</b>		<b>158 552 000</b>	<b>5 368 000</b>
<b>Netto finans</b>		<b>-150 956 000</b>	<b>55 695 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-157 702 000</b>	<b>48 487 000</b>
Skattekostnad på ordinært resultat		-1 612 000	1 636 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-156 090 000</b>	<b>46 851 000</b>
<b>Årsresultat</b>		<b>-156 090 000</b>	<b>46 851 000</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra fond		-82 747 000	
Overføringer til/fra annen egenkapital		-73 343 000	46 852 000
<b>Sum overføringer og disponeringer</b>		<b>-156 090 000</b>	<b>46 852 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	14	60 000	112 000
<b>Sum varige driftsmidler</b>		<b>60 000</b>	<b>112 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5,9	33 470 000	65 411 000
Lån til foretak i samme konsern	6,10,1 9	23 618 000	142 138 000
Andre fordringer	18	223 000	445 000
<b>Sum finansielle anleggsmidler</b>		<b>57 311 000</b>	<b>207 994 000</b>
<b>Sum anleggsmidler</b>		<b>57 371 000</b>	<b>208 106 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	6,10,1 9	441 000	294 000
Andre fordringer	6,19	2 572 000	843 000
<b>Sum fordringer</b>		<b>3 013 000</b>	<b>1 137 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	8,19	1 000	1 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 000</b>	<b>1 000</b>
<b>Sum omløpsmidler</b>		<b>3 014 000</b>	<b>1 138 000</b>
<b>SUM EIENDELER</b>		<b>60 385 000</b>	<b>209 244 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	17	62 632 000	62 632 000
Overkurs			82 747 000
<b>Sum innskutt egenkapital</b>		<b>62 632 000</b>	<b>145 379 000</b>
<b>Opptjent egenkapital</b>			
Udekket tap		73 343 000	
<b>Sum opptjent egenkapital</b>		<b>-73 343 000</b>	
<b>Sum egenkapital</b>		<b>-10 711 000</b>	<b>145 379 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	18		244 000
<b>Sum annen langsiktig gjeld</b>			<b>244 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>244 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	8,19	39 928 000	25 116 000
Leverandørgjeld	19	742 000	150 000
Betalbar skatt	16,19	-1 600 000	0
Skyldige offentlige avgifter	19	527 000	758 000
Annen kortsiktig gjeld	18	31 497 000	37 597 000
<b>Sum kortsiktig gjeld</b>		<b>71 094 000</b>	<b>63 621 000</b>
<b>Sum gjeld</b>		<b>71 094 000</b>	<b>63 865 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>60 383 000</b>	<b>209 244 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	5,12	205 523 000	291 403 000
<b>Sum inntekter</b>		<b>205 523 000</b>	<b>291 403 000</b>
<b>Kostnader</b>			
Varekostnad		73 973 000	108 609 000
Lønnskostnad	8,14	122 020 000	132 512 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	15,16,19	13 689 000	13 903 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	15	44 325 000	
Annen driftskostnad	8,12,19	23 414 000	41 967 000
<b>Sum kostnader</b>		<b>277 421 000</b>	<b>296 991 000</b>
<b>Driftsresultat</b>		<b>-71 898 000</b>	<b>-5 588 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	6	15 000	54 000
Annen finansinntekt	12	929 000	1 601 000
<b>Sum finansinntekter</b>		<b>944 000</b>	<b>1 655 000</b>
Annen finanskostnad	12	4 652 000	8 440 000
<b>Sum finanskostnader</b>		<b>4 652 000</b>	<b>8 440 000</b>
<b>Netto finans</b>		<b>-3 708 000</b>	<b>-6 785 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-75 606 000</b>	<b>-12 373 000</b>
Skattekostnad på ordinært resultat	14	-4 497 000	6 585 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-71 109 000</b>	<b>-18 958 000</b>
<b>Årsresultat</b>		<b>-71 109 000</b>	<b>-18 958 000</b>
Minoritetsinteresser		-73 000	-485 000
<b>Årsresultat etter minoritetsinteresser</b>		<b>-71 036 000</b>	<b>-18 473 000</b>



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Andre resultatkomponenter for IFRS-foretak		-1 419 000	8 338 000
Sum resultatkomponenter for IFRS-foretak		-1 419 000	8 338 000
<b>Totalresultat</b>		<b>-72 455 000</b>	<b>-10 135 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-72 455 000	-10 135 000
<b>Sum overføringer og disponeringer</b>		<b>-72 455 000</b>	<b>-10 135 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	7,21	241 000	
Goodwill og andre immaterielle eiendeler	15	16 758 000	61 423 000
<b>Sum immaterielle eiendeler</b>		<b>16 999 000</b>	<b>61 423 000</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	16	2 317 000	3 172 000
<b>Sum varige driftsmidler</b>		<b>2 317 000</b>	<b>3 172 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	6	285 000	270 000
Andre fordringer	19	15 826 000	19 484 000
<b>Sum finansielle anleggsmidler</b>		<b>16 111 000</b>	<b>19 754 000</b>
<b>Sum anleggsmidler</b>		<b>35 427 000</b>	<b>84 349 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	7,20,2 1	38 239 000	50 966 000
Andre fordringer	7,20	10 468 000	17 090 000
<b>Sum fordringer</b>		<b>48 707 000</b>	<b>68 056 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	9,20	3 650 000	1 459 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 650 000</b>	<b>1 459 000</b>
<b>Sum omløpsmidler</b>		<b>52 357 000</b>	<b>69 515 000</b>
<b>SUM EIENDELER</b>		<b>87 784 000</b>	<b>153 864 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	18	62 632 000	62 632 000
Overkurs		172 472 000	172 472 000
Annen innskutt egenkapital		118 242 000	118 242 000
<b>Sum innskutt egenkapital</b>		<b>353 346 000</b>	<b>353 346 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		29 576 000	31 116 000
Udekket tap		392 045 000	321 009 000
Minoritetsinteresser		-3 914 000	-3 720 000
<b>Sum opptjent egenkapital</b>		<b>-366 383 000</b>	<b>-293 613 000</b>
<b>Sum egenkapital</b>		<b>-13 037 000</b>	<b>59 733 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	17		3 937 000
Andre avsetninger for forpliktelser	20	2 562 000	2 242 000
<b>Sum avsetninger for forpliktelser</b>		<b>2 562 000</b>	<b>6 179 000</b>
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	19	12 150 000	16 068 000
<b>Sum annen langsiktig gjeld</b>		<b>12 150 000</b>	<b>16 068 000</b>
<b>Sum langsiktig gjeld</b>		<b>14 712 000</b>	<b>22 247 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10,20	44 618 000	29 791 000
Leverandørgjeld	20	17 458 000	17 376 000
Betalbar skatt	17	2 217 000	3 184 000
Skyldige offentlige avgifter	20	4 300 000	4 081 000
Annen kortsiktig gjeld	13,20	11 017 000	11 283 000
Leasingforpliktelse	19	6 498 000	6 169 000
<b>Sum kortsiktig gjeld</b>		<b>86 108 000</b>	<b>71 884 000</b>
<b>Sum gjeld</b>		<b>100 820 000</b>	<b>94 131 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>87 783 000</b>	<b>153 864 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 942138

#### Enheten

Organisasjonsnummer: 991 977 651  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ADD ENERGY GROUP AS  
Forretningsadresse: Nordbøgata 4  
4006 STAVANGER

#### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Harald Justnæs  
Dato for fastsettelse av årsregnskapet: 07.11.2022

#### Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

#### Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 09.11.2022

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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: 991 977 651  
ADD ENERGY GROUP AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	20	4 925 000	5 843 000
<b>Sum inntekter</b>		<b>4 925 000</b>	<b>5 843 000</b>
<b>Kostnader</b>			
Varekostnad	20	647 000	1 196 000
Lønnskostnad	7,13	8 096 000	8 028 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	14,18	275 000	265 000
Annen driftskostnad	7,11,18	2 653 000	3 562 000
<b>Sum kostnader</b>		<b>11 671 000</b>	<b>13 051 000</b>
<b>Driftsresultat</b>		<b>-6 746 000</b>	<b>-7 208 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	5,9	1 871 000	53 504 000
Annen finansinntekt	11	5 725 000	7 559 000
<b>Sum finansinntekter</b>		<b>7 596 000</b>	<b>61 063 000</b>
Annen finanskostnad	11,18	158 552 000	5 368 000
<b>Sum finanskostnader</b>		<b>158 552 000</b>	<b>5 368 000</b>
<b>Netto finans</b>		<b>-150 956 000</b>	<b>55 695 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-157 702 000</b>	<b>48 487 000</b>
Skattekostnad på ordinært resultat		-1 612 000	1 636 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-156 090 000</b>	<b>46 851 000</b>
<b>Årsresultat</b>		<b>-156 090 000</b>	<b>46 851 000</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra fond		-82 747 000	
Overføringer til/fra annen egenkapital		-73 343 000	46 852 000
<b>Sum overføringer og disponeringer</b>		<b>-156 090 000</b>	<b>46 852 000</b>





<b>Opptjent egenkapital</b>			
Udekket tap		73 343 000	
<b>Sum opptjent egenkapital</b>		<b>-73 343 000</b>	
<b>Sum egenkapital</b>		<b>-10 711 000</b>	<b>145 379 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	18		244 000
<b>Sum annen langsiktig gjeld</b>			<b>244 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>244 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	8,19	39 928 000	25 116 000
Leverandørgjeld	19	742 000	150 000
Betalbar skatt	16,19	-1 600 000	0
Skyldige offentlige avgifter	19	527 000	758 000
Annen kortsiktig gjeld	18	31 497 000	37 597 000
<b>Sum kortsiktig gjeld</b>		<b>71 094 000</b>	<b>63 621 000</b>
<b>Sum gjeld</b>		<b>71 094 000</b>	<b>63 865 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>60 383 000</b>	<b>209 244 000</b>



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## KONSERNRESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	5,12	205 523 000	291 403 000
<b>Sum inntekter</b>		<b>205 523 000</b>	<b>291 403 000</b>
<b>Kostnader</b>			
Varekostnad		73 973 000	108 609 000
Lønnskostnad	8,14	122 020 000	132 512 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	15,16,19	13 689 000	13 903 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	15	44 325 000	
Annen driftskostnad	8,12,19	23 414 000	41 967 000
<b>Sum kostnader</b>		<b>277 421 000</b>	<b>296 991 000</b>
<b>Driftsresultat</b>		<b>-71 898 000</b>	<b>-5 588 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap			
	6	15 000	54 000
Annen finansinntekt	12	929 000	1 601 000
<b>Sum finansinntekter</b>		<b>944 000</b>	<b>1 655 000</b>
Annen finanskostnad	12	4 652 000	8 440 000
<b>Sum finanskostnader</b>		<b>4 652 000</b>	<b>8 440 000</b>
<b>Netto finans</b>		<b>-3 708 000</b>	<b>-6 785 000</b>
<b>Ordinært resultat før skattekostnad</b>			
		<b>-75 606 000</b>	<b>-12 373 000</b>
Skattekostnad på ordinært resultat	14	-4 497 000	6 585 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-71 109 000</b>	<b>-18 958 000</b>
<b>Årsresultat</b>		<b>-71 109 000</b>	<b>-18 958 000</b>
Minoritetsinteresser		-73 000	-485 000
<b>Årsresultat etter minoritetsinteresser</b>		<b>-71 036 000</b>	<b>-18 473 000</b>
Andre resultatkomponenter for IFRS-foretak			
		-1 419 000	8 338 000
Sum resultatkomponenter for IFRS-foretak		-1 419 000	8 338 000



<b>Totalresultat</b>	<b>-72 455 000</b>	<b>-10 135 000</b>
<b>Overføringer og disponeringer</b>		
Overføringer til/fra annen egenkapital	-72 455 000	-10 135 000
<b>Sum overføringer og disponeringer</b>	<b>-72 455 000</b>	<b>-10 135 000</b>



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

## KONSERNBALANSE

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	7,21	241 000	
Goodwill og andre immaterielle eiendeler	15	16 758 000	61 423 000
<b>Sum immaterielle eiendeler</b>		<b>16 999 000</b>	<b>61 423 000</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	16	2 317 000	3 172 000
<b>Sum varige driftsmidler</b>		<b>2 317 000</b>	<b>3 172 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	6	285 000	270 000
Andre fordringer	19	15 826 000	19 484 000
<b>Sum finansielle anleggsmidler</b>		<b>16 111 000</b>	<b>19 754 000</b>
<b>Sum anleggsmidler</b>		<b>35 427 000</b>	<b>84 349 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	7,20,21	38 239 000	50 966 000
Andre fordringer	7,20	10 468 000	17 090 000
<b>Sum fordringer</b>		<b>48 707 000</b>	<b>68 056 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	9,20	3 650 000	1 459 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 650 000</b>	<b>1 459 000</b>
<b>Sum omløpsmidler</b>		<b>52 357 000</b>	<b>69 515 000</b>
<b>SUM EIENDELER</b>		<b>87 784 000</b>	<b>153 864 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
Innskutt egenkapital			
Selskapskapital	18	62 632 000	62 632 000



Overkurs		172 472 000	172 472 000
Annen innskutt egenkapital		118 242 000	118 242 000
<b>Sum innskutt egenkapital</b>		<b>353 346 000</b>	<b>353 346 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		29 576 000	31 116 000
Udekket tap		392 045 000	321 009 000
Minoritetsinteresser		-3 914 000	-3 720 000
<b>Sum opptjent egenkapital</b>		<b>-366 383 000</b>	<b>-293 613 000</b>
<b>Sum egenkapital</b>		<b>-13 037 000</b>	<b>59 733 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	17		3 937 000
Andre avsetninger for forpliktelse	20	2 562 000	2 242 000
<b>Sum avsetninger for forpliktelse</b>		<b>2 562 000</b>	<b>6 179 000</b>
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	19	12 150 000	16 068 000
<b>Sum annen langsiktig gjeld</b>		<b>12 150 000</b>	<b>16 068 000</b>
<b>Sum langsiktig gjeld</b>		<b>14 712 000</b>	<b>22 247 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	10,20	44 618 000	29 791 000
Leverandørgjeld	20	17 458 000	17 376 000
Betalbar skatt	17	2 217 000	3 184 000
Skyldige offentlige avgifter	20	4 300 000	4 081 000
Annen kortsiktig gjeld	13,20	11 017 000	11 283 000
Leasingforpliktelse	19	6 498 000	6 169 000
<b>Sum kortsiktig gjeld</b>		<b>86 108 000</b>	<b>71 884 000</b>
<b>Sum gjeld</b>		<b>100 820 000</b>	<b>94 131 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>87 783 000</b>	<b>153 864 000</b>



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
2

Regnskapsprinsipper

Note  
7

Antall årsverk i regnskapsåret  
3.00

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

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

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.

**Note**  
20

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



Organisasjonsnr: 991 977 651  
ADD ENERGY GROUP AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note  
2

Regnskapsprinsipper

Note  
8

Antall årsverk i regnskapsåret  
122.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Note  
6

Konsern, tilknyttet selskap m.v.

Investering som regnskapsføres etter egenkapitalmetoden

<u>Investering</u>	<u>Inng.balanse</u>	<u>Inntektsf.res</u>	<u>Andre endr.</u>	<u>Utg. balanse</u>
TSP	270000.00	15000.00		285000.00

<u>Anskaffelseskost på anskaffelsestidspunktet</u>	<u>Totalt beløp</u>
	68000.00

<u>Balanseført egenkapital på anskaffelsestidspunktet</u>	<u>Totalt beløp</u>
	68000.00

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet



Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

**Fordringer**

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
--	--------------	------------------

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

**Kortsiktig gjeld**

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Pantstillelse</u>	<u>Beløp</u>
----------------------	--------------

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
----------------------------------	---------------	------------------	-------------------------

**Note**

21

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



To the General Meeting of Add Energy Group AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Add Energy Group AS, which comprise:

- the financial statements of the parent company Add Energy Group AS (the Company), which comprise the balance sheet as at 31 December 2021, statement of comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Add Energy Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

### Basis for Opinion

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

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



## Other Information

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

Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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 Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 31 October 2022  
**PricewaterhouseCoopers AS**

**Per Arvid Gimre**  
State Authorised Public Accountant  
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
GIMRE, PER ARVID	BANKID	2022-11-04 08:50

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The seal is a guarantee for the authenticity  
of the document.



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	13.09.2011	08.11.2011
Telefon	Deres referanse	Vår referanse
22078139	PAJ/HJ	2011/924673

ADD ENERGY GROUP AS  
Postboks 8034  
4068 STAVANGER

## Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for add energy group AS, org. nr. 991 977 651

Det vises til deres brev av 13. september 2011 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for add energy group AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering add energy group AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

### Bakgrunn

add energy group AS opererer i offshore-sektoren, der engelsk er det klart dominerende språket. Konsernets arbeidsspråk er engelsk. All kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk. Styret i konsernet/morselskapet har engelskspråklige styremedlemmer og 40-45% av konsernets aksjonærer ikke-norske og i hovedsak engelskspråklige. På denne bakgrunn utarbeider man regnskap på engelsk da dette er språket som er nødvendig for å kommunisere med konsernselskap og aksjonærer. Den norske versjonen utarbeides kun for å tilfredsstille regnskapsloven.

### Skattedirektoratets vurdering

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

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

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

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		22 17 08 60



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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets arbeidsspråk er engelsk. Selskapet opererer i offshore-sektoren, der engelsk er det klart dominerende språket. All kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk. Styret i konsernet/morselskapet har engelskspråklige styremedlemmer og 40-45% av konsernets aksjonærer ikke-norske og i hovedsak engelskspråklige.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Kinden Helleland



**Add Energy Group AS**

**Annual and consolidated financial statements**

**2021**



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## Add Energy Group AS Directors' Report 2021

Add Energy Group AS (the "Company") is a Norwegian limited liability company and the parent company in Add Energy (or the "Group"). Add Energy is an international, independent provider of integrity & well specialist services and solutions. The Group's mission is to support safe and efficient drilling and well operations, production regularity, operation maintenance management, safety and risk management and compliance. The primary customers are oil and gas companies, rig and ship owners, industry regulators and trade organizations associated with the energy industry.

The Group's headquarter is in Stavanger, Norway. Approximately 6 % of revenues are generated in Norway and 94 % from international markets in Asia Pacific, North America, the Middle East and the United Kingdom.

### 2021 in focus

- The COVID-19 outbreak in March 2020 and the response of Governments in dealing with the pandemic have interfered with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Group has continued its business operations. The situation is unprecedented, and Management continues to consider the potential implications of COVID-19, which has included disruptions to the supply chain in availability of employees and changes in customer demand also throughout 2021.
- With the slowdown of the global business activity due to the pandemic and the sudden drop in oil price in March 2020 the Add Energy management focused on business continuity and preparations for a decrease in activity. This included adjustment of resources, cost cutting and temporarily layoff of personnel. During 2021 the oil price has gradually increased which has had a positive effect of the global market for the Oil and Gas industry. This has also had a positive effect of the Add Energy business during the second half of 2021. The travel restrictions still in effect for the most of 2021 globally has on the other hand continued to have a negative effect of the ability to market the Add Energy services, meet clients and finalize new opportunities.
- As a result of the COVID-19 pandemic Add Energy had to close our offices and transfer to "work from home" in all geographical locations in March/April 2020. The offices in Perth, Norway and Houston were reopened in May 2020, but later closed in periods until a complete reopening again in early 2022. The office in Aberdeen reopened during first quarter of 2022.
- Add Energy are running three main business lines: Asset Integrity, Well Control and Australian Well and Safety Operations. The business focus and organizational structure has remained the same in 2021. Peter Adam, with base in Aberdeen, is heading the Asset Integrity business in Add Energy with activity out of Aberdeen, Houston and Calgary. Eduardo Robaina is heading the activities in Australia with base in Perth. The Well Control activity in Add Energy as well as the other Norwegian based activities, is headed by Morten Haug Emilsen, based in Oslo, with operations run out of Houston as well as out of the Oslo and Stavanger office. The executive management team in Add Energy has in 2021 consisted of the managers of the three business lines in addition to the CEO, CTO and the CFO.
- Asset Integrity has been the largest entity within Add Energy for several years, both with respect to staff and revenue. The BP project, Global Maintenance restructuring, has been a major task for the team since 2016, but tailed off throughout 2021 accelerated by BP reducing the project budget more rapidly than expected. The accelerated reduction of the activity on the BP project have had a negative impact on the financial results for Asset Integrity. The reduction on the BP project was planned to be replaced by other clients, which has been taken place, but slower than anticipated. This led to several rounds of re-organization of the work force in Aberdeen during 2021 including temporarily layoffs and redundancies. The activity out of the USA/Houston and Canada/Calgary offices have shown a positive trend during 2021. New clients keep coming back with new and extended scopes: Enbridge, Cenovus, Keyera, Heritage and others. In 2021, the Asset Integrity team signed a new master service agreement with Shell for global activity with Asset Integrity offerings. In early 2022 Asset Integrity together with Well Engineering in Perth were awarded a five-year contract with Kuwait Oil Company for support to their offshore operations. The contract was signed



in first quarter of 2022 and mobilization of personnel will take place thereafter. The pipeline and prospect list for Asset Integrity is extensive and the team is working hard in converting this into new projects.

- Well Engineering, Safety and Risk operations in Australia continue to be a strong entity in Add Energy Group. Following a long-term strategy to expand the business in the region as well as catering for old clients, the APAC team has signed new four-year contracts with Woodside, Beach Energy and Santos. The new contracts agreed in late 2021 included rate increase as a response to the market improvements over the last years. The Technical Risk team had a steady good performance throughout 2021 although lower than 2020. For the Safety and Risk activity out of Melbourne the trend has been positive in 2021 with an increasing number of contractors working for Beach, Woodside and Alinta.
- Well Control has an excellent standing in the market for their services within drilling and in particular within blowout control. The main driver for the business continues to be the contingency planning projects for safer drilling operations and well control. Casing magnetization is an additional safety precaution service offered by the Well Control team with continuing interest from our clients. Casing strings are pre-magnetized before being run into the drilled well. This enables to more precisely locate the wellbore at a later stage in case of an emergency operation. Several CMS projects have been performed for clients in the North Sea during 2021. The third business line is the on-site support during well control incidents or blowouts. During 2021 the well control team assisted on two major incidents, one in Gulf of Mexico and one in the North Sea. Further progress has been achieved for Well Control within the fourth business line; the sale of access to the Relief Well Injection Spool (RWIS) for well operations. There have been discussions with several clients to get access to the technology in 2021 and one of the clients bought access for two wells drilled in Q1 and Q2 2022. The reduction in drilling activity during the pandemic and the following low oil price environment has also reduced the number of projects for Well Control and consequently the total number of personnel in the team has been reduced. During the second half of 2021

the oil price has been on a steady upward trend which also has influenced positively on the request for services from Well Control.

- During 2021 the management in Add Energy has continued to focus on decarbonization and energy transition. Several projects have been performed evaluating new and old wells for use within Carbon Capture and Storage (CCS). Add Energy has also expanded the activity for evaluation of use of Geothermal Wells where our technology experience from the Oil and Gas Industry is readily applicable.
- The strategy to move our experience in training and technical courses with our broad portfolio of technology on to an E-learning platform has continued in 2021. Several new E-learning courses have been completed in 2021 and a re-launch of platform followed early in 2022.
- Throughout 2021 the liquidity of the company decreased following the drop in financial performance, in particular in the Asset and Integrity business. This led the company to negotiate a new loan agreement with the bank and establish a convertible loan from the Share Holders early 2022.
- The Board of Add Energy decided in 2021 to approach the market in an attempt to sell the company. Several industry and financial entities were interested resulting in discussions with board and the management. This resulted in an offer from one of the interested parties and a process with the aim to reach a transaction was reached 11 July 2022 in whereby all shares were sold to the Norwegian listed Company ABL Group ASA.
- Add Energy entered into a contract with Sirius Petroleum in 2016 to perform services for their planned drilling operation. Sirius suffered from financial challenges in 2018 and 2019 and failed to settle all invoices to Add Energy. Add Energy and Sirius entered into negotiations and agreed a Standstill Agreement in July 2019 with fixed payment terms for the remaining unsettled items. Sirius Petroleum followed the agreed payment terms during 2019 as well as the first payment in 2020. Sirius failed to pay the installment planned for the rest of 2020 and Add Energy has not received any additional payments in 2020, 2021 or so far in 2022. During 2021 Sirius Petroleum has been successful in reaching an agreement with Trafigura for oil offtake from their interest in the Nigerian OML 65 field. The



execution of a senior loan facility with Trafigura based on this agreement will give Sirius Petroleum the ability to settle all creditors including the outstanding receivables to Add Energy. Sirius Petroleum expects that the finalization of this loan agreement will be reached in Q3 2022, subsequently their outstanding to Add Energy will be settled. The Board of Directors have elected to make a full impairment of the net receivable amount to Sirius in previous years accounts and have not reversed any impairments during 2021.

## Statement of Comprehensive Income

The Group's consolidated revenue totaled MNOK 205.5 compared to MNOK 291.4 in 2020 (2020 figures are hereafter presented in parentheses). The Group's profit before depreciation, amortization, finance and tax (EBITDA) was MNOK minus 13.8 (MNOK 8.3). The consolidated financial statements include a charge of MNOK 2.6 in one-off charges mainly related to redundancy costs and legal advice in relation to a US tax-matter. In comparison, one-off costs in 2020 amounted to MNOK 10.7. Total depreciation, amortization and impairment amounted to MNOK 58.0 (MNOK 13.9). Net financial items were MNOK minus 3.7 (MNOK minus 6.8), while the group's tax charge totaled MNOK minus 4.5 (MNOK 6.6). Thus, the profit for the year ended at MNOK minus 71.1 (MNOK minus 19.0).

Revenues for the parent company mainly consists of sales of services to its subsidiaries and ended at MNOK 4.9 (MNOK 5.8), while total EBITDA was MNOK minus 6.5 (MNOK minus 6.9). The parent company accounts are recognized according to IFRS, hence income from subsidiaries is not recognized until the dividend or group contribution is adopted by the subsidiaries' governing bodies. Net financial items were MNOK minus 152.8 of which the majority is relating to impairment of shares in subsidiaries (MNOK 31.9) and impairment of loans to group companies (MNOK 123.5). Net financial items in 2020 were MNOK 2.2.

Income from investments in subsidiaries was MNOK 1.9 (MNOK 53.5). Profit after tax was MNOK minus 156.1 (MNOK 46.9).

In preparing the financial statements, the Board of Directors has necessarily used estimates and

assumptions that affect the value of assets, liabilities, revenues and expenses. However, it is the Board of Directors' view that the present statement of comprehensive income and balance sheet shows a true and fair view of the Group's financial position.

## Capital and funding

Total assets for the Group at the end of 2021 were MNOK 87.8 (MNOK 153.9). Total investments during 2021 were MNOK 6.9 (MNOK 6.9). Of these MNOK 0.9 (MNOK 1.9) was in property, plant and equipment and additional investments of MNOK 4.3 (MNOK 4.7) have been made into the development of proprietary software in the subsidiaries Add Latent Ltd. and in other generic software of MNOK 0.0 (MNOK 0.3). Investments in other intangible assets amounted to MNOK 1.6 (MNOK 0.0).

The Group's financial solidity is weak and reflecting the underlying performance in the Group and with a book equity ratio of minus 14.9 % (38.8 %). The Group's net debt position was MNOK 41.0 on 31 December 2021 (MNOK 28.7). At year end the Group's cash balance was MNOK 3.7 (MNOK 1.5). Drawn on the overdraft facilities were MNOK 41.7 (MNOK 19.8).

The Group's cash flow from operating activities was MNOK 5.6 (MNOK 32.8), while cash flow from investing activities was MNOK minus 10.9 (MNOK minus 11.5). The difference between operating profit and cash flow from operations was mainly due to impairments, depreciation, amortization, and change in working capital items. Investment activities were mainly related to software development. Cash flow from financing activities was MNOK 9.8 (MNOK minus 24.3) and primarily comprises interest to credit institutions, down-payment on borrowings and down-payment on overdraft facilities.

## Going concern

The Group was in breach with four covenants by year-end 2021 but has during negotiations with the bank entered into an amendment agreement mid-January 2022 in whereby all breaches were waived. With respect to a description of liquidity risk, please refer to the Risk section in this report. The Board has prepared cash flow forecasts for the period up to December 2022. These projections



indicate that the Group would not have sufficient cash to meet all its obligations as they fall due in the going concern period. This includes fully repaying all loans and creditors that are due for settlement at the present time. All Loans and creditors are due for payment within one year. The Company issued a convertible loan towards shareholders as part of the agreement with the bank, whereby NOK 11.6 million was raised. This loan was converted to equity in July 2022.

As seen elsewhere in the Directors' Report the Majority shareholder Progressus AS jointly with the other shareholders entered into a Sale- and Purchase agreement with ABL Group ASA to sell all shares to ABL. Following this transaction ABL has provided a letter of support for the following 12 months and the Board therefore believe that the Group and Parent Company will have sufficient liquidity to meet its obligations as they fall due for at least 12 months from the date that the financial statements are signed.

In accordance with the Accounting Act § 3-3, the Board hereby confirm the going concern assumption and that the financial statements are prepared in accordance with this.

## Subsequent events

The Board of Add Energy decided in 2021 to approach the market in an attempt to sell the company. Several industry and financial entities were interested resulting in discussions with board and the management. This resulted in an offer from one of the interested parties and a process with the aim to reach a transaction was reached 11 July 2022 in whereby all shares were sold to the Norwegian listed Company ABL Group ASA.

## Business Segments

Add Energy's current business operations are organized in three strategic business segments:

### 1. Asset Integrity

- is based in Aberdeen with an international spread in the portfolio including operations also from the Houston office, an office in Calgary and an office in Oman.

### 2. APAC Operations consisting of:

- Well Engineering which is run out of the Perth office with additional activity in Houston.
- Safety and Risk Engineering which is run out of the office in Melbourne.
- Technical Risk which is run out of the office in Perth and mainly targeting customers in Australia.

### 3. Well Control and Norwegian Operations consisting of:

- Well Control & Blowout Support with activity from offices in Oslo and Houston.
- Consulting Norway run out of the Stavanger office.
- Operation Support run out of the Stavanger office.

## Research and development activities

Research and development activities in Add Energy comprise software development in two of the Business Segments. Add Energy has also continued to develop its e-learning courses within Asset Integrity, Drilling and Well Control. A re-launch of these courses under the Add Energy Academy digital platform was released in early 2022. Capitalized total research and development in 2021 accounted for MNOK 4.3 (MNOK 4.7) or 2.8 % (1.6 %) of the total revenue. Based on impairment testing (see note 14) the Group has decided to make an impairment charge of MNOK 9.3 in 2021 relating to the proprietary software in Asset Integrity. Following this impairment charge, the net book value of software in this segment is MNOK 0.6.

The Group has further developed a suite of software programs and tools:

- OLGA Well Kill, an in-house program for calculation of blow-out rates and well kill rates.
- Asset Integrity has developed several software tools which are in the process of being commercialized; OptiBoM™ is a Bill of Materials database containing over nine million records of spare part data, Aim-Hi™ that provides a cloud based interactive, real time dashboard for analyzing and managing key performance indicators relating to maintenance, ePAV™ is a software that reduces time and improve accuracy in digitalizing asset information and AssetVoice™ which is an integrated software and hardware solution with capacity to monitor



and track stocked and installed engineering components through their lifecycle using IoT technologies. Effio™ is an asset management strategy deployment software designed to elevate plant performance management in the most efficient and effective way possible.

- A series of technical risk engineering tools for various risk analysis and safety cases for internal use.

Further development of these programs is continuously evaluated alongside other initiatives from combining competencies and expertise across the Group to improve existing or introduce new solutions and services.

## Risk

The Group's activities are exposed to various risks, respectively general business risks, industry specific risks and company specific risks.

General risks include economic downturns due to national or global conditions, political risk in relation to both regulatory requirements and changes in taxes and duties, insurance risk, liquidity and realization risk, pandemics and natural disasters among others.

Industry specific risk factors include volatile oil prices and regional geopolitical issues that can impact on levels of investment in exploration and production (E&P) activities that underpin our activities.

There are also a number of risk areas that are specific to the Group, such as strategic risk, reputation risk, market risk in relation to currency, interest rate and price risk, credit risk and liquidity risk.

The Group's financial solidity has deteriorated during the year and is considered to be weak at year end 2021. The exposure to interest rate sensitivity and the subsequent financial expenses is considered to be modest. However, as a result of the Group's continuous international expansion, the currency risk has increased in particular relating to the translation effects of currency conversions to Norwegian Kroner (NOK) from Australian Dollars (AUD) from the Australian based subsidiaries, from Pound Sterling (GBP) from the UK operations, from Canadian Dollars (CAD) from the Canadian operations and from United States Dollars (USD) from the US operations. The

currency balances are monitored on a regular basis and the Group seeks to minimize the currency fluctuations with a natural hedge by contracting income and expenses in the same currency as far as this is practically possible. With the global notional cash pool arrangement, the company benefits as total liquidity reserve is measured on a continuous basis in NOK across all currencies and is equally available to support operations as long as the total is positive. This has strongly improved the Group's liquidity management.

The Group's business activities cover a wide range of the oil and gas industry's value chain with a significant focus on the upstream based drilling and well activities early in the value chain. Asset Integrity is also focusing more and more on other industries than the oil and gas industry, hence reducing single industry risk. However, the Group's operations are generally exposed to the fluctuations of the oil and gas industry in general. Furthermore, the contract formats are generally defined by terms and conditions where customers can terminate contracts on relatively short notice, and this is a risk that increases during oil and gas industry down cycles. Accordingly, to minimize risk, the Group introduces flexibility with our own subcontractors to reflect similar contract cancellation terms with our own suppliers.

The business model of the Group has been characterized by short term contracts and thus limited cash flow visibility and a risk of liquidity fluctuations. At the end of 2021 the order backlog was 58 % (35 %). The Group has worked strategically along several paths to reduce fluctuations and improve visibility. One path has been international diversification through expansion in key regions like Asia Pacific and North America. Another is the continuous expansion and diversification of the client base and a third is entering into frame contracts (call-off contracts), and thus earnings stability to the business.

Given the extensive Merger and Acquisition (M&A) activity historically undertaken as a central element in the company's growth strategy, a part of the Group's balance sheet consists of intangible assets. Valuation of these intangibles is based on future expected cash flows and related assumptions. Although certain elements of the future cash flow are secured through contracts and order backlog, there will always be uncertainty



associated with the Group's assessment of future conditions. However, as a result of the regular impairment testing, the Group has decided to make substantial impairment charges in the 2021 accounts (see note 14 for details)

Generally, risks are addressed in accordance with good corporate governance in the Group where the Board of Directors deal with both strategic risk, operational risk, financial risk and insurance risk. Consequently, the Group's board and management govern these risks through the Group's managerial supervision and authority structure, regular reporting, board meetings, ongoing strategy- and planning processes and dialogue and exchange of views. The Group manages its financial risk in a dynamic manner in line with a defined strategy based on forecasts with established financial covenants as minimum requirements. There have also been established norms for financial leverage and solidity in connection with financing of acquisitions.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Group's risk management and mitigation analyses. The Group has been in a very stressful liquidity situation during second half 2021 and into first half 2022. In this respect a renegotiation with the bank as well as issuing a convertible loan to shareholders early January 2022 were concluded. With the sale of all shares to the new owner ABL Group, who has also issued a letter of support it is expected that the liquidity risk is reduced substantially.

## HSE, Corporate Governance

Compliance in relation to laws, ethical guidelines and governing documents is fundamental to the Group's values and way we operate. Our policies, vision and values support this. The Group's most important resource is the employees, and therefore the Group's HR strategy and Health, Safety, Environment and Quality goals are also fundamental foundations for the Group's management decisions and how we operate. The Group's management system is ISO certified assigning the ISO 9001:2015 certification to the Norwegian subsidiary and the Asset Integrity operations in the UK. In addition, the Well Engineering, Safety & Risk Engineering and

Technical Risk operations in Melbourne and Perth, Australia, are ISO certified.

The Group does not perform business activities that directly pollute the environment and our exposure to emissions issues is consequently low.

The working environment is considered good. Sickness leave was 0.8 % (0.8 %). 8 HSEQ incidents were registered in 2021 (2020: 5 accidents), of which none involved personal injuries. The Group's stated aim is to provide equal opportunities for women and men among employees, management, and Board. As per year end 2021, 16.4 % (24.1 %) of the employees are women. There are currently no women serving on the Board of Directors.

The Group aims to comply with the recommendations of the Norwegian Code of Practice for Corporate Governance of October 2021.

## Investor Relations

At the end of the year there were 95 shareholders in Add Energy Group AS, of which the majority are current or former employees and consultants. Approximately 8 % of the Group's employees and consultants are shareholders in the Company. The largest shareholder is the private equity fund Progressus with 76.2 % controlling interest. See note 18 in the financial statements for further details.

## Outlook

Overall, following the weak performance in 2021 which has continued into 2022 the short-term perspective for Add Energy looks challenging. However, based on current contracts, market standing and substantial interest from current and new clients for our services the operations longer term outlook for Add Energy remains good. This is very much due to the nature of our services mainly focusing on maintenance, production, safety and optimization.

Nevertheless, a new ownership structure of the Group has been on the Boards agenda for some time. This ended in the acquisition by the ABL Group ASA during July 2022. Following this acquisition, the Group expects to regain new focus from the new owner where synergies into their client-base and further expansion is assumed to assist in the Groups further diversification and



growth. The challenges seen during 2021 have been mitigated and further actions have been required and actioned during the start of 2022. Following this we see a positive trend moving into 2023. Add Energy is continuing to take required measures, integrate between the segments to further expand and diversify our service offering into new areas as well as into other industries.

The offerings from Add Energy are well suited for industries outside oil and gas and the management to work on the ability for Add Energy to grow in the renewable space and in the CCS market. Several opportunities have been revealed and projects have already been kicked-off within CCS applications and geothermal drilling as well as supporting clients working within solar, wind and micro grids.

The main driver in the Add Energy business has been Asset Integrity for a number of years. Throughout 2021 the team have had challenges with replacing the global BP maintenance project that has been tailored off, with activity from other clients and projects. Measures has been taken to adjust the organization and several new projects are now kicked off. There has been a very good trend in new projects in North America, both Houston and Canada. Short- and long-term projects has been started with Enbridge, ENI, Cenovus and Heritage. Internationally the Asset Integrity team has also expanded their business for Shell and in early 2022 together with Well Engineering in Perth signed a new five-year contract with Kuwait Oil Company. Into first half of 2022 part of the Asset Integrity business still struggle to win new projects and the Management has and will take necessary measures to turn the business in the right direction. The overall and longer-term outlook for Asset Integrity is still positive with lots of attention from potential clients and with focus on production, cost reduction and increasing uptime for our clients and their assets.

Well Engineering and Safety & Risk operations in Australia continue to be another important entity for the group. The APAC operations benefit from the long-term contract with Woodside for platform well intervention work as well as production focused operations for other clients in Australia. Increasing revenue is also coming from other important clients in the APAC region like Santos Energy and Beach Energy. The management in Australia has successfully counteracted the negative market

effects during the Covid pandemic and is very well placed for further growth in the Australian market. Increased opportunities for the well engineering solutions are also seen in markets outside of Australia. Support for the KOC contract, kicked off in 2022 is an example of strategic growth based on cooperation with the other business lines in Add Energy.

Well Control has been established as an important player in their niche market for a long time. The current high oil and gas prices is positively influencing the request for Add Energy services within the well control market due to increased exploration activity globally in response to the current energy demand. The interest for the patented Relief Well Injection Spool (RWIS) technology is good and discussions continue with clients world-wide. New contracts were signed in early 2022 for two wells in the Mediterranean operations for Chevron and contract discussions are ongoing with Woodside, Petrobras and Repsol for single well access as well as options for annual lease.

Add Energy continue to prove to be an established international service provider – supporting clients from our offices in the main energy hubs; North Sea, US/Houston, Canada/Calgary and Western Australia. We also continue to sign project contracts with clients for operations in other parts of the world with focus on West Africa and the Middle East.

The outlook for Add Energy within the three main business lines is good. In addition, the management see very good opportunities in the renewable, geothermal and CCS markets where Add Energy services is very well suited for growth.

The management continue to protect the technical capacity, support the teams with current expanding activity but at the same time with high focus on liquidity, cost and market adjustments. The management work towards good profitability in all segments.

It should be added that there will always be uncertainty associated with the Group's assessment of future conditions.



## Annual results and year-end appropriations

The Board proposes the following allocation of net result of NOK minus 156,089,932 in the parent company Add Energy Group AS:

Transferred from share premium	NOK	82,746,520
Transferred from other equity	NOK	73,343,412
Total allocated	NOK	156,089,932

Stavanger, 31 October 2022

Dean Zuzic  
*Chairman of the Board*

Haakon Brandrud  
*Board Member*

Svein O. Staaen  
*Board Member*

Ole B. Rygg  
*CEO*



**add energy**

**Add Energy Group**

**Consolidated financial statements**

**2021**



## Add Energy Group

### Consolidated financial statements for 2021

#### Consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	2021	2020
<b>CONTINUING OPERATIONS</b>			
<b>Revenues</b>	5, 12	<b>205,523</b>	291,403
Cost of subcontractors		<b>73,973</b>	108,609
Salaries	8, 14	<b>122,020</b>	132,512
Other operating expenses	8, 12, 19	<b>23,414</b>	41,967
Depreciation	16, 19	<b>7,790</b>	8,134
Amortization of intangible assets	15	<b>5,899</b>	5,769
Impairment of intangible assets	15	<b>44,325</b>	0
<b>Operating profit</b>		<b>-71,897</b>	-5,589
Finance income	12	<b>929</b>	1,601
Finance costs	12	<b>-4,652</b>	-8,440
<b>Finance costs - net</b>		<b>-3,724</b>	-6,838
Share of profit of associates	6	<b>15</b>	54
<b>Profit before income tax</b>		<b>-75,606</b>	-12,373
Income tax (-expense)	17	<b>4,497</b>	-6,585
<b>Profit from continuing operations</b>		<b>-71,109</b>	-18,958
<b>DISCONTINUING OPERATIONS</b>			
Profit from discontinued operation		0	0
<b>Profit for the year</b>		<b>-71,109</b>	-18,958
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Translation differences		<b>-1,541</b>	8,436
<b>Total other comprehensive income</b>		<b>-1,541</b>	8,436
<b>Total comprehensive income for the year</b>		<b>-72,649</b>	-10,522
<b>Profit for the year attributable to:</b>			
Owners of the parent company		<b>-71,036</b>	-18,474
Non-controlling interests		-73	-485
<b>Total comprehensive income attributable to:</b>		<b>-72,455</b>	-10,135
Owners of the parent company		<b>-72,455</b>	-10,135
Non-controlling interests		-195	-388

Note 1 to 22 is an integral part of these consolidated financial statements.

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## Add Energy Group

### Consolidated financial statements for 2021

#### Consolidated balance sheet

(Amounts in NOK 1 000)

	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	15	<b>16,758</b>	61,423
Property, plant and equipment	16	<b>2,317</b>	3,172
Right-of-use assets	19	<b>15,826</b>	19,484
Investments in associates	6	<b>285</b>	270
Deferred tax asset	7, 21	<b>241</b>	0
<b>Total non-current assets</b>		<b>35,427</b>	84,350
<b>Current assets</b>			
Accounts receivable	7, 20, 21	<b>38,239</b>	50,966
Other current assets	7, 20	<b>10,468</b>	17,090
Investments in shares	11, 20	<b>0</b>	0
Cash and cash equivalents	9, 20	<b>3,650</b>	1,459
<b>Total current assets</b>		<b>52,357</b>	69,515
<b>TOTAL ASSETS</b>		<b>87,785</b>	153,864

Note 1 to 22 is an integral part of these consolidated financial statements.



## Add Energy Group

### Consolidated financial statements for 2021

#### Consolidated balance sheet

(Amounts in NOK 1 000)

	Note	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	<b>62,632</b>	62,632
Share premium		<b>172,472</b>	172,472
Other paid-in capital		<b>118,242</b>	118,242
Accumulated other comprehensive income		<b>29,576</b>	31,116
Retained earnings		<b>-392,045</b>	-321,009
		<b>-9,123</b>	63,454
<b>Non-controlling interests</b>			
		<b>-3,914</b>	-3,720
<b>Total equity</b>			
		<b>-13,037</b>	59,734
<b>Non-current liabilities</b>			
Deferred tax	17	<b>0</b>	3,937
Lease liabilities	19	<b>12,150</b>	16,068
Borrowings	10, 13, 20	<b>0</b>	0
Other long-term debt	20	<b>2,562</b>	2,242
<b>Total non-current liabilities</b>			
		<b>14,713</b>	22,247
<b>Current liabilities</b>			
Bank overdraft	10, 20	<b>41,725</b>	19,751
Lease liabilities	19	<b>6,498</b>	6,169
Borrowings	10, 20	<b>2,893</b>	10,040
Accounts payable	20	<b>17,458</b>	17,376
Tax payable	17	<b>2,217</b>	3,184
Public duties payable	20	<b>4,300</b>	4,081
Other current liabilities	13, 20	<b>11,017</b>	11,283
<b>Total current liabilities</b>			
		<b>86,109</b>	71,884
<b>Total liabilities</b>			
		<b>100,822</b>	94,130
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>87,785</b>	153,864

Note 1 to 22 is an integral part of these consolidated financial statements.

Stavanger, 31 October 2022

Dean Zuzic  
Chairman of the Board

Svein O. Staaen  
Board Member

Haakon Brandrud  
Board Member

Ole B. Rygg  
CEO



## Add Energy Group

Consolidated financial statements for 2021

### Consolidated statement of changes in equity

(Amounts in NOK 1 000)

2020	Note	Share capital	Share premium	Other paid in equity	Accumulated other compreh. income	Retained earnings	Total	Non-controlling interest <sup>2)</sup>	Total Equity
<b>Equity 1.1.</b>	18	<b>62,632</b>	<b>172,472</b>	<b>118,242</b>	<b>22,680</b>	<b>-302,535</b>	<b>73,491</b>	<b>-3,332</b>	<b>70,159</b>
Profit for the year						-18,474	-18,474	-485	-18,958
<b>Other comprehensive income</b>					8,436		8,436	97	8,533
Translation differences					8,436		8,436	97	8,533
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>8,436</b>	<b>0</b>	<b>8,436</b>	<b>97</b>	<b>8,533</b>
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>8,436</b>	<b>-18,474</b>	<b>-10,038</b>	<b>-3,720</b>	<b>-13,756</b>
<b>Transactions with owners</b>									
Share capital increase	18						0		0
Purchase of own shares <sup>1)</sup>	18						0		0
Adjustment non-controlling interest from prior years							0		0
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity 31.12.</b>		<b>62,632</b>	<b>172,472</b>	<b>118,242</b>	<b>31,116</b>	<b>-321,009</b>	<b>63,454</b>	<b>-3,720</b>	<b>59,734</b>

2021	Note	Share capital	Share premium	Other paid in equity	Accumulated other compreh. income	Retained earnings	Total	Non-controlling interest <sup>2)</sup>	Total Equity
<b>Equity 1.1.</b>	18	<b>62,632</b>	<b>172,472</b>	<b>118,242</b>	<b>31,116</b>	<b>-321,009</b>	<b>63,454</b>	<b>-3,720</b>	<b>59,734</b>
Profit for the year						-71,036	-71,036	-73	-71,109
<b>Other comprehensive income</b>					-1,541		-1,541	-122	-1,663
Translation differences					-1,541		-1,541	-122	-1,663
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,541</b>	<b>0</b>	<b>-1,541</b>	<b>-122</b>	<b>-1,663</b>
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,541</b>	<b>-71,036</b>	<b>-72,576</b>	<b>-3,914</b>	<b>-76,491</b>
<b>Transactions with owners</b>									
Share capital increase	18						0		0
Purchase of own shares <sup>1)</sup>	18						0		0
Adjustment						0	0		0
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity 31.12.</b>		<b>62,632</b>	<b>172,472</b>	<b>118,242</b>	<b>29,576</b>	<b>-392,045</b>	<b>-9,123</b>	<b>-3,914</b>	<b>-13,037</b>

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2021 the Company owns 59,347 own shares.

<sup>2)</sup> Add Energy & Partners, owned 50% by Add Energy Group is consolidated on a 100% basis as the management assesses to have control of the company.

The entire equity is controlled by the shareholders of the parent company.

Note 1 to 22 is an integral part of these consolidated financial statements.



## Add Energy Group

### Consolidated financial statements for 2021

#### Consolidated statement of cash flows

(Amounts in NOK 1 000)

	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before income tax		-75,606	-12,373
<i>Adjustments</i>			
Depreciation	16	7,790	8,134
Amortization	15	5,899	5,769
Impairment of intangible assets	15	44,325	0
Income taxes paid	17	1,182	-2,625
Interest income and expenses	12	4,576	4,623
Unrealized loss (gain) related to financial instruments	11, 20	0	0
Foreign exchange losses/(gains) on operating activities		-1,193	1,973
Income from associated companies	6, 21	-15	-54
<i>Change in working capital</i>			
Change in accounts receivable	7, 21	12,727	38,847
Change in accounts payable	21	82	-10,441
Change in other working capital items	21	5,814	-1,019
<b>Net cash flow from operating activities</b>		<b>5,581</b>	<b>32,834</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and intangible assets	15, 16	-12,521	-13,067
Received interest	12	1,602	1,602
Received dividend from associated company	6	0	0
<b>Net cash flow from investing activities</b>		<b>-10,919</b>	<b>-11,466</b>
<b>Cash flow from financing activities</b>			
Admission of new long-term debt	10	0	0
Interest paid	12	-4,673	-4,673
Down-payment on borrowings	10, 20	-7,500	-8,900
Change in current liabilities to credit institutions	20	21,974	-10,688
<i>Equity</i>			
Paid in new equity	18	0	0
Cost of share issue		0	0
<b>Net cash flow from financing activities</b>		<b>9,801</b>	<b>-24,262</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents 1 January		1,459	280
Exchange gains/(losses) on cash and cash equivalents		-2,272	4,073
<b>Cash and cash equivalents 31 December</b>		<b>3,650</b>	<b>1,459</b>

Note 1 to 22 is an integral part of these consolidated financial statements.



## **Note 1 - General information**

Add Energy Group AS ("the Company") is a limited liability company registered in Norway and the Company headquarter is located in Nordbøgata 4, 4006 Stavanger.

The Company was founded 14 November 2007. The accounting year 2021 includes the period 1 January 2021 to 31 December 2021.

The Company and its subsidiaries' ("Add Energy Group" or "the Group") operations are based on deliveries to the oil and gas industry throughout the value chain, from qualification to exploration and production. The Group's core competence is within the following areas:

- Asset Integrity
- APAC Operations
- Well Control and Norwegian Operations

The financial statements were approved by the Board of Directors and the CEO at the time stated in the dated and signed balance sheet and will be presented for final approval by the Annual General Meeting on 7 November 2022.

## **Note 2 - Accounting principles**

### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The consolidated financial statements of Add Energy Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and mandatory for annual periods beginning 1 January 2021 or later and the Norwegian additional disclosure requirements according to the Accounting Act as per 31 December 2021.

#### **2.1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

*New and amended standards adopted by the Group:* The accounting policies adopted are consistent with those of the previous financial year. The following standards and interpretations were adopted with effect from 1 January 2021, with no implementation impact on the Group's consolidated financial statements:

- Interest rate benchmark reform-amendments to IFRS 9, and IFRS 7 – phase 2

*New standards and interpretations not yet adopted:* Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting periods and have not been early adopted by the Group. None of these are expected to have a significant effect on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IFRS 16 Leases – COVID-19 related rent concessions
- Amendments to IFRS 3 Business Combinations
- IAS 1 – Presentation of financial statements on classification of liabilities

There are no other standards that are not yet effective and that would be expected to have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The consolidated financial statements apply the principles of historical cost accounting, with the exception of the following accounting items:

- Financial instruments are stated at fair value, loans and receivables and other financial liabilities are stated at amortized cost.

The consolidated financial statements are prepared using uniform accounting policies for equal transactions and events under otherwise identical conditions.

### **2.2 FUNCTIONAL AND PRESENTATION CURRENCY**

The Group's presentation currency is Norwegian Kroner. This is also the parent company's functional currency. Subsidiaries with another functional currency are translated at the closing rate for balance sheet items and transaction rate for the income statement items. The monthly average exchange rates are used as an approximation of the transaction rate unless this average is not a reasonable approximation of the transaction rate in which case the actual rate on the date of the transaction is used. Translation differences are recorded as part of the comprehensive income statement and as a separate item in equity. At disposal of investments in foreign subsidiaries, the cumulative translation differences relating to the subsidiary is recognized in the income statement.

### **2.3 CONSOLIDATION**

#### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and



the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions and balances, including internal profit and unrealized gains and losses are eliminated. Unrealized gains related to transactions with associates and joint ventures are eliminated with the Group's share in the company / business. Similarly, unrealized losses are eliminated, but only to the extent that there is no indication of value decline of the asset which is sold internally.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

#### **Associates**

Associates are entities in which the Group has significant influence, but not control over the financial and operational management (normally at stake between 20% and 50%). The consolidated financial statements include the Group's share of profit from associates accounted for under the equity method from the date significant influence is achieved and until such influence ceases.

Acquisition related costs are expensed as incurred. When the Group's loss ratio exceeds the investment in an associated company, the Group reduces the carrying amount to zero and further losses are not recorded unless the Group has an obligation to cover this loss.

#### **2.4 FOREIGN CURRENCY**

##### **Transactions in foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange of the transaction date. Monetary items denominated in foreign currencies are translated into Norwegian kroner using the rate of exchange at the balance sheet date. Non-monetary items measured at historical exchange rate expressed in foreign currencies are translated into Norwegian kroner using the exchange rate on the transaction date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate determined by the balance sheet date. Exchange rate changes are recorded continuously during the accounting period.

##### **Foreign operations**

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Norwegian kroner using the exchange rate at the balance sheet date. Income and expenses from foreign operations are translated into Norwegian kroner using average exchange rates. Exchange rate differences are recognized in other comprehensive income.

#### **2.5 REVENUE RECOGNITION AND CONTRACT ASSETS**

Revenues from contracts with customers are recognized when contracted performance obligations are satisfied. Sales revenues are presented net of value added tax and discounts. The Group's revenues are primarily related to contracts where the performance obligations are satisfied over time.

##### **Sale of services**

Revenues from sales of services are recognized in the amount to which the entity has a right to invoice. The amount is based on the number of hours delivered to the customer, multiplied with the agreed hourly rate.

For some contracts, a fixed consideration is agreed, which is due at the time when the project is completed. Such contracts make up only a small part of the total contract portfolio. For these contracts, progress is measured on the basis of completed hours in relation to total time spent on the project, based on the estimates available at the balance sheet date.



## License Income / Royalties

Licenses / Royalties are recognized in accordance with the terms of the license / royalty agreements. In cases where there is a provision of a fee at the entry of the agreement, and the agreement is not regarded as a sale, there must be considered whether the compensation is related to the future use of the right or remuneration for costs spent related to the right that is taken over. Compensation for costs spent are recorded at the time when the right to use is established, while the compensation for future use of the right is earned in line with consumption.

## Contract assets

Contract assets consists of revenue from contracts where the performance obligations have been partially or wholly satisfied, but where a right to payment has not been finally established. Contract assets are referred to as "Accrued, not invoiced income" in the balance sheet and in the notes.

## Income from dividends

Dividend revenue is recognized when the shareholders' right to receive dividends is determined by the General Assembly.

## 2.6 SEGMENT

For management purposes, the Group is organized into three main business segments by product / service range. Operating segments are reported in the same way as for internal reporting to the Company's chief operating decision maker. The Company's chief operating decision maker, who is responsible for the allocation of resources and assessment of earnings in the operating segments, is defined as the Board of Directors. Financial information about segments and geographic distribution is presented in note 5 to the financial statements.

## 2.7 BORROWINGS

Borrowings are carried at fair value when the disbursement of the loan takes place, less transaction costs. In subsequent periods, borrowings are stated at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (net of transaction costs) and the redemption value is recognized over the term of the loan. Fees related to the creation of drawing rights are recorded in anticipation of borrowing taking place if it is likely that the loan will be drawn up. The fee is then recognized as part of the cost of the loan. If it is not likely that all or part of the loan will be drawn up, the fee is capitalized as prepaid cash services and charged over the period the right applies to.

## 2.8 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 in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly 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 and its subsidiaries 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, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill; 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 or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 tax assets are recognized when it is probable that the Group will have sufficient taxable profit in future periods to utilize the tax benefit. The Group accounts for previously not recognized deferred tax assets to the extent that it has become probable that the Group can take advantage of the deferred tax asset. Likewise, the Group will reduce deferred tax assets to the extent that the Group no longer considers it likely that it can make use of the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the adopted tax rates for the Group companies where temporary differences have emerged.

Deferred tax and deferred tax assets are recorded at their nominal value and are classified as non-current liability / non-current asset in the balance sheet.

Deferred tax assets and deferred tax are offset if a legally enforceable right to offset assets by current tax against the obligations of current tax and deferred tax assets and deferred tax applies to income tax imposed by the same tax authority for either the same taxable corporation or different taxable entities that intends to settle the liabilities and assets by current tax net.



## 2.9 RESEARCH AND DEVELOPMENT

Costs related to research activities are recognized in the statement of comprehensive income when incurred. Costs related to development activities are capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Costs that are capitalized include the cost of materials, direct labor, and a proportion of directly attributable overheads. Capitalized development expenditure is recorded in the balance sheet at cost less accumulated depreciation and amortization.

Capitalized development costs are amortized over the asset's estimated life, using the linear method.

## 2.10 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are measured at cost less accumulated depreciation and amortization. When assets are sold or disposed of, the carrying value is derecognized and any gains or losses are recognized in the statement of comprehensive income.

The cost of property, plant and equipment is the purchase price, including fees / taxes and expenses directly related to putting the asset ready for use. Expenses incurred after the asset is put into use, such as ongoing maintenance, are recognized in the statement of comprehensive income, while other costs that are expected to provide future economic benefits are capitalized.

Depreciation is calculated using the linear method over the following usage:

- Furniture, fittings, and equipment: 3-5 years

## 2.11 LEASING

The Group leases various offices, equipment, and vehicles. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability



- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2.12 INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost. The cost of intangible assets acquired through acquisitions is recorded at fair value at the acquisition date in the Group. Capitalized intangible assets are stated at cost less any depreciation and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but expensed as incurred.

Economic life is either definite or indefinite. Intangible assets with definite life are depreciated over the economic lives and tested for impairment if there are indications of this. Depreciation method and period are reviewed at least annually. Changes in depreciation method and / or period are treated as change of estimates.

Intangible assets with indefinite lives are tested for impairment at least annually, either individually or as part of a cash-generating unit. Intangible assets with indefinite lives are not depreciated but tested annually for permanent impairment. Any recognized impairment is not reversed. Economic life is tested annually as to whether the assumption of indefinite life can be justified or not. If not, the change to definite life is treated prospectively.

Depreciation is calculated using the linear method over the following usage:

- |                        |            |
|------------------------|------------|
| • Brand name           | 15 years   |
| • Customer relations   | 5-15 years |
| • Licenses             | 10 years   |
| • Proprietary software | 5-10 years |

Brand names consist of words, names, symbols etc. that are used in the business to identify products / services and distinguish them from competitive products and services.

Customer relations exist between the Group and the client if the Group has information on and has regular contact with the customer. Customer relations may be due to contracts or through regular

contact unless this is based on a contractual relationship.

Licensing rights give the Group the right to use the tool (such as software) and sell them in their activities. The rights are based on legal agreements between the parties.

Proprietary software consists of software the Group itself has developed over time and used either as part of the services produced in their own operations or sold to external customers.

## 2.13 BUSINESS COMBINATIONS AND GOODWILL

### Goodwill

The excess of the consideration transferred for the acquisition of the subsidiary and the fair value of net identifiable assets at the acquisition date is classified as goodwill. By investment in associates the goodwill is included in the investment's carrying value.

Goodwill is recorded at cost less any accumulated impairment losses. Goodwill is not depreciated but tested at least annually for impairment.

Repossessed assets and liabilities by business combinations are recorded at fair value at the acquisition date in the Group. Non-controlling owners' share is calculated based on the minority's share of these assets and liabilities.

Allocation of the cost of business combinations is changed if new information about the current fair value on the date of acquisition of control occurs. The allocation can be changed until the presentation of financial statements or by the end of a 12-month period starting from the acquisition took place.

Goodwill is tested annually for impairment. In this regard, goodwill is allocated to cash generating units or groups of cash generating units expected to benefit from synergies of the business combination.

If the fair value of equity exceeds the consideration transferred for the acquisition of the subsidiary (badwill) by business combinations the excess is immediately recognized as income at the time of acquisition.

## 2.14 FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified in the following categories: fair value through profit or loss and amortized cost. Financial liabilities are classified in the category: amortized cost.

Measurement category is determined on initial recognition of the instruments, based on their individual characteristics and the business model of the group.

Prior to the implementation of IFRS 9 all assets now classified as at amortized cost were classified as loans and receivables.



## **Financial assets at fair value through profit or loss**

The category consists of market-based equity investments that are held primarily for trading. Assets in this category are always classified as current assets.

Changes in fair value are recorded and presented as financial income / expense.

## **Financial assets measured at amortized cost**

Financial assets of which the contractual terms give rise to cash flows that are solely payments of principal and interest. Such assets mainly consist of trade and other receivables. The objective of the groups business model is to collect the contractual cash flows of such instruments.

Interest income is recognized as income using the effective interest method.

## **Financial liabilities measured at amortized cost**

All financial liabilities are classified as at amortized cost.

Interest expense is recognized using the effective interest method.

## **2.15 IMPAIRMENT**

### **Financial assets measured at amortized cost**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

### **Non-financial assets**

Intangible assets with an indefinite available life, such as goodwill, are not amortized and are tested annually for impairment. Tangible and intangible assets which are depreciated are reviewed for impairment when circumstances indicate that future earnings do not justify the asset's carrying value. An impairment loss is recognized for the difference between the carrying value and recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use. In assessing impairment, the assets are grouped at the lowest level where it is possible to separately identify cash flows (cash generating units). Goodwill is grouped and tested for impairment at operating segment

level. Impairment of goodwill is not reversed while impairment related to other assets is considered reversed at each reporting date.

## **2.16 ACCOUNTS RECEIVABLES**

Accounts receivables arise from sales of goods and services that are within the ordinary course of business. If the settlement is expected within a year or less the receivables are classified as current assets. Otherwise they are classified as non-current assets.

Accounts receivables are carried at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest method, less provisions for losses.

## **2.17 ACCOUNTS PAYABLES**

Accounts payables are liabilities to pay for goods and services provided by suppliers to the ordinary operations. Accounts payables are classified as current if they are due within a year. Otherwise they are classified as non-current.

Accounts payables are stated at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest rate.

## **2.18 CASH AND CASH EQUIVALENTS**

Cash includes cash and bank deposits. Cash equivalents are short-term liquid investments that are immediately convertible into cash with a known amount and maximum term of three months.

Cash and cash equivalents are not reduced by any bank overdrafts.

## **2.19 EQUITY**

### **Liabilities and equity**

Financial instruments are classified as liabilities or equity in accordance with the underlying economic reality.

Interest, dividends, gains and losses related to a financial instrument classified as debt will be presented as an expense or income. Distributions to holders of financial instruments classified as equity or other comprehensive income will be recorded directly to equity or other comprehensive income, respectively.

### **Costs of equity transactions**

Transaction costs directly related to an equity transaction are recognized directly in equity after deduction for tax.



## 2.20 EMPLOYEE BENEFITS

### Defined contribution plan

Group companies operate various pension schemes dependent on geographical presence.

The schemes are generally funded through payments to insurance companies and are in general based on 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 obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid and the contributions are recognized as a salary expense in the income statement when they are due.

The Group's Norwegian based operations have a mandatory occupational pension scheme that satisfies the Mandatory Occupational Pension Act while the Groups foreign operations all satisfy local legislation regarding pension schemes.

### 2.21 PROVISIONS

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that there will be a financial settlement as a result of this commitment and the amount can be reliably measured. If the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical information about warranties and a weighting of possible outcomes against their probability of occurrence.

Provision for loss from contracts is recognized when the expected income from a contract is lower than the unavoidable costs incurred to meet liabilities under the contract.

### 2.22 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are in general not recognized in the financial statements. The financial statement contains information of any material contingent liabilities with the exception of contingent liabilities where the likelihood of liability is low.

A contingent asset is not recognized in the financial statements but disclosed when there is a certain probability that a benefit will accrue to the Group.

## 2.23 SUBSEQUENT EVENTS

New information after the balance sheet date regarding the Group's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Group's financial position at the balance sheet date, but which will affect the Group's financial position in the future, are stated if significant.

## **Note 3 - Financial Risk Management**

### 3.1 FINANCIAL RISK FACTORS

The Group's activities involve a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the financial results.

Risk management is carried out by the corporate management. Corporate management identifies, evaluates and hedges financial risks in close cooperation with the various operating units. The Board of Directors prepares written principles for overall risk management and sets written guidelines for specific areas such as currency risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and investment of excess liquidity.

#### Market Risk

##### a) Currency risk

The Group operates in several countries and across several continents and is exposed to currency fluctuations and translation differences, which substantially affects the results and the Group's cash position.

##### b) Interest rate risk

The Group's interest rate risk is associated with long-term borrowings with floating interest rate (NIBOR + margin). These borrowings entail an interest rate risk for the Group's cash flow.

##### c) Price risk

The Group's wealth creation can be affected by movements in the price level of goods and services acquired. The Group is monitoring developments closely and seeking hedging against this risk through the establishment of agreements with customers.

##### d) General market risk

The ongoing COVID-19 pandemic as well as severe market share- and price-competition in the oil & gas industry has caused an imbalance in the supply- and demand for the products sold by the Group's major clients. This again has put pressure on the investment appetite within the industry in which the Group mainly operates.



## Credit risk

Credit risk arises in transactions with customers and financial institutions. The Group's customer base mainly consists of large and solid oil companies and the credit risk is considered as modest. The Group's connection to financial institutions is concentrated to a limited number of acknowledged Norwegian and International connections and even this credit risk is considered low.

## Liquidity Risk

The Group's business requires financial liquidity and capital to cover expenses and investments and may under certain circumstances and at a given point in the future require additional external debt and equity financing. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time. If one does not succeed in obtaining such financing, this may have a negative effect on the financial position of the Group.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Group's risk management and mitigation analyses.

Based on the most recent liquidity forecast, the Board is of the opinion that the liquidity risk for the Group is acceptable. In this respect, it should be emphasized that there is uncertainty related to cash flow projections.

## 3.2 RISK ASSOCIATED WITH ASSET MANAGEMENT

The Group's objectives regarding asset management are to secure continued operations, to secure the return to the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs. Based on the Group's growth strategy, securing sufficient liquidity is prioritized rather than minimizing capital costs. The Group's gearing is at the end of the year approximately 115%, measured by book values.

In relation to the Group's borrowings and overdraft facility, capital requirements known as covenants, are established from the lender. Per year-end 2021 these requirements imply that:

- a) The ratio of total net debt (NIBD) to EBITDA shall not, in respect of any relevant period ending after 30 June 2020, exceed 3.0 until final maturity
- b) The overdraft loan ratio shall not exceed 70% of eligible receivables (receivables not more than 60 days overdue)
- c) The ratio of EBITDA to gross cash interest expenses shall not, in respect of any relevant period ending after 30 June 2020, be less than 2.0

- d) The aggregate external capital expenditure of the Group shall not exceed NOK 5 million in any Financial Year. If in any financial year the amount of the capital expenditure is less NOK 5 million, then the maximum expenditure amount for the immediately following financial year only shall be increased by an amount equal to 50% of the unused amount.
- e) The adjusted EBITDA in respect of any relevant period shall not be less than a certain amount increasing from NOK 15 million during 2021 to NOK 20 million during 2022.

The Group is in breach of the a), b), c), and e) covenants per year-end 2021, which have been waived by the Bank.

There are also requirements with regard to restriction on sale of assets, investment and payment of dividends or other equity transactions and the possibility of further borrowing. The existing capital requirements also restrict the Group in different ways with regard to how the Group carry on its business, and the Group can therefore be prevented from reacting to changing market conditions or to pursue attractive business opportunities.

Note 20 describe the risk exposure associated with the Group's total assets.

## 3.3 EVALUATION OF FAIR VALUE

The table in note 20 analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## Note 4 - Use of estimates

Management has used estimates and assumptions that have affected the valuation of assets, liabilities, revenues, expenses and information on potential liabilities. In particular, this is related to depreciation of fixed assets, valuation of goodwill and other intangible assets and assessments in connection with acquisitions. Future events may involve estimate changes. The estimates and underlying assumptions are considered on a consecutive basis. Changes in accounting estimates are recognized in the period incurred. If the changes also involve future periods, the effect is distributed over the present and future periods.



The following estimates represent a significant risk of substantial changes in the carrying value of assets and liabilities within the next financial year.

- Estimated impairment of goodwill - The Group tests annually for impairment of goodwill (see note 15 for further details). The recoverable amounts of cash generating units are determined by calculation of value in use. Calculating the value in use is significantly based on estimates, including those of future cash flows and discount factor.
- Income tax - The Group is taxed for income in several countries. Significant discretion is required in determining income tax for all countries as a whole. There will be uncertainty as to the final tax liability for many transactions and calculations (see note 17 for further details).



## Add Energy Group

### Consolidated financial statements for 2021

(Amounts i NOK 1.000)

#### Note 5 - Segment information

Operating segments are identified based on the reporting level the Group's chief operating decision maker uses when they assess the performance and profitability at a strategic level. Segment information is communicated to the Group's chief operating decision maker of the reportable segments for the fiscal year and consists of the following units:

##### Asset Integrity

Principal activities includes asset integrity and maintenance optimisation services based on proprietary software and expertise. Legal entities that form part of the segment are Add Latent, Add Energy LLC, Add Energy Canada and Add Energy & Partners.

##### APAC Operations

Includes all activities in the Asia/Pacific region and comprises subsurface-, welltest- and completion engineering, safety-, risk- and crisis management as well as technical risk and safety cases. Legal entities that form part of the segment is Add Lucid, Add ISRM and Orade Risk Consultants.

##### Well Control & Norwegian Operations

Principal activities include well control response and emergency planning for the oil and gas industry through the use of simulations and advisory services related to well control by unforeseen events. Additional services covered includes drilling and HSE expertise as well as operational support, technical documentation, simulator operations and training. Legal entities that form part of the segment is Add Wellflow.

##### Well Management

Principal activities includes well engineering and project management as well as the complete delivery of safe, reliable and sustainable well operations. Legal entities that form part of the segment are Add IPS and Add Energy Asia. The Board decided during 2019 to wind down this business segment and the only remaining activity is related to regaining a receivable amount. See note 7 for further details.

2021	Asset Integrity	APAC Operations	Well Control & Norwegian Operations	Well Management	Parent/ Eliminations	Total
<b>Revenue</b>						
Total segment revenue	109,633	131,233	19,646	164	4,925	265,599
Revenue between segments	-15,026	-36,230	-3,896	0	-4,925	-60,076
Revenue from external customers	<b>94,606</b>	<b>95,003</b>	<b>15,750</b>	<b>164</b>	<b>0</b>	<b>205,523</b>
<b>Income Statement</b>						
Total segment revenue	94,606	95,003	15,750	164	0	205,523
Operating expenses	-108,682	-89,316	-14,203	-343	-6,862	-219,406
EBITDA <sup>1)</sup>	<b>-14,075</b>	<b>5,686</b>	<b>1,547</b>	<b>-179</b>	<b>-6,862</b>	<b>-13,883</b>
Depreciation and amortization	-9,343	-2,219	-1,852	0	-275	-13,689
Impairment of intangible assets	-18,253	-11,007	-15,065	0	0	-44,325
Operating profit	<b>-41,671</b>	<b>-7,540</b>	<b>-15,370</b>	<b>-179</b>	<b>-7,137</b>	<b>-71,897</b>
Interest income	0	0	12	0	82	94
Interest expense	-159	0	-3	-286	-1,718	-2,166
Income from associated companies	0	0	15	0	0	15
Other financial items	-412	-11	-192	24	-1,062	-1,652
Profit before tax	<b>-42,241</b>	<b>-7,551</b>	<b>-15,538</b>	<b>-442</b>	<b>-9,835</b>	<b>-75,606</b>
Tax	3,390	-948	247	420	1,389	4,497
Profit from continuing operations	<b>-38,851</b>	<b>-8,499</b>	<b>-15,291</b>	<b>-22</b>	<b>-8,446</b>	<b>-71,109</b>
Profit from discontinued operation						<b>0</b>
Profit after tax	<b>-38,851</b>	<b>-8,499</b>	<b>-15,291</b>	<b>-22</b>	<b>-8,446</b>	<b>-71,109</b>
<b>Assets / liabilities</b>						
Total non-current assets	16,966	15,926	3,342	1,088	-2,179	35,142
Investment in associated companies	0	0	285	0	0	285
Current assets	43,212	58,492	15,834	-22,381	-42,800	52,357
Non-current liabilities	-11,545	-4,480	-431	0	1,744	-14,713
Current liabilities	-36,968	-17,779	-5,291	-989	-25,082	-86,109
Net assets	<b>11,665</b>	<b>52,158</b>	<b>13,738</b>	<b>-22,282</b>	<b>-68,317</b>	<b>-13,037</b>
Investments in fixed assets	908	42	0	0	0	950
Investments in intangible assets	4,258	0	1,649	0	0	5,908
Total investments	<b>5,166</b>	<b>42</b>	<b>1,649</b>	<b>0</b>	<b>0</b>	<b>6,858</b>

<sup>1)</sup> EBITDA is defined as income before financial income/-expenses, taxes, depreciation and amortization.



## Add Energy Group

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(Amounts i NOK 1.000)

#### Note 5 - Segment information, cont.

2020	Asset Integrity	APAC Operations	Well Control & Norwegian Operations	Well Management	Parent/ Eliminations	Total
<b>Revenue</b>						
Total segment revenue	199,776	142,585	24,489	256	5,846	372,951
Revenue between segments	-48,518	-25,180	-2,017	0	-5,832	-81,548
Revenue from external customers	<b>151,258</b>	<b>117,404</b>	<b>22,472</b>	<b>256</b>	<b>14</b>	<b>291,403</b>
<b>Income Statement</b>						
Total segment revenue	151,258	117,404	22,472	256	14	291,403
Operating expenses	-140,813	-107,452	-19,362	-8,999	-6,463	-283,088
EBITDA <sup>1)</sup>	<b>10,445</b>	<b>9,953</b>	<b>3,110</b>	<b>-8,743</b>	<b>-6,450</b>	<b>8,315</b>
Depreciation and amortization	-9,036	-2,645	-1,958	0	-265	-13,904
Impairment of intangible assets	0	0	0	0	0	0
Operating profit	<b>1,409</b>	<b>7,307</b>	<b>1,152</b>	<b>-8,743</b>	<b>-6,714</b>	<b>-5,589</b>
Interest income	0	41	48	-351	1,864	1,601
Interest expense	-400	0	-12	0	-4,261	-4,673
Income from associated companies	0	0	54	0	0	54
Other financial items	-1,640	-109	-163	-802	-1,052	-3,767
Profit before tax	<b>-631</b>	<b>7,239</b>	<b>1,079</b>	<b>-9,897</b>	<b>-10,163</b>	<b>-12,373</b>
Tax	-3,093	-2,028	-214	523	-1,775	-6,585
Profit from continuing operations	<b>-3,724</b>	<b>5,211</b>	<b>865</b>	<b>-9,373</b>	<b>-11,938</b>	<b>-18,958</b>
Profit from discontinued operation <sup>2)</sup>						<b>0</b>
Profit after tax	<b>-3,724</b>	<b>5,211</b>	<b>865</b>	<b>-9,373</b>	<b>-11,938</b>	<b>-18,958</b>
<b>Assets / liabilities</b>						
Total non-current assets	33,659	25,527	17,958	0	6,936	84,080
Investment in associated companies	0	0	270	0	0	270
Current assets	72,953	48,856	16,603	-20,839	-48,057	69,515
Non-current liabilities	-15,198	-2,679	-690	0	-3,679	-22,247
Current liabilities	-41,418	-10,614	-4,631	-1,075	-14,146	-71,884
Net assets	<b>49,996</b>	<b>61,089</b>	<b>29,509</b>	<b>-21,914</b>	<b>-58,946</b>	<b>59,734</b>
Investments in fixed assets	1,758	42	0	0	50	1,850
Investments in intangible assets	4,729	0	300	0	0	5,029
Total investments	<b>6,487</b>	<b>42</b>	<b>300</b>	<b>0</b>	<b>50</b>	<b>6,880</b>

<sup>1)</sup> EBITDA is defined as income before financial income/-expenses, taxes, depreciation and amortization.

<sup>2)</sup> Amount consists of the reversal of last years' provision for the expected earn-out plus the actual earn-out agreed.

Transactions between reportable segments are included under the parent / elimination.  
Excess values and depreciation / amortization of these related to business combinations are included under

The group follows the same accounting principles in reporting by segment as used in the group reporting.

#### Distribution of revenue

	2021	2020
Fixed-price / Lump-sum	22%	7%
Hourly- / Day-rate	79%	93%

Distribution is based on weighted average recognized revenue distributed between Fixed-price / Lump-sum projects and Hourly- / Day-rate projects per segment.

#### Distribution of revenue between segments for the largest customers:

2021	Asset Integrity	APAC Operations	Well Control & Norwegian Operations	Parent/ Eliminations	Total
Woodside	0	51,571	0	0	51,571
BP	40,630	0	0	0	40,630
Beach Energy	0	18,909	0	0	18,909
Santos	0	9,351	0	0	9,351
Anadarko	8,465	0	0	0	8,465

2020	Asset Integrity	APAC Operations	Well Control & Norwegian Operations	Parent/ Eliminations	Total
BP	84,765	0	0	0	84,765
Woodside	0	68,092	0	0	68,092
Shell	26,098	0	0	0	26,098
Beach Energy	0	21,661	0	0	21,661
Santos	0	10,156	0	0	10,156

#### Geographical distribution

	Norway	Europe	America	Australasia	Middle-East/ Africa	Total
Revenue 2021	12,393	9,777	78,364	97,375	7,614	205,523
Revenue 2020	20,316	4,234	133,113	119,602	14,139	291,403
Fixed assets 2021	2,326	10,446	6,520	16,136	0	35,427
Fixed assets 2020	19,165	30,192	8,159	26,834	0	84,350

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### Consolidated financial statements for 2021

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#### Note 6 - Investments in associates

##### Investment in associates

	<u>Business office</u>	<u>Group-share</u>
Total Service Partner AS (TSP) <sup>1)</sup>	Stavanger, Norway	32.5 %

<sup>1)</sup> TSP provides services related to operational documentation, training, maintenance and security to clients within the oil and gas industry, primarily on the NCS. The company works in close cooperation with the segment Well Control & Norwegian Operations.

	<u>2021</u>	<u>2020</u>
Book value 1 January	270	216
Share of profit	15	54
Dividend received	0	0
Book value 31 December	<b>285</b>	<b>270</b>

The Group's share of income, assets and liabilities of associates is:

<u>2020</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit/(Loss)</u>
Total Service Partner AS	792	517	2,711	54
<b>Total associated companies</b>	<b>792</b>	<b>517</b>	<b>2,711</b>	<b>54</b>

<u>2021</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit/(Loss)</u>
Total Service Partner AS	762	471	2,187	15
<b>Total associated companies</b>	<b>762</b>	<b>471</b>	<b>2,187</b>	<b>15</b>

#### Note 7 - Accounts receivables and other receivables

(Amounts in NOK 1 000)

<b>Total accounts receivables and other receivables:</b>	<u>2021</u>	<u>2020</u>
Nominal value of accounts receivable	54,671	65,867
Provisions for bad debt *)	16,432	14,901
<b>Book value of accounts receivable</b>	<b>38,239</b>	<b>50,966</b>
Accrued, not invoiced income	4,967	10,461
Pre-payments	3,865	4,294
Other receivables	1,637	2,335
<b>Total other current assets</b>	<b>10,468</b>	<b>17,090</b>
<b>Total accounts receivables and other receivables</b>	<b>48,708</b>	<b>68,056</b>

\*) Provision for bad debt includes a full writedown of the total receivable from Sirius Petroleum.

An agreement was entered into with the client in July 2019 of which the following items are essential:

- The original total receivable is agreed between the parties and amounts to USD 3,690 million.
- Sirius Petroleum followed the agreed and fixed payment schedule until January 2020 and total received amount is USD 2,062 million.
- Due to the COVID-19 pandemic and challenges with own financing Sirius has failed to pay all installments since January 2020. Total overdue and unsettled amount is USD 1,628 million.
- Due to the uncertainty of raising financing the receivable was fully written off in 2020.
- As part of the acquisition by ABL the following agreement was made in relation to the Sirius claim:
  - "To the extent more than 50% of the Sirius Claim is settled by Sirius Petroleum Plc, the Buyer shall compensate the Sellers by way of paying an amount to the Sellers corresponding to such settlement, however limited upwards to an aggregate amount corresponding to 25% of the Sirius Claim, as an addition to the Purchase Price, however with deduction for a percentage of (i) any negative Tax consequences for the Group and (ii) any out-of-pocket costs related to collection of the Sirius Claim accrued in the period from the Locked Box Date, such percentage to correspond to the pro rata portion of the Sirius Claim which shall be compensated

<b>Book value of receivables due in more than one year:</b>	<u>2021</u>	<u>2020</u>
Other receivables	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The majority of the Group's clients are Blue Chip companies and the credit risk linked to accounts receivables is assessed to be modest. The level of write-downs has historically been very low.



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#### Note 8 - Salaries / Number of Employees / Benefits in kind

Salaries etc.	2021	2020
Salaries	98,718	117,822
Employer's national insurance contribution	8,283	7,659
Pension costs - defined contribution scheme (see note 14)	5,166	6,205
Capitalized labor costs	-3,017	-2,196
Other benefits in kind	12,870	3,022
<b>Total salaries</b>	<b>122,020</b>	<b>132,512</b>

**Average number of employees:** 2021 122, 2020 132

#### Remuneration of group management (in NOK)

2021	Salaries	Pension- costs	Other remuneration	Total
Ole B. Rygg - CEO	2,628,900	77,547	79,731	2,786,178
Harald Justnæs - CFO	1,720,923	78,084	79,731	1,878,738
Terje Løkke-Sørensen - CTO	2,098,065	79,260	79,731	2,257,056
Eduardo Robaina - EVP	2,808,744	170,387	103,991	3,083,122
Morten Haug Emilsen - EVP	1,962,049	75,159	79,161	2,116,369
Peter Adam - EVP	1,513,956	70,435	0	1,584,390

The Group management individually has an agreement regarding the right to bonuses linked to possible future events of the ownership of the company. Bonus does not fall due until this event occurs.

The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.

Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2021 the CEO was not granted any bonus.

2020	Salaries	Pension- costs	Other remuneration	Total
Ole B. Rygg - CEO	2,623,125	75,431	84,753	2,783,309
Harald Justnæs - CFO	1,720,923	75,481	84,753	1,881,157
Terje Løkke-Sørensen - CTO	2,098,068	77,577	84,753	2,260,398
Eduardo Robaina - EVP	2,778,537	162,188	24,148	2,964,873
Morten Haug Emilsen - EVP	2,372,870	72,751	84,772	2,530,393
Peter Adam - EVP	1,666,211	101,351	62,837	1,830,399

The Group management individually has an agreement regarding the right to bonuses linked to possible future events of the ownership of the company. Bonus does not fall due until this event occurs.

The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.

Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2020 the CEO was not granted any bonus.

#### Remuneration to the Board (in NOK)

	2021	2020
Per Arne Jensen - Chairman	0	0
Rune Jensen	0	0
Svein Ilebekk	60,000	60,000
Stig Hetlevik	60,000	60,000
<b>Total remuneration</b>	<b>120,000</b>	<b>120,000</b>



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#### Note 8 - Salaries / Number of Employees / Benefits in kind cont.

##### Shares / options controlled by the Management / Board:

Chairman Per Arne Jensen and board member Rune Jensen represents Progressus AS which per year end 2021 controls 2 000 000 A-shares and 475 389 253 B-shares.

	2021	2020
	B-shares	B-shares
<b>Board members</b>		
Svein Ilebekk - Member of the Board (Solsta Eiendom AS)	2,312,550	2,312,550
Stig Hetlevik - Member of the Board	0	0
<b>Corporate management</b>		
Ole B. Rygg - CEO	14,784,802	14,784,802
Harald Justnæs - CFO	0	0
Terje Løkke Sørensen - CTO	42,291,239	42,105,204
Eduardo Robaina - EVP	0	0
Morten Haug Emilsen - EVP	5,761,552	5,761,552
Peter Adam - EVP	3,735,672	3,735,672

#### Auditor

##### Fees to auditors consist of (in NOK)

	2021	2020
Statutory audit (including technical preparation of financial statements)	1,019,943	1,428,991
Statutory audit cost to other Auditors than PwC	847,779	470,143
Other certification services	19,500	24,500
Tax advice (including technical preparation of tax returns)	284,040	94,500
Tax advice from other Auditors than PwC	0	170,125
Other non-audit services	0	174,046
<b>Total</b>	<b>2,171,262</b>	<b>2,362,305</b>

#### Note 9 - Restricted bank deposits, credit facilities and group bank account scheme

##### Restricted funds

There are no restricted funds in the Group, neither per end 2020 nor per end 2021.

##### Group Bank Account Scheme

The Company has, together with the other group companies, entered into a group bank account scheme. The scheme includes accounts in several different currencies, primarily NOK, AUD, GBP, CAD and USD. The Group does not consider the currency exposure associated with the scheme to be particularly prominent. The scheme is presented net in the balance sheet.

Net compiled deposits in the Group outside of the group bank account scheme amounted to NOK 3.6 million per 31 December 2021 (NOK 1.5 million per 31 December 2020).

##### Credit Facility

add energy group has an agreed overdraft credit facility linked to the group bank account scheme. Additionally, the Group has an agreed credit facility linked to a certain client contract.

Facility-, and drawn amounts	2021		2020	
	USD	NOK	USD	NOK
Committed overdraft facility amount		40,000		40,000
Drawn amount		36,960		15,076
Credit facility amount	2,500	22,049	2,500	21,332
Drawn amount	532	4,690	548	4,675



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### Consolidated financial statements for 2021

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#### Note 10 - Secured debt and guarantees

<b>Carrying debt secured by mortgage, etc.</b>	<b>2021</b>	<b>2020</b>
Liabilities to credit institutions	44,619	29,791
<b>Total</b>	<b>44,619</b>	<b>29,791</b>

The parent company's shares and accounts receivables in all Norwegian, Scottish, Australian and US subsidiaries are pledged for the benefit of the Group's interest bearing debt.

<b>Pledged capitalised receivables</b>	<b>2021</b>	<b>2020</b>
Accounts Receivables	32,066	47,308
<b>Total</b>	<b>32,066</b>	<b>47,308</b>

The Company's current credit scheme conditions are NIBOR + 5.00%, with the following repayment profile:

<b>Balance per 31.12.2021</b>	<b>2,950</b>
Payment 1 February 2021	-2,950

The Company was in breach of four Bank covenant by year end 2021 and has decided to reclassify all long term debt to short term debt. In relation to the Amendment Agreement entered into with the bank during January 2022, the Company has received a waiver from the bank for these breaches.

<b>Capitalised borrowing costs</b>	<b>2021</b>	<b>2020</b>
Capitalised borrowing costs 1 January	815	759
Addition	25	56
Disposal	0	0
Capitalised borrowing costs 31 December	840	815
Accumulated amortisation 1 January	406	121
This year's amortisation	378	284
Disposal	0	0
Accumulated amortisation 31 December	784	406
<b>Book value pr 31 December</b>	<b>57</b>	<b>410</b>

<b>Purchased guarantees</b>	<b>Guarantor</b>	<b>2021</b>	<b>2020</b>
Guarantee for advance tax withholding	Tryg Garanti	1,600	1,600
Other guarantees, including office lease guarantees	Tryg Garanti	337	630
Guarantee for credit card in USA	DNB Bank	441	427
Guarantee (stanby LOC) for office lease in Perth	DNB Bank	819	844
<b>Total purchased guarantees</b>		<b>3,198</b>	<b>3,500</b>

<b>The Parent Company holds the following office lease guarantees</b>	<b>Yearly rent</b>	
	<b>2021</b>	<b>2020</b>
add energy llc (original guarantee in USD)	4,798	3,442
These guarantees are not capitalized		

#### Note 11 - Shares and other financial instruments

<b>Current assets</b>	<b>Acquisition cost</b>	<b>Fair value</b>	<b>Recognized change in value</b>
Shares in the trading portfolio (listed) 2020	650	0	0
Shares in the trading portfolio (listed) 2021	650	0	0

The shares are by acquisition classified as at fair value through profit and loss.



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#### Note 12 - Combined items in the income statement

<b>Sales</b>	<b>2021</b>	<b>2020</b>
Revenue from sales of services	201,542	286,476
Government Grants (COVID-19 related)	3,981	4,927
License revenue	0	0
<b>Total revenue</b>	<b>205,523</b>	<b>291,403</b>
<b>Other operating expenses</b>	<b>2021</b>	<b>2020</b>
Office lease	2,363	2,605
Consultancy services	5,598	5,911
Sales- and promotional expenses	3,762	1,546
Travel costs	347	1,520
IT-related costs	5,364	8,140
Insurance	2,547	2,772
Audit fees	2,171	2,362
Provision for doubtful debts	610	9,783
Government Grants (COVID-19 related)	-1,073	-2,173
Other costs	1,724	9,501
<b>Total other operating expenses</b>	<b>23,414</b>	<b>41,967</b>
<b>Financial income and expenses</b>	<b>2021</b>	<b>2020</b>
Other interest income	94	1,602
Currency gains	834	0
Other financial income	0	0
<b>Total financial income</b>	<b>929</b>	<b>1,602</b>
Other interest expenses	-2,166	-4,673
Currency loss	0	-1,375
Other financial expenses	-2,487	-2,391
<b>Total financial expenses</b>	<b>-4,652</b>	<b>-8,440</b>

#### Note 13 - Debt

##### Liabilities that fall due for payment more than five years after fiscal year end:

If the current payment schedule is maintained, the Group will not have debts that fall due for payment more than five years after the financial year end.

The Group did neither in 2020 have debts that fell due for payment more than five years after the financial year end.

<b>Specification of other current liabilities</b>	<b>2021</b>	<b>2020</b>
Liabilities to employees	4,976	4,856
Prepayments from customers	0	0
Other current liabilities	6,042	6,427
<b>Total</b>	<b>11,017</b>	<b>11,283</b>

#### Note 14 - Pensions and pension liabilities

The Group's Norwegian based operations have a mandatory occupational pension scheme that satisfies the Mandatory Occupational Pension Act while the Groups foreign operations all satisfy local legislation regarding pension schemes.

All companies within the Group have, to varying degrees, a defined contribution pension scheme for all employees including members of Management.

All schemes are funded through insurance companies and the Group therefore has no other obligation than the deposits.

Pension costs are recognized as salary expense in the income statement when they are due.



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#### Note 15 - Intangible assets

2020	From business combinations							Total
	Goodwill	Brand name	Customer relations	Licenses/royalties	Proprietary software	Proprietary software <sup>1)</sup>	Generic software	
Acquisition cost 1 January	303,025	10,483	89,683	4,478	39,885	50,392	6,808	<b>504,754</b>
Reclassification	0	0	0	0	0	0	0	<b>0</b>
Additions	0	0	0	0	0	4,729	300	<b>5,029</b>
Additions/disposals re subsidiaries	0	0	0	0	0	0	0	<b>0</b>
Translation differences	1,365	0	380	0	0	-56	0	<b>1,689</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>Acquisition cost 31 December</b>	<b>304,390</b>	<b>10,483</b>	<b>90,063</b>	<b>4,478</b>	<b>39,885</b>	<b>55,065</b>	<b>7,108</b>	<b>511,472</b>
Accumulated amortization 1 January	261,328	7,921	80,283	4,478	39,885	43,842	6,544	<b>444,280</b>
Reclassification	0	0	0	0	0	0	0	<b>0</b>
This year's amortization	0	699	2,363	0	0	2,513	195	<b>5,769</b>
Additions/disposals re subsidiaries	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
This year's impairment charges	0	0	0	0	0	0	0	<b>0</b>
Accumulated amortization and impairment 31 December	261,328	8,620	82,645	4,478	39,885	46,355	6,738	<b>450,049</b>
<b>Book value per 31 December</b>	<b>43,062</b>	<b>1,864</b>	<b>7,417</b>	<b>0</b>	<b>0</b>	<b>8,710</b>	<b>370</b>	<b>61,423</b>
Amortization time	N/A	15 years	5-15 years	10 years	5-10 years	5-10 years	3-5 years	
Amortization rate	N/A	6.7 %	6,7-20 %	10%	10-20 %	10-20 %	20-33 %	

2021	From business combinations							Total
	Goodwill	Brand name	Customer relations	Licenses/royalties	Proprietary software	Proprietary software <sup>1)</sup>	Generic software	
Acquisition cost 1 January	304,390	10,483	90,063	4,478	39,885	55,065	7,108	<b>511,472</b>
Reclassification	0	0	0	0	0	370	-370	<b>0</b>
Additions	0	0	0	0	0	5,908	0	<b>5,908</b>
Additions/disposals re subsidiaries	0	0	0	0	0	0	0	<b>0</b>
Translation differences	-444	0	-94	0	0	188	0	<b>-349</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
<b>Acquisition cost 31 December</b>	<b>303,946</b>	<b>10,483</b>	<b>89,969</b>	<b>4,478</b>	<b>39,885</b>	<b>61,531</b>	<b>6,738</b>	<b>517,031</b>
Accumulated amortization 1 January	261,328	8,620	82,645	4,478	39,885	46,355	6,738	<b>450,049</b>
Reclassification	0	0	0	0	0	0	0	<b>0</b>
This year's amortization	0	699	1,720	0	0	3,481	0	<b>5,899</b>
Additions/disposals re subsidiaries	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	0	0	0	<b>0</b>
This year's impairment charges	33,366	0	1,669	0	0	9,291	0	<b>44,325</b>
Accumulated amortization and impairment 31 December	294,694	9,319	86,034	4,478	39,885	59,126	6,738	<b>500,273</b>
<b>Book value per 31 December</b>	<b>9,252</b>	<b>1,165</b>	<b>3,937</b>	<b>0</b>	<b>0.00</b>	<b>2,404</b>	<b>0.00</b>	<b>16,758</b>
Amortization time	N/A	15 years	5-15 years	10 years	5-10 years	5-10 years	3-5 years	
Amortization rate	N/A	6.7 %	6,7-20 %	10%	10-20 %	10-20 %	20-33 %	

<sup>1)</sup> Capitalized proprietary software includes development activities in the Group for several suits within the segments Well Control & Norwegian Operations and Asset Integrity.

All activities are classified as development activities and are capitalized as such. No research activities has been performed. In the event of development activities not being capitalized they will be expensed as operating expences.



## Add Energy Group

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#### Note 15 - Intangible assets cont.

##### Testing for impairment losses

###### Goodwill

Goodwill from business combinations is monitored by the management at operating segment level. A summary of goodwill allocation for each operating segment is shown in the table below.

During testing of the specified intangible asset with indefinite future life, one compares the sum of book value of intangible fixed assets and tangible fixed assets to estimated recoverable amount of the current operating segment.

Testing is conducted at least annually.

Goodwill per operating segment per year end	2021	2020
Asset Integrity	0	7,612
APAC Operations	9,252	20,861
Well Control & Norwegian Operations	0	14,589
<b>Total carrying amount of goodwill</b>	<b>9,252</b>	<b>43,062</b>

In previous years the calculated recoverable amount was based on a value in use model where a weighted scenario model for calculating future cash flows were used. However, following the acquisition of the Company by ABL Group ASA in July 2022 a fair value less cost of disposal model is used. The acquisition price as of July 2022 has been used to derive the fair value as of 31 December 2021, by adjusting for known events and losses incurred in the Group from 1 January 2021 to July 2022. Based on net equity per YE less the fair value of the Group an impairment loss is identified.

Cash flows per CGU has been predicted based on best estimate of the various segments, such that the overall value of the Group equals the said fair value. The value per CGU has been estimated using a discounted cash flow model (level 3 in the fair value hierarchy in IFRS 13) for the period 2025-2027 and for the terminal value the cash flow is based on a constant nominal growth rate equivalent to the expected annual inflation of 2.5%. Other critical estimates is the future expected EBITDA which has been adjusted in accordance with IAS 10.9(b) to incorporate the updated assessments and assumptions from the July 2022 transaction.

A pre-tax discount rate of 9.4-10.6 % and post-tax discount rate of 8.6-10.0 % is used. Similar rates for 2020 were 8.0-9.0 % and 7.6-8.6 % respectively. However the 2020 discount rate reflected a value in use model compared to the 2021 fair value model. The substantial increase in discount rate is mainly relating to increased borrowing rate (following lower results and liquidity) and increased risk free interest rate. The discount rates reflect current market assessments of the time value of money and the risks specific to the assets in the market where the group operates, and is estimated based on the WACC method (Weighted Average Cost of Capital).

The model used for testing of impairment losses is based on factors as described above. For 2021 the following impairment charges have been identified: APAC Operations: NOK 11 million, Well Control: NOK 14.6 million and Asset Integrity Management: NOK 7.8 million. During 2020 no impairment charges were identified.



## Add Energy Group

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#### Note 15 - Intangible assets cont.

The Group has recognised impairments for all segments for 2021. The estimated recoverable amounts are sensitive to changes in assumptions and actual performance versus assumed performance. In particular, the model is sensitive for changes in the forecasted EBITDA at the end of the forecast period and changes in WACC. Sensitivity analysis is carried out on a regular basis. Sensitivities has not been calculated for 2021 as all goodwill is impaired which is based on the identified value of the Group when acquired by ABL Group in July 2022.

	Carrying amount goodwill	Carrying amount other assets	Total carrying amount	Recoverable amount	Headroom	Sensitivity 1	Sensitivity 2
<b>Goodwill at risk 2021</b>							
APAC Operations	9,252	3,812	13,065	13,065	0	N/A	N/A
Well Control & Norwegian Operations	0	4,262	4,262	4,262	0	N/A	N/A
Asset Integrity	0	2,093	2,093	2,093	0	N/A	N/A
	Carrying amount goodwill	Carrying amount other assets	Total carrying amount	Recoverable amount	Headroom	Sensitivity 1	Sensitivity 2
<b>Goodwill at risk 2020</b>							
Well Management	0	-24,108	-24,108	0	N/A	N/A	N/A
APAC Operations	20,861	24,365	45,226	105,206	59,980	16.1 %	87.7 %
Well Control & Norwegian Operations	14,589	17,764	32,353	49,301	16,949	81.5 %	8.8 %
Asset Integrity	7,612	39,989	47,601	86,810	39,209	23.8 %	37.6 %

Sensitivity 1: is reduced EBITDA in 2023 that will result in an impairment of goodwill

Sensitivity 2: is percentage increased WACC that will result in an impairment of goodwill

Sensitivity analysis is based on a 2.5 % growth from 2025 onwards. The analysis shows that an isolated increase in the WACC of one percentage point would result in additional impairment charges for 2020 NOK 1.6 million in the segments.

Furthermore, an isolated change in EBITDA in 2023 of 10 percentage points per segment would not result in an additional charge in the segments in 2020.

#### Other intangible assets

Goodwill is tested for impairment at operating segment level while other intangible assets such as brand names, customer relationships, licenses and proprietary software are tested at Company level (cash generating unit - CGU). After the change of segments during 2019 operating level and CGU are identical.

Total value of recorded other intangible assets appears from the table below:

Intangible asset per year end	2021	2020
Brand name	1,165	1,864
Customer relations	3,937	7,418
Licenses	0	0
Proprietary Software / Generic Software	2,404	9,080
<b>Total carrying amount of other intangible assets</b>	<b>7,506</b>	<b>18,362</b>

Remaining required impairment charges from the testing of goodwill is distributed pro rata between the other intangible assets within the CGU.

The model used for testing of impairment losses is based on factors as described above.

The following impairment charges have been identified in 2021: Well Control NOK 0.476 million and Asset Integrity NOK 1.196 million. For Asset Integrity an additional impairment charge of NOK 9.291 relating to capitalized proprietary software has been identified. For 2020 no impairment charges were identified.



## Add Energy Group

### Consolidated financial statements for 2021

(Amounts in NOK 1 000)

#### Note 16 - Property, plant and equipment

	Furniture, fittings and equipment	Total
<b>2020</b>		
Acquisition cost 1 January	19,125	<b>19,125</b>
Reclassification	0	<b>0</b>
Additions	1,851	<b>1,851</b>
Additions / disposals subsidiaries	0	<b>0</b>
Translation differences	224	<b>224</b>
Disposals	-3,141	<b>-3,141</b>
<b>Acquisition cost 31 December</b>	<b>18,060</b>	<b>18,060</b>
Accumulated depreciation 1 January	16,082	<b>16,082</b>
This year's depreciation	1,944	<b>1,944</b>
This year's write-downs	0	<b>0</b>
Additions / disposals subsidiaries	-3,138	<b>-3,138</b>
Depreciation on fixed assets sold	0	<b>0</b>
Accumulated depreciation 31 December	14,888	<b>14,888</b>
<b>Book value per 31 December</b>	<b>3,172</b>	<b>3,172</b>
Depreciation time	3-5 years	
Depreciation rate	20-33%	
Capitalized leases	0	
Amortization on capitalized leases	0	
	Furniture, fittings and equipment	Total
<b>2021</b>		
Acquisition cost 1 January	18,060	<b>18,060</b>
Reclassification	0	<b>0</b>
Additions	950	<b>950</b>
Additions / disposals subsidiaries	0	<b>0</b>
Translation differences	3	<b>3</b>
Disposals	-2,147	<b>-2,147</b>
<b>Acquisition cost 31 December</b>	<b>16,866</b>	<b>16,866</b>
Accumulated depreciation 1 January	14,888	<b>14,888</b>
This year's depreciation	1,808	<b>1,808</b>
This year's write-downs	0	<b>0</b>
Additions / disposals subsidiaries	-2,147	<b>-2,147</b>
Depreciation on fixed assets sold	0	<b>0</b>
Accumulated depreciation 31 December	14,549	<b>14,549</b>
<b>Book value per 31 December</b>	<b>2,317</b>	<b>2,317</b>
Depreciation time	3-5 years	
Depreciation rate	20-33%	
Capitalized leases	0	
Amortization on capitalized leases	0	



## Add Energy Group

### Consolidated financial statements for 2021

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#### Note 17 - Tax

##### Tax payable

Taxes payable in the balance sheet is as follows:	31.12.21	31.12.20
Tax payable on net income	1,078	2,869
Tax payable from prior years	2,131	-581
Adjustment income tax from earlier years	0	894
Tax payable in Australia	-1,600	0
Translation differences	607	2
<b>Total tax payable</b>	<b>2,217</b>	<b>3,184</b>

##### Tax charge

This year's tax charge is as follows:	2021	2020
Tax payable on net income	1,078	2,869
Withholding taxes	-1,612	4,341
Foreign tax paid in the year	0	0
Gross change in deferred tax	-2,391	1,645
Change in previous years	-1,615	-2,354
Translation differences	43	85
<b>This year's total tax charge</b>	<b>-4,497</b>	<b>6,585</b>

##### Relationship between tax expense and tax calculated as the average nominal tax rate on income before taxes:

	2021		2020	
	NOK	%	NOK	%
22% (2020:22%) of profit before tax	-16,633	22.0 %	-2,722	22.0 %
Effect from other tax rates <sup>1)</sup>	-3,105	4.1 %	-862	7.0 %
Effect of permanent differences	14,025	-18.5 %	4,526	-36.6 %
Withholdig tax	-1,612	2.1 %	4,341	-35.1 %
Change in non-previously recognized DTA	98	-0.1 %	1,970	-15.9 %
Deferred tax not recognized	3,467	-4.6 %	353	-2.9 %
Change in previous years	-1,280	1.7 %	-2,117	17.1 %
Other changes and translation differenses	543	-0.7 %	1,098	-8.9 %
<b>Tax charge in the income statement</b>	<b>-4,497</b>	<b>5.9 %</b>	<b>6,585</b>	<b>-53.2 %</b>

<sup>1)</sup> Applicable tax rate differ for the various jurisdictions. In the significant jurisdictions the following tax rates are applied: Norway 22%, Scotland 19%, USA 21%, Canada 25% and Australia 30%.

**Add Energy Group**  
**Consolidated financial statements for 2021***(Amounts in NOK 1 000)***Note 17 - Tax, cont.****Deferred tax**

Deferred tax is recognized net when the Group has a legally enforceable right to offset deferred tax assets against deferred tax liabilities and if the deferred tax and the deferred tax asset is to the same tax authority for the same taxable entity or different taxable entities where the purpose is to determine the balances on a net basis. The following amounts have been netted:

	<b>2021</b>	<b>2020</b>
<b>Tax reducing temporary differences</b>		
Other tax reducing temporary differences	-23,045	-2,868
Unrealized foreign exchange	0	-5,718
Accounting provisions, non-deductible	-169	-3,366
Losses carried forward	-40,262	-39,350
Leasing	0	-991
Non-recognized group contribution	119	0
Applied losses carried forward	0	0
<b>Total tax reducing temporary differences</b>	<b>-63,357</b>	<b>-52,294</b>
<b>Tax increasing timing differences</b>		
Fixed assets	17,754	21,477
Payables and provisions	132	9,247
Prepayments	197	305
Pension premium reserve	8	34
Receivables	3,738	0
<b>Total tax increasing timing differences</b>	<b>21,830</b>	<b>31,062</b>
Total temporary differences	-41,528	-21,232
Loss carry forward not included in deferred tax asset	43,226	41,111
<b>Basis for deferred tax / (deferred tax asset)</b>	<b>1,698</b>	<b>19,879</b>
Deferred tax (deferred tax asset) on temporary differences	-241	3,937
Carry forward credit tax	0	-579
Carry forward credit tax not recognized	0	580
<b>Deferred tax (deferred tax asset) in the balance sheet</b>	<b>-241</b>	<b>3,937</b>
<b>Change in deferred tax</b>		
Book value 31 December previous year	3,937	2,783
Recognized in the period, net	-4,220	1,255
Translation differences	41	-100
<b>Book value 31 December this year</b>	<b>-241</b>	<b>3,937</b>

Deferred tax assets relating to taxable losses carried forward are recognized to the extent it is probable that the Group can use this against future taxable profits.  
No part of loss carried forward has an expiry date.

Carry forward credit tax is originating from the following years and expires after five years. The Group does not expect to be able to utilize all credit forward taxes, and thereby removed from carry forward credit tax.

Year of origin	<b>2021</b>	<b>2020</b>
2015	N/A	N/A
2016	N/A	579
<b>Total carry forward credit tax</b>	<b>0</b>	<b>579</b>



## Add Energy Group

### Consolidated financial statements for 2021

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#### Note 18 - Shareholder information

Share capital per 31 December 2021 consists of 626 322 265 shares at par value of NOK 0.10.

The Company's largest shareholders as of 31.12.21 are:	A-shares	B-shares	Ownership
Progressus AS	2,000,000	475,389,253	76.2 %
TEBE Finans AS		42,291,239	6.8 %
OBR Invest AS		14,784,802	2.4 %
John Wayne Wright		14,189,617	2.3 %
Dermot O'Keeffe		7,735,986	1.2 %
Andrè DiBiagio		6,435,161	1.0 %
MHE Invest AS		5,761,552	0.9 %
Manuel Enrique PanDavila Herrera and Karina Capriles		4,716,826	0.8 %
Peter James William Adam		3,735,672	0.6 %
Craig Ian Burton		3,320,659	0.5 %
Terje Malmo		2,819,060	0.5 %
Eva Karin Tveitaskog		2,792,098	0.4 %
Dahle Holding AS		2,783,776	0.4 %
Girdy Pty Ltd / Ember Superannuation Fund		2,757,912	0.4 %
Einar Kristiansen		2,569,915	0.4 %
Chase Invest AS		2,490,278	0.4 %
Solsta Eiendom AS		2,312,550	0.4 %
Novatech AS		2,275,902	0.4 %
Hedenstad Invest AS		2,064,590	0.3 %
Martin Hegreberg		1,887,889	0.3 %
Other shareholders		21,207,528	3.4 %
<b>Total</b>	<b>2,000,000</b>	<b>624,322,265</b>	<b>100.0 %</b>

Development in the number of shares	Date	A-shares	B-shares
Opening balance	01/01/20	2,000,000	624,322,265
<b>Closing balance</b>	<b>31/12/20</b>	<b>2,000,000</b>	<b>624,322,265</b>
Opening balance	01/01/21	2,000,000	624,322,265
<b>Closing balance</b>	<b>31/12/21</b>	<b>2,000,000</b>	<b>624,322,265</b>

All shares are fully paid.

The General Meeting on 16 December 2021 granted the Board of Directors an authority to carry out a capital increase. The Board's authority constitutes a right to issue 313,161,132 shares as per 31 December 2021. Remaining issuing authorization is a total of 313,161,132 shares.

Furthermore, the General Meeting on 16 December 2021 granted the Board of Directors an authority to re-purchase own shares. A total of 62,632,226 shares can be repurchased. Remaining re-purchase authorization per 31 December 2021 is a total of 62,632,226 shares.

Finally, the General Meeting on 16 December 2021 granted the Board of Directors an authority to raise loans where the receivable gives the right to demand shares issued with up to a total of 50% of the share capital at the time of the authorization is registered, i.e. maximum NOK 31,316,113.20 similar to 313,616,132 shares. Remaining issuing authorization per 31 December 2021 is a total of 313,161,132.

Both classes of shares in the Company have equal voting and dividend rights. A-shares are entitled to a liquidation preference limited to NOK 20.0 million before the distribution and / or settlement may take place to holders of B-shares. The provision for liquidation preference applies in all situations where the Company's shares are sold or where the business is transferred or terminated. By share issues the A-shares have the right to subscribe for new shares equivalent to 60% of the issue amount.



## Add Energy Group

### Consolidated financial statements for 2021

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#### Note 19 - Leases

Leases primarily consist of office equipment and car leases

During January 2020 Add Energy LLC renewed their office lease contract at 19500 Texas State Highway 249 with a new expiry date of August 2025. This contract has an option to cancel in September 2023 subject to a variable cancellation fee. Based on reduced requirements for office space, the business unit has sub-leased the entire office space to another client and vacated the offices in December 2020. The sub-lessee terminated the sub-lease agreement in January 2022 for a cancellation fee. This fee will be recognized over the remaining original lease period. The Company is currently investigating options for sub-leasing the offices again. The business unit has entered into a sub-lease agreement with another vendor, located at 16290 Katy Freeway with expiry date 28 February 2023.

During August 2021 the office lease agreement in Perth was extended to 1 October 2023 and lease agreement transferred from Add Energy Australasia to Add Lucid. The renewed lease also implied a reduced rate.

During February 2021 Add Wellflow renegotiated the current office-lease for Strandveien 33 and agreed with the Landlord to relocate to another building also controlled by the Landlord. The relocation happened during March 2021 and new offices are located at Strandveien 15, Lysaker, Oslo. The lease has a 6 month notice period.

#### Office lease characteristics

Place	Country	Expiry date
Nordbøgt. 4, Stavanger	Norway	December 2022
Strandveien 15, Lysaker, Oslo	Norway	June 2022
19500 Texas State Highway 249, Houston	USA	August 2025
16290 Katy Freeway, Houston	USA	February 2023
1 Albyn Place, Aberdeen	Scotland	February 2025
1008 Hay Street, Perth	Australia	September 2023
2100, 144-4th Avenue, Calgary, Alberta	Canada	1 Month notice

All agreements contain an option for an extension of the lease.

Refer to note 2.9 above for further information relating to leases.

	2020		
	Offices	Car/Furniture	Total
<b>The movement in the right-of-use assets in respect of leases during the year</b>			
Acquisition cost 1 January	11,331	129	11,460
Additions	16,333	988	17,321
Disposals	0	0	0
Index- and similar adjustments	0	0	0
Translation differences	1,294	3	1,297
<b>Acquisition cost 31 December</b>	<b>28,957</b>	<b>1,120</b>	<b>30,077</b>
Accumulated depreciation 1 January	-4,361	-52	-4,413
This year's depreciation	-5,837	-343	-6,180
Disposals	0	0	0
Translation differences	0	0	0
Accumulated depreciation 31 December	-10,198	-395	-10,593
<b>Book value per 31 December</b>	<b>18,759</b>	<b>725</b>	<b>19,484</b>
Depreciation method	Linear	Linear	
Depreciation time	17-60 months	24 months	

	2021		
	Offices	Car/Furniture	Total
<b>The movement in the right-of-use assets in respect of leases during the year</b>			
Acquisition cost 1 January	28,957	1,120	30,077
Additions	1,621	263	1,885
Disposals	0	0	0
Index- and similar adjustments	0	0	0
Translation differences	400	-2	398
<b>Acquisition cost 31 December</b>	<b>30,979</b>	<b>1,381</b>	<b>32,360</b>
Accumulated depreciation 1 January	-10,198	-395	-10,593
This year's depreciation	-5,593	-389	-5,982
Disposals	0	0	0
Translation differences	0	41	41
Accumulated depreciation 31 December	-15,791	-743	-16,534
<b>Book value per 31 December</b>	<b>15,188</b>	<b>639</b>	<b>15,826</b>
Depreciation method	Linear	Linear	
Depreciation time	17-60 months	24 months	



## Add Energy Group

### Consolidated financial statements for 2021

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#### Note 19 - Leases, cont.

<b>Lease liability</b>	<b>2021</b>	<b>2020</b>
Lease liability per 1 January	22,236	8,359
New lease agreements	2,590	17,222
Lease payments	-7,749	-6,056
Interest cost on lease commitments	1,186	1,367
Index- and similar adjustments	0	0
Translation differences	385	1,346
<b>Lease liability per 31 December</b>	<b>18,648</b>	<b>22,236</b>
Current lease liability	6,581	6,169
Non-current lease liability	12,068	16,068
<b>Total lease liability</b>	<b>18,648</b>	<b>22,236</b>

#### Operating lease commitments

The future aggregate minimum lease payments under non-cancellable short term and low value operating leases are as follows:

<b>Lease commitments</b>	<b>2021</b>	<b>2020</b>
Less than one year	129	144
Between one and five years	69	17
More than five years	0	0
<b>Total lease commitments</b>	<b>197</b>	<b>161</b>

#### Operating leases recognized during the year

Recognized lease for office space	259	2,670
Other operating leases	222	743
<b>Total operating leases</b>	<b>481</b>	<b>3,413</b>



## Add Energy Group

### Consolidated financial statements for 2021

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#### Note 20 - Financial instruments

##### Credit risk

The carrying value of financial assets represents the maximum credit exposure.

<b>Maximum exposure to credit risk on the balance sheet date</b>	<b>2021</b>	<b>2020</b>
Accounts receivables	38,239	50,966
Accrued, not invoiced income	4,967	10,461
Other receivables	1,637	2,335
<b>Total current receivables</b>	<b>44,843</b>	<b>63,761</b>
Cash and cash equivalents	3,650	1,459
<b>Total</b>	<b>48,492</b>	<b>65,220</b>

<b>Aging of overdue receivables</b>	<b>Total</b>	<b>0-30 days</b>	<b>31-60</b>	<b>61-90</b>	<b>&gt;91 days</b>
Overdue, not paid by 31.12.20	15,811	10,502	2,574	711	2,023
Overdue, not paid by 31.12.21	12,609	8,668	1,811	1,246	884

The majority of the Group's clients are Blue Chip companies and the credit risk linked to accounts receivables is assessed to be modest. The level of write-downs has historically been low except for a major write down in 2018 and 2020 relating to the client Sirius Petroleum. The receivable, although fully written off, still remains unsettled. The Company continue chasing the overdue amount.

##### Maximum exposure to credit risk associated with loans and receivables on the balance sheet date

<b>Divided by geographic region</b>	<b>Cash and bank deposits</b>		<b>Current receivables</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Norway	-18,480	-24,147	1,277	1,686
Rest of Europe	13,201	15,890	8,319	4,019
America	-37,714	-31,789	14,335	33,534
Australasia	46,409	40,647	13,963	15,307
Middle-East / Africa	234	858	6,949	9,215
<b>Total</b>	<b>3,650</b>	<b>1,459</b>	<b>44,843</b>	<b>63,761</b>

<b>Divided by business area</b>	<b>Cash and bank deposits</b>		<b>Current receivables</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Asset Integrity	1,914	13,669	28,124	30,653
APAC Operations	39,350	31,189	13,312	14,822
Well Control and Norwegian Operations	12,148	8,846	2,819	17,941
Well Management	-25,532	-24,071	0	0
Parent / Eliminations	-24,231	-28,173	587	345
<b>Total</b>	<b>3,650</b>	<b>1,459</b>	<b>44,843</b>	<b>63,761</b>



## Add Energy Group

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#### Note 20 - Financial instruments cont.

##### Liquidity Risk

##### Maturity in accordance with the contract for financial liabilities

2021	Book value	Cash flow	< 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Borrowings <sup>1)</sup>	0	0	0	0	0	0	0
Other long-term debt	2,562	2,562	0	0	0	0	2,562
Bank overdraft	41,725	41,725	41,725	0	0	0	0
Current borrowings	2,893	2,950	2,950	0	0	0	0
Accounts payable	17,458	17,458	17,458	0	0	0	0
Public duties payable	4,300	4,300	4,300	0	0	0	0
Other current liabilities	11,017	11,017	11,017	0	0	0	0
Interest on borrowings	0	43	43	0	0	0	0
Leasing	0	20,110	3,685	3,542	11,690	1,193	0
<b>Total</b>	<b>79,957</b>	<b>100,166</b>	<b>81,179</b>	<b>3,542</b>	<b>11,690</b>	<b>1,193</b>	<b>2,562</b>

<sup>1)</sup> Part of borrowings that are due in more than one year.

2020	Book value	Cash flow	< 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Borrowings <sup>1)</sup>	0	0	0	0	0	0	0
Other long-term debt	2,242	2,242	0	0	0	0	2,242
Bank overdraft	19,751	19,751	19,751	0	0	0	0
Current borrowings <sup>2)</sup>	10,040	10,450	5,000	5,000	450	0	0
Accounts payable	17,376	17,376	17,376	0	0	0	0
Public duties payable	4,081	4,081	4,081	0	0	0	0
Other current liabilities	11,283	11,283	11,283	0	0	0	0
Interest on borrowings	0	266	170	89	7	0	0
Leasing	0	24,470	3,958	3,243	11,002	6,267	0
<b>Total</b>	<b>64,773</b>	<b>89,918</b>	<b>61,619</b>	<b>8,332</b>	<b>11,459</b>	<b>6,267</b>	<b>2,242</b>

<sup>1)</sup> Part of borrowings that are due in more than one year.

The Group has a term loan and multi currency overdraft facility including a global cash pool. The facility has been renegotiated and amended during January 2022, and following this the facility is cancelled in full 1 May 2023. The Group has an option to cancel on 364 days notice. Limit on the overdraft facility is NOK 40 million on the reporting date (2020: NOK 40 million).

##### Currency risk

Exposure to currency risk at year end	Bank deposits		Accounts receivable	
	2021	2020	2021	2020
AUD	664	-343	170	0
CAD	-2,792	-1,509	46	67
EUR	3,345	0	0	503
GBP	-1,217	280	178	-34
USD	-3,573	-7,871	2,879	23,610
<b>Total</b>	<b>-3,574</b>	<b>-9,443</b>	<b>3,273</b>	<b>24,146</b>

Currency exchange rates at year end	2021	2020
AUD	6.3969	6.5868
CAD	6.9400	6.6976
EUR	9.9888	10.4703
GBP	11.8875	11.6462
USD	8.8194	8.5326

The Group has revenues and expenses in several currencies which are treated as described in note 2. If the average rates of exchange against NOK had been 10% higher during 2021 the EBITDA for the Group would have been NOK 1.3 million lower (2020 : NOK 1.9 million higher).



## Add Energy Group

### Consolidated financial statements for 2021

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments cont.

##### Interest rate risk

The Group has not entered into fixed interest rate agreements or interest rate swaps. All interest bearing debt have terms with a variable interest rate (NIBOR + margin). The Company has no financial instruments that are directly affected by interest rates. If NIBOR had been 100 basis points higher than the rate paid through 2021, net income and equity would have been negatively affected by NOK 0.0 million (2020 : NOK 0.1 million).

##### Fair value and book value

Value of financial assets and liabilities	2021		2020	
	Book value	Fair value	Book value	Fair value
Accounts receivable	38,239	38,239	50,966	50,966
Other receivables	10,468	10,468	17,090	17,090
Market-based financial instruments	0	0	0	0
Bank deposits	3,650	3,650	1,459	1,459
Total financial assets	52,357	52,357	69,515	69,515
Borrowings	0	0	0	0
Other long-term debt	-2,562	-2,562	-2,242	-2,242
Current borrowings	-2,893	-2,950	-10,040	-10,450
Bank overdraft	-41,725	-41,725	-19,751	-19,751
Accounts payable	-17,458	-17,458	-17,376	-17,376
Other current liabilities	-15,318	-15,318	-15,364	-15,364
Total financial liabilities	-79,957	-80,013	-64,773	-65,183
Net value	<b>-27,599</b>	<b>-27,656</b>	<b>4,742</b>	<b>4,332</b>

The assessment of fair value of market-based financial instruments is based on prices set in an active market. Assessment of the fair value of other assets and liabilities is based on factors that are not derived from observable markets.

##### Assessment of fair value

Value of financial instruments measured at fair value through profit and loss

The assessment is distributed in the following categories:

Level 1 - Market price

Level 2 - Valuation based on other observable factors in level 1

Level 3 - Valuation based on factors that are not derived from observable markets

	Level 1	Level 2	Level 3	Total
Market-based financial instruments 2020	0	0	0	0
Market-based financial instruments 2021	0	0	0	0

##### Reconciliation of liabilities arising from financing activities

	Balance 31.12.20	Cash flows	FX move- ments	Capitalized borrowing costs	Balance 31.12.21
Non-current borrowings	0	0		0	0
Current borrowings	10,040	-7,500		353	2,893
Overdraft facility	15,076	21,959			37,035
Specific overdraft facility	4,675	-138	154		4,690
Total	29,790	14,321	154	353	44,619



## Add Energy Group

### Consolidated financial statements for 2021

(Amounts in NOK 1 000)

#### Note 20 - Financial instruments cont.

##### Classification of financial instruments

The carrying value of financial instruments is classified according to the following categories:

- 1) Financial assets at fair value through profit and loss
- 2) Financial Assets measured at amortized cost
- 3) Financial liabilities measured at amortized cost

2021	Category			Total
	1)	2)	3)	
Other non-current assets				0
Accounts receivable		38,239		38,239
Other receivables		10,468		10,468
Market-based financial instruments	0			0
Total financial assets	0	48,708	0	48,708
Borrowings			0	0
Other long-term debt			-2,562	-2,562
Current borrowings			-2,893	-2,893
Bank overdraft			-41,725	-41,725
Accounts payable			-17,458	-17,458
Other current liabilities			-15,318	-15,318
Total financial liabilities	0	0	-79,957	-79,957
Net value	0	48,708	-79,957	-31,249

2020	Category			Total
	1)	2)	3)	
Other non-current assets				0
Accounts receivable		50,966		50,966
Other receivables		17,090		17,090
Market-based financial instruments	0			0
Total financial assets	0	68,056	0	68,056
Borrowings			0	0
Other long-term debt			-2,242	-2,242
Current borrowings			-18,712	-18,712
Bank overdraft			-19,751	-19,751
Accounts payable			-17,376	-17,376
Other current liabilities			-15,364	-15,364
Total financial liabilities	0	0	-73,445	-73,445
Net value	0	68,056	-73,445	-5,389



## Add Energy Group

### Consolidated financial statements for 2021

(Amounts in NOK 1 000)

#### Note 21 - Related parties

The Group's largest shareholder is Progressus AS with 76.2 % of the voting shares. The Chairman also represents Progressus AS. As Progressus is a Private Equity Fund, no consolidated accounts where Add Energy Group is included is prepared for Progressus AS

There are no unsettled balances between the abovementioned parties per 31 December 2021.

Transactions with associates

Sales and purchases of goods and services	Sales		Purchases	
	2021	2020	2021	2020
TSP	2,537	3,349	0	0
<b>Total</b>	<b>2,537</b>	<b>3,349</b>	<b>0</b>	<b>0</b>

Outstanding current balances	Receivables		Payables	
	2021	2020	2021	2020
TSP	209	512	0	0
<b>Total</b>	<b>209</b>	<b>512</b>	<b>0</b>	<b>0</b>

Transactions with associates are based on the "arms length" principle.

#### Note 22 - Subsequent Events

The financial statements were approved by the Board 31 October 2022, and presented for the General Meeting 7 November 2022.

Reduced performance from several of the business units also into 2022 has caused the liquidity position to be very stressful during major parts of 2nd half 2021 and into 2022. In this respect the company negotiated a new loan agreement with the bank and established a convertible loan raising approximately NOK 11.6 million early 2022.

Following discussions and negotiations between several interested parties during the first half of 2022 the majority shareholder, Progressus AS, jointly with the other shareholders entered into an agreement of selling all shares in the Company to ABL Group ASA. The closing of the deal was executed 11 July 2022. Part of the transaction also included ABL Group to overtake the full overdraft facility from the bank at a reduced price and a letter off support has been given from ABL for the following 12 months.

The Board has no knowledge of events subsequent to the balance sheet day and not indicated above that may substantially affect the financial statements at 31 December 2021.



**add energy**

**Add Energy Group AS**

**Financial statements**

**2021**



## Add Energy Group AS

### Financial Statements for 2021

#### Statement of comprehensive income

(Amounts in NOK 1 000)

	Note	2021	2020
<b>Revenues</b>	20	<b>4,925</b>	5,843
Cost of subcontractors	20	<b>647</b>	1,196
Salaries	7, 13	<b>8,096</b>	8,028
Other operating expenses	7, 11, 18	<b>2,653</b>	3,562
Depreciation	14, 18	<b>275</b>	265
Amortization of intangible assets	15	<b>0</b>	0
<b>Operating profit</b>		<b>-6,746</b>	-7,208
Finance income	11	<b>5,725</b>	7,559
Finance costs	11, 18	<b>-158,552</b>	-5,368
<b>Finance costs - net</b>		<b>-152,827</b>	2,191
Income from investments in subsidiaries	5, 9	<b>1,871</b>	53,504
<b>Profit before income tax</b>		<b>-157,702</b>	48,488
Income tax (-expense)	16	<b>1,612</b>	-1,636
<b>Profit for the year</b>		<b>-156,090</b>	46,852
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Translation differences		<b>0</b>	0
<b>Total other comprehensive income</b>		<b>0</b>	0
<b>Total comprehensive income for the year</b>		<b>-156,090</b>	46,852
<b>Profit for the year attributable to:</b>			
The shareholders		<b>-156,090</b>	46,852
<b>Total comprehensive income attributable to:</b>			
The shareholders		<b>-156,090</b>	46,852
<b>Distribution of total comprehensive income</b>			
Other equity		<b>0</b>	0
Share premium		<b>-156,090</b>	46,852
<b>Total</b>		<b>-156,090</b>	46,852

Note 1 to 21 is an integral part of these financial statements.



**Add Energy Group AS**  
**Financial Statements for 2021**

**Balance sheet**

(Amounts in NOK 1 000)

	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	15	0	0
Deferred tax assets	16	0	0
Property, plant and equipment	14	60	112
Right-of-use assets	18	223	445
Investments in subsidiaries	5, 9	33,470	65,411
Loans to group companies	6, 10, 19	23,618	142,138
<b>Total non-current assets</b>		<b>57,371</b>	208,106
<b>Current assets</b>			
Accounts receivable	6, 10, 19	441	294
Other current assets	6, 19	2,572	843
Cash and cash equivalents	8, 19	1	1
<b>Total current assets</b>		<b>3,014</b>	1,138
<b>TOTAL ASSETS</b>		<b>60,384</b>	209,244

Note 1 to 21 is an integral part of these financial statements.



## Add Energy Group AS

### Financial Statements for 2021

#### Balance sheet

(Amounts in NOK 1 000)

	Note	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	<b>62,632</b>	62,632
Share premium		<b>0</b>	82,747
Other equity		<b>-73,343</b>	0
<b>Total equity</b>		<b>-10,711</b>	145,379
<b>Non-current liabilities</b>			
Lease liabilities	18	<b>0</b>	244
<b>Total non-current liabilities</b>		<b>0</b>	244
<b>Current liabilities</b>			
Bank overdraft	8, 19	<b>37,035</b>	15,076
Lease liabilities	18	<b>244</b>	228
Borrowings	9, 19	<b>2,893</b>	10,040
Accounts payable	19	<b>742</b>	150
Tax payable	16, 19	<b>-1,600</b>	0
Public duties payable	19	<b>527</b>	758
Other current liabilities	10, 12, 19, 20	<b>31,253</b>	37,369
<b>Total current liabilities</b>		<b>71,095</b>	63,622
<b>Total liabilities</b>		<b>71,095</b>	63,865
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,384</b>	209,244

Note 1 to 21 is an integral part of these financial statements.

Stavanger, 31 October 2022

\_\_\_\_\_  
Dean Zuzic  
Chairman of the Board

\_\_\_\_\_  
Svein O. Staalen  
Board Member

\_\_\_\_\_  
Haakon Brandrud  
Board Member

\_\_\_\_\_  
Ole B. Rygg  
CEO



## Add Energy Group AS Financial Statements for 2021

### Changes in equity

(Amounts in NOK 1 000)

2020	Note	Share capital	Share premium	Other paid in equity	Other equity	Total Equity
<b>Equity 1.1.</b>	17	<b>62,632</b>	<b>35,895</b>	<b>0</b>	<b>0</b>	<b>98,527</b>
Profit for the year					46,852	<b>46,852</b>
Reclassification						<b>0</b>
<b>Other comprehensive income</b>						<b>0</b>
Translation differences						<b>0</b>
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>46,852</b>	<b>46,852</b>
<b>Transactions with owners</b>						
Share capital increase	17					<b>0</b>
Purchase of own shares <sup>1)</sup>	17					<b>0</b>
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity 31.12.</b>		<b>62,632</b>	<b>35,895</b>	<b>0</b>	<b>46,852</b>	<b>145,379</b>

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2020 the Company owns 59,347 own shares.

2021	Note	Share capital	Share premium	Other paid in equity	Other equity	Total Equity
<b>Equity 1.1.</b>	17	<b>62,632</b>	<b>35,895</b>	<b>0</b>	<b>46,852</b>	<b>145,379</b>
Profit for the year			-82,747		-73,343	<b>-156,090</b>
Reclassification			46,852		-46,852	<b>0</b>
<b>Other comprehensive income</b>					<b>0</b>	<b>0</b>
Translation differences					<b>0</b>	<b>0</b>
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>0</b>	<b>-35,895</b>	<b>0</b>	<b>-120,195</b>	<b>-156,090</b>
<b>Transactions with owners</b>						
Share capital increase	17					<b>0</b>
Purchase of own shares <sup>1)</sup>	17					<b>0</b>
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity 31.12.</b>		<b>62,632</b>	<b>0</b>	<b>0</b>	<b>-73,343</b>	<b>-10,711</b>

<sup>1)</sup> According to shareholders agreements the Company can purchase shares from the shareholders when certain conditions occur. During the year no shares have been purchased from shareholders. By 31 December 2021 the Company owns 59,347 own shares.

The entire equity is controlled by the shareholders of the parent company.

Note 1 to 21 is an integral part of these financial statements.



## Add Energy Group AS Financial Statements for 2021

### Cash flow statement

(Amounts in NOK 1 000)

	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before income tax		-157,702	48,488
<i>Adjustments</i>			
Depreciation	14	275	265
Amortisation	15	0	0
Gain on sale of subsidiaries	5	0	0
Reversal write-down shares in subsidiaries	5	31,947	0
Income taxes paid	16	0	-1,636
Interest income and expenses	11	-3,678	-3,018
Recognized group contributions / dividend	5	-1,871	-53,504
<i>Change in working capital</i>			
Change in accounts receivable	6	-147	-291
Change in accounts payable	19	592	-833
Change in other accruals		13,669	-32,073
<b>Net cash flow from operating activities</b>		<b>-116,915</b>	<b>-42,603</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and intangible assets	14,15	0	-50
Proceeds from sale of subsidiaries	5	0	0
Change in long term receivables group companies	10	118,520	-5,197
Change in long-term investments		-7	0
Received interest income	11	4,871	5,161
Received group contribution / dividend	5	1,871	53,504
<b>Net cash flow from investing activities</b>		<b>125,255</b>	<b>53,417</b>
<b>Cash flow from financing activities</b>			
Admission of new long-term debt	9	0	0
Change of long term debt intercompany		0	0
Finance cost		0	0
Interest paid	11	-840	-1,915
Down-payment on long-term debt	9, 19	-7,500	-8,900
<i>Equity</i>			
Paid in new equity	17, 20	0	0
Cost of share issue		0	0
<b>Net cash flow from financing activities</b>		<b>-8,340</b>	<b>-10,815</b>
<b>Net change in cash and cash equivalents</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents 1 January		1	1
<b>Cash and cash equivalents 31 December</b>		<b>1</b>	<b>1</b>

Note 1 to 21 is an integral part of these financial statements.



## **Note 1 – General Information**

Add Energy Group AS (“the Company”) is a limited liability company registered in Norway and the Company headquarter is located in Nordbøgata 4, 4006 Stavanger.

The Company was founded 14 November 2007. The accounting year 2021 includes the period 1 January 2021 to 31 December 2021.

The parent company is the holding company for businesses that are based on deliveries to the oil and gas industry throughout the value chain, from qualification to exploration and production. In addition to being a holding company, a number of central and group-wide services such as financial management and control are collected in the parent company. The Group's core competence is within the following areas:

- Asset Integrity
- APAC Operations
- Well Control and Norwegian Operations

Separate Company financial statements are prepared for the parent company as required in accordance with Norwegian accounting and corporate legislation.

The financial statements were approved by the Board of Directors and the CEO at the time stated in the dated and signed balance sheet and will be presented for final approval by the Annual General Meeting on 7 November 2022.

## **Note 2 – Accounting Principles**

### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Add Energy Group AS' financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and mandatory for annual periods beginning 1 January 2021 or later and the Norwegian additional disclosure requirements according to the Accounting Act as per 31 December 2021.

#### **2.1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

##### *New and amended standards adopted by the Company:*

The accounting policies adopted are consistent with those of the previous financial year. The following standards and interpretations were adopted with effect from 1 January 2021, with no implementation impact on the Company's financial statements:

- Interest Rate Benchmark Reform-amendments to IFRS 9 and IFRS 7 – phase 2

##### *New standards and interpretations not yet adopted:*

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting periods and have not been early adopted by the Company. None of these are expected to have a significant effect on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IFRS 16 Leases – COVID-19 related rent concessions
- Amendments to IFRS 3 Business Combinations
- IAS 1 – Presentation of financial statements on classification of liabilities

There are no other standards that are not yet effective and that would be expected to have material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

The Company's financial statements apply the principles of historical cost accounting, except for the following accounting items:

- Financial instruments are stated at fair value, loans and receivables and other financial liabilities are stated at amortized cost.

The Company's financial statements are prepared using uniform accounting policies for equal transactions and events under otherwise identical conditions.

### **2.2 FUNCTIONAL AND PRESENTATION CURRENCY**

The Company's presentation currency is Norwegian Kroner. This is also the Company's functional currency. As an approximation of the transaction rate the monthly average exchange rates are used. At disposal of investments in foreign subsidiaries, the cumulative translation differences relating to the subsidiary are recognized in the income statement.

### **2.3 FOREIGN CURRENCY**

#### **Transactions in foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Monetary items denominated in foreign currencies are translated into Norwegian kroner using the rate of exchange at the balance sheet date. Non-monetary items measured at historical exchange rate expressed in foreign currencies are translated into Norwegian kroner using the exchange rate on the transaction date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate determined by the balance sheet date. Exchange rate changes are recorded continuously during the accounting period.



## 2.4 REVENUE RECOGNITION

Revenues from contracts with customers are recognized when contracted performance obligations are satisfied. Sales revenues are presented net of value added tax and discounts. The Company's revenues are primarily related to contracts where the performance obligations are satisfied over time.

### Sales of services

Revenues from sales of services are recognized in the amount to which the entity has a right to invoice. The amount is based on the number of hours delivered to the customer, multiplied with the agreed hourly rate.

### Interest income

Interest income is recorded as income using the effective interest method.

### Income from dividends

Dividend / group contribution revenue is recognized when the shareholders' right to receive dividends is determined by the General Assembly.

## 2.5 BORROWINGS

Borrowings are carried at fair value when the disbursement of the loan takes place, less transaction costs. In subsequent periods, borrowings are stated at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (net of transaction costs) and the redemption value is recognized over the term of the loan. Fees related to the creation of drawing rights are recorded in anticipation of borrowing taking place if it is likely that the loan will be drawn up. The fee is then recognized as part of the cost of the loan. If it is not likely that all or part of the loan will be drawn up, the fee is capitalized as prepaid cash services and charged over the period the right applies to.

## 2.6 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 in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly 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 country where the Company operates and generates 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 financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill; 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 or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 tax and deferred tax assets are measured based on the adopted tax rate.

Deferred tax and deferred tax assets are recorded at their nominal value and are classified as non-current liability / non-current asset in the balance sheet.

Current tax and deferred tax are recognized directly in equity to the extent that the tax records are relating to equity transactions.

## 2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and amortization. When assets are sold or disposed of, the carrying value is derecognized and any gains or losses are recognized in the statement of comprehensive income.

The cost of property, plant and equipment is the purchase price, including fees / taxes and expenses directly related to putting the asset ready for use. Expenses incurred after the asset is put into use, such as ongoing maintenance, are recognized in the statement of comprehensive income, while other costs that are expected to provide future economic benefits are capitalized.

Depreciation is calculated using the linear method over the following usage:

- Furniture, fittings and equipment: 3-5 years.

## 2.8 INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost. The cost of intangible assets consists of acquisition cost and directly associated costs to put the intangible asset in usable state. Capitalized intangible assets are stated at cost less any depreciation and impairment losses.



## 2.9 LEASING

The Company leases an office and various equipment. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk

for leases held by the Company, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term and security

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2.10 SHARES IN SUBSIDIARIES

Shares in subsidiaries are recorded at cost. The cost includes total consideration paid, including transaction costs and

- are recorded in equity if they relate to an issue
- are recorded as debt if they relate to borrowings
- are recognized in the income statement if they are classified as other acquisition expenses

Shares in subsidiaries are recorded at the time control is assumed. If indications of impairment arise an impairment test will be performed.

## 2.11 FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified in the following categories: fair value through profit or loss and amortized cost. Financial liabilities are classified in the category: amortized cost.



Measurement category is determined on initial recognition of the instruments, based on their individual characteristics and the business model of the group.

Prior to the implementation of IFRS 9 all assets now classified as at amortized cost were classified as loans and receivables.

#### **Financial assets at fair value through profit or loss**

The category consists of market-based equity investments that are held primarily for trading. Assets in this category are always classified as current assets.

Changes in fair value are recorded and presented as financial income / expense.

#### **Financial assets measured at amortized cost**

Financial assets of which the contractual terms give rise to cash flows that are solely payments of principal and interest. Such assets mainly consist of trade and other receivables. The objective of the Company's business model is to collect the contractual cash flows of such instruments.

Interest income is recognized as income using the effective interest method.

#### **Financial liabilities measured at amortized cost**

All financial liabilities are classified as at amortized cost.

Interest expense is recognized using the effective interest method.

### **2.12 IMPAIRMENT**

#### **Financial assets measured at amortized cost**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### **Non-financial assets**

Intangible assets with an indefinite available life, such as goodwill, are not amortized and are tested annually for impairment. Tangible and intangible assets which are depreciated are reviewed for impairment when circumstances indicate that future earnings do not justify the asset's carrying value. An

impairment loss is recognized for the difference between the carrying value and recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use. In assessing impairment, the assets are grouped at the lowest level where it is possible to separately identify cash flows (cash generating units). Goodwill is grouped and tested for impairment at operating segment level. Impairment of goodwill is not reversed while impairment related to other assets is considered reversed at each reporting date.

### **2.13 ACCOUNTS RECEIVABLES**

Accounts receivables arises from sales of goods and services that are within the ordinary course of business. If the settlement is expected within a year or less the receivables are classified as current assets. Otherwise, they are classified as non-current assets.

Accounts receivables are carried at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest method, less provision for losses.

### **2.14 ACCOUNTS PAYABLES**

Accounts payables are liabilities to pay for goods and services provided by suppliers to the ordinary operations. Accounts payables are classified as current if they are due within a year. Otherwise, they are classified as non-current.

Accounts payables are stated at fair value on initial recognition. Subsequent measurement is at amortized cost using the effective interest rate.

### **2.15 CASH AND CASH EQUIVALENTS**

Cash includes cash and bank deposits. Cash equivalents are short-term liquid investments that are immediately convertible into cash with a known amount and maximum term of three months.

Cash and cash equivalents are not reduced by any bank overdrafts.

### **2.16 EQUITY**

#### **Liabilities and equity**

Financial instruments are classified as liabilities or equity in accordance with the underlying economic reality.

Interest, dividends, gains and losses related to a financial instrument classified as debt, will be presented as an expense or income. Distributions to holders of financial instruments classified as equity or other comprehensive income will be recorded directly to equity or other comprehensive income, respectively.



## Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deduction for tax.

## 2.17 EMPLOYEE BENEFITS

### Defined contribution plan

The Company's employees are part of a defined contribution plan and provide contributions to pension schemes for employees. Deposits make up from 4% to 8% of salary.

The schemes are generally funded through payments to insurance companies and are in general based on defined contribution plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid and the contributions are recognized as a salary expense in the income statement when they are due.

The Company's mandatory occupational pension scheme satisfies the Mandatory Occupational Pension Act.

## 2.18 PROVISIONS

A provision is recognized when the Company has an obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that there will be a financial settlement as a result of this commitment and the amount can be reliably measured. If the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical information about warranties and a weighting of possible outcomes against their probability of occurring.

Provision for loss from contracts is recognized when the expected income from a contract is lower than the unavoidable costs incurred to meet liabilities under the contract.

## 2.19 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are in general not recognized in the financial statements. The financial statements

contain information of any material contingent liabilities with the exception of contingent liabilities where the likelihood of liability is low.

A contingent asset is not recognized in the financial statements but disclosed when there is a certain probability that a benefit will accrue to the Company.

## 2.20 SUBSEQUENT EVENTS

New information after the balance sheet date regarding the Company's financial position at the balance sheet date is taken into account in the financial statements. Subsequent events that do not affect the Company's financial position at the balance sheet date but which will affect the Company's financial position in the future, are stated if significant.

## Note 3 - Financial Risk Management

### 3.1 FINANCIAL RISK FACTORS

The Company's activities involve a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the financial results.

Risk management is carried out by Company management. Company management identifies, evaluates and hedges financial risks in close cooperation with the various operating units. The Board of Directors prepares written principles for overall risk management and sets written guidelines for specific areas such as currency risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and investment of excess liquidity.

#### Market Risk

a) Currency risk  
The Company operates to a lesser extent internationally and is therefore moderately exposed to currency risk.

b) Interest rate risk  
The Company's interest rate risk is associated with long-term borrowings with floating interest rate (NIBOR + margin). These borrowings entail an interest rate risk for the Company's cash flow

c) Price risk  
The Company's wealth creation can be affected by movements in the price level of goods and services acquired. The Company is monitoring developments closely and seeking hedging against this risk through the establishment of agreements with customers.



## Credit risk

Credit risk arises in transactions with customers and financial institutions. The Company's customer base mainly consists of its own subsidiaries and credit risk is considered as low. The Company's connection to financial institutions is concentrated on one single connection, but even this credit risk is considered low.

## Liquidity Risk

The Company's business requires financial liquidity and capital to cover expenses and investments and may under certain circumstances and at a given point in the future require additional external debt and equity financing. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time. If one does not succeed in obtaining such financing, this may have a negative effect on the financial position of the Company.

With the current status and outlook in the industry the risk to performance and thus also cash flow and liquidity has decreased but is still volatile. Liquidity is monitored on a weekly basis and liquidity risk is integral to the Company's risk management and mitigation analyses.

Based on the most recent liquidity forecast, the Board is of the opinion that the liquidity risk for the Company is acceptable. In this respect, it should be emphasized that there is uncertainty related to cash flow projections.

## 3.2 RISK ASSOCIATED WITH ASSET MANAGEMENT

The Company's goals regarding asset management are to secure continued operations, to secure the return to the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs. Based on the Company's growth strategy, securing sufficient liquidity is prioritized rather than minimizing capital costs.

In relation to the Company's borrowings and overdraft facility, capital requirements, known as covenants, are established from the lender. Per year-end 2021 these requirements imply that:

- a) The ratio of total net debt (NIBD) to EBITDA shall not, in respect of any relevant period ending after 30 June 2020, exceed 3.0 until final maturity
- b) The overdraft loan ratio shall not exceed 70% of eligible receivables (receivables not more than 60 days overdue)
- c) The ratio of EBITDA to gross cash interest expenses shall not, in respect of any relevant period ending after 30 June 2020, be less than 2.0
- d) The aggregate external capital expenditure of the Group shall not exceed NOK 5 million in any Financial Year. If in any financial

year the amount of the capital expenditure is less NOK 5 million, then the maximum expenditure amount for the immediately following financial year only shall be increased by an amount equal to 50% of the unused amount.

- e) The Group's adjusted EBITDA in respect of any relevant period shall not be less than a certain amount increasing from NOK 15 million during 2021 to NOK 20 million during 2022.

The Company is in breach of the a), b), c) and e) covenants per year-end 2021, which have all been waived by the Bank.

There are also requirements with regard to restriction on sale of assets, investment and payment of dividends or other equity transactions and the possibility of further borrowing. The existing capital requirements also restrict the Company in different ways with regard to how the Company carries on its business, and the Company can therefore be prevented from reacting to changing market conditions or to pursue attractive business opportunities.

Note 19 describe the risk exposure associated with the Company's total assets.

## 3.3 EVALUATION OF FAIR VALUE

The table in note 19 analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## Note 4 - Use of estimates

Management has used estimates and assumptions that have affected the valuation of assets, liabilities, revenues, expenses and information on potential liabilities. In particular, this is related to depreciation of fixed assets, valuation of goodwill and other intangible assets and assessments in connection with acquisitions. Future events may involve estimate changes. The estimates and underlying assumptions are considered on a consecutive basis. Changes in accounting estimates are recognized in the period incurred. If the changes also involve future periods, the effect is distributed over the present and future periods.

The following estimates represent a significant risk of substantial changes in the carrying value of assets and liabilities within the next financial year.



- Fair value of the Company's investment in subsidiaries is determined using valuation techniques. The Company chooses methods and assumptions in relation to the valuation which as far as possible are based on conditions on the balance sheet date (see note 5 for further details).



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#### Note 5 - Shares in subsidiaries

<b>Subsidiary</b>	<b>Subordinated subsidiaries</b>	<b>Business office</b>	<b>Share</b>
Add Wellflow AS		Lysaker, Norway	100.0 %
Add Energy Canada Ltd		Calgary, Canada	100.0 %
Add Latent Ltd		Aberdeen, Scotland	100.0 %
	- Add Energy Scotland Ltd	Aberdeen, Scotland	100.0 %
Add Energy Australasia Pty Ltd		Perth, Australia	100.0 %
	- Add Lucid Pty Ltd	Perth, Australia	100.0 %
	- Oracle Services Pty Ltd	Perth, Australia	100.0 %
	- Add IPS Pty Ltd	Perth, Australia	100.0 %
	- Add Energy Asia Pte Ltd	Singapore	100.0 %
	- Add ISRM Pty Ltd	Perth, Australia	100.0 %
Add Energy North America Holding AS		Stavanger, Norway	100.0 %
	- Add Energy North America Holding LLC	Houston, USA	100.0 %
	- Add Energy LLC	Houston, USA	100.0 %
	- Add Energy Offshore LLC	Houston, USA	100.0 %

Book value of the subsidiaries is tested for impairment and written down to fair value if non-temporary conditions occur. Testing is based on individual assessment of each company. By estimating future cash flows, the following assumptions are assumed:

- 1) In previous years a weighted scenario model for calculating expected future cash flows were used. However, following the acquisition of the Company by the ABL Group ASA in July 2022, Management and Board reassessed the model and based the expected future cash flows on the actual acquisition price. The value of shares and receivables in the parent company is based on the same valuation methodology as for the Group described in note 15 in the Consolidated financial statements.
- 2) A pre-tax discount rate of 10.6% and post-tax discount rate of 10.0 % is used. Similar rates for 2020 were 9.0 % and 8.6 % respectively. The increase in discount rate is mainly relating to increased borrowing rate (following reduced results) and increased risk free interest rate. The discount rate is estimated based on the WACC method (Weighted Average Cost of Capital).

The net present value of future cash flows are adjusted for interest-bearing debt.

Based on the abovementioned assumptions and analysis performed the company has identified a requirement for impairment of the book value of Add Wellflow amounting to NOK 31.9 million and additionally an impairment of the intercompany loan to Add Energy Australasia of NOK 123.5 million.

<b>Income from investment in subsidiaries</b>	<b>2021</b>	<b>2020</b>
Recognized Group contribution	1,871	3,409
Dividend	0	50,095
<b>Total income from investment in subsidiaries</b>	<b>1,871</b>	<b>53,504</b>



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**Note 6 - Accounts receivables and other receivables**

**Accounts receivables and other receivables**

	<b>2021</b>	<b>2020</b>
Nominal value of accounts receivable	441	294
Provisions for bad debt	0	0
Book value of accounts receivable	441	294
Accrued, not invoiced income	0	0
Pre-payments and other receivables	2,572	843
Total accounts receivables and other receivables	<b>3,013</b>	<b>1,137</b>

**Book value of receivables due in more than one year**

	<b>2021</b>	<b>2020</b>
Loans to group companies	147,096	142,138
- Impairments of loans to group companies	-123,478	0
Other assets	0	0
Total	<b>23,618</b>	<b>142,138</b>



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#### Note 7 - Salaries / Number of Employees / Benefits in kind

Salaries etc.	2021	2020
Salaries	6,448	6,448
Employer's national insurance contribution	979	953
Pension costs - defined contribution plan	259	247
Other benefits in kind	410	379
<b>Total salaries</b>	<b>8,096</b>	<b>8,028</b>

**Average number of employees:** 3 3

#### Remuneration of senior management (in NOK)

2021	Salaries	Pension-costs	Other remuneration	Total
Ole B. Rygg - CEO	2,628,900	77,547	79,731	2,786,178
Harald Justnæs - CFO	1,720,923	78,084	79,731	1,878,738
Terje Løkke-Sørensen - CTO	2,098,065	79,260	79,731	2,257,056

The CEO, CTO and CFO each has an agreement regarding the right to bonuses linked to possible future events of ownership in the Company. Bonus does not fall due until this event occurs.  
The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.  
Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2021 the CEO was not granted any bonus.

2020	Salaries	Pension-costs	Other remuneration	Total
Ole B. Rygg - CEO	2,623,125	75,431	84,753	2,783,309
Harald Justnæs - CFO	1,720,923	75,481	84,753	1,881,157
Terje Løkke-Sørensen - CTO	2,098,068	77,577	84,753	2,260,398

The CEO, CTO and CFO each has an agreement regarding the right to bonuses linked to possible future events of ownership in the Company. Bonus does not fall due until this event occurs.  
The CEO and CFO is each, under certain circumstances, entitled to one year salary in arrears.  
Additionally the CEO has an annual bonus agreement based on predefined targets with a maximum limit of 20% of annual salary. For 2020 the CEO was not granted any bonus.

Remuneration to the Board (in NOK)	2021	2020
Per Arne Jensen - Chairman	0	0
Rune Jensen	0	0
Svein Ilebekk	60,000	60,000
Stig Hetlevik	60,000	60,000
<b>Total remuneration</b>	<b>120,000</b>	<b>120,000</b>

#### Shares / options controlled by the Management / Board

Chairman Per Arne Jensen and board member Rune Jensen represent Progressus AS which per year end 2021 controls 2 000 000 A-shares and 475 389 253 B-shares.

	2021 B-shares	2020 B-shares
<b>Board members</b>		
Svein Ilebekk - Member of the Board (Solsta Eiendom AS)	2,312,550	2,312,550
Stig Hetlevik - Member of the Board	0	0
<b>Corporate management</b>		
Ole B. Rygg - CEO	14,784,802	14,784,802
Harald Justnæs - CFO	0	0
Terje Løkke Sørensen - CTO	42,291,239	42,105,204
Eduardo Robaina - EVP	0	0
Morten Haug Emilsen - EVP	5,761,552	5,761,552
Peter Adam - EVP	3,735,672	3,735,672

#### Auditor

Fees to auditors consists of the following (in NOK)	2021	2020
Statutory audit (including technical preparation of financial statements)	487,934	616,796
Other certification services	19,500	24,500
Tax advice (including technical preparation of tax returns)	284,040	94,500
Other non-audit services	0	0
<b>Total</b>	<b>791,474</b>	<b>735,796</b>



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#### Note 8 - Restricted bank deposits, credit facilities and group bank account scheme

##### Restricted funds

There are no restricted bank deposits in the Company.

##### Group Bank Account Scheme

The Company has, together with the other group companies, entered into a group bank account scheme. The scheme includes accounts in several different currencies, primarily NOK, AUD, GBP, CAD and USD. The Group does not consider the currency exposure associated with the scheme to be particularly prominent. The scheme is presented net in the balance sheet.

Net compiled deposits in the Group outside of the group bank account scheme amounted to NOK 3.6 million per 31 December 2021 (NOK 1.5 million per 31 December 2020).

##### Credit Facility

add energy group has an agreed credit facility related to the group bank account scheme.

Committed overdraft facility of NOK 40 million is drawn-up by NOK 37.0 million per 31 December 2021 (NOK 15.1 million per 31 December 2020).

#### Note 9 - Secured debt and guarantees

Carrying debt secured by mortgage, etc.	2021	2020
Liabilities to credit institutions	39,929	25,116
<b>Total</b>	<b>39,929</b>	<b>25,116</b>

##### The book value of assets pledged as collateral for secured debt

	2021	2020
Shares in subsidiaries	33,470	65,411
<b>Total</b>	<b>33,470</b>	<b>65,411</b>

The Company's current credit scheme conditions are NIBOR + 5.00%, with the following repayment profile:

<b>Balance per 31.12.2021</b>	<b>2,950</b>
Payment 1 February 2022	-2,950

According to the loan agreement with the bank, 25% of any payments received from Sirius Petroleum, a client of one of the Australian subsidiaries, shall be used to reduce the overdraft limit on the Geroup's International Cash Pool. The Company was in breach of several of the Bank covenants by year end 2021. During January 2022 the Group has entered into a new and amended agreement with the bank, following an issue of a convertible loan to Shareholders. During this process the Company has received a waiver from the bank for the covenant breaches.

Capitalised borrowing costs	2021	2020
Capitalised borrowing costs 1 January	815	759
Addition	25	56
Disposal	0	0
Capitalised borrowing costs 31 December	840	815
Accumulated amortisation 1 January	406	121
This year's amortisation	378	284
Disposal	0	0
Accumulated amortisation 31 December	784	406
<b>Book value pr 31 December</b>	<b>57</b>	<b>410</b>

Purchased guarantees	Guarantor	2021	2020
Guarantee for advance tax withholding	Tryg Garanti	600	600
Other guarantees, including office lease guarantees	Tryg Garanti	146	146
Guarantee for credit card in USA	DNB Bank	441	427
Guarantee (stanby LOC) for office lease in Perth	DNB Bank	819	844
<b>Total purchased guarantees</b>		<b>2,006</b>	<b>2,016</b>

##### The parent Company holds the following

office lease guarantees	2021	2020
add energy llc (original guarantee in USD and for the remaining part of the lease)	4,798	3,442

These guarantees are not capitalized



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#### Note 10 - Balance with related parties

Entities within the same group	2021	2020
Short-term receivables	441	340
Long-term receivables and loans	23,618	142,138
Current liabilities	-30,276	-36,573
Non-current liabilities and loans	0	0
Accounts payable	-104	-6
<b>Total</b>	<b>-6,320</b>	<b>105,899</b>

#### Note 11 - Combined items in the income statement

Other operating expenses	2021	2020
Office lease	36	77
Consultancy services	708	296
Sales- and promotional expenses	380	2
Travel costs	23	135
IT-related expenses	355	1,220
Insurance	170	731
Operating leases	5	48
Fees to auditor (ref note 8)	791	736
Other costs	184	317
<b>Total other operating expenses</b>	<b>2,653</b>	<b>3,562</b>

Financial income and expenses	2021	2020
Other interest income	854	2,346
Other interest income from related parties	4,871	5,161
Currency gains	0	52
<b>Total financial income</b>	<b>5,725</b>	<b>7,559</b>
Other interest expenses	-1,694	-4,261
Currency losses	-49	0
Other financial expenses	-1,384	-1,107
Impairment of intercompany receivables	-123,478	0
Impairment of shares in subsidiaries	-31,947	0
<b>Total financial expenses</b>	<b>-158,552</b>	<b>-5,368</b>

#### Note 12 - Debt

##### Liabilities that fall due for payment more than five years after fiscal year end.

If the current payment schedule is maintained, the Company will not have debts that fall due for payment more than five years after the financial year end. The Company did neither in 2020 have debts that fell due for payment more than five years after the financial year end.

##### Specification of other current liabilities

	2021	2020
Liabilities to group companies	30,276	36,573
Liabilities to employees	931	794
Other current liabilities	46	1
<b>Total other current liabilities</b>	<b>31,253</b>	<b>37,369</b>

#### Note 13 - Pensions and pension liabilities

The Company has a defined contribution pension plan that satisfies the Mandatory Occupational Pension Act. The plan is financed by an insurance company.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid and the contributions are recognised as a salary expense in the income statement when they are due.

Per 31 December 2021 the scheme has 3 members (2020: 3 members) which also includes Management.



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#### Note 14 - Property, plant and equipment

	Furniture, fittings and equipment	Total
<b>2020</b>		
Acquisition cost 1 January	2,586	<b>2,586</b>
Additions	50	<b>50</b>
Disposals	-107	<b>-107</b>
<b>Acquisition cost 31 December</b>	<b>2,529</b>	<b>2,529</b>
Accumulated depreciation 1 January	2,482	<b>2,482</b>
This year's depreciation	42	<b>42</b>
Depreciation on fixed assets sold	-107	<b>-107</b>
Accumulated depreciation 31 December	2,417	<b>2,417</b>
<b>Book value per 31 December</b>	<b>112</b>	<b>112</b>
Depreciation time	3-5 years	
Depreciation rate	20-33%	
Capitalized leases	0	
Amortization capitalized leases	0	
<b>2021</b>		
Acquisition cost 1 January	2,529	<b>2,529</b>
Additions	0	<b>0</b>
Disposals	0	<b>0</b>
<b>Acquisition cost 31 December</b>	<b>2,529</b>	<b>2,529</b>
Accumulated depreciation 1 January	2,417	<b>2,417</b>
This year's depreciation	53	<b>53</b>
Depreciation on fixed assets sold	0	<b>0</b>
Accumulated depreciation 31 December	2,470	<b>2,470</b>
<b>Book value per. 31 December</b>	<b>60</b>	<b>60</b>
Depreciation time	3-5 years	
Depreciation rate	20-33%	
Capitalized leases	0	
Amortization capitalized leases	0	



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**Note 15 - Intangible assets**

<b>2020</b>	Software	<b>Sum</b>
Acquisition cost 1 January	5,630	<b>5,630</b>
Additions	0	<b>0</b>
<b>Acquisition cost 31 December</b>	<b>5,630</b>	<b>5,630</b>
Accumulated amortization 1 January	5,630	<b>5,630</b>
This year's amortization	0	<b>0</b>
Accumulated amortisation 31 December	5,630	<b>5,630</b>
<b>Book value per 31 December</b>	<b>0</b>	<b>0</b>
Amortization time	3-5 years	
Amortization rate	20-33%	
Capitalized leases	0	
Amortization capitalized leases	0	
<b>2021</b>	Software	<b>Sum</b>
Acquisition cost 1 January	5,630	<b>5,630</b>
Additions	0	<b>0</b>
<b>Acquisition cost 31 December</b>	<b>5,630</b>	<b>5,630</b>
Accumulated amortization 1 January	5,630	<b>5,630</b>
This year's amortization	0	<b>0</b>
Accumulated amortization 31 December	5,630	<b>5,630</b>
<b>Book value per 31 December</b>	<b>0</b>	<b>0</b>
Amortization time	3-5 years	
Amortization rate	20-33%	
Capitalized leases	0	
Amortization capitalized leases	0	



## Add Energy Group AS

### Financial Statements for 2021

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#### Note 16 - Tax

##### Tax payable

	2021	2020
<b>Current tax</b>		
Profit before tax	-157,702	48,488
Permanent differences	155,428	-50,095
Change in temporary differences	325	175
Group contribution received	-1,979	-1,431
Transferred to loss carried forward	3,928	2,862
<b>Basis for tax payable in the balance sheet</b>	<b>0</b>	<b>0</b>
Tax 22% (2018: 23%)	0	0

##### Taxes payable in the balance sheet

	2021	2020
<b>Taxes payable in the balance sheet</b>	<b>31.12.21</b>	<b>31.12.20</b>
Tax payable on net income	0	0
Income tax for earlier years	0	0
Tax refund in Australia	1,600	0
<b>Total tax payable</b>	<b>1,600</b>	<b>0</b>

##### Tax charge

	2021	2020
<b>This year's tax charge</b>		
Withholding tax	-1,612	1,636
<b>This year's total taxes</b>	<b>-1,612</b>	<b>1,636</b>

##### Relationship between tax expense and tax calculated as the average nominal tax rate on income before taxes:

	2021		2020	
	NOK	%	NOK	%
22% (2019: 22%) of profit before tax	-34,695	22.0 %	10,667	22.0 %
Effect of permanent differences	34,194	-21.7 %	-11,021	-22.7 %
Not recognized deferred tax asset	500	-0.3 %	353	0.7 %
Withholding tax	-1,612	1.0 %	1,636	3.4 %
<b>Tax expense in the income statement</b>	<b>-1,612</b>	<b>1.0 %</b>	<b>1,636</b>	<b>3.4 %</b>

##### Deferred tax

Deferred tax is recognized net when the Company has a legally enforceable right to offset deferred tax assets against deferred tax liabilities and if the deferred tax and the deferred tax asset is to the same tax authority for the same taxable entity or different taxable entities where the purpose is to determine the balances on a net basis. The following amounts have been netted:

	Change	2021	2020
<b>Tax reducing temporary differences</b>			
Non-recognized group contribution	1,979	0	-1,979
Losses carried forward NOKUS	0	0	0
Fixed assets	22	-143	-166
Other temporary differences	-348	35	383
Losses carried forward	-3,928	-43,278	-39,350
<b>Total tax reducing temporary differences</b>	<b>-2,275</b>	<b>-43,386</b>	<b>-41,111</b>
<b>Tax increasing timing differences</b>			
Fixed assets	0	0	0
Borrowing costs	0	0	0
<b>Total tax increasing timing differences</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total temporary differences	-2,275	-43,386	-41,111
Loss carry forward not included in deferred tax asset	2,275	43,386	41,111
<b>Basis for deferred tax / (deferred tax asset)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax (deferred tax asset)	0	0	0
Credit tax carry forward	579	0	-579
Credit tax carry forward not recognized	-579	0	579
<b>Deferred tax / (deferred tax asset) in balance sheet</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in deferred tax</b>			
Book value 1 January		0	0
Recognized in the period		0	0
Credit tax carry forward		0	0
<b>Book value 31 December</b>		<b>0</b>	<b>0</b>

Deferred tax assets relating to taxable losses carried forward are recognized to the extent it is probable that the Group can use this against future taxable profits.



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#### Note 17 - Shareholder information

Share capital per 31 December 2021 consists of 626 322 265 shares at par value of NOK 0.10.

The Company's largest shareholders as of 31.12.21 are:	A-shares	B-shares	Ownership
Progressus AS	2,000,000	475,389,253	76.2 %
TEBE Finans AS		42,291,239	6.8 %
OBR Invest AS		14,784,802	2.4 %
John Wayne Wright		14,189,617	2.3 %
Dermot O'Keefe		7,735,986	1.2 %
Andrè DiBiagio		6,435,161	1.0 %
MHE Invest AS		5,761,552	0.9 %
Manuel Enrique PanDavila Herrera and Karina Capriles		4,716,826	0.8 %
Peter James William Adam		3,735,672	0.6 %
Craig Ian Burton		3,320,659	0.5 %
Terje Malmo		2,819,060	0.5 %
Eva Karin Tveitaskog		2,792,098	0.4 %
Dahle Holding AS		2,783,776	0.4 %
Girdy Pty Ltd / Ember Superannuation Fund		2,757,912	0.4 %
Einar Kristiansen		2,569,915	0.4 %
Chase Invest AS		2,490,278	0.4 %
Solsta Eiendom AS		2,312,550	0.4 %
Novatech AS		2,275,902	0.4 %
Hedenstad Invest AS		2,064,590	0.3 %
Martin Hegreberg		1,887,889	0.3 %
Other shareholders		21,207,528	3.4 %
<b>Total</b>	<b>2,000,000</b>	<b>624,322,265</b>	<b>100.0 %</b>

Development in the number of shares	Date	A-shares	B-shares
Opening balance	01/01/20	2,000,000	624,322,265
Closing balance	31/12/20	2,000,000	624,322,265
Opening balance	01/01/21	2,000,000	624,322,265
<b>Closing balance</b>	<b>31/12/21</b>	<b>2,000,000</b>	<b>624,322,265</b>

All shares are fully paid.

The General Meeting on 16 December 2021 granted the Board of Directors an authority to carry out a capital increase. The Board's authority constitutes a right to issue 313,161,132 shares as per 31 December 2021. Remaining issuing authorization is a total of 313,161,132 shares.

Furthermore, the General Meeting on 16 December 2021 granted the Board of Directors an authority to re-purchase own shares. A total of 62,632,226 shares can be repurchased. Remaining re-purchase authorization per 31 December 2021 is a total of 62,632,226 shares.

Finally, the General Meeting on 16 December 2021 granted the Board of Directors an authority to raise loans where the receivable gives the right to demand shares issued with up to a total of 50% of the share capital at the time of the authorization is registered, i.e. maximum NOK 31,316,113.20 similar to 313,616,132 shares. Remaining issuing authorization per 31 December 2021 is a total of 313,161,132.

Both classes of shares in the Company have equal voting and dividend rights. A-shares are entitled to a liquidation preference limited to NOK 20.0 million before the distribution and / or settlement may take place to holders of B-shares. The provision for liquidation preference applies in all situations where the Company's shares are sold or where the business is transferred or terminated. By share issues the A-shares have the right to subscribe for new shares equivalent to 60% of the issue amount.



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#### Note 18 - Leases

Leases primarily consist of office leases.

A lease for offices at Nordbøgata 4, Stavanger was signed with inception 1 March 2019 and maturity 31 December 2022. The lease is cancellable based on certain criteria (i.e. adverse development in results or required office space) and with an option to renew for another 3 years.

Refer to note 2.9 above for further details relating to leases.

	Offices	
	2021	2020
<b>The movement in the right-of-use assets in respect of leases during the year</b>		
Acquisition cost 1 January	853	853
Additions	0	0
Disposals	0	0
Index- and similar adjustments	0	0
Translation differences	0	0
<b>Acquisition cost 31 December</b>	<b>853</b>	<b>853</b>
Accumulated depreciation 1 January	-407	-185
This year's depreciation	-223	-223
Disposals	0	0
Translation differences	0	0
Accumulated depreciation 31 December	-630	-407
<b>Book value per 31 December</b>	<b>223</b>	<b>445</b>

Depreciation method	Linear	Linear
Depreciation time	46 months	46 months

For all right-of-use assets the depreciation time is equal to the lease period which is used for the recognition of the lease commitment.

	Offices	
	2021	2020
<b>Lease liability</b>		
Lease liability per 1 January	472	686
New lease agreements	0	0
Lease payments	-253	-253
Interest cost on lease commitments	24	39
Index- and similar adjustments	0	0
Translation differences	0	0
<b>Lease liability per 31 December</b>	<b>244</b>	<b>472</b>
Current lease liability	244	228
Non-current lease liability	0	244
<b>Total lease liability</b>	<b>244</b>	<b>472</b>

#### Operating lease commitments

The future aggregate minimum lease payments under non-cancellable short term and low value operating leases are as follows:

	2021	2020
<b>Lease commitments</b>		
Less than one year	0	0
Between one and five years	0	0
More than five years	0	0
<b>Total lease commitments</b>	<b>0</b>	<b>0</b>

Lease payments included in other operating expenses are as follows:

	2021	2020
<b>Operating leases recognized during the year</b>		
Recognized lease for office space	36	2
Lease for office space charged to subsidiaries	0	-126
Other operating leases	5	48
Other operating leases charged to subsidiaries	0	-24
<b>Total operating leases</b>	<b>41</b>	<b>-101</b>



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#### Note 19 - Financial instruments

##### Credit risk

The carrying value of financial assets represents the maximum credit exposure.

Maximum exposure to credit risk on the balance sheet date	2021	2020
Non-current receivables and deposits	23,618	142,138
Accounts receivable	441	294
Other current receivables	2,572	843
Cash and cash equivalents	1	1
<b>Total</b>	<b>26,632</b>	<b>143,276</b>

Aging of overdue receivables	Total	0-30 days	30-60 days	61-90 days	> 91 days
Overdue, not paid by 31.12.20	0	0	0	0	0
Overdue, not paid by 31.12.21	0	0	0	0	0

##### Maximum exposure to credit risk associated with loans and receivables on the balance sheet date divided by geographic region

	2021	2020
Norway	2,423	363
Rest of Europe	498	693
America	43	52
Australasia	23,667	142,167
Middle-East / Africa	0	0
<b>Total</b>	<b>26,632</b>	<b>143,276</b>

Refer also to note 6 for impairments recognised during 2021 on loans to group companies

##### Liquidity Risk

##### Maturity in accordance with the contract for financial liabilities

2021	Book value	Cash flow	< 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Borrowings <sup>1)</sup>	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0
Bank overdraft <sup>2)</sup>	37,035	37,035	37,035	0	0	0	0
Current borrowings	2,893	2,950	2,950	0	0	0	0
Accounts payable	742	742	742	0	0	0	0
Public duties payable	-1,072	-1,072	-1,072	0	0	0	0
Other current liabilities	31,253	31,253	31,253	0	0	0	0
Interest on borrowings	0	43	43	0	0	0	0
Leasing	0	253	126	126	0	0	0
<b>Total</b>	<b>70,852</b>	<b>71,204</b>	<b>71,078</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1)</sup> Part of borrowings that are due in more than one year.

2020	Book value	Cash flow	< 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Borrowings <sup>1)</sup>	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0
Bank overdraft	15,076	15,076	15,076	0	0	0	0
Current borrowings	10,040	10,450	5,000	5,000	450	0	0
Accounts payable	150	150	150	0	0	0	0
Public duties payable	758	758	758	0	0	0	0
Other current liabilities	37,369	37,369	37,369	0	0	0	0
Interest on borrowings	0	266	170	89	7	0	0
Leasing	0	505	126	126	253	0	0
<b>Total</b>	<b>63,393</b>	<b>64,574</b>	<b>58,649</b>	<b>5,215</b>	<b>710</b>	<b>0</b>	<b>0</b>

<sup>1)</sup> Part of borrowings that are due in more than one year.

The Group has a term loan and multi currency overdraft facility including a global cash pool. The overdraft facility requires no renewal, but is cancelled in full 1 May 2022. The Group has an option to cancel on 364 days notice. Limit on the overdraft facility is NOK 40 million on the reporting date (2020: NOK 40 million).



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### Financial Statements for 2021

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#### Note 19 - Financial instruments cont.

##### Currency risk

Exposure to currency risk in NOK	2021	2020
AUD	-383	-365
CAD	4	6
EUR	-1	0
GBP	-1,229	-556
USD	-1,040	-1,058

Exposure is relating to bank deposits only.

Currency exchange rates at year end	2021	2020
AUD	6.3969	6.5868
CAD	6.9400	6.6976
EUR	9.9888	10.4703
GBP	11.8875	11.6462
USD	8.8194	8.5326

##### Interest rate risk

The Company has not entered into fixed interest rate agreements or interest rate swaps. All interest bearing debt have terms with a variable interest rate (NIBOR + margin). The Company has no financial instruments that are directly affected by interest rates. If NIBOR had been 100 basis points higher than the rate paid through 2021, net income and equity would have been negatively affected by NOK 0.0 million (2020: NOK 0.1 million).

##### Fair value and book value

Value of financial assets and liabilities

	2021		2020	
	Book value	Fair value	Book value	Fair value
Other non-current assets	23,618	23,618	142,138	142,138
Accounts receivable	441	441	294	294
Other assets	2,572	2,572	843	843
Bank deposit	1	1	1	1
Total financial assets	26,632	26,632	143,276	143,276
Borrowings	0	0	0	0
Other long-term debt	0	0	0	0
Current borrowings	-2,893	-2,950	-10,040	-10,450
Bank overdraft	-37,035	-37,035	-15,076	-15,076
Accounts payable	-742	-742	-150	-150
Other current liabilities	-31,780	-31,780	-38,127	-38,127
Total financial liabilities	-72,451	-72,508	-63,393	-63,803
Net value	-45,820	-45,876	79,882	79,472

Assessment of fair value is based on factors that are not derived from observable markets.

The carrying value of financial instruments are classified according to the following categories:

- 1) Financial assets at fair value through profit and loss
- 2) Financial Assets measured at amortized cost
- 3) Financial liabilities measured at amortized cost



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#### Note 19 - Financial instruments cont.

2021	Category			Total
	1)	2)	3)	
Other non-current assets		23,618		23,618
Accounts receivable		441		441
Other assets		2,572		2,572
Total financial assets	0	26,631	0	26,631
Borrowings			0	0
Other long-term debt			0	0
Current borrowings			-2,893	-2,893
Overdraft facility			-37,035	-37,035
Accounts payable			-742	-742
Other current liabilities			-31,780	-31,780
Total financial liabilities	0	0	-72,451	-72,451
<b>Net value</b>	<b>0</b>	<b>26,631</b>	<b>-72,451</b>	<b>-45,820</b>

2020	Category			Total
	1)	2)	3)	
Other non-current assets		142,138		142,138
Accounts receivable		294		294
Other assets		843		843
Total financial assets	0	143,275	0	143,275
Borrowings			0	0
Other long-term debt			0	0
Current borrowings			-10,040	-10,040
Overdraft facility			-15,076	-15,076
Accounts payable			-150	-150
Other current liabilities			-38,127	-38,127
Total financial liabilities	0	0	-63,393	-63,393
<b>Net value</b>	<b>0</b>	<b>143,275</b>	<b>-63,393</b>	<b>79,882</b>



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#### Note 20 - Related parties

The Company's largest shareholder is Progressus AS with 76.2 % of the voting shares. The Chairman also represents Progressus AS.

The Company controls the subsidiaries as stated in Note 5.

The Company acts as holding company of the group and provides additional corporate comprehensive services for its subsidiaries such as marketing, finance services etc. In addition, the parent company acts as lessee for office premises in Nordbøgata 4. The Company charges each subsidiary a pro rata share of costs for these services. Transactions are carried out based on the arm's length principle and billed at cost plus margin. Subsidiaries were charged NOK 4.925 for such management services in 2021 (2020: NOK 5.832).

Sales and purchases of goods and services	Sales		Purchases	
	2021	2020	2021	2020
Add Latent	1,228	2,085	159	409
Add Energy LLC	499	490	0	434
Add Lucid	1,057	1,630	32	18
Add ISRM	0	15	0	0
Oracle Risk Consultants	0	11	0	0
Add Wellflow	2,140	1,591	456	286
Add IPS	0	0	0	0
Add Energy Asia	0	10	0	0
Add Energy North America Holding AS	0	0	0	0
Add Energy Australasia	0	0	0	0
<b>Total</b>	<b>4,925</b>	<b>5,832</b>	<b>647</b>	<b>1,146</b>

The Norwegian companies in the Group are registered as a joint VAT company and the parent is responsible for reporting and settlement of the total VAT charge.

Outstanding current balances	Receivables		Payables	
	2021	2020	2021	2020
Add Latent	72	111	14,329	12,801
Add Energy LLC	29	39	-12,741	-4,388
Add Lucid	62	41	22,542	20,742
Add ISRM	0	0	3,103	2,657
Oracle Risk Consultants	0	0	10,493	7,481
Add Wellflow	278	103	12,922	13,176
Add IPS	0	0	-25,557	-24,096
Add Energy Asia	0	0	0	0
Add Energy North America Holding AS	-1	0	-736	41
Add Australasia	0	0	6,023	8,166
<b>Total</b>	<b>441</b>	<b>294</b>	<b>30,380</b>	<b>36,579</b>

The outstanding amounts are all unsecured and will be settled by way of payment in cash.

In general settlement of outstanding amounts are made on a regular basis.

Payables includes the subsidiaries' bank account balances that form part of the Groups cash pool.

#### Note 21 - Subsequent Events

The financial statements were approved by the Board 31 October 2022, and presented for the General Meeting 7 November 2022.

Reduced performance from several of the business units also into 2022 has caused the liquidity position to be very stressful during major parts of 2nd half 2021 and into 2022. In this respect the company negotiated a new loan agreement with the bank and established a convertible loan raising approximately NOK 11.6 million early 2022.

Following discussions and negotiations between several interested parties during the first half of 2022 the majority shareholder, Progressus AS, jointly with the other shareholders entered into an agreement of selling all shares in the Company to ABL Group ASA. The closing of the deal was executed 11 July 2022. Part of the transaction also included ABL Group to overtake the full overdraft facility from the bank at a reduced price and a letter off support has been given from ABL for the following 12 months.

The Board has no knowledge of events subsequent to the balance sheet day and not indicated above that may substantially affect the financial statements at 31 December 2021.