



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 866 053
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	RESMAN HOLDING 1 AS
Forretningsadresse:	Strindfjordvegen 1 7053 RANHEIM

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:	Gunnar Hviding
Dato for fastsettelse av årsregnskapet:	30.06.2022

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, 01.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
Other operating expenses	8	332 260	283 712
Sum kostnader		332 260	283 712
Driftsresultat		-332 260	-283 712
Finansinntekter og finanskostnader			
Financial income	10		84 993
Sum finansinntekter			84 993
Financial expenses	10	20 653 514	33 896 870
Sum finanskostnader		20 653 514	33 896 870
Netto finans		-20 653 514	-33 811 877
Ordinært resultat før skattekostnad		-20 985 774	-34 095 588
Income tax expense	11	-73 097	3 237 575
Ordinært resultat etter skattekostnad		-20 912 677	-37 333 163
Årsresultat		-20 912 677	-37 333 163
Årsresultat etter minoritetsinteresser		-20 912 677	-37 333 163
Totalresultat		-20 912 677	-37 333 163
Overføringer og disponeringer			
Attributable to the shareholders		-20 912 677	-37 333 163
Sum overføringer og disponeringer		-20 912 677	-37 333 163



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	688 302	615 205
Sum immaterielle eiendeler		688 302	615 205
Finansielle anleggsmidler			
Investering i datterselskap	6	655 411 971	655 411 971
Sum finansielle anleggsmidler		655 411 971	655 411 971
Sum anleggsmidler		656 100 273	656 027 176
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	7	1 629 824	1 629 824
Sum fordringer		1 629 824	1 629 824
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17,20	18 622 784	18 958 035
Sum bankinnskudd, kontanter og lignende		18 622 784	18 958 035
Sum omløpsmidler		20 252 608	20 587 859
SUM EIENDELER		676 352 881	676 615 035
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	21	14 683 765	11 314 880
Beholdning av egne aksjer		-22 567	-22 567
Overkurs	21	1 548 393 097	1 118 038 197
Sum innskutt egenkapital		1 563 054 295	1 129 330 510



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Udekket tap		886 701 414	865 788 737
Sum opptjent egenkapital		-886 701 414	-865 788 737
Sum egenkapital		676 352 881	263 541 773
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	17,22		413 070 271
Sum annen langsiktig gjeld			413 070 271
Sum langsiktig gjeld		0	413 070 271
Kortsiktig gjeld			
Leverandørgjeld	16,17, 25		2 991
Kortsiktig konserngjeld	7,16,1 7,24		
Sum kortsiktig gjeld			2 991
Sum gjeld		0	413 073 262
SUM EGENKAPITAL OG GJELD		676 352 881	676 615 035



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenues	4	224 215 348	264 464 210
Sum inntekter		224 215 348	264 464 210
Kostnader			
Cost of materials		48 546 152	57 883 378
Salary and personell expenses	9	93 157 642	101 807 981
Depriciation and amortisation	12	47 716 904	41 155 333
Other operating expenses	8	49 568 802	48 658 506
Sum kostnader		238 989 500	249 505 198
Driftsresultat		-14 774 152	14 959 012
Finansinntekter og finanskostnader			
Financial income	10	5 429 496	11 284 320
Sum finansinntekter		5 429 496	11 284 320
Financial expenses	10	29 061 760	55 477 964
Sum finanskostnader		29 061 760	55 477 964
Netto finans		-23 632 264	-44 193 644
Ordinært resultat før skattekostnad		-38 406 416	-29 234 631
Income tax expense	11	-3 537 323	-543 532
Ordinært resultat etter skattekostnad		-34 869 093	-28 691 100
Årsresultat		-34 869 093	-28 691 100
Årsresultat etter minoritetsinteresser		-34 869 093	-28 691 100
Exchange rate difference foreign operations		1 619 880	-5 281 116
Sum resultatkomponenter for IFRS-foretak		1 619 880	-5 281 116
Totalresultat		-33 249 213	-33 972 216
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Attributable to the shareholders		-33 249 213	-33 972 216
Sum overføringer og disponeringer		-33 249 213	-33 972 216



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangible assets	14,15	133 011 681	148 337 920
Utsatt skattefordel	11		
Goodwill	14,15	63 475 961	63 475 960
Sum immaterielle eiendeler		196 487 642	211 813 880
Varige driftsmidler			
Right-of-use assets	13	26 528 248	14 988 692
Property, plant and equipment	12,22	7 620 599	6 986 889
Sum varige driftsmidler		34 148 847	21 975 581
Finansielle anleggsmidler			
Investering i datterselskap	6		
Receivables		19 823	40 730
Sum finansielle anleggsmidler		19 823	40 730
Sum anleggsmidler		230 656 311	233 830 192
Omløpsmidler			
Varer			
Inventories	18,22	42 539 039	49 006 075
Sum varer		42 539 039	49 006 075
Fordringer			
Trade receivables	5,16,1 7	48 228 528	61 270 350
Contract assets	5	35 810 692	39 857 063
Other short-term receivables	19	15 972 422	9 585 784
Konsernfordringer	7		
Sum fordringer		100 011 643	110 713 197
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17,20	39 630 606	41 605 677
Sum bankinnskudd, kontanter og lignende		39 630 606	41 605 677



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		182 181 288	201 324 950
SUM EIENDELER		412 837 599	435 155 141
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	21	14 683 765	11 314 880
Beholdning av egne aksjer		-65 467	-65 467
Overkurs	21	1 548 393 097	1 118 038 197
Sum innskutt egenkapital		1 563 011 395	1 129 287 610
Opptjent egenkapital			
Udekket tap		1 320 147 748	1 286 898 534
Sum opptjent egenkapital		-1 320 147 748	-1 286 898 534
Sum egenkapital		242 863 647	-157 610 924
Gjeld			
Langsiktig gjeld			
Utsatt skatt	11	8 969 373	15 993 921
Sum avsetninger for forpliktelser		8 969 373	15 993 921
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	17,22	54 656 442	473 070 271
Lease liabilities	13,16, 22	19 187 422	7 691 215
Other non-currents liabilities		3 378	834 777
Sum annen langsiktig gjeld		73 847 241	481 596 263
Sum langsiktig gjeld		82 816 615	497 590 184
Kortsiktig gjeld			
Lease liabilities	16,24	7 591 421	7 442 564
Leverandørgjeld	16,17, 25	12 961 707	10 351 879



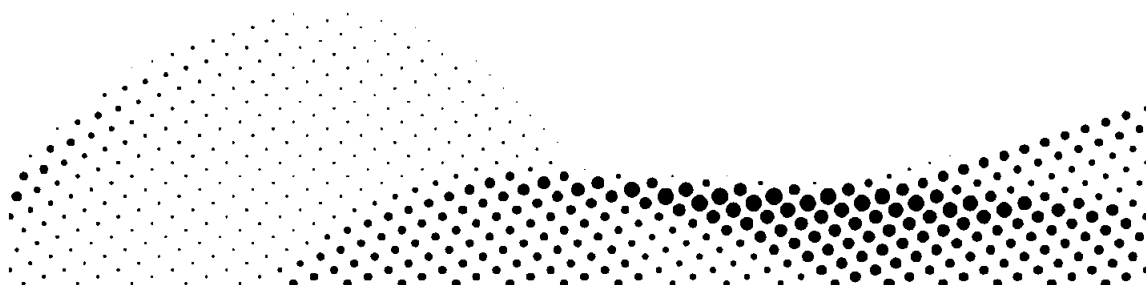
Konsernets balanse

Beløp i: NOK	Note	2021	2020
Public duties payable		6 049 295	5 864 139
Kortsiktig konserngjeld	7,16,1 7,24	42 423 656	40 804 876
Contract liabilities	5	1 924 523	8 732 947
Other currents liabilities	25	16 206 735	21 979 477
Sum kortsiktig gjeld		87 157 337	95 175 882
Sum gjeld		169 973 952	592 766 066
SUM EGENKAPITAL OG GJELD		412 837 599	435 155 141



RESMAN HOLDING 1 AS

ANNUAL REPORT 2021



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Electronically signed / Sähköisesti allekirjoitettu / Elektroniskt signerats / Elektronisk signert / Elektronisk underskrevet
<https://sign.visma.net/en/document-check/437fd05d-96eb-4258-add8-f610e00a11a7>

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BOARD OF DIRECTORS REPORT

THE NATURE OF THE OPERATION AND LOCATION OF THE BUSINESS

RESMAN Holding 1 is the parent company of the RESMAN Group. RESMAN AS is the operating company, a global leader of mission-critical information for well performance and reservoir monitoring, based on organic tracers and wireless transmissions of signals. The technology allows O&G operators to gather and analyze flow information, optimize production, and make operational and long-term investment decisions. The patented methods provide valuable insight for customers at fraction of cost and CO2 emissions vs alternative solutions.

RESMAN is established in Trondheim, Stavanger, Oslo, Houston, Rio de Janeiro, Aberdeen, Dubai, and Kuala Lumpur. The headquarters is in Strindfjordvegen 1, Trondheim.

RESMAN Holding 1 AS prepare consolidated group accounts as it through its ownership of RESMAN Holding 2 AS owns the shares in the RESMAN operational group. RESMAN Holding 1 AS is ultimate parent company while RESMAN AS prepares consolidated financial statements for the underlying operations.

OPERATIONAL OVERVIEW

2021 became a challenging year, where covid restrictions and supply chain issues caused abscondence on substantial call offs under RESMAN service contracts, which caused an 18 % reduction in revenue from 2020. Despite the challenges in 2021, the Board is pleased to see that RESMAN has continued a positive track through 2021 with continued efficiency improvements and strong operational performance. The focus has been on the health and safety of the employees while complying with strict travel restrictions and national lockdowns due to the pandemic.

The significant increase in Oil & Gas prices in 2021 compared to 2020 due to underinvestment's and returning demand are important reminders of the significance of our industry, underlining the need for a reliable and affordable supply of energy. RESMAN play an important role in the value chain, providing information to the Oil & Gas companies in order to extract as much as possible resources out of their reservoir, reducing their environmental footprint per Barrel of Oil / Ounce of Gas.

Historically, many clients have predominantly used RESMAN to understand production data during the initial production phase. However, to add further value to customers RESMAN has increasingly focused on demonstrating the full value of tracer data over the entire reservoir production lifetime. The portfolio of RESMAN's products allows the company to supply critical data for short- and long-term production optimization and reservoir management throughout the field life. From initial recovery through secondary recovery and pressure support to critical data for tertiary recovery planning. Combined with electronic distribution of data and a clear communication related to Value of Information, the company registered a stronger demand for a long-term relationship between RESMAN and operators, evidenced by signing of long-term frame agreements. Operators have the pre-installed RESMAN Tracer system in more than 700 wells globally, which have through 2021 contributed to both increased contractual as well as non-contractual backlog.

RESMAN continues to focus on technology development, training, and operational improvements, to maintain the position global market leader. The Board experience the growth potential as significant throughout all basins of the world, both from increased product sales but with an even larger potential on value added services.

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RESEARCH AND DEVELOPMENT

RESMAN runs an extensive research and development program to further improve and expand its technology application. The company has a clear vision to maintain and increase its technology leadership, and as such, research and development efforts go into all aspects of the company's value chain, ranging from tracer release from the polymer matrix to electronic distribution of data and value-added services.

WORKING ENVIRONMENT AND QA

RESMAN Holding 1 AS has no employees. The Board of Directors has continued its focus on the work environment in the RESMAN group and considers this to be good. Employee absence was 1,9 % in 2021, the corresponding figure for 2020 was 1,8 %. There was no incident leading to job-related absence in 2021.

In January 2009 RESMAN was ISO certified after ISO 9001:2008 and 14001:2004. In January 2018 this was updated to 9001:2015 and 14001:2015. In January 2010 RESMAN was certified according to OHSAS 18001:2007. In January 2019 this was updated to ISO 45001:2018. This is renewed on an annual basis.

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Pursuant to the Norwegian Accounting Act section 3-3c, shall present their principles for corporate social responsibility and review the performance with respect to human rights, labor rights, working conditions, the external environment, and anti-corruption. Details are provided under the section "Corporate Social Responsibility" and is published on the company's website at: www.RESMAN.no.

Organization

The Board of Directors, as of end of 2021, consists of 4 male members. All board members are covered with board liability insurance (NOK 100 mill coverage). RESMAN has a diverse workforce, at year end 89 full-time employees, 32 women and 57 men, representing 17 nationalities.

Environment

RESMAN's operations does not represent a significant pollution to the environment. There are well established practices and procedures to ensure safe handling of chemicals and other materials that are used in manufacturing and analysis. Customer use of RESMAN's products could eventually have a positive environmental impact whereas the amount of contaminated water produced from the reservoir could be reduced through better production management.

FINANCIAL STATEMENTS

RESMAN Group has changed accounting principles from NGAAP (Norwegian Generally Accepted Accounting Principles) to IFRS (International Financial Reporting Standards) to increase transparency and to present financials in accordance with international peers. Revenue figures for 2020 and 2021 has remained unchanged after the accounting principles change while EBITDA for 2020 improved by NOK 3,3 million, 2021 EBITDA improved by NOK 4,0 million. Main reason for EBITDA changes is reclassification of RESMAN facilities rentals from operational cost to financial leases. Main NGAAP to IFRS Balance sheet change is reversion NGAAP Goodwill depreciations for 2020. IFRS transaction details provided in note 27.

RESMAN Group 2021 revenues summed up to NOK 224,2 million compared to NOK 264,5 million prior year. All revenues are generated from sale of tracer systems with related analysis and interpretations in group subsidiaries. Operating profit in RESMAN Group decreased to NOK -14,8 million from NOK 15,0 million prior year. Operating profit in RESMAN Holding 1 AS was NOK - 21,0 million compared to NOK - 37,3 in 2020. Losses will be covered from equity.

Despite a negative profit RESMAN continued to invest significantly in technology development. In 2021 NOK 27,1 million was capitalized related to research and development activities. In 2020 the R&D capitalization was NOK 24,0 million.

In 2021, 100 % of RESMAN Holding 1 AS shareholder's debt was converted into shares. NOK 433,7 million of the company's loan was converted to C-shares.



Net working capital was reduced through 2021 mainly through reduction of Inventories and Trade receivables and contributed to a positive cash flow of NOK 37,5 million from operating activities.

RESMAN Group have significant liquidity reserves and financial covenant headroom. Per 31.12.2021 NOK 55 million out the NOK 200 million Credit line limit was utilized.

GOING CONCERN

In accordance with the Norwegian Accounting Act, The Board of Directors confirms that the financial statements have been prepared on the basis of the going-concern assumption. The board is not aware of any matters of major interest not mentioned in the annual report.

OUTLOOK

The Board of Directors considers the company well positioned in a growing market with presence in all Oil & Gas producing regions of the world. RESMAN has leading technology, with a full offering of tracers and services for the entire operating life of an oil field.

Trondheim, 31. December 2021/ 20. June 2022

Gunnar Hviding
Chairman of the board /CEO

Thomas Mejdell
Board member

James Ure Nixon
Board member

Olof Faxander
Board member

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK)	Note	Group		Parent Company	
		2021	2020	2021	2020
Revenue	4	224 215 348	264 464 210	-	-
Cost of materials		48 546 152	57 883 378	-	-
Salary an personnel expenses	9	93 157 642	101 807 981	-	-
Other operating expenses	8	49 568 802	48 658 506	332 260	283 712
EBITDA		32 942 752	56 114 345	-332 260	-283 712
Depreciation and amortisation	12	47 716 904	41 155 334	0	0
Operating profit or loss		-14 774 152	14 959 011	-332 260	-283 712
Financial income	10	5 429 496	11 284 320		84 993
Financial expenses	10	29 061 760	55 477 965	20 653 514	33 896 870
Financial income/(expenses) net	10	-23 632 264	-44 193 645	-20 653 514	-33 811 877
Profit/loss before tax		-38 406 416	-29 234 633	-20 985 774	-34 095 589
Income tax expense	11	-3 537 323	-543 532	-73 097	3 237 575
Profit /loss for the year		-34 869 093	-28 691 101	-20 912 677	-37 333 164
Other comprehensive income/(loss)					
Items that may be reclassified to statement of income					
Exchange differences on translation of foreign operations		1 619 880	-5 281 116	-	-
Items that will not be reclassified to statement of income		-	-	-	-
Other comprehensive income/(loss) for the period, net of tax		1 619 880	-5 281 116	-	-
Total comprehensive income/(loss) for the year		-33 249 213	-33 972 217	-20 912 677	-37 333 164
Attributable to the equity holders of the company		-33 249 213	-33 972 217	-20 912 677	-37 333 164



CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

(Amounts in NOK)	Note	Group			Parent company		
		31.12.2021	31.12.2020	01.01.2020	31.12.2021	31.12.2020	01.01.2020
Assets							
Non - current assets							
Investments in subsidiaries	6				655 411 971	655 411 971	655 411 971
Property, plant and equipment	12, 22	7 620 599	6 986 888	8 808 125	-	-	-
Right - of - use assets	13	26 528 248	14 988 692	21 225 907	-	-	-
Goodwill	14, 15	63 475 960	63 475 960	63 475 961	-	-	-
Other intangible assets	14, 15	133 011 681	148 337 920	159 494 325	-	-	-
Deferred tax asset	11	-	-	-	688 302	615 205	3 852 780
Receivables		19 823	40 730	40 642	-	-	-
Total non - current assets		230 656 311	233 830 190	253 044 959	656 100 273	656 027 176	659 264 751
Current assets							
Inventories	18, 22	42 539 039	49 006 075	65 833 989	-	-	-
Trade receivables	5, 16, 17	47 565 145	60 609 415	81 195 661	-	-	-
Contract assets	5	35 810 692	39 857 063	72 490 272	-	-	-
Receivables from group comp	7	-	-	-	1 629 824	1 629 824	7 737 004
Other short-term receivables	19	16 635 805	10 246 719	11 820 681	-	-	-
Cash and cash equivalents	17, 20	39 630 606	41 605 677	24 612 046	18 622 784	18 958 035	13 566 415
Total current assets		182 181 287	201 324 949	255 952 649	20 252 608	20 587 859	21 303 419
Total assets		412 837 599	435 155 139	508 997 608	676 352 881	676 615 035	680 568 170



EQUITY AND LIABILITIES

(Amounts in NOK)	Note	Group			Parent company		
		31.12.2021	31.12.2020	01.01.2020	31.12.2021	31.12.2020	01.01.2020
Equity and Liabilities							
Share capital	21	14 683 765	11 314 880	11 314 880	14 683 765	11 314 880	11 314 880
Own shares		-65 467	-65 467	-65 467	-22 567	-22 567	-22 567
Share premium	21		1 118 038 197	1 118 038 197	1 548 393 097	1 118 038 197	1 118 038 197
Other equity		228 245 349	-1 286 898 536	-1 252 926 320	-886 701 414	-865 788 737	-828 455 574
Total equity		242 863 647	-157 610 926	-123 638 710	676 352 881	263 541 773	300 874 936
Liabilities							
Non - current liabilities							
Borrowings	17, 22	54 656 442	473 070 271	464 173 438	-	413 070 271	379 173 438
Lease liabilities	13, 16, 22	19 187 422	7 691 215	13 776 599	-	-	-
Deferred tax	11	8 969 373	15 993 921	17 264 009	-	-	-
Other non-curr liabilities		3 378	834 777	1 669 362	-	-	-
Total non - current liabilities		82 816 615	497 590 184	496 883 408	-	413 070 271	379 173 438
Current liabilities							
Borrowings	16, 17	-	-	29 453 655	-	-	-
Trade payables	16, 17, 25	12 961 707	10 351 879	26 154 287	-	2 991	2 839
Contract liabilities	5	1 924 522	8 732 947	-	-	-	-
Public duties payable		6 049 295	5 864 139	6 871 639	-	-	-
Lease liabilities	16, 24	7 591 422	7 442 564	7 449 307	-	-	-
Liabilities to group comp	7, 16, 17, 24	42 423 656	40 804 876	37 782 290	-	-	-
Other current liabilities	25	16 206 735	21 979 476	28 041 732	-	-	516 957
Total current liabilities		87 157 337	95 175 881	135 752 910	-	2 991	519 796
Total liabilities		169 973 952	592 766 065	632 636 318	-	413 073 262	379 693 234
Total Equity and liabilities		412 837 599	435 155 139	508 997 608	676 352 881	676 615 035	680 568 170

Trondheim, 31st of December 2021/ 20th of June 2022

Gunnar Hviding
Chairman of the board /CEO

Thomas Mejdell
Board member

James Ure Nixon
Board member

Olof Faxander
Board member

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CHANGES IN EQUITY (PARENT)

(Amounts in NOK)	Share capital	Own shares	Share premium reserve	Total Equity
Balance at 1 January 2020	11 314 880	-22 567	289 582 623	300 874 936
Effect first time adoption IFRS	-	-	-	-
Balance at 1 January 2020	11 314 880	-22 567	289 582 623	300 874 936
Profit/loss for the period			-37 333 164	-37 333 164
Other comprehensive income/(loss)				-
Total comprehensive income			-37 333 164	-37 333 164
Balance at 31 December 2020	11 314 880	-22 567	252 249 459	263 541 773
Balance at 1 January 2021	11 314 880	-22 567	252 249 459	263 541 773
Capital increase, conversion of convertible loan	3 368 885		430 354 900	433 723 785
Profit/loss for the period			-20 912 677	-20 912 677
Other comprehensive income/(loss)				-
Total comprehensive income			-20 912 677	-20 912 677
Balance at 31 December 2021	14 683 765	-22 567	661 691 682	676 352 881



CONSOLIDATED STATEMENT AND CHANGES IN EQUITY (RESMAN GROUP)

(Amounts in NOK)	Note	Share capital	Own shares	Share premium reserve	Uncovered loss	Translation reserve	Total Equity
Balance at 1 January 2020		11 314 880	-65 467	1 118 038 197	-1 252 922 597		-123 634 987
Effect first time adoption IFRS	27				-3 722		-3 722
Balance at 1 January 2020		11 314 880	-65 467	1 118 038 197	-1 252 926 319		-123 638 709
Profit/(loss) for the period					-28 691 101		-28 691 101
Other comprehensive income/(loss)						-5 281 116	-5 281 116
Total comprehensive income					-28 691 101	-5 281 116	-33 972 217
Balance at 31 December 2020		11 314 880	-65 467	1 118 038 197	-1 281 617 421		-157 610 927
Balance at 1 January 2021		11 314 880	-65 467	-168 860 340			-157 610 927
Capital increase, conversion of convertible loan		3 368 885		430 354 900			433 723 785
Profit/(loss) for the period				-34 869 093			-34 869 093
Other comprehensive income/(loss)						1 619 880	1 619 880
Total comprehensive income							-33 249 213
Balance at 31 December 2021		14 683 765	-65 467	226 625 467		1 619 880	242 863 647



STATEMENT OF CASHFLOWS

(Amounts in NOK)	Group		Parent		
	Notes	2021	2020	2021	2020
Operating activities:					
Profit before tax		-38 406 416	-29 234 631	-20 985 774	-34 095 588
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	12	2 754 819	2 594 534		
Depreciation of right-of-use-assets	13	7 322 709	7 019 907		
Depreciation of other intangible assets	14	37 639 375	31 540 891		
Net finance	10	23 632 264	44 193 645	20 653 514	33 811 877
Net foreign exchange differences		135 428	-5 944 292		-37
Working capital changes:					
trade rec., contract assets and other short-term rec		10 701 555	54 793 417		
inventories		6 467 036	16 827 914		
payables, contract liab, public duties and other current liab		-9 786 182	-14 139 217	-2 991	152
other receivables group companies		-	-	-	6 107 180
other payables group companies		-	-	-	-516 957
Interest received		102 166	71 489	-	84 993
Interest paid		-3 002 506	-5 164 340	-	-
Income tax paid		-	-726 555	-	-
Net cash provided by operating activities		37 560 248	101 832 762	-335 251	5 391 620
Investing activities:					
Purchase of property, plant and equipment	12	-3 388 529	-773 298	-	-
Purchase of other intangible assets	14	-22 313 136	-20 384 486	-	-
Net cash from investing activities		-25 701 665	-21 157 784	-	-
Financing activities:					
Proceeds from borrowings	16,17,22	54 989 775	10 000 000	-	-
Payment of borrowings	16,17,22	-60 831 399	-65 288 240	-	-
Payment of principal portion of lease liabilities	13,16,22	-7 217 243	-6 874 820	-	-
Net cash from financing activities		-13 058 867	-62 163 060	-	-
Net cash for the period		-1 200 284	18 511 918	-335 251	5 391 620
Net foreign exchange difference		-774 787	-1 518 287	-	-
Cash and cash equivalent at the beginning of the period	20	41 605 677	24 612 046	18 958 035	13 566 415
Cash and cash equivalent at the end of the period	20	39 630 606	41 605 677	18 622 784	18 958 035
Change in cash and cash equivalents		-1 975 071	16 993 631	-335 251	5 391 620

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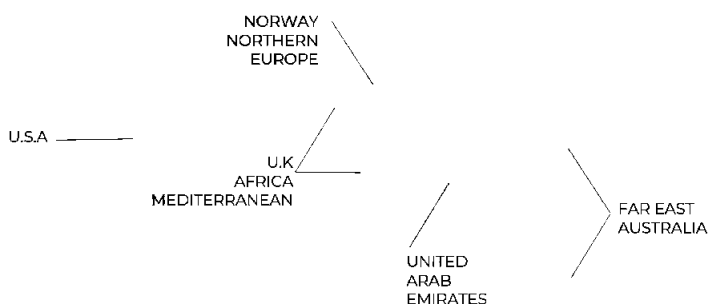


NOTE 1- CORPORATE INFORMATION

RESMAN Holding 1 AS is a Norwegian limited liability company. The Group financial statements consist of the RESMAN Holding 1 parent financial statements, as well as the subsidiaries as listed in Note 6 Subsidiaries. The RESMAN Group (RESMAN or the Group) develops, markets and delivers products and services for reservoir monitoring and reservoir management based on chemical tracers in oil wells. The products and services are based on the company's own technology and on licensed technology, and it is being delivered to oil companies nationally and internationally.

RESMAN is established in Trondheim, Stavanger, Oslo, Houston, Rio de Janeiro, Aberdeen, Dubai and Kuala Lumpur.

The headquarter is located at Strindfjordvegen 1 in Trondheim. The Group consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors at its meeting on 31 May 2022.





FINANCIAL STATEMENTS

- Historical cost based
- Based on going concern assumption



IN ACCORDANCE WITH

- International Financial Reporting Standards (IFRSs)

NOTE 2 – BASIS FOR PREPARATION

RESMAN Group has prepared the consolidated financial statements for 2021 in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements are prepared on a historical cost basis, except for certain assets, liabilities and financial instruments which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

The functional currency of RESMAN Holding 1 AS is the Norwegian krone (NOK). The RESMAN Group accounts are presented in NOK. Presentation and classification of items in the financial statements is consistent for the periods presented. The consolidated financial statements are prepared based on a going concern assumption.

For all periods up to and including the year ended 31 December 2020, the Group and parent company prepared its financial statements in accordance with Norwegian generally accepted accounting principles (Norwegian GAAP). These financial statements for the year ended 31 December 2021 are the first the Group and the parent company has prepared in accordance with IFRS, this also includes the parent company's separate financial statement. Refer to Note 27 for information on how the Group adopted IFRS.

The group and parent company's opening balance under IFRS is 01.01.2020 and these financial statements therefore includes three balances.

These financial statements for the year ended 31 December 2021 are the first the Group has prepared in accordance with IFRS and has been prepared as planned without any covid related delays. RESMANs' relationship with the environment has become increasingly important. While climate related changes expect to reduce RESMAN's Oil & Gas market the next decades, it also includes significant opportunities for climate-change mitigation and adaptation. RESMAN has initiated R&D projects within emission reductions to take a position in the market as a part of the global solution.



NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The following description of accounting principles applies to RESMAN's 2021 financial reporting, including all comparative figures. See Note 2 Basis of presentation and Critical accounting judgments referred to in this note.



BASIS OF CONSOLIDATION

The consolidated financial statements include RESMAN Holding 1 (parent) and subsidiaries. Subsidiaries are defined as companies in which RESMAN, directly or indirectly, has control. Control over an entity is evidenced by the Group's ability to exercise its power to affect any variable returns that the Group is exposed to through its involvement with the entity. Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights in an entity, unless RESMAN through agreements does not have corresponding voting rights in relevant decision-making bodies. Subsidiaries are fully consolidated from the date control commences until the date control ceases.

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

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business combinations. Consideration is the sum of the fair values, as of the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the entity. For each business combination, the Group measures the non-controlling interest in the acquiree as the proportionate share of the acquirer's identifiable net assets. Acquisition costs are expensed and included in Other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. If a business combination is completed in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised 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 recognised in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill is not amortised but is tested for impairment annually in the fourth quarter and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 Impairment of Assets. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units, or groups of cash generating units, that is expected to benefit from the synergies of the combination.



FOREIGN CURRENCY

The consolidated financial statements are presented in NOK, which is the parent company's functional currency. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the appropriate exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated as of the reporting date exchange rate. All differences regarding translation are included in financial income or financial expense in the statement of profit or loss.

The assets and liabilities of foreign operations are translated into NOK at the rate of exchange at the reporting date, and their profit or loss statements are translated at the exchange rates at the dates of the transactions. The exchange differences arising on the translation for consolidation purposes are recognised in Other comprehensive income as Currency translation differences, net of tax. On disposal of a subsidiary the cumulative translation adjustment of the disposed entity is recognised in the statement of profit or loss as part of the gain or loss on disposal.

FINANCIAL INSTRUMENTS

Financial assets and liabilities include investments in shares, accounts receivable and other current assets, cash and cash equivalents, borrowings, accounts payable and current financial liabilities.

A financial instrument is recognised when the Group becomes party to the instrument's contractual terms. Upon initial recognition, financial assets at amortised cost are measured at fair value plus transaction costs. Transaction costs relating to the acquisition of financial assets at fair value through profit or loss are recognised in profit or loss as they are incurred. An ordinary purchase or sale of financial assets is recognised and derecognised from the time an agreement is effective. Financial assets are derecognised when the Group's contractual rights to receive cash flows from the assets expire, or when the Group transfers the asset to another party and does not retain control or transfers practically all risks and rewards associated with the asset.

Financial liabilities represent a contractual obligation by RESMAN to deliver cash in the future and are classified as either current or non-current. Financial liabilities include borrowings and accounts payable. Financial liabilities are initially recognised at fair value including transaction costs directly attributable to the transaction and are subsequently measured at amortised cost. Financial liabilities are derecognised when the obligation is discharged through payment or when RESMAN is legally released from the responsibility for the liability.

A financial asset or a group of financial assets which are subject to impairment will be impaired using the expected credit loss 3-stage model (ECL) or the practical expedient of lifetime ECL for accounts receivable in accordance with IFRS 9.

REVENUE RECOGNITION

RESMAN recognises revenue from customers in accordance with IFRS 15 Revenue from contracts with customers. RESMAN delivers products and services to their customers and offers maintenance for the products sold. Revenue for products is recognised at a point in time, when control passes over, whereas for service and maintenance over time. For the overtime revenue recognition RESMAN uses an input-based percentage of completion method. See Note 4 Revenue and 5 Contract assets and liabilities for additional information related to revenue recognition.



GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction of the related costs. When the grant relates to an asset, it is recognised as reduction in book value of the related asset.

EMPLOYEE BENEFIT EXPENSES AND PENSION EXPENSE

Payments to employees, such as wages, salaries, social security contributions, paid annual leave, as well as bonus agreements are accrued in the period in which the associated services are rendered by the employee. Contributions to defined contribution plans are recognized in the statement of profit or loss in the period in which they accrue.

INTANGIBLE ASSETS

Intangible assets acquired individually or in a group are recognized at fair value when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred. Following initial recognition, intangible assets are carried at historical cost less any accumulated amortisation and any accumulated impairment losses.

All the intangible assets currently held by RESMAN are assessed as having finite lives. Intangible assets with finite lives are amortised over their estimated useful life. Useful lives and the amortisation method are reviewed annually. The straight-line depreciation method is used as this best reflects the consumption pattern of the assets.

Expenses related to product development activities are capitalised if the product development activities comply with the defined criteria for capitalisation. Capitalisation assumes it is possible to identify the intangible asset and demonstrate that it is probable that the development work will be successful, and that the future financial benefits attached to the intangible asset will accrue to RESMAN.

If the criteria are satisfied, capitalised amounts will include the cost of materials and direct payroll expenses. Capitalised development costs are subsequently recognised at historical cost less accumulated amortization and accumulated impairment losses.



MACHINERY AND EQUIPMENT

Property, plant and equipment (PP&E) is recognised at acquisition cost. The carrying value of PP&E is the historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is measured on a straight-line basis over the estimated useful lives of the asset as follows:

- Leasehold improvements: 2- 10 years with a maximum useful life no greater than the lease term
- Project-related equipment: 2-10 years
- Office equipment: 2-5 years

The assets' residual values, useful lives and method of depreciation are reviewed annually and adjusted prospectively if appropriate. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets.

IMPAIRMENT OF NON-FINANCIAL ASSETS

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets.

The recoverable amount of an asset or cash-generating unit is its value in use or fair value less costs to sell, whichever is higher. Value in use is calculated as the net present value of future cash flows. The calculation of net present value reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is calculated based on the estimated future cash flow based on board and management approved budgets and strategic plans for the Group. For assets held for sale, expected sales value for the assets have been estimated.

An impairment is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group that generates a cash inflow that is largely independent of other assets or groups.

TAXES

Taxes payable is based on taxable profit for the year which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. RESMAN's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the statement of financial position and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. Temporary differences related to intercompany profits



are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized. Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal.

Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements based on management's expectations. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by RESMAN and is not expected to happen in the foreseeable future. This is applicable for the majority of RESMAN's subsidiaries.

PROVISIONS

Provisions are recognised when the Group has an obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying financial benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. When the passage of time is insignificant to the expense estimate, the provision will be recognized at nominal value. When the effect of time is significant, the provision will be the discounted present value of the estimated future payments required to settle the liability.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The net realisable value is calculated as the selling price less cost to sell. For manufactured products, the acquisition cost is calculated as direct and indirect costs.

ACCOUNTS RECEIVABLE

Accounts receivables are initially recognised at fair value when the Group has an unconditional right to receive the consideration and the payment is only dependent on the passage of time. Accounts receivables are subsequently measured at amortised cost less any loss allowance. Accounts receivables are managed as held for collection and meet the criteria for solely payment of principal and interest (SPPI). The loss allowance is based on the lifetime expected credit loss model and adjusted for market and economic conditions based on management judgement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition and are measured at amortised cost.



STATEMENT OF CASH FLOWS

The statement of cash flows is prepared according to the indirect method. Interest received and interest paid is included in cash flows from financing activities.

SUBSIDIARIES

Subsidiaries are all entities over which the Group has control. Control exists when the investor is exposed or has rights to variable returns from its investment in the company and when it can influence the return through its power over the company. To determine the level of control, the potential voting rights that can be exercised or converted must be considered. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Investments in subsidiaries are recognized at cost in the parent company's separate financial statement.

LEASES

In accordance with the implementation of IFRS 16, 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 (the commencement date). Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

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
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured initially 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, any initial direct costs, and restoration costs.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses, as well as any required adjustments due to a remeasurement of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an operating expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less at the commencement date of the lease. Low-value assets are relating to IT and other office equipment.



EVENTS AFTER THE BALANCE SHEET DATE

New information on the Group's positions at the balance sheet date is considered in the annual financial statements. Events after the balance sheet date that will affect the Group's position in the future but do not affect the Group's position at the balance sheet date are disclosed in note 26.

CRITICAL ACCOUNTING JUDGEMENTS AND CHANGES IN ACCOUNTING POLICIES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving significant estimates or judgements are:

- Estimated goodwill impairment – note 15
- Recognition of revenue over time – note 4
- Estimated useful life of intangible asset – note 14 and 15
- Capitalisations of immaterial assets – note 14 and 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated by geographical region and presented in the table below:

Geographical region (Amounts in NOK)	2021	2020
Europe	103 574 414	166 899 039
America	53 219 818	28 992 610
Middle East/Oceania	59 140 382	61 640 197
Africa	8 280 734	6 932 364
Total	224 215 348	264 464 210

Timing of revenue recognition (Amounts in NOK)	2021	2020
At point in time	133 440 694	168 842 554
Over time	90 774 654	95 621 656
Total	224 215 348	264 464 210

Under IFRS 15, RESMAN recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

For each performance obligation identified at the inception of the contract, it is separately determined if those performance obligations are satisfied at a point in time or on an over-time basis. Revenue regarding each performance obligation is recognized when that performance obligation is satisfied. Consequently, revenue is recognized in full upon completion of a contract if it includes only one performance obligation or more than one performance obligations that are satisfied at the same time.

RESMAN delivers products and services for reservoir monitoring and reservoir management based on chemical tracers in oil field reservoirs and in oil wells. There are mainly two types of revenue:

- Tracer system (Product)
- Services (Lab analysis and services)

Tracer system (Product)

RESMAN delivers specific designed tracer systems for oil/gas wells. The systems enable RESMAN to perform lab analysis services at a later stage if requested from the client. The number of tracer systems and design of it varies based on:

- well parameters (temperature, flow rate, number of zones, well completion etc),
- monitoring objectives (confirming all zones producing, estimating contribution from each zone, detecting water breakthrough etc).



There are 3 main phases for the delivery of such products:

- system design/engineering
- system manufacturing
- system integration

These phases related to delivery of tracer systems are defined as one performance obligations as they are transferred to the customer as a distinct delivery. Each phase cannot be considered distinct as the customer will not be able to benefit from one of the phases on a stand-alone basis as described in IFRS 15.27.

The cost occurred within the 3 phases reflects the progress and defines the revenue recognition model in the company. RESMAN's performance does not create an asset with an alternative use to the entity and the RESMAN has an enforceable right to payment for performance completed to date. Based on this revenue from delivery of tracer systems are recognized over the time of the three phases for delivery of the product. Projects that deviate significantly from this model are separately assessed based on the individual project progress and occurred costs.

System design/engineering and manufacturing of the tracer system can be carried out when it fits into the operational plan for RESMAN. System integration is customer-determined and often linked to the well completion schedule. The delivered systems release tracers in accordance with a custom-made design, which again creates the basis for the data RESMAN delivers to its customers. It is not possible to do any returns of a delivered system.

Due to specific well parameters and client monitoring objectives, there are very seldom alternative use for the manufactured product. Invoices are generated according to agreed payment milestones. Normal payment milestones are upon received purchase order and upon delivery of tracer system. Most invoices are payable within 30 days.

Services (Lab analysis and services)

This is all other activities invoiced to customers not included in the tracer system product. Examples are:

- Installation of tracer systems into well completion hardware
- Sampling services at the client well-site
- Tracer injection in wells at the client well-site
- Lab analysis and data interpretation

Each of the activities is considered as separate performance obligations, hence the criteria IFRS 15.27 are met for this type of services. Installation of tracer systems in well completion hardware is often done at the location of the hardware vendor. The cost of this installation is normally reimbursed based on agreed rates in the contract.

Sampling services at the client well-site is performed in accordance with a pre-defined sampling program for the purpose of capturing correct oil/water/gas samples for laboratory analyses. Sampling services are normally reimbursed based on time spent on site and are in accordance with agreed rates in the contract.

Tracer injection in wells at the client well-site is done according to an injection program. The injection services are normally reimbursed based amount of tracer, pump rental, time spent on the site and other incurred cost. The rates are according to the contract.

Collected samples are shipped to RESMAN lab for preparation, lab analysis and data interpretation. The amount of analysis is based type of monitoring objectives and is related to number of samples analyzed. The rates are according to the contract. Revenues from services are recognized at point in time when the service is delivered, and each agreed service are defined as a performance obligation.

All revenue is based on delivered service to client according to agreed terms and conditions and invoiced accordingly. Deviation from this model is separately assessed based on the individual project progress and occurred costs.

The Group have no material obligations for returns, refunds, and other similar obligations.

NOTE 5 – ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The timing of revenue recognition, billings and cash collections results in billed trade receivables, unbilled receivables (contract assets), and prepayments and deposits from customers (contract liabilities). The table below shows the amounts of contract assets and contract liabilities at year end related to ongoing projects.

A contract asset is initially recognised for revenue because the receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(Amounts in NOK)	2021	2020	01.01.2020
Trade receivables	48 228 528	61 270 350	81 195 661
Contract assets	35 810 692	39 857 063	72 490 272
Contract liabilities	1 924 523	8 732 947	-

The change in contract liability mainly relates to billing of maintenance services, which cannot be recognised as revenue at year end.

The Group considers on a regular basis whether there exist any onerous contracts. In case of any onerous contracts, provisions for loss are recognised in the current period.



NOTE 6 – LIST OF SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements:

Company	Domicile	Headquarters	Ownership interest	Voting power
RESMAN Holding 2 AS	Norway	Trondheim	100 %	100 %
Sub-group companies				
RESMAN AS	Norway	Trondheim	100 %	100 %
RESMAN do Brazil Ltda	Brazil	Rio de Janeiro	100 %	100 %
RESMAN USA Inc.	USA	Houston	100 %	100 %
RESMAN Wireless Reservoir Surveillance Ltd	UK	Aberdeen	100 %	100 %
RESMAN RUS Ltd.	Russia	Moscow	100 %	100 %

Specification of the carrying amount in parent company:

Company	Historical	Carrying value
RESMAN Holding 2 AS	1 256 220 725	655 411 971
Sub-group companies		
RESMAN AS	1 256 220 725	666 906 505
RESMAN do Brazil Ltda	12 721 626	52 769
RESMAN USA Inc.	-	-
RESMAN Wireless Reservoir Surveillance Ltd	-	-
RESMAN RUS Ltd.	3 378 857	3 378 857



NOTE 7 – TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include Parent Company and subsidiaries, as well as members of the Board, Management Group and their related parties. Related parties also include companies in which the individuals mentioned above have significant influence.

The Group is not part in any agreements, deals, or other transactions in which the Parent company's Board of Directors or Management Group have a financial interest, except for transactions following from the employment relationship. Remuneration to key personnel is disclosed in note 9.

Transactions and balances between the parent company and its subsidiaries, and between the subsidiaries, have been eliminated on consolidation, and are not disclosed in this note. The Group does not have other transactions with related parties, except for remuneration to key personnel.

Parent company RESMAN Holding 1 AS has the following liabilities and receivables to group companies:

(Amounts in NOK)	2021	2020	01.01.2020
Receivable	1 629 824	1 629 824	7 737 004
Liabilities	-	-	519 796

RESMAN Holding 2 AS is a 100 % owned subsidiary of RESMAN Holding 1 AS, and has a short-term liability to Cidron Panel 1 S.á.r.l., the majority owner of RESMAN Holding 1 AS, and are therefore not eliminated in RESMAN Holding 1 AS's consolidated financial statement.

(Amounts in NOK)	2021	2020	01.01.2020
Liabilities to Group	42 423 656	40 804 876	37 782 290



Transactions with related parties:

2021

Purchase of goods	Sales of goods	Amount in NOK
RESMAN RUS Ltd	RESMAN AS	3 460 789
RESMAN Wireless Reservoir Surveillance Ltd	RESMAN AS	1 407 771
RESMAN do Brazil Ltda	RESMAN AS	1 152 508

Rendering services	Receiving of services	Amount in NOK
RESMAN AS	RESMAN Wireless Reservoir Surveillance Ltd	13 152 238
RESMAN AS	RESMAN USA Inc	14 778 680
RESMAN RUS Ltd	RESMAN AS	3 668 558
RESMAN Wireless Reservoir Surveillance Ltd	RESMAN AS	846 598

2020

Purchase of goods sold	Sales of goods	Amount in NOK
RESMAN RUS Ltd	RESMAN AS	5 536 497
RESMAN Wireless Reservoir Surveillance Ltd	RESMAN AS	1 421 189
RESMAN do Brazil Ltda	RESMAN AS	871 171

Rendering services	Receiving of services	Amount in NOK
RESMAN AS	RESMAN Wireless Reservoir Surveillance Ltd	10 024 172
RESMAN AS	RESMAN USA Inc.	14 215 987
RESMAN RUS Ltd	RESMAN AS	4 905 959
RESMAN Wireless Reservoir Surveillance Ltd	RESMAN AS	3 335 277

Interest paid	Interest received	Amount in NOK
RESMAN AS	RESMAN Holding 1 AS	79 949



NOTE 8 – OTHER OPERATING EXPENSES

(Amounts in NOK)	2021	2020
Premises, service and office costs	14 847 567	12 641 931
Office rent	5 529 064	5 947 471
Leasing and rental cost	1 172 191	2 340 732
Repair and maintenance costs	1 160 129	1 758 906
ITC	2 017 029	2 260 142
Travel costs	2 200 261	4 888 357
Consultancy fees and external personnel	13 027 632	12 125 243
Bad debts	266 504	1 780 106
Other operating costs	7 977 786	3 205 433
Insurance	1 370 639	1 710 186
Total operating expenses	49 568 802	48 658 506

Group	2021	2020
Specification auditor's fee	2021	2020
Statutory audit	497 908	399 409
Other assurance services	78 463	61 500
Other non-assurance services	48 303	-
Tax consultant services	-	-
Total	624 673	460 909

VAT is not included in the fees specified above.

Parent	2021	2020
Specification auditor's fee	2021	2020
Statutory audit	82 819	48 062
Other assurance services	26 563	-
Total	109 381	48 062

VAT is included in the fees specified above.



NOTE 9 – SALARY, PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

(Amounts in NOK)	2021	2020
Salaries and holiday pay	90 522 620	94 854 028
Social Security Tax	10 838 325	11 733 473
Pension costs defined contribution plans (Note 23)	4 786 871	5 397 391
Other personnel costs*	-12 990 174	-10 176 911
Total salaries and personnel expense	93 157 642	101 807 981

The number of man-years that has been employed during the financial year 2021 in the Group was 89 (88 in 2020). There are no employees in the parent company.

*) Other personnel related costs include capitalized salary costs of NOK 15 163 780 in 2021 compared with NOK 13 069 674 in 2020.

Management remuneration

(Amounts in NOK)	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Gunnar Hviding (CEO)	3 082 806	1 440 269	34 240	188 075	4 745 390

The Group Management are employed in RESMAN AS and takes part in the general pension scheme described in the pension note.

Board remuneration

(Amounts in NOK)	2021	2020
Chairman	400 000	400 000
Board members	367 105	327 989
Total directors' fee	767 105	727 989



NOTE 10 – FINANCE COST, FINANCE INCOME AND OTHER INCOME

RESMAN Group		
Finance income	2021	2020
Interest income	847 392	581 389
Currency exchange income	4 494 869	10 617 654
Other finance income	87 236	85 277
Total financial income	5 429 496	11 284 320

RESMAN Group		
Finance expenses	2021	2020
Interest expense	25 589 072	41 603 964
IFRS 16 interest	637 419	234 721
Currency exchange loss	2 726 719	13 460 809
Other finance cost	108 551	178 471
Total financial expenses	29 061 760	55 477 965

Net financial items	-23 632 264	-44 193 645
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Parent		
Finance income	2021	2020
Interest income	-	84 993
Total financial income	-	84 993

Parent		
Finance expenses	2021	2020
Interest expense to group companies	20 653 514	33 896 833
Currency exchange loss	-	36
Total financial expenses	20 653 514	33 896 870

Net financial items	-20 653 514	-33 811 877
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NOTE 11 – INCOME TAX

The tax rate was 22% in 2020 and 2021. The 22% tax rate was used to calculate deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020. Tax loss carry forward are related to RESMAN Holding 1 AS, RESMAN Holding 2 AS and RESMAN AS.

(Amounts in NOK)	Group		Parent	
	2021	2020	2021	2020
Ordinary result before tax	-38 406 416	-29 234 633	-20 985 774	-34 095 588
Permanent differences	-1 410 737	-9 201 231	-	-
Change in temporary differences	51 826 095	60 807 461	20 985 774	34 095 588
Applied tax loss carried forward	-1 804 802	-15 348 143	-	-
Basis for tax payable	10 204 140	7 023 454		
Calculated tax - foreign subsidiaries	1 365 407	832 053	-	-
Change in deferred tax/benefits	-5 515 613	-1 270 086	-73 097	3 237 575
Tax payable/changes from last year	612 884	-105 498	-	-
Income tax expense	-3 537 323	-543 531	-73 097	3 237 575

Reconciliation of effective tax rate

Profit/loss before income tax	-38 406 416	-29 234 633	-20 985 774	-34 095 588
Expected tax at nominal rate 22 %	-8 449 412	-6 431 619	-4 616 870	-7 501 029
Effect on non-deductible expenses	-310 362	-2 024 271	-	-
Incorrect tax expense former years	36 301	-1 031 061	-	-
Effect of change in def. tax - not recognized	5 176 942	8 885 561	4 543 773	10 738 604
Tax payable changes from previous year	612 884	-105 498	-	-
Tax credit RESMAN	-1 199 390	876 463	-	-
Effect on diff. tax rates - foreign subsidiaries	595 713	-713 107		
Income tax expense	-3 537 323	-543 532	-73 097	3 237 575

Effective tax rate	9 %	2 %	0 %	-9 %
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Specification of the basis for deferred tax	Group		Parent	
	Assets	Liabilities	Assets	Liabilities
(Amounts in NOK)	2020		2020	
Property, plant and equipment	647 418	-	-	-
Excess values	-	18 349 095	-	-
Manufacturing contracts	-	9 312 136	-	-
Inventory	595 270	-	-	-
Other differences	1 526 250	-	-	-
Unearned revenue	2 891 447	-	-	-
Leasing contracts	28 464	-	-	-
Tax losses carried forward	5 659 679	-	615 205	-
Interest not deductible carried forward	52 062 120	-	50 202 440	-
Unused tax credits	1 350 549	-	-	-
Differences not included		53 093 887	-	50 202 440
Deferred tax asset/liability	64 761 196	80 755 117	50 817 646	50 202 440
Offsetting of assets and liabilities		-64 761 196	-50 202 440	-50 202 440
Net deferred tax asset/liability		15 993 921	615 205	-

Specification of the basis for deferred tax	Group		Parent	
	Assets	Liabilities	Assets	Liabilities
(Amounts in NOK)	2021		2021	
	664			
Property, plant and equipment	605		-	-
Excess values	-	14 031 661	-	-
Manufacturing contracts	-	6 570 943	-	-
Inventory	135 787	-	-	-
Other differences	1 072 500	-	-	-
Unearned revenue	3 145 494	-	-	-
Leasing contracts	54 756	-	-	-
Tax losses carried forward	10 187 717	-	5 232 076	-
Interest not deductible carried forward	51 768 117	-	50 202 440	-
Unused tax credits	2 875 084	-	-	-
Differences not included	-	58 270 829	-	54 746 213
Deferred tax asset/liability	69 904 060	78 873 432	55 434 516	54 746 213
Offsetting of assets and liabilities	-69 904 060	-69 904 060	-54 746 213	-54 746 213
Net deferred tax asset/liability	-	8 969 373	688 302	-

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Deferred tax assets from unused tax losses are mainly related to unused tax losses in the subsidiary RESMAN AS where the parts of the loss carried forward has been utilized over the last years.



NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK)	Machinery and equipment	Total
Carrying amount 01.01.2020	8 808 124	8 808 124
Cost at 1 January 2020	33 895 029	33 895 029
Additions	773 299	773 299
Cost at 31 December 2020	34 668 328	34 668 328
Accumulated depreciation and impairment at 1 January 2020	25 086 905	25 086 905
Depreciation	2 594 534	2 594 534
Accumulated depreciation and impairment at 31.12.2020	27 681 439	2 594 534
As at 31 December		
Cost	34 668 328	34 668 328
Accumulated depreciation and write downs	27 681 439	27 681 439
Carrying amount 31.12.2020	6 986 889	6 986 889

(Amounts in NOK)	Machinery and equipment	Total
Cost at 1 January 2021	34 668 328	34 668 328
Additions	3 388 529	3 388 529
Cost at 31 December 2021	38 056 857	38 056 857
Accumulated depreciation and impairment at 1 January 2021	27 681 439	27 681 439
Depreciation	2 754 819	2 754 819
Accumulated depreciation and impairment at 31.12.2021	30 436 258	2 754 819
As at 31 December		
Cost	38 056 857	38 056 857
Accumulated depreciation and write downs	30 436 258	30 436 258
Carrying amount 31.12.2021	7 620 599	7 620 599

Useful life 3 -5 years
Depreciation method straight-line

Machinery and equipment are recognised at historical cost less depreciation. See note 1 for the other accounting policies relevant to property, plant, and equipment.

NOTE 13 – LEASES

The Group as a lessee

Right-of-use-assets

The Group leases several assets such as offices and other facilities, machinery and equipment. The Group's right-of-use assets are categorised and presented in the table below:

(Amounts in NOK)	Group		
	Buildings	Equipment	Total
Right-of-use assets			
Acquisition cost 1.1.2020	10 809 276	10 416 631	21 225 907
Additions	782 692	-	782 692
Acquisition cost 31.12.20	11 591 968	10 416 631	22 008 599
Accumulated depreciations 1.1.2020			
Depreciations	4 418 056	2 601 852	7 019 907
Accumulated depreciations/impairments 31.12.20	4 418 056	2 601 852	7 019 907
Carrying amount 31.12.20	7 173 912	7 814 779	14 988 692
Lower of remaining lease term or economic life	2-10 years	2-5 years	
Depreciation method	straight-line		

(Amounts in NOK)

Change in lease liabilities	Buildings	Equipment	Total
Acquisition cost 1.1.2020	10 809 276	10 416 631	21 225 907
New/changes in lease liabilities	782 692		782 692
Payment	-4 689 768	-2 759 539	-7 449 307
Interest	274 473	300 014	574 487
Total lease liabilities 31.12.2020	7 176 673	7 957 106	15 133 779
Current lease liabilities	4 699 952	2 742 612	7 442 564
Non current lease liabilities	2 476 722	5 214 494	7 691 215

Other leasing expenses recognized in profit and loss	Buildings	Equipment	Total
Expenses related to short term leasing agreements	5 947 470	2 340 731	8 288 201
Total lease expenses recognized in profit and loss	5 947 470	2 340 731	8 288 201



Undiscounted lease liabilities and payment schedule	Total
Less than 1 year	7 596 237
1-2 years	4 991 041
2-3 years	2 130 215
3-4 years	615 533
4-5 years	498 081
More than 5 years	279 968
Total undiscounted lease liabilities 31. December 2020	16 111 075

Expenses related to agreements of low value assets are considered to be immaterial.

(Amounts in NOK)	Group		
	Buildings	Equipment	Total
Right-of-use assets			
Acquisition cost 1.1.2021	11 591 968	10 416 631	22 008 599
Additions	18 654 419	187 336	18 841 755
Currency effect	20 510	-	20 510
Acquisition cost 31.12.21	30 266 897	10 603 967	40 870 864
Accumulated depreciations 1.1.2021	4 418 056	2 601 852	7 019 907
Depreciations	4 695 879	2 626 830	7 322 709
Accumulated depreciations/impairments 31.12.21	9 113 935	5 228 682	14 342 617
Carrying amount 31.12.21	21 152 962	5 375 285	26 528 247

Lower of remaining lease term or economic life 2-10 years 2-5 years
 Depreciation method Straight-line

Change in lease liabilities	Buildings	Equipment	Total
Acquisition cost 1.1.2021	7 176 673	7 957 106	15 133 779
New/changes in lease liabilities	18 654 419	187 336	18 841 755
Payment	-5 034 361	-2 820 300	-7 854 661
Interest	415 118	222 301	637 418
Currency effect	20 553	-	20 553
Total lease liabilities 31.12.2021	21 232 401	5 546 442	26 778 843
Current lease liabilities	4 887 169	2 781 728	7 591 422
Non current lease liabilities	16 345 232	2 764 714	19 187 422

Other leasing expenses recognized in profit and loss	Buildings	Equipment	Total
Expenses related to short term leasing agreements	5 029 064	1 172 190	6 201 254
Total lease expenses recognized in profit and loss	5 029 064	1 172 190	6 201 254

Expenses related to agreements of low value assets are considered to be immaterial



Undiscounted lease liabilities and payment schedule

Less than 1 year	7 923 500
1-2 years	7 052 862
2-3 years	4 538 594
3-4 years	4 141 174
4-5 years	4 049 352
More than 5 years	2 083 751
Total undiscounted lease liabilities 31. December 2021	29 789 232

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

The group has no variable rate leases. Amounts expenses in the statement of income related low value leases are immaterial to these financial statements.

Extension options

The Group's lease of buildings has lease terms that vary from 1 years to 10 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right.

Purchase options

The Group leases machinery and equipment with lease terms of 3 to 5 years. Some of these contracts includes a right to purchase the assets at the end of the contract term. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right.



NOTE 14 – INTANGIBLE ASSETS

Development costs are capitalised in accordance with the accounting policy in Note 2 Basis for preparation and the capitalised amount less accumulated amortisation is presented in the statement of financial position as “Other intangible assets”. Initial recognition of the capitalised cost is based on management’s judgment that technological and financial feasibility has been confirmed. This confirmation normally occurs when a project has reached a defined milestone according to the project management model. In determining the amount to be capitalised, management makes a judgement as to the level of expected future cash flows from the product, the discount rate to be applied, and the expected product lifetime. Capitalised development costs mainly consist of personnel expenses, purchase of materials, as well as external services. Capitalised development costs are amortised over the products expected lifetime. The estimated useful lifetime is continuously evaluated. For the periods presented in this financial statement useful lifetime for capitalised development cost are 5 years except for development cost from previously business combinations where useful lifetime in some circumstances are 10 years.

	Goodwill	Development cost	Licenses and patents	Total
(Amounts in NOK)				
Cost at 1 January 2020	63 475 960	367 000 646	182 227 957	612 704 563
Additions	-	19 015 367	1 369 119	20 384 486
Cost at 31 December 2020	63 475 960	386 016 013	183 597 076	633 089 049
Accumulated amortization and impairment at 1 January 2020		211 666 760	178 067 516	389 734 276
Amortization		29 972 708	1 568 183	31 540 891
Accumulated amortization and impairment at 31.12.2020	-	241 639 468	179 635 699	421 275 167
As at 31 December				
Cost	63 475 960	386 016 013	183 597 076	633 089 049
Acc. amortisation and write downs		241 639 468	179 635 699	421 275 170
Carrying amount 31.12.2020	63 475 959	144 376 544	3 961 376	211 813 879
Depreciation plan - years	-	0-10	5-10	
Depreciation method		straight-line	straight-line	



Public subsidies: SkatteFUNN and The Research Council of Norway

SkatteFUNN:

Year	Total SkatteFUNN-credit	Amount netted "Other intangible assets"	Current year's (2020) reduced depreciation	Total reduced depreciation	Remaining reduced depreciation as of 31.12.2020
2015	6 600 000	6 600 000	-	6 032 811	567 189
2016	6 097 997	6 097 997	852 461	4 495 091	1 602 906
2018	5 615 077	4 807 515	497 700	1 229 040	3 578 475
2019	4 354 742	4 354 742	640 070	930 493	3 424 249
2020	4 242 073	4 242 073	271 952	271 952	3 970 121
Sum	26 909 889	26 102 327	2 262 183	12 959 387	13 142 940

RESMAN AS has during the year 2020 received NOK 630 766 from The Research Council of Norway. This amount is netted "Research and development".

	Goodwill	Development cost	Licenses and patents	Total
(Amounts in NOK)				
Cost at 1 January 2021	63 475 960	386 016 013	183 597 076	633 089 049
Additions	-	16 134 342	6 178 794	22 313 136
Cost at 31 December 2021	63 475 960	402 150 355	189 775 870	655 402 185
Accumulated amortization and impairment at 1 January 2021		241 639 468	179 635 699	421 275 167
Amortization		35 824 052	1 815 323	37 639 375
Accumulated amortization and impairment at 31.12.2021		277 463 520	181 451 022	37 639 375
As at 31 December				
Cost	63 475 960	402 150 355	189 775 870	655 402 185
Accumulated amortisation and write downs	-	277 463 520	181 451 022	458 914 542
Carrying amount 31.12.2021	63 475 960	124 686 833	8 324 848	196 487 641
Depreciation plan - years	-	0-10	5-10	
Depreciation method		straight-line	straight-line	

Public subsidies: SkatteFUNN and The Research Council of Norway

SkatteFUNN:



Year	Total SkatteFUNN-credit	Amount netted "Other intangible assets"	Current year's (2021) reduced depreciation	Total reduced depreciation	Remaining reduced depreciation as of 31.12.2021
2015	6 600 000	6 600 000	113 438	6 146 249	453 751
2016	6 097 997	6 097 997	661 565	5 156 657	941 340
2018	5 615 077	4 807 515	961 503	2 190 543	2 616 972
2019	4 354 742	4 354 742	862 072	1 792 565	2 562 177
2020	4 242 073	4 242 073	786 444	1 058 396	3 183 677
2021	4 540 726	4 540 726	944	944	4 539 782
Sum	31 450 615	30 643 053	3 385 966	16 345 352	14 297 701

Subsidiary RESMAN AS has also during the year 2021 received NOK 2 845 151 from The Research Council of Norway. This amount is netted "Other intangible assets". The related project has not yet started depreciation. Amount received in 2020 for the same project was NOK 630 766.

Goodwill is not amortized but tested yearly for impairment. Refer to note 15 for the impairment test of goodwill.

NOTE 15 – IMPAIRMENT TEST

Intangible assets with definite useful life consist of internally generated intangible assets arising from development costs and licenses for software. Useful life varies between five and ten years.

The group tests whether goodwill, other intangible assets with indefinite useful life and ongoing development projects has suffered any impairment on an annual basis. RESMAN Group is defined as CGU. For the 2021 reporting period, the recoverable amount of the cash-generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Recognised goodwill in the Group amounts to NOK 63,48 million as of 31.12.2021. Goodwill has mainly derived from the acquisition of RESMAN AS (NOK 43,94 million) and Restrack AS (NOK 19,54 million). Restrack AS was merged with RESMAN AS in 2020. Goodwill is tested for impairment annually or when there are indications of impairment.

Key assumptions for value in use calculations

The calculation of value in use for the cash generating unit is most sensitive regarding the following assumptions:

Discount rate

The return requirement for total capital (WACC before tax) is set at 11,34 %. Risk -free interest rate is set at 2,7 % plus a risk premium of 7,8 %. The risk premium is based on observations of similar companies. Terminal growth is set at 2 per cent.

Gross margin

The gross margin is based on an average margin for the past three years before the beginning of the budget period.

Growth rate

The growth rate in the period is based on expected technology penetration. RESMAN Group is continuously expanding its offerings and the data that is possible to extract from the main RESMAN Product (the Tracer systems). The relative share of service revenue is increasing, as new Tracer system are being run-in-hole every month. The Installed base (Tracer system run-in-hole) has exceeded 700 well, and the service revenue from these and new Tracer systems, together with expectations for a strong Energy market going forward, is giving the ground for the management's expectations for significant growth for the next years.

Sensitivity

Managements analysis of sensitivity related to the main elements in the impairment test shows that no reasonable change in assumptions will lead to an impairment of goodwill and intangible assets. A change of WACC by 5 % will reduce the headroom by 52 %.

NOTE 16 – FINANCIAL INSTRUMENTS - FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the future cash flows will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include loans and borrowings deposits and debt.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's main interest rate risk arises from bank overdrafts, which expose the group to cash flow interest rate risk. At year end all bank overdrafts agreements are using NIBOR. The amounts are carried at amortised cost.

Foreign currency risk

The Group manages its foreign currency risk by hedging transactions that have significant currency associated risk. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

On December 31st, there were no projects with a significant currency associated risk, hence no foreign currency forward contracts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfil its financial obligation as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its



liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

In 2021 a convertible loan in RESMAN Holding 1 AS was converted to equity and two new pledged borrowing facilities of NOK 100 million each were entered into between RESMAN Holding 2 AS and Sparebank 1 SR-Bank. One of the facilities is a 3 year arrangement and the other a 6 year arrangement where the facility limit is gradually reduced to zero.

The table below sets out the maturity profile of the Groups for financial liabilities based on contractual undiscounted payments. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay.

01.01.2020	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial liabilities (non-derivatives)						
Bank loan	29 453 655	-	-	-	-	29 453 655
Trade and other payables	26 154 287	-	-	-	-	26 154 287
Loan to group companies	-	-	-	-	37 782 290	37 782 290
Expected interest	15 782 859	20 848 024	21 642 334	22 466 907	23 322 896	104 063 021
Lease liabilities	7 449 307	4 240 165	3 864 440	2 644 831	3 599 657	21 798 402
Total	78 840 108	25 088 190	25 506 774	25 111 738	64 704 844	219 251 654

31.12.2020	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial liabilities (non-derivatives)						
Trade and other payables	10 351 879	-	-	-	-	26 154 287
Loan to group companies	-	-	-	-	40 804 876	40 804 876
Expected interest	12 846 879	13 168 051	13 497 252	13 834 683	13 160 428	66 507 293
Lease liabilities	7 596 237	4 991 041	2 130 215	615 533	778 049	16 111 075
Total	30 794 995	18 159 092	15 627 467	14 450 216	54 743 353	133 775 123

31.12.2021	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Financial liabilities (non-derivatives)						
Bank loan	-	-	54 656 442	-	-	54 656 442
Trade and other payables	12 961 707	-	-	-	-	12 961 707
Loan to group companies	-	-	-	-	42 423 656	42 423 656
Expected interest	2 883 279	2 968 912	3 057 089	-	-	8 909 280
Lease liabilities	7 923 500	7 052 862	4 538 594	4 141 594	6 133 102	29 789 232
Total	23 768 486	10 021 774	62 252 125	4 141 174	48 556 758	148 740 317

Credit risk



Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and account receivables.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and credit risk related to customers in the oil and gas industries where RESMAN operates are considered low.

Provisions for losses are based on individual assessment of each item and customer. Expected loss in categories without any provisions made assumes that there are not risk of any material losses. Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix.

Trade receivables						
Days past due						
01.01.2020	Not due	1-30 days	30-60 days	61-90 days	>91 days	Total
Outstanding trade receivables	52 662 209	3 189 356	14 985 865	7 141 479	3 645 657	81 624 566
Provision for losses					- 428 905	-428 905

Trade receivables						
Days past due						
31.12.2020	Not due	1-30 days	30-60 days	61-90 days	>91 days	Total
Outstanding trade receivables	38 082 234	6 234 841	7 141 561	302 256	8 848 523	60 609 415
Provision for losses						-

Trade receivables						
Days past due						
31.12.2021	Not due	1-30 days	30-60 days	61-90 days	>91 days	Total
Outstanding trade receivables	23 351 383	6 703 826	8 913 312	3 325 481	5 271 144	47 565 145
Provision for losses						-



Reconciliation of change in financing activities - cash and non-cash transactions

	2021			2020		
(Amounts in NOK)	2021	2020	Change	2020	2019	Change
Borrowings	54 656 442	473 070 271	(418 413 829)	473 070 271	493 627 093	(20 556 822)
Lease liabilities	26 778 864	15 133 779	11 645 085	15 133 779	21 225 906	(6 092 127)
Loan to group companies	42 423 656	40 804 876	1 618 780	40 804 876	37 782 290	3 022 586
Other non-current liabilities	3 378	834 777	(831 399)	834 777	1 669 362	(834 585)
Total	123 862 340	529 843 703	(405 981 363)	529 843 703	554 304 651	(24 460 948)

Cash-transactions

(Amounts in NOK)	2021	2020
Accrued interest, not paid	22 272 294	36 919 416
Conversion of debt to equity	(433 723 785)	
New leasing liabilities	18 841 755	782 692
Currency effect leasing liabilities	20 573	
Amortized establishment fee	(333 333)	
Total no-cash transactions	(392 922 496)	37 702 108

Cash-transactions

(Amounts in NOK)	2021	2020
Proceeds from borrowings	54 989 775	10 000 000
Payment of borrowings	(60 831 399)	(65 288 240)
Payment of lease liabilities	(7 217 243)	(6 874 820)
Total cash transactions	(13 058 867)	(62 163 060)

Total non-cash and cash transactions	(405 981 363)	(24 460 952)
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NOTE 17 – CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

01.01.2020	Financial instruments at amortised cost	Total
Assets		
<i>Debt instruments</i>		
Accounts receivable	81 195 661	81 195 661
Cash and cash equivalents	24 612 046	24 612 046
Total Financial assets	105 807 707	105 807 707
Liabilities		
<i>Interest bearing loans and borrowings</i>		
Bank loans	114 453 655	114 453 655
Convertible loan	379 173 438	379 173 438
Current liabilities to group companies	37 782 290	37 782 290
<i>Other financial liabilities</i>		
Trade and other payables	26 154 287	26 154 287
Total financial liabilities	557 563 670	557 563 670

31.12.2020	Financial instruments at amortised cost	Total
Assets		
<i>Debt instruments</i>		
Accounts receivable	60 609 415	60 609 415
Cash and cash equivalents	41 605 677	41 605 677
Total Financial assets	102 215 092	102 215 092
Liabilities		
<i>Interest bearing loans and borrowings</i>		
Bank loans	60 000 000	60 000 000
Convertible loan	413 070 271	413 070 271
Current liabilities to group companies	40 804 876	40 804 876
<i>Other financial liabilities</i>		
Trade and other payables	10 351 879	10 351 879
Total financial liabilities	524 227 026	524 227 026



31.12.2021	Financial instruments at amortised cost	Total
Assets		
<i>Debt instruments</i>		
Accounts receivable	47 565 145	47 565 145
Cash and cash equivalents	39 630 606	39 630 606
Total Financial assets	87 195 751	87 195 751
Liabilities		
<i>Interest bearing loans and borrowings</i>		
Bank loans	54 656 442	54 656 442
Current liabilities to group companies	42 423 656	42 423 656
<i>Other financial liabilities</i>		
Trade and other payables	12 961 707	12 961 707
Total financial liabilities	110 041 805	110 041 805



NOTE 18 – INVENTORIES

	Group		
	2021	2020	01.01.2021
Finished goods:			
At net realisable value	-	-	-
At cost	-	-	-
Total finished goods	-	-	-
Work in progress, at cost	-	-	-
Raw materials, at cost	42 539 039	49 006 075	65 833 989
Total	42 539 039	49 006 075	65 833 989

The parent company do not hold any inventory at any of the balance sheet dates.

Inventories have been pledged for non-current debts, see note 22.

A write-down of NOK 1,7 million related to obsolete inventory is recognized at 31.12.2021.



NOTE 19 – OTHER CURRENT ASSETS

(Amounts in NOK)	2021	2020	01.01.2020
Pre-paid costs	7 303 482	293 835	369 801
VAT receivable	1 815 076	1 122 639	1 824 726
Receivable government grants	0	4 242 073	4 481 676
Deposits	751 838	118 988	56 852
Other current assets	6 765 409	4 469 184	5 087 627
Total other current assets	16 635 805	10 246 719	11 820 681



NOTE 20 – CASH AND CASH EQUIVALENTS

	Group		
	2021	2020	01.01.2020
Cash	39 630 606	41 605 677	24 612 046
Short-term bank deposits	-	-	-
Cash and cash equivalents in the balance sheet	39 630 606	41 605 677	24 612 046

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

	2021	2020	01.01.2020
Cash at banks and on hand	34 838 956	36 607 567	19 048 869
Restricted bank deposits for tax withholdings	2 711 515	923 754	3 502 388
Other restricted bank deposits	2 080 135	2 074 356	2 060 789
Cash and cash equivalents	39 630 606	41 605 677	24 612 046

	Parent company		
	2021	2020	01.01.2020
Cash	18 622 784	18 958 035	13 566 415
Short-term bank deposits	-	-	-
Cash and cash equivalents in the balance sheet	18 622 784	18 958 035	13 566 415

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

	2021	2020	01.01.2020
Cash at banks and on hand	18 622 784	18 958 035	13 566 415
Restricted bank deposits for tax withholdings	-	-	-
Other restricted bank deposits	-	-	-
Cash and cash equivalents	18 622 784	18 958 035	13 566 415



NOTE 21 – SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

Class	Nominal value	Voting rights per share	2021	2020	01.01.2020
A - shares	1	1	3 120 270	3 120 270	3 120 270
B1 - shares	1	1	3 844 010	3 844 010	3 844 010
B2 - shares	1	1	1 350 600	1 350 600	1 350 600
C - shares	1	1	6 368 885	3 000 000	3 000 000
Total number of shares			14 683 765	11 314 880	11 314 880

The shares within each share class are equal. The A-shares are ordinary shares. B- and C-shares are preference shares and is entitled to annual preferential dividend. The C-shares has a preferential right over B2 and B2 has a preferential right over B1. When C-shares, B2-shares and B1-shares have no further right to distributions all remaining distributions shall be for the benefit of the A-shares.

All issued shares have voting rights, but Cidron has according to the shareholders agreement been given the power of attorney to represent all shareholders at the general meeting.

Changes to share capital and premium

Number of shares

(Amounts in NOK)	2021	2020	01.01.2020
Ordinary shares			
Issued and fully paid 1 January	11 314 880	11 314 880	11 314 880
Issued new share capital	3 368 885		
31 December 2021	14 683 765	11 314 880	11 314 880



Share Capital

(Amounts in NOK)	2021	2020	01.01.2020
Ordinary shares			
Issued and fully paid 1 January	11 314 880	11 314 880	11 314 880
Issued new share capital	3 368 885		
31 December 2021	14 683 765	11 314 880	11 314 880

Premium

(Amounts in NOK)	2021	2020	01.01.2020
Ordinary shares			
Issued and fully paid 1 January	(203 729 433)	1 118 038 197	1 118 038 197
Issued new share capital	430 354 845		
31 December 2021	226 625 412	1 118 038 197	1 118 038 197

The company has 46 shareholders. The following shareholder owns more than 5 % of the shares in the company:

	Number of shares:	Ownership interest:
Cidron	14 066 089	95,79 %

NOTE 22 – BORROWINGS (LONG TERM DEBT)

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings. For more information on the Group's interest rate risk and foreign exchange risk see note 16.

(Amounts in NOK)	2021	2020	01.01.2020
Secured			
Interest bearing credit facility	54 656 422	60 000 000	85 000 000
Convertible loan	-	413 070 271	379 173 438
Other non-current liabilities	3 378	834 777	1 669 362
Total secured long-term debt	54 659 800	473 905 048	465 842 800
Unsecured			
Obligations under leases	19 187 422	7 691 215	13 776 599
Total unsecured long-term debt	19 187 422	7 691 215	13 776 599
Total long-term debt	73 847 222	481 596 263	479 619 399

Convertible loan

Convertible loan was a loan from Cidron Panel Ltd to RESMAN Holding 1 AS. The loan was converted to equity in 2021, see consolidated statement of changes in equity for further information.

Interest bearing credit facility

Total credit limit on the credit facility is NOK 200 million. The facility is secured by the Group's inventory and property, plant and equipment respectively limited to NOK 100 million each. The carrying amount of assets pledged as collateral are as follows:

(Amounts in NOK)	2021	2020	01.01.2020
Property, plant and equipment	7 620 599	6 986 889	8 808 125
Inventory	42 539 039	49 006 075	65 833 989
Total	50 159 638	55 992 964	74 642 114

The facility has been recognised at amortised cost by using the effective interest rate method.

RESMAN has complied with the financial banking covenants of its borrowing facilities as of 31 December 2021, which are as follows:

- Net Debt / EBITDA = 1,0 (Requirement < 4,0)
- Total current assets / Short Term Liabilities = 4,80 (Requirement > 1,25)



NOTE 23- PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

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

The company's pension arrangements fulfil the requirements of the law.

Defined contribution plan

The Group's companies have defined contribution plans in accordance with local laws and amounts to between 5 % and 8 % of the salary.

Contribution is expensed when it is accrued. As of 31.12.2021 there were 59 members covered by the scheme. The contributions recognised as expenses equaled KNOK 4 787 and KNOK 5 397 in 2021 and 2020 respectively.



NOTE 24 - SHORT-TERM LOANS AND OTHER LOAN RELATIONSHIPS

	Interest rate	2021	2020	01.01.2020
Liabilities to group companies	8 %	42 423 656	40 804 876	37 782 290
Current lease liabilities		7 591 422	7 442 564	7 449 307
Total		50 015 078	48 247 440	45 231 597

Liabilities to group companies relates to a short-term loan between RESMAN Holding 2 AS and Cidron Panel 1 S.á.r.l.



NOTE 25 – ACCOUNT PAYABLES AND OTHER CURRENT LIABILITIES

(Amounts in NOK)	2021	2020	01.01.2020
Trade accounts payables	12 961 707	10 351 879	26 154 287
Other current liabilities	16 206 735	21 979 476	28 041 732
Total	29 168 443	32 331 355	54 196 019

Trade payables are non-interest bearing and are normally settled on 30-day terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Specification of other current liabilities

(Amounts in NOK)	2021	2020	01.01.2020
Salaries and holiday pay	10 615 056	14 955 002	17 751 522
Accrued expenses	2 397 089	3 642 623	3 713 328
Other current liabilities	3 194 590	3 381 851	6 576 882
Total	16 206 735	21 979 477	28 041 732



NOTE 26 – EVENTS AFTER THE BALANCE SHEET DATE

As a result of the invasion of Ukraine, the RESMAN Board has decided to close the Russian business and increase investments in other regions. The war has increased global focus on energy security and are leading to more investments in the industry. For RESMAN specific the tragic event in Ukraine is expected to give a positive long-term revenue effect as getting as much as possible out of each reservoir will be an important part of the energy security going forward. The termination of the Russian operations will have a limited financial short-term effect for RESMAN. With less than NOK 10 million in 2021 revenue, the financial loss is mainly related to closure cost, impairment of RESMAN RUS Ltd Carrying value and the Russian entity's assets. The total negative 2022 financial impact effect are expected to be less than NOK 8 million.



NOTE 27 – EXPLANATION OF TRANSITION TO IFRS

This is the company's first consolidated accounts presented in accordance with IFRS. The accounting principles described in note 1 have been used to prepare the company's consolidated accounts for 2021, comparable figures for 2020 and an IFRS opening balance sheet as at 1 January 2020, which is the Group's date of transition from Norwegian accounting principles (NGAAP) to IFRS.

In connection with the preparation of the IFRS opening balance sheet, the Group has made some adjustments to the accounting figures compared to those reported earlier in the Group's annual accounts that were prepared according to NGAAP. The effect of the transition from NGAAP to IFRS on the Group's financial position, the Group's results and the Group's cash flow is explained in greater detail in this note.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The group has applied the following exemptions:

IFRS 3 Business Combinations has not been applied to both acquisitions of subsidiaries that are considered businesses under IFRS before 1 January 2020. Use of this exemption means that the N-GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise any assets or liabilities that were not recognised under the Local GAAP or exclude any previously recognised amounts as a result of IFRS recognition requirements.

IFRS 1 also requires that the Local GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. There was no impairment recognised on goodwill on 1 January 2020.



Reconciliation of transitional effects (Amounts in NOK)

	01.01.2020 Parent company			31.12.2020 Parent company		
	NGAAP	Effect of transition to IFRS	IFRS	NGAAP	Effect of transition to IFRS	IFRS
Assets						
Non - current assets						
Investments in subsidiaries	655 411 971	-	655 411 971	655 411 971	-	655 411 971
Deferred tax asset	3 852 780	-	3 852 780	615 205	-	615 205
Total non - current assets	659 264 751	-	659 264 751	656 027 176	-	656 027 176
Current assets						
Receivables from group comp	7 737 004	-	7 737 004	1 629 824	-	1 629 824
Cash and cash equivalents	13 566 415	-	13 566 415	18 958 035	-	18 958 035
Total current assets	21 303 419	-	21 303 419	20 587 859	-	20 587 859
Total assets	680 568 170	-	680 568 170	676 615 035	-	676 615 035
Equity and Liabilities						
Share capital	11 314 880	-	11 314 880	11 314 880	-	11 314 880
Own shares	-22 567	-	-22 567	-22 567	-	-22 567
	1 118 038					
Share premium	197	-	1 118 038 197	1 118 038 197	-	1 118 038 197
Other equity	-828 455 574	-	-828 455 574	-865 788 737	-	-865 788 737
Total equity	300 874 936	-	300 874 936	263 541 773	-	263 541 773
Liabilities						
Non - current liabilities						
Borrowings	379 173 438	-	379 173 438	413 070 271	-	413 070 271
Other non - current liabilities	379 173 438	-	379 173 438	413 070 271	-	413 070 271
Total non - current liabilities	379 173 438	-	379 173 438	413 070 271	-	413 070 271
Current liabilities						
Trade and other payables	2 839	-	2 839	2 991	-	2 991
Loan to group companies	516 957	-	516 957	-	-	-
Total current liabilities	519 796	-	519 796	2 991	-	2 991
Total liabilities	379 693 234	-	379 693 234	413 073 262	-	413 073 262
Total Equity and liabilities	680 568 170	-	680 568 170	676 615 035	-	676 615 035



Reconciliation of results for 2020

	Note	Parent company		
		2020 NGAAP	Effect of transition to IFRS	2020 IFRS
Revenue		-	-	-
Cost of sales		-	-	-
Salary an personell expenses		-	-	-
Other operating expenses		283 712	-	283 712
EBITDA	<i>e</i>	-283 712	-	-283 712
	<i>c</i>			
Depreciation and amortisation		-	-	-
Operating profit or loss		-283 712	-	-283 712
Financial Income		84 993	-	84 993
Financial expenses		33 896 870	-	33 896 870
Financial income/(expenses) net		-33 811 877	-	-33 811 877
Profit/loss before tax		-34 095 588	-	-34 095 588
Incom tax expense		3 237 575	-	3 237 575
Profit /loss for the year		-37 333 163	-	-37 333 163
Earnings per share				
Basic		-3,3		-3,3



Reconciliation of transitional effects (Amounts in NOK)

	Note	01.01.2020 Group			31.12.2020 Group		
		Effect of transition to			Effect of transition to		
		NGAAP	IFRS	IFRS	NGAAP	IFRS	IFRS
Assets							
Non - current assets							
Property plant an equipment	a	19 379 515	-10 571 390	8 808 125	15 407 471	-8 420 583	6 986 889
Right - of - use assets	a	-	21 225 907	21 225 907	-	14 988 692	14 988 692
Goodwill	b	63 475 961	-	63 475 961	14 651 370	48 824 590	63 475 960
Other intangible assets		159 494 325	-	159 494 325	148 337 920	-	148 337 920
Receivables		40 642	-	40 642	40 730	-	40 730
Total non - current assets		242 390 443	10 654 516	253 044 960	178 437 492	55 392 699	233 830 191
Current assets							
Inventories		65 833 989	-	65 833 989	49 006 075	-	49 006 075
Trade and other receivables	c	165 506 614	-72 490 272	93 016 342	110 713 197	-39 857 063	70 856 134
Contract assets	c	-	72 490 272	72 490 272	-	39 857 063	39 857 063
Receivables from group comp		-	-	-	-	-	-
Cash and cash equivalents		24 612 046	-	24 612 046	41 605 677	-	41 605 677
Total current assets		255 952 649	-	255 952 649	201 324 950	-	201 324 950
Total assets		498 343 093	10 654 516	508 997 609	379 762 442	55 392 699	435 155 141
Equity and Liabilities							
Share capital							
Share capital		11 314 880	-	11 314 880	11 314 880	-	11 314 880
Own shares		-65 467	-	-65 467	-65 467	-	-65 467
Share premium		1 118 038 197	-	1 118 038 197	1 118 038 197	-	1 118 038 197
Other equity		-1 252 922 597	-3 722	-1 252 926 319	-1 335 707 420	48 808 884	-1 286 898 536
Total equity		-123 634 988	-3 722	-123 638 710	-206 419 810	48 808 884	-157 610 926
Liabilities							
Non - current liabilities							
Borrowings		464 173 438	-	464 173 438	473 070 271	-	473 070 271
Lease liabilities	a	-	13 776 599	13 776 599	-	7 691 215	7 691 215
Loan to group companies		-	-	-	-	-	-
Deferred tax		17 264 009	-	17 264 009	15 993 921	-	15 993 921
Other current liabilities	a	12 237 030	-10 567 668	1 669 362	9 384 741	-8 549 964	834 777
Other non - current liabilities		493 674 477	3 208 931	496 883 408	498 448 933	-858 748	497 590 185
Total non - current liabilities		493 674 477	3 208 931	496 883 408	498 448 933	-858 749	497 590 185
Current liabilities							
Borrowings		29 453 655	-	29 453 655	-	-	-
Trade and other payables		26 154 287	-	26 154 287	10 351 879	-	10 351 879
Contract liabilities	c	-	-	-	-	8 732 947	8 732 947
Current tax liabilities		6 871 639	-	6 871 639	5 864 139	-	5 864 139
Lease liabilities	a	-	7 449 307	7 449 307	-	7 442 564	7 442 564
Loan to group companies		37 782 290	-	37 782 290	40 804 876	-	40 804 876
Other current liabilities		28 041 732	-	28 041 732	30 712 423	-8 732 947	21 979 476
Total current liabilities		128 303 603	7 449 307	135 752 911	87 733 318	7 442 564	95 175 881
Total liabilities		621 978 080	10 658 238	632 636 319	586 182 251	6 583 815	592 766 066
Total Equity and liabilities		498 343 093	10 654 516	508 997 609	379 762 442	55 392 699	435 155 141



Reconciliation of results for 2020

	Note	Group		
		2020 NGAAP	Effect of transition to IFRS	2020 IFRS
Revenue		264 464 210		264 464 210
Cost of sales		57 883 378		57 883 378
Salary an personell expenses		101 807 981		101 807 981
Other operating expenses	a	52 006 848	-3 348 342	48 658 506
EBITDA		52 766 003	3 348 342	56 114 345
Depreciation and amortisation	b	86 854 319	-45 698 985	41 155 333
Operating profit or loss		-34 088 316	49 047 327	14 959 012
Financial Income		11 284 320		11 284 320
Financial expenses	a	55 243 243	234 722	55 477 964
Financial income/(expenses) net		-43 958 923	-234 722	-44 193 644
Profit/loss before tax		-78 047 238	48 812 606	-29 234 633
Incom tax expense		-543 532		-543 532
Profit /loss for the year		-77 503 707	48 812 606	-28 691 101

Cashflow

The transition from NGAAP to IFRS has not led to significant changes to the cash flow statement. In the table below the adjustment made between operating, investing and financing activities related to IFRS conversion for the cash flow statement for 2020 is summarised.

	2020 NGAAP	Effect of transition to IFRS	2020 IFRS
Net cash provided by operating activities	97 200 854	4 631 908	101 832 762
Net cash from investing activities	-21 157 784	0	-21 157 784
Net cash from financing activities	-59 049 439	-3 113 621	-62 163 060
Net foreign exchange difference	0	-1 518 287	-1 518 287
Net cash flow	16 993 631	0	16 993 631

Explanation of the reconciliation of equity



A) Financial leasing (IFRS 16)

Under NGAAP leases were classified as either financial leases or operating leases according to NRS 14. IFRS 16 is adopted with effect for the opening balance as of 1 January 2020. Except for leases with a remaining lease term of 12 months or less at the date of transition to IFRS the group have recognised a right-of-use asset and a corresponding lease liability. The lease liability is measured at the date of transition at the present value of the future lease payments. The total lease liability and right-of-use-asset at the date of transition to IFRS were KNOK 21 226. The lease liability KNOK 7 449 is classified as current and KNOK 13 777 is classified as non-current liability. The right-of-use assets are depreciated over the lease term or the useful life of the asset. In 2020 IFRS financial statements such depreciations are recognised with an amount of KNOK 7 020. Leases classified as a financial lease under NGAAP is recalculated in accordance with IFRS 16 at the date of transition to IFRS. Total liability is reduced by KNOK 10 568 and total assets reduced by KNOK 10 571. The net effect KNOK 3,7 is presented in other equity.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. In the 2020 IFRS financial statements interest on the lease liability is recognised with KNOK 574 and interest expenses related to leases classified as financial leases under NGAAP is reversed by KNOK 340. As of 31 December 2020, the right-of-use asset has a carrying value of KNOK 14 999 and the lease liability has a carrying value of KNOK 7 691 (non-current) and KNOK 7 442 (current).

When measuring right - of - use assets and liability the group's incremental borrowing rate is applied.

B) Goodwill (IAS 38 and IFRS 3)

According to IFRS goodwill is not amortised but is reviewed for impairment at least annually. The depreciation and amortisation expense are reduced and the carrying value of goodwill 31 December 2020 is increased by NOK 48,8 million.

C) Contract assets and liabilities (IFRS 15)

Contract balances consist of client-related assets and liabilities. A contract asset is initially recognised for revenue because the receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). Under NGAAP contract liabilities was presented as other current liabilities.

Contract assets and liabilities were presented as trade receivables and other current liabilities under NGAAP. At the transition date contract assets of KNOK 72 490 was reclassified from trade receivables to contract assets, no contract liability existed at the transition date 1 January 2020.

On January 1, 2020, contract asset of KNOK 72 490 was reclassified from trade receivables to contract assets, no contract liability existed 01.01.2020. At December 2020 contract assets of KNOK 39 857 and contract liabilities of KNOK 8 733 was reclassified from trade receivables and other current liabilities.

**SIGNATURES****ALLEKIRJOITUKSET****UNDERSKRIFTER****SIGNATURER****UNDERSKRIFTER**

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Thomas Mejdell

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Resman Holding 1 AS

Opinion

We have audited the financial statements of Resman Holding 1 AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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



Trondheim, 30 June 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Christian Ronæss
State Authorised Public Accountant (Norway)

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Christian Ronæss

Statsautorisert revisor

På vegne av: Ernst & Young AS

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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	29.05.2018	11.06.2018
Telefon	Deres referanse	Vår referanse
90076012	Marianne Sannes	2018/712545

SPAREBANK 1 REGNSKAPSHUSET SMN AS
Postboks 4799 Thorgaard
7467 TRONDHEIM

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 29. mai 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- Resman Holding 1 AS, org.nr. 913 866 053
- Resman AS, org.nr. 988 300 233

Skattedirektoratet gir på bakgrunn av en konkret vurdering ovenstående selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Resman Holding 1 AS eier gjennom Resman Holding 2 AS, Resman AS. Hovedaksjonær i Resman Holding 1 AS holder til i Luxembourg og Jersey. Resman AS er morselskap til flere utenlandske datterselskap, driver i offshorebransjen og retter seg mot internasjonale kunder. Selskapene har utenlandske styremedlemmer.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er et konsern der hovedaksjonæren er utenlandsk. Videre er det vektlagt at flere styremedlemmer er utenlandske, og at bransjen er internasjonal hvor aktørene anses å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

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