



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Rune M. Daae
Dato for fastsettelse av årsregnskapet: 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, 03.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		0	0
Sum inntekter		0	0
Kostnader			
Other operating expenses	9	682 000	661 000
Sum kostnader		682 000	661 000
Driftsresultat		-682 000	-661 000
Finansinntekter og finanskostnader			
Financial income		42 000	0
Sum finansinntekter		42 000	0
Financial expenses		-92 071 000	92 114 000
Sum finanskostnader		-92 071 000	92 114 000
Netto finans	10	92 113 000	-92 114 000
Ordinært resultat før skattekostnad		91 431 000	-92 775 000
Income tax	8	0	0
Ordinært resultat etter skattekostnad		91 431 000	-92 775 000
Årsresultat		91 431 000	-92 775 000
Overføringer og disponeringer			
Retained earnings		91 431 000	-92 776 000
Sum overføringer og disponeringer	6	91 431 000	-92 776 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	3	492 101 000	400 000 000
Long term receivables	11	14 627 000	
Sum finansielle anleggsmidler		506 728 000	400 000 000
Sum anleggsmidler		506 728 000	400 000 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables		53 000	
Konsernfordringer	2	1 146 000	0
Sum fordringer		1 199 000	0
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc.	4	0	53 000
Sum bankinnskudd, kontanter og lignende		0	53 000
Sum omløpsmidler		1 199 000	53 000
SUM EIENDELER		507 927 000	400 053 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5	510 000	485 000
Share premium		508 797 000	491 616 000
Sum innskutt egenkapital		509 307 000	492 101 000



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Earned equity		-1 379 000	-92 810 000
Sum opptjent egenkapital		-1 379 000	-92 810 000
Sum egenkapital	6	507 928 000	399 291 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Income tax payable	8	0	0
Trade payables	7	0	0
Group liabilities	2	0	761 000
Other current liability		0	0
Sum kortsiktig gjeld		0	761 000
Sum gjeld		0	761 000
SUM EGENKAPITAL OG GJELD		507 928 000	400 052 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	30	277 193 000	245 345 000
Other operating revenue		16 952 000	20 625 000
Sum inntekter	5,6,7,2 9	294 145 000	265 970 000
Kostnader			
Project Cost		43 581 000	63 191 000
Payroll expenses	20,25	126 680 000	125 897 000
Impairment, depreciation and amortisation	8,9	115 017 000	130 440 000
Other operating expenses	25,26, 30	33 092 000	49 640 000
Sum kostnader		318 370 000	369 168 000
Driftsresultat		-24 225 000	-103 198 000
Finansinntekter og finanskostnader			
Financial income		15 198 000	11 370 000
Sum finansinntekter		15 198 000	11 370 000
Financial expenses		34 913 000	42 565 000
Sum finanskostnader		34 913 000	42 565 000
Netto finans	27	-19 715 000	-31 195 000
Ordinært resultat før skattekostnad		-43 940 000	-134 393 000
Income tax	21	-6 132 000	-8 317 000
Ordinært resultat etter skattekostnad		-37 808 000	-126 076 000
Årsresultat		-37 808 000	-126 076 000
Overføringer og disponeringer			
Retained earnings		-37 808 000	-126 077 000
Sum overføringer og disponeringer		-37 808 000	-126 077 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangibles	8	43 148 000	53 756 000
Utsatt skattefordel	21	3 347 000	3 234 000
Goodwill	8	29 400 000	29 400 000
Sum immaterielle eiendeler		75 895 000	86 390 000
Varige driftsmidler			
Machinery and operating equipment	9	555 344 000	569 919 000
Sum varige driftsmidler		555 344 000	569 919 000
Finansielle anleggsmidler			
Long term receivables	11	14 692 000	65 000
Sum finansielle anleggsmidler		14 692 000	65 000
Sum anleggsmidler	6	645 931 000	656 374 000
Omløpsmidler			
Varer			
Inventories	23	23 981 000	24 864 000
Sum varer		23 981 000	24 864 000
Fordringer			
Trade receivables	13,14, 29,30	76 435 000	70 529 000
Other receivables	15	12 312 000	8 306 000
Sum fordringer	17	88 747 000	78 835 000
Investeringer			
Finacial asset at fair value	17,28	611 000	
Sum investeringer		611 000	
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc.	16,17	8 861 000	46 536 000
Sum bankinnskudd, kontanter og lignende		8 861 000	46 536 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		122 200 000	150 235 000
SUM EIENDELER		768 131 000	806 609 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18	510 000	485 000
Share premium		508 797 000	491 616 000
Sum innskutt egenkapital	19	509 307 000	492 101 000
Opptjent egenkapital			
Retained earnings		-196 951 000	-160 177 000
Sum opptjent egenkapital		-196 951 000	-160 177 000
Sum egenkapital		312 356 000	331 924 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	21	53 551 000	60 199 000
Sum avsetninger for forpliktelser		53 551 000	60 199 000
Annen langsiktig gjeld			
Debt to credit institutions	2,17,2 2	174 996 000	200 617 000
Deferred revenue, grants received for R&D	31	24 343 000	42 727 000
Other long term liability	26	43 360 000	47 042 000
Sum annen langsiktig gjeld		242 699 000	290 386 000
Sum langsiktig gjeld		296 250 000	350 585 000
Kortsiktig gjeld			
Debt to credit institutions	2,17,2 2	29 850 000	70 387 000
Leverandørgjeld	2,29,3 0	30 961 000	27 019 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Income tax payable	21	105 000	3 000
Other taxes payable		7 099 000	7 532 000
Other current liability	23,28	91 509 000	19 160 000
Sum kortsiktig gjeld		159 524 000	124 101 000
Sum gjeld		455 774 000	474 686 000
SUM EGENKAPITAL OG GJELD		768 130 000	806 610 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 664632

Enheten

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Organisasjonsform: Aksjeselskap
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Bekreftet av representant for selskapet: Rune M. Daae
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Grunnlag for avgivelse

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Brønnøysundregistrene, 19.07.2022



Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		0	0
Sum inntekter		0	0
Kostnader			
Other operating expenses	9	682 000	661 000
Sum kostnader		682 000	661 000
Driftsresultat		-682 000	-661 000
Finansinntekter og finanskostnader			
Financial income		42 000	0
Sum finansinntekter		42 000	0
Financial expenses		-92 071 000	92 114 000
Sum finanskostnader		-92 071 000	92 114 000
Netto finans	10	92 113 000	-92 114 000
Ordinært resultat før skattekostnad		91 431 000	-92 775 000
Income tax	8	0	0
Ordinært resultat etter skattekostnad		91 431 000	-92 775 000
Årsresultat		91 431 000	-92 775 000
Overføringer og disponeringer			
Retained earnings		91 431 000	-92 776 000
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ENHANCED WELL TECHNOLOGIES GROUP AS

BALANSE

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	3	492 101 000	400 000 000
Long term receivables	11	14 627 000	
Sum finansielle anleggsmidler		506 728 000	400 000 000
Sum anleggsmidler		506 728 000	400 000 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables		53 000	
Konsernfordringer	2	1 146 000	0
Sum fordringer		1 199 000	0
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc.	4	0	53 000
Sum bankinnskudd, kontanter og lignende		0	53 000
Sum omløpsmidler		1 199 000	53 000
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Egenkapital			
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Opptjent egenkapital			
Earned equity		-1 379 000	-92 810 000
Sum opptjent egenkapital		-1 379 000	-92 810 000
Sum egenkapital	6	507 928 000	399 291 000
Sum langsiktig gjeld		0	0



Kortsiktig gjeld			
Income tax payable	8	0	0
Trade payables	7	0	0
Group liabilities	2	0	761 000
Other current liability		0	0
Sum kortsiktig gjeld		0	761 000
Sum gjeld		0	761 000
SUM EGENKAPITAL OG GJELD		507 928 000	400 052 000



Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

KONSERNRESULTATREGNSKAP

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Revenue	30	277 193 000	245 345 000
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ENHANCED WELL TECHNOLOGIES GROUP AS

KONSERNBALANSE

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BALANSE - EGENKAPITAL OG GJELD			



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Kortsiktig gjeld			
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Sum gjeld		455 774 000	474 686 000
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Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
9

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

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

Fordringer

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets



Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

9

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Organisasjonsnr: 922 585 881
ENHANCED WELL TECHNOLOGIES GROUP AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
25

Antall årsverk i regnskapsåret
94.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

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

Fordringer

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets



Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note
25

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Skatteetaten

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

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

Att. Kjetil Lunde

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

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

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

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

Bakgrunn

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

Skattekontorets vurdering

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

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

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



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er eid av profesjonelle eiere. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Enhanced Well Technologies Group

Annual Report 2021



Innovation in depth®



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**BOARD OF DIRECTORS REPORT 2021
FOR
ENHANCED WELL TECHNOLOGIES GROUP AS**
Reg. no: 922 585 881

Annual Report 2021

The official and audited financial results for Enhanced Well Technologies Group AS reflect the period January through December 2021.

The group was formed in 2019 when Enhanced Well Technologies AS completed the purchase of Enhanced Drilling Holding AS and IKM Cleandril AS. As companies in the Enhanced Well Technologies Group, Enhanced Drilling and IKM Cleandril co-located in 2020. In 2021 the two subsidiaries have formally merged into one legal entity - Enhanced Drilling AS. Following the merger, IKM Cleandril AS has been dissolved and its assets, rights and liabilities have been transferred to Enhanced Drilling AS. The dormant company Enhanced Drilling Asset AS, was part of the legal merger and has been dissolved. Enhanced Drilling Holding AS and IKM Cleandril AS both had legal entities registered in Australia and Azerbaijan. The process to reduce the number of companies to one operational company in each country was started in 2021 and is expected to be completed in 2022.

The group is operating under the Enhanced Drilling brand.

Enhanced Well Technologies Group AS Company Overview

Enhanced Well Technologies Group AS is a leading supplier of services and technology to the global oil and gas industry. The Group's headquarter and main operations are based at Straume (Bergen, Norway), with offices in Houston, USA and Perth, Australia.

The company provides technology, expertise, and services to several of the world's major oil and gas fields. Operations are delivered globally and the customer base spans from several super majors and national oil companies to independent oil companies. At year-end 2021, the Group had 89 professionals, all of whom were permanent employees.

Enhanced Drilling's vision is to be the global leader in clean offshore well-bore pressure and volume control. The drive to find solutions and to innovate has always been part of the culture in Enhanced Drilling and continues to be so. Our aim is to continue delivering innovative step change well construction and completion technologies, that enables our customers to enhance safety and efficiency whilst improving the environmental impact.

With over 35 years of experience, our track record in the field is extensive, with over 1000 wells surpassed for our EC-Drill®, RMR®, CTS and EC-Monitor technologies.



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Operations

The Group's operational activities are carried out globally. During 2021 services have been delivered in USA, Australia, Russia (Sakhalin), and Malaysia in addition to Norway. The company has currently no operations or equipment in Russia and does not plan any new operations in Russia after year end 2021.

The Covid-19 pandemic continued to be a challenge into 2021. The offshore activity remained lower than normal. Various regulations have been implemented by different governments and customers to slow the spread of the Covid-19 virus. As a direct consequence, Enhanced Drilling experienced increased costs levels.

As a response to the decline in activity caused by the Covid-19 pandemic, Enhanced Drilling executed a program to implement cost reductions and increase efficiency during 2020. The cost reduction program has carried on into 2021. The offshore activity levels regained some traction as the vaccine rollout progressed in the first half of 2021, which eventually led to reopening of borders and more restrictions being lifted.

During 2021 we have focused on further developing our services and prepared for growth in the MPD market. We continue to strengthen the capacity and competence within the organization. Our main focus has in particular been within well engineering, MPD engineering and recruiting more MPD EC-Drill Offshore Field Service Specialist. We have also had strong focus on giving all employees compliance and ethics training as well as keeping everyone updated on required technical training through the company's training program.

In close relationship with our customers, we have engineered and developed CML solutions fit for purpose and have in 2021 received new orders for CML in NCS and CML Closed Riser in the Gulf of Mexico.

Our new EC-Monitor system was deployed during 2021 and is successfully operating on the Deepwater Conqueror. The EC-Monitor system has proven to deliver superior fluid flow and volume control. The technology continuously monitors wellbore fluid flow and volume by removing variables like rig motion and surface fluid operations—which means improved well integrity and safety.

EC-Drill® is a Controlled Mud Level (CML) technology that allows control of bottom hole pressure (BHP) during drilling, cementing and completion of subsea wells. The system controls the BHP by adjusting the fluid level in the marine drilling riser, and thereby the hydrostatic pressure applied.

This is achieved by installation of a Subsea Pump Module (SPM) on the drilling riser which pumps all mud and cuttings returns up a separate Mud Return Line (MRL). The system can be used to adjust bottom hole pressure at any point during well construction regardless of whether or not the drill string is currently in the well. It can be used for many applications, including the traditional MPD application of holding BHP constant when the well is both static and dynamic. This makes it possible to drill, cement and complete wells with a very narrow margin between the pore pressure and the fracture gradient.

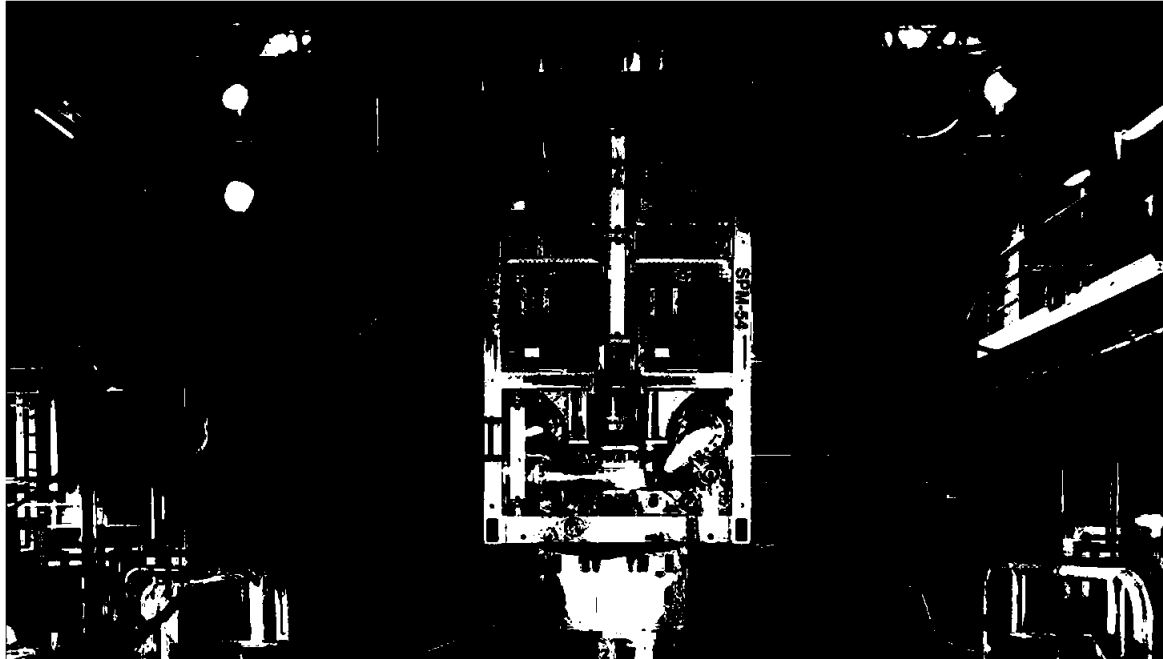
By the IADC (International Association of Drilling Contractors) categorization System, EC-Drill® is a Controlled Mud Level (CML) system, it controls the mud level in the marine drilling riser. As a marine drilling riser needs to be installed to take advantage of the system, EC-Drill® is only applicable to offshore wells.

In 2019, the group entered into a contract for delivery of EC-Drill® services to Shell in the Gulf of Mexico. During 2020 the EC-Drill® system was delivered and installed on Deepwater Pontus, a rig owned and operated by Transocean. In December 2021 Shell in Gulf of Mexico placed an order for an EC-Drill®+Closed Riser solution to be delivered on a second rig in Gulf of Mexico. In Norway, a combined EC-Drill® system with RMR was deployed for Shell during first quarter of 2022 on Transocean Barents, a Transocean rig operating on the Ormen Lange field.

Enhanced Drilling have previously mobilized and installed EC-Drill® systems for Equinor on the Troll field where during 2021, two systems have been deployed and operated.



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MPC® (Managed Pressure cementing) continues to be made known to the market. MPC® uses conventional cement to facilitate the safe isolation of challenging pressure zones (shallow gas or water) in narrow pressure window scenarios.

The system resolves two major challenges: effective cement slurry placement, plus gas flow after cementing. The technology provides operators with precise control over the pressure and flow parameters of returning cement. Constant pressure is achieved at weak zones, preventing losses to the formation. The system is safety enhancing in that any influx or loss is quickly detected, enabling a rapid operator response to prevent the situation from escalating. Subsequent to the success of the MPC system in Azerbaijan, it was commercialized during 2015 and rolled out in 2016 in the Caspian Sea.

The RMR® encompasses a subsea pump thereby enabling a closed-loop circulation system. The RMR® Riserless Mud Recovery system is a risk-reduction tool that enables the drilling of a better quality, more stable top-holes - safer, quicker and with less environmental impact. It's an enabling technology that makes it possible to drill top holes safely in areas where conventional riserless top hole drilling is not possible. This Dual Gradient Drilling system is an innovative way to return mud and cuttings to the rig before the marine riser is run, without discharge to the seabed. With RMR® there is no need for 'Pump & Dump'.

Thanks to its closed-loop design, engineered fluids can be used on the top-hole section and recycled - which makes sense safety-wise, environmentally, and financially. The system has been in use since 2003 and is a well-proven concept.

CTS® consists of a powerful and versatile subsea electrical-drive pump. The system enables the operator to keep the well-head area clear of cuttings by transporting them away from the site. This means later procedures, such as tying in umbilical, are more swiftly carried out. Using CTS technology has major impact on the viability of drilling operations, especially in environmentally sensitive areas. The cuttings can be safely pumped away from the well center and disposed, anything from 40 meters to several kilometers away.

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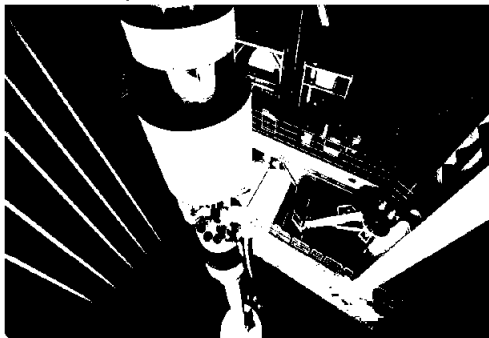
The EC-Drill®, RMR®, MPC® and CTS® service lines are well known in the market. Activity increased from 38 wells in 2020 to 47 well in drilled during 2021. Operations and activity for the future is supported by long term frame agreements and recurrent operations for customers.

Research and Development 2021

Innovation is embedded in the DNA of our company. For more than 35 years we have developed new ideas into unique proprietary technologies that has delivered value to the offshore energy industry. From the development of our Cuttings Transportation System (CTS) in 1998 to our newest product EC-Monitor in 2021, we demonstrate the strength and resolve what is necessary to make the journey from idea to commercialization. From risk-reduction technologies to environmentally beneficial systems, Enhanced Drilling has created cost-effective, benefit-enhancing solutions for some of the offshore industry's biggest challenges

The focus for innovation and technology development during 2021 has been to further expand the applications for EC-Drill® by adding a riser closure device. This development will allow the EC-Drill® MPD system to maintain the flexibility and advantages of CML technology whilst adding the capabilities of Surface Back Pressure technology. The first EC-Drill® system with a riser closure device is scheduled to be deployed in GoM Q4 2022.

The development of the EC-Monitor system was initiated in 2019 and is a joint development with Transocean. The system is based on the EC-Drill® technology and delivers superior fluid flow and volume control compared to competing technologies by removing variables like rig motion and surface fluid operations. The first EC-Monitor system was deployed in Gulf of Mexico in Q4 2021.



Working Environment, Environmental Performance and Personnel

A core objective of Enhanced Well Technologies Group is to have a safe and healthy working environment. We manage our business in accordance with the ISO45001:2018 standard and all regions except APAC are certified.

Enhanced Well Technologies Group monitors performance continuously, and report status to the Group Executive Management Team and the Board of Directors on a regular basis. We have functioning safety organizations and Working Environment Committees to ensure employee involvement in HSE related issues. Average illness absence during 2021 was 3,9% down from 5,7% in 2020.%. During 2021 Enhanced Drilling had one lost time injury, zero medical treatment (MTI) and zero first aid incidents.

The Group's operational activities are carried out globally and Enhanced Drilling's goal is to be a preferred service provider chosen for its "best in class" HSEQ performance.

The last years positive trend and results within HSEQ have continued in 2021 (full year):

- Lost Time Incidents (LTI) - 1
- Medical Treatment Incidents (MTI) - 0
- First Aid Incidents (FAI) - 0
- Total Recordable Incident Frequency (TRIF) - 7,25
- Internal Audit Team Audits - 5



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Environmental Reporting

Leveraging a range of patented and field-proven technologies, EC-Drill, Riserless Mud Recovery (RMR) and Cutting Transfer System (CTS), Enhanced Drilling is disrupting how wells are drilled in offshore oil and gas developments where environmental concerns and/or anticipated fluid related pressure issues can impact well construction. Enhanced Drilling helps reduce well construction cost, maximize environmental integrity, and reduce both rig time and use of materials to significantly decrease CO2 emissions. Our technology has become widely recognized for its unique, more environmentally responsible, "closed system" solutions for seabed & marine protection, whilst improving safety and efficiency.

All Enhanced Drilling activities that affect the environment are managed by means of well-established systems and processes to identify and eliminate or reduce any negative impact, and to ensure, as a minimum, compliance with legislation and regulations set out by the authorities.

Enhanced Well Technologies Group aims to facilitate the continuous environmental improvement in our operations by adopting the principles of ISO 14001:2015, international standard for environmental management, and all regions except APAC are certified. We are performing internal control activities to verify compliance.

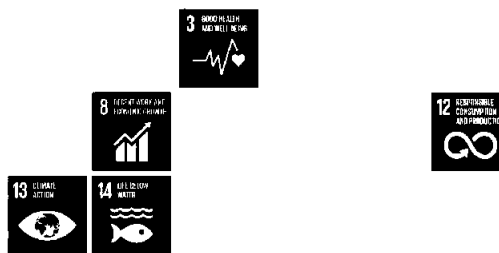
Energy consumption is at a normal level for our type of business and chemicals are managed to reduce use and planned discharge of environmentally hazardous chemicals. During 2020 Enhanced Drilling took an important step in strengthening our sustainability commitments and governance. In 2021, a task force was nominated to lead Enhanced Drilling's ESG efforts. We have done this by mapping and reporting on GHG missions, enabling us to better understand and reduce our impact on the environment.

By performing an environmental risk assessment for our main locations, we have identified our response to the climate related risks and opportunities. As a company, we are committed to the 2030 Agenda and the United Nation's Sustainable Development Goals (SDGs) to achieve a better and more sustainable future for all.

Enhanced Drilling has been certified according to ISO 14001 Environmental management systems since 2010.

Our focus on continuous improvement through both Quality Assurance and Control is reflected through an internal audit program that was performed as planned throughout the year.

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





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Gender equality

As of 31st December 2021, the Board of Enhanced Well Technologies Group had 6 Board Members and 1 Observer, comprising of 7 men and 0 women.

Enhanced Well Technologies Group aspires to be an attractive employer. The Equality and Anti-Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion, and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment. The oil and gas industry generally has an over-representation of men. In Enhanced Drilling, when hiring new employees, our ambition is to increase the proportion of women at all levels within the organization. Most of our female employees holds administrative positions. The gender balance deviate significantly within different group/professions in the company.

The competence principle is decisive in all appointment processes. In a department where one gender is heavily under-represented, this is taken into account during the appointment process if other qualifications are otherwise equal. In connection with the yearly salary evaluation, attention is shown to possible inequality regarding average level of pay for men and women. The Enhanced Well Technologies Group provides equal pay for equal work and rewards good results. Enhanced Drilling are preoccupied with maintaining a good and fair wage balance between the genders. Competence and professional background vary within the individual job code, in addition to various tasks and area of responsibility. This leads to some variations within a given job code.

In accordance with the Norwegian Equality and Anti-Discrimination Act, applicable for the Norwegian subsidiary we have assessed the gender balance and equal pay.

- Share of women employed of total workforce is 17%
- Share of women employed offshore and workshop is 5%
- On average women salary is 98% of men salary
- We have no involuntary part time positions in the company
- Members of union are paid according to salary matrix and seniority

According to legislation, maternity/paternity leave is mandatory shared between partners with 1/3 each and the last 1/3 of the leave can be split as per decision. Of Enhanced Drilling personnel, who has been on maternity/paternity leave during 2021, women have in average taken 22 weeks maternity leave and men have taken 17 weeks.

Remuneration

Information concerning remuneration of the Board of Directors and the Chief Executive Officer can be found in Note 25 to the consolidated financial statements.

The compensation for the external auditor can also be found in Note 25.

Internal control

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

The dynamics of the group and the environment within which it operates are continually evolving together with its exposure to risk. The internal control system is designed to manage rather than eliminate the risk

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of assets being unprotected and to guard against their unauthorized use and the failure to achieve business objectives. Internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

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

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

Standard

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

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

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

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

Results, Cash Flow, Investments, Finance and Liquidity

The 2021 turnover was NOK 294 million compared to the 2020 turnover of NOK 265 million. The company ends the year in a positive trend, as activity picks up. Turnover in 2021 and 2020 are both lower than pre-covid but market outlook for our services is positive.

Operating loss for Enhanced Well Technologies Group was NOK 24,2 million in 2021 vs NOK 103,2 million in 2020. Net losses from continued operations for the financial year 2021 was NOK 37,8 million and NOK 126,1 million in 2020.

Despite Covid-19 restrictions, Enhanced Well Technologies Group made significant progress during 2021 in increasing adoption of our EC-Drill technology, with several operations in Europe and the US Gulf of Mexico, with more entering the pipeline. During the year we have delivered several FEED studies and in close relationship with our customers, we have engineered and developed CML solutions fit for purpose and have in 2021 received new orders for CML in NCS and CML Closed Riser in the Gulf of Mexico. RMR and CTS solutions continue to be market leading solutions for sensitive environmentally driven work in the North Sea, Australia, and Far East.

Accumulated cash flow from Enhanced Well Technologies Group's operational activities was positive NOK 134,5 million vs NOK 23,7 million in 2020. Total investments for the group were NOK 68,1 million compared to NOK 23,3 million in 2020. Net cash flow from financing activities were negative NOK 89,5 million compared to positive NOK 34,2 million in 2020. Cash and cash equivalents for the Group at 31.12.2021 was NOK 8,9 million down from NOK 46,5 million at year end 2020.

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

Enhanced Well Technologies Group's total interest-bearing debt at year end 2021 was NOK 227 million, which represent 29% of the group's total asset compared to NOK 314 million in 2020 representing 39% of the group's total assets.

At the end of the year, total assets amounted to NOK 768 million vs NOK 806 million last year. Total current liability to total asset ratio at 31.12.2021 was 21% up from 15% last year. The equity to total assets ratio at 31.12.2021 was 41% at same level as last year.

Financial risk

Financial risk factors

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

Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AUD, EUR, GBP, and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Positions are reviewed monthly. The Group has implemented policies and procedures to minimize foreign exchange risk by hedging currency risk. The group held FX derivatives at year end 2021 in the amount of NOK 72,8 million to hedge future sales of contracts in USD.

(ii) Price risk

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

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





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Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposure to customers, including receivables and committed transactions. The Group's customers are mainly the large international oil companies with limited to low credit risk potential. The Group seeks to obtain financial guarantees from debtors where the credit risk and exposure is considered to be high. The Group's main bank at 31st December 2021 is DNB in Dronning Eufemias gate 30, 0191 Oslo Norway.

Liquidity risk

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

Parent Company

Enhanced Well Technologies Group AS is the parent company, and its main activity is to act as the owner of the shares in its subsidiaries. The operating result in 2021 was negative NOK 682 thousand compared to negative NOK 661 thousand in 2020. The net result in 2021 show profit of NOK 91,4 million compared to negative NOK 92,8 million in 2020. Enhanced Well Technologies Group has assessed its investment in subsidiaries, including its goodwill. An assessment has also been made for subsidiaries' fixed asset. A discounted cash flow (DCF) method was applied and the 2020 impairment of the investment in Enhanced Well Technologies AS has by year end 2021, been reversed in total.

Accumulated cash flow from the company's operations was NOK 0 million, same as last year. Net cashflow for investment activities was negative NOK 14,6 million compared to NOK 80 million in 2020. The negative amount in 2021 relates to a loan granted on arm's length terms in connection with the established management incentive program. Please refer to Parent company note 13 for further details. The positive cashflow from finance activities was NOK 17,2 million in 2021 compared to NOK 80 million in 2020, both relating to capital increase.

The total assets were NOK 507 million at year end 2021 and NOK 400 million at year end 2020. The equity to asset ratio was 99,8% at 31.12.2021 and 100% at 31.12.2020.

Continued Operation

The Group's external financing is through the company Enhanced Well Technologies AS. Enhanced Well Technologies AS entered in 2019 into a 5 year senior facilities agreement with DNB Bank ASA. The Group has a long-term loan facility of NOK 262 million, a government-guaranteed Covid-19 liquidity loan of NOK 15 million, a CAPEX facility of NOK 50 million, and a revolving facility (the "RCF") of NOK 58 million.

During 2021 (2020) there was made installments on the long-term loan of NOK 17,4 million (40,8), balance per 31.12.2021 was NOK 193,0 million (210,4). During 2021 NOK 3,75 million (0) in installments was paid on the Covid 19 liquidity loan, balance per 31.12.2021 was NOK 11,25 million (15,0). NOK 0,75 million (0,75) was down paid on the Capex facility, balance per 31.12.2021 was NOK 6,0 million (6,75). NOK 7,0 million (53,612) was drawn under the RCF per December 2021, NOK 0 million (46,612) in cash drawings and NOK 7,0 million (7,0) in guarantees.

The company's financial position is directly related to Enhanced Well Technologies as the company's assets are pledged as security for group loans. Enhanced Well Technologies AS has met the financial covenants during 2021. The senior facilities agreement has been amended and restated in December 2021 with

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amended headroom on covenants to enable for growth and building of new offshore equipment. Based on the Group's current trading and forecast, the Board does not expect a breach of covenants.

The key assumptions made in the impairment test reflect the Board's current assessment of Enhanced Well Technologies Group's potential to adapt to and benefit from trends in the oil services industry. Management believes that the expectations reflected in the forward-looking forecasts used as a basis for the impairment reviews, are reasonable. However, as the impairment valuations are based on forward looking information, they will involve estimates, risk and uncertainty.

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

Events after balance sheet date

In February 2022, Russia invaded Ukraine and strict sanctions have been imposed against Russia and Belarus. Enhanced Well Technologies and subsidiaries do not have any operations, personnel, or equipment in any of Russia, Belarus or Ukraine. The operation in Sakhalin in 2021 was completed well before year end, and we have currently no direct exposure to these countries. In our forecasts for future operations, activities in these countries are not included. Management are closely monitoring the market developments and adjusts its available resources and cost levels to meet the business activity level.



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Annual Result and Allocations

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

Loss for the year	TNOK (37.808)
Total loss allocated to retained earnings	TNOK (37.808)

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

Profit for the year	TNOK 91.431
Total profit allocated to retained earnings	TNOK 91.431

Straume, 23.06.2022

<p>DocuSigned by: <i>Martyn James Fear</i> 0C1D9ECB849741E...</p> <p>Martyn James Fear Chairman</p>	<p>DocuSigned by: <i>Gregory John Herrera</i> D04F151D52204B2...</p> <p>Gregory John Herrera Board Member</p>	<p>DocuSigned by: <i>Geert-Peter Van Giessel</i> 5D9CE30650E0409...</p> <p>Geert-Peter Van Giessel Board Member</p>
<p>DocuSigned by: <i>Kjell Erik Jacobsen</i> C9D65A70CE2749E...</p> <p>Kjell Erik Jacobsen Board Member</p>	<p>DocuSigned by: <i>Scott McKaig</i> 078DABE10DEB4C2...</p> <p>Scott William McKaig Board Member</p>	<p>DocuSigned by: <i>Erling Meinich-Bache</i> D5E139D5E14A493...</p> <p>Erling Meinich-Bache Board Member</p>



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated income statement

Revenues and expenses from continuing operations	Note	2021	2020
Revenue	30	277 193	245 345
Other operating revenue		16 952	20 625
Total operating revenue	5,6,7,29	294 145	265 970
Project costs		43 581	63 191
Payroll expenses	20,25	126 680	125 897
Impairment, depreciation and amortisation	8,9	115 017	130 440
Other operating expenses	25,26,30	33 093	49 640
Total operating expenses		318 370	369 169
Net operating loss		(24 225)	(103 198)
Financial income		15 198	11 370
Financial expenses		34 913	42 565
Net financial items	27	(19 715)	(31 195)
Loss before tax		(43 940)	(134 394)
Income tax	21	(6 132)	(8 317)
Net loss for the year		(37 808)	(126 077)
Loss attributable to equity holders		(37 808)	(126 077)
		(37 808)	(126 077)
Loss per share from continuing operations (NOK)	24	(76,60)	(293,61)
Loss per share including discontinuing operations (NOK)	24	(76,60)	(293,61)



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated statement of comprehensive income	2021	2020
Net loss for the year	(37 808)	(126 077)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences	441	909
Cash flow hedge	591	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	1 032	909
Total comprehensive loss for the period	(36 776)	(125 167)
Loss attributable to:		
- Owners of the company	(36 776)	(125 167)
	(36 776)	(125 167)



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated balance as of 31 December

Assets	Note	2021	2020
Non-current assets			
Intangible assets			
Deferred tax assets	21	3 347	3 234
Other intangibles	8	43 147	53 756
Goodwill	8	29 400	29 400
Total intangible assets		75 895	86 390
Tangible fixed assets			
Machinery and operating equipment	9	555 344	569 919
Total tangible fixed assets		555 344	569 919
Financial non-current assets			
Long term receivables	11	14 692	65
Total financial non-current assets		14 692	65
Total non-current assets	6	645 931	656 374
Current assets			
Inventories			
Inventories	12	23 981	24 864
Total inventories		23 981	24 864
Current receivables			
Trade receivables	13,14,29,30	76 435	70 529
Other receivables	15	12 312	8 306
Total current receivables	17	88 747	78 835
Financial assets at fair value			
Financial assets at fair value	17,28	611	-
Total financial assets at fair value		611	-
Bank deposits, cash in hand, etc.			
Bank deposits, cash in hand, etc.	16,17	8 861	46 536
Total bank deposits, cash in hand, etc.		8 861	46 536
Total current assets		122 199	150 236
Total assets		768 130	806 610



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated balance as of 31 December

Equity and liabilities	Note	2021	2020
Equity			
Paid in equity			
Share capital	18	510	485
Share premium fund		508 797	491 616
Total paid in equity	19	509 306	492 101
Earned equity			
Retained earnings		(196 951)	(160 177)
Total earned equity		(196 951)	(160 177)
Total equity		312 356	331 925
Liabilities			
Provisions for liabilities			
Deferred tax	21	53 551	60 199
Total provisions for liabilities		53 551	60 199
Non-current liabilities			
Debt to credit institutions	2,17,22	174 996	200 617
Deferred revenue, grants received for R&D	31	24 343	42 727
Other long term liabilities	26	43 360	47 042
Total non-current liabilities		242 699	290 386
Current liabilities			
Debt to credit institutions	2,17,22	29 850	70 387
Trade payables	2,29,30	30 961	27 019
Income tax payable	21	105	3
Other taxes payable		7 099	7 532
Other current liabilities	23,28	91 509	19 160
Total current liabilities		159 524	124 100
Total liabilities		455 774	474 685
Total equity and liabilities		768 130	806 610

Straume, 23.06.2022

<p>DocuSigned by: <i>Martyn James Fear</i> Martyn James Fear Chairman</p>	<p>DocuSigned by: <i>Gregory John Herrera</i> Gregory John Herrera Board Member</p>	<p>DocuSigned by: <i>Geert-Peter Van Giessel</i> Geert-Peter Van Giessel Board Member</p>
<p>DocuSigned by: <i>Kjell Erik Jacobsen</i> Kjell Erik Jacobsen Board Member</p>	<p>DocuSigned by: <i>Scott McKaig</i> Scott William McKaig Board Member</p>	<p>DocuSigned by: <i>Erling Meinich-Bache</i> Erling Meinich-Bache Board Member</p>



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated statement of changes in equity

	Share capital	Share premium fund	Total paid in equity	Translation effects	Retained earnings	Total equity
Closing balance 31.12.19	354	353 739	354 094	1 904	(36 914)	319 084
Increase in share capital 09.06.20	58	57 950	58 008	-	-	58 008
Increase in share capital 17.07.20	93	99 907	100 000	-	-	100 000
Redemption of shares and dividend 15.08.20	(19)	(19 981)	(20 000)	-	-	(20 000)
Profit for the period	-	-	-	-	(126 077)	(126 077)
Other comprehensive income	-	-	-	909	-	909
Adjustment to equity for 2020	131	137 877	138 008	909	(126 077)	12 840
Closing balance 31.12.2020	485	491 616	492 101	2 814	(162 990)	331 925
Increase in share capital 03.09.21	25	17 181	17 205	-	-	17 205
Profit for the period	-	-	-	-	(37 808)	(37 808)
Other comprehensive income	-	-	-	1 032	-	1 032
Adjustment to equity for 2021	25	17 181	17 205	1 032	(37 808)	(19 571)
Closing balance 31.12.2021	510	508 797	509 306	3 846	(200 799)	312 354



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Enhanced Well Technologies Group AS

Figures in TNOK

Consolidated statement of cash flows

	Note	2021	2020
Operating activities			
Loss before taxes from continuing operations		(43 940)	(134 394)
Profit before taxes from discontinued operations		-	-
Loss before tax		(43 940)	(134 394)
Non-cash adjustments to reconcile loss before tax to net cash flows			
Impairment, depreciation and amortisation	8,9	115 017	130 440
Finance income	27	(15 198)	(11 370)
Finance costs	27	34 913	42 565
Working capital adjustments:			
Decrease (increase) in trade and other receivables and prepayments		(9 954)	58 217
Decrease (increase) in inventory		884	2 876
Decrease in trade and other payables		3 942	(27 432)
Decrease (increase) in other provisions		49 341	(36 512)
		135 005	24 390
Interest received		45	42
Income tax paid		(516)	(707)
Net cash flow from operational activities		134 534	23 725
Investing activities			
Capital expenditure for property, plant and equipment and intangible assets	8,9	(68 103)	(23 291)
Other long term receivables	11	(14 586)	-
Net cash flows used in investing activities		(82 688)	(23 291)
Financing activities			
Proceeds from borrowings		-	65 000
Repayment of borrowings		(86 639)	(87 065)
Arrangement fee borrowings		(600)	(696)
Proceeds from equity		17 205	80 000
Interest paid		(19 487)	(23 034)
Net cash flow from (used) in financing activities		(89 521)	34 205
Net increase in cash and cash equivalents		(37 675)	34 638
Cash and cash equivalents at start of period		46 536	11 898
Cash and cash equivalents at end of period	16	8 861	46 536



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1 Accounting principles

Company information

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

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

The consolidated financial statements of Enhanced Well Technologies Group AS, for the full year 2021 were authorized for issue in accordance with the resolutions of the Board of Directors 23.06.2022.

Statement of compliance

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

Significant accounting policies

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

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

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

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

Basis of consolidation

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

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

Reportable segments

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

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

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency of the entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated



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in foreign currencies are translated into the functional currency at the rate of exchange at the balance sheet date. Realized and unrealized currency gains or losses are included in Financial expense.

Presentation currency

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

Business combinations

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

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

Revenue recognition

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

rebates and discounts and after eliminating sales within the Group.

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

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

The Group's operations mainly consist of services related to personnel and equipment hire. Consequently, the revenue recognition is based on daily/monthly rates and actual registered hours. Revenue is recognized when it is probable that transactions will generate future economic benefits that will flow to the company and the revenue amount can be reliably estimated. Revenues from the sale of goods are recognized in the income statement once delivery has taken place, the risk has been transferred and the company has established a receivable due by customer.



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

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

Public grants

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

Other income, net

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

Classification of assets and liabilities

Assets are classified as current assets when:

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

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

- the asset is cash or cash equivalent

All other assets are classified as non-current.

Liabilities are classified as current liabilities when:

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

- the liability is kept for trading purposes;

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

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

All other liabilities are classified as non-current.

Intangible assets

(a) Goodwill

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



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

(b) Trademarks and licenses

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

(c) Contractual customer relationships

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

(d) Computer software

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

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

costs include the software development employee costs and an appropriate portion of relevant overheads.

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

(e) Research and development

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

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

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

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

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

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

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

Recognized development costs are depreciated on a straight-line basis over the estimated useful life of the asset (5-8 years). The recoverable amount of the development costs will be estimated when there is an indication of impairment or that the need for previous periods' impairment



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losses no longer exists and should be reversed to the original cost.

(f) Other intangible assets

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

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

Property, plant and equipment

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

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

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

- Machinery 5-10 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

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

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

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

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

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

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

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

IFRS 16 Leases

IFRS 16 was issued in January 2016. It results in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is



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removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized.

The impact of IFRS 16 is that implementation of the standard results in significant leases that previously were treated as operating leases, wherein costs were recorded as operating expenses as under previous standard. The effect of implementation of the standard is increased assets and increased liabilities, and that operating profit before depreciation, financial items and tax (EBITDA) is improved.

The Group has adopted the standard from using the simplified approach. The Group has implemented the standard by applying the exceptions in the standard to exclude short-term and low-value leases. When considering the relevant rental period in the lease contracts, options to extend the contracts are included to the extent that they are very likely to be exercised. When calculating the present value of the lease contracts alternative borrowing rates for similar assets in similar economic environments are applied as discount rate.

Impairment of non-financial assets

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

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

Financial assets

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in



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this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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

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

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio;
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the



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amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

Inventories

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

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

Cash and cash equivalents

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

Borrowings

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

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

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

Current and deferred income tax

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

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



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

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

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

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

Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance

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

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

(b) Termination benefits

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



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(c) Bonus plans

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

Provisions

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

Contingent liabilities

Contingent liabilities are defined as:

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

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

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

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

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

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

Cash Flow Statement

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

New standards and interpretations not yet adopted

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



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1 Accounting principles

The Covid-19 virus pandemic

The coronavirus (Covid-19) pandemic has been declared a global emergency by the World Health Organisation (WHO), and has made countries, organisations and Enhanced Well Technologies Group take measures to mitigate risk for employees and business operations. The pandemic continues to progress and evolve, and at this juncture it is challenging to predict the full extent and duration of resulting operational and economic impact for the Group. A continued development of the pandemic and mitigating actions enforced by health authorities create uncertainty related to key assumptions applied in the valuation of our assets and measurement of our liabilities. These key assumptions include commodity prices, changes to demand for and supply of oil and gas, and the discount rate to be applied.



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2 Financial risk management

Figures in TNOK

Financial risk factors

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

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates, and hedges financial risks in cooperation with the Group's operating units. The board provides risk management policies covering specific areas, such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP, US, and Australian Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Group policy is that long-term borrowings shall be based on floating interest rates, however interest rate derivatives shall be applied in order to avoid significant losses due to interest rate changes.

(b) Credit risk

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

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

The Group's main bank at 31 December 2021 and 2020 is DNB Bank ASA where the majority of group cash is deposited. In addition, the Group has other local banking relations in countries where DNB does not provide local services.

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

Counterparty	Rating		2021		2020	
	Moody`s	S&P	Overdraft facility limit	Cash balance in DNB Bank ASA	Overdraft facility limit	Cash balance in DNB Bank ASA
DNB Bank ASA	Aa2	AA-	58 000	5 533	58 000	43 483

In addition the Group has a CAPEX Facility of TNOK 50 000.



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2 Financial risk management (cont.)

Figures in TNOK

(c) Liquidity risk

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

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

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	29 850	26 100	154 300	-
Derivative financial instruments (interest rate swap)	-	428	-	-
Trade and other payables	122 470	-	-	-

2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	70 387	29 850	178 525	-
Derivative financial instruments (interest rate swaps & collars)	-	2 000	-	-
Trade and other payables	46 178	-	-	-

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There were no dividends in 2021.

The gearing ratios, defined as net debt to total capital, at 31 December 2021 and 2020 were as follows:

	2021	2020
Total borrowings (excluding capitalized arrangement fees)	210 250	278 762
Less: cash and cash equivalents	(8 861)	(46 536)
Net debt	201 389	232 225
Total equity	312 356	331 925
Total capital	768 130	806 610
Gearing ratio	26 %	29 %



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2 Financial risk management (cont.)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRSs and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies applied by Enhanced Well Technologies Group in which judgments, estimates and assumptions may significantly differ from actual results are addressed below.

Impairment of non-current assets

Enhanced Well Technologies Group accounts for the impairment of non-current assets in accordance with IAS 36 Impairment of Assets. Under IAS 36 Enhanced Well Technologies Group are required to assess the conditions that could cause an asset to become impairment at least annually, and to perform a recoverability test for potentially impaired assets held by the entity. Impairment exists when the carrying value of an assets or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value to use.

Directly observable market prices rarely exist for Enhanced Well Technologies Group' assets, however, fair value may be estimated based on recent observed transactions on comparable assets, bids or other discussions of potential transaction involving the asset, or internal models used by Enhanced Well Technologies Group for transactions involving the same type of assets. The value in use calculation is based on a discounted cash flow model. The cash flow is derived from budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. Such estimate are subjects to a number of assumptions including the useful lives of assets, replacement costs and the timing and amounts of certain future cash flows, which may be dependent on future prices, future activity, currency rates, and a suitable discount rate in order to calculate present value. While Enhanced Well Technologies Group believe that the assumptions are appropriate, such amounts estimated could differ materially from what will occur in the future.



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3 Critical accounting estimates and judgements (cont.)

Impairment of goodwill

In accounting for the acquisition of business, Enhanced Well Technologies Group is required to determine the fair value of assets, liabilities, intangible assets, and contingent liabilities at the time of acquisition. In case of business combination achieved in stages, Enhanced Well Technologies Group must also estimate the fair value of the existing ownership interest when it gains control. Any excess purchase price is included in goodwill.

In the business Enhanced Well Technologies Group operates, fair values of individual assets and liabilities are normally not readily observable in active markets, which require Enhanced Well Technologies Group to estimate the fair value of acquired assets and liabilities through valuation techniques. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from cash-generating units. See discussion above regarding impairment of non-current assets.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definitions of a derivative and, thus a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Capitalised development costs

Certain development costs are capitalised when it is probable that a development project will generate future economic benefits and certain criteria, including commercial and technological feasibility, have been met. These costs are then amortised on a systematic basis over their expected useful lives. During the development stage, management must estimate the commercial and technological feasibility of these projects as well as their expected useful lives.

Whenever there is an indicator that development costs capitalised for a specific project may be impaired, the recoverable amount of the asset is estimated. See discussion above regarding impairment of non-current assets.

Trade receivables

Calculation of provision for impairment of trade receivables is based on a number of estimates. Areas including significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are all considered indicators that the trade receivable is impaired. However, assessing the fair value of the amounts recoverable is highly judgmental and incomplete or incorrect information could lead to significant changes in the recoverable amounts.

Income tax

Enhanced Well Technologies Group calculates income tax expense based on reported income in the different legal entities. Deferred income tax expense is calculated based on the differences between the assets' carrying value for financial reporting purposes and their respective tax basis that are considered temporary in nature. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the many tax jurisdictions where Enhanced Well Technologies Group operates. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the near future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the result for each reporting period. Tax authorities in different jurisdictions may challenge Enhanced Well Technologies Group's calculation of tax payable from prior periods. Such process may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change. During the period when tax authorities may challenge the taxable income, management is required to make estimates of the probability and size of possible tax adjustments. Such estimates may change as additional information becomes known.



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4 Business combinations

Figures in TNOK

During 2021, a reorganization of the Group was carried out. IKM Cleandrift AS was sold from Enhanced Well Technologies AS to Enhanced Drilling Holding AS. Further Enhanced Drilling AS has entered into a merger with its sister companies Enhanced Drilling Assets AS and IKM Cleandrift AS. For accounting purposes, the mergers have been carried out with continuity with effect from January 1st 2021. There were no acquisitions in the year ended 31 December 2020.

On 15 July 2019, the Group acquired 100 % of the share capital in Enhanced Drilling Holding AS and its subsidiaries. Enhanced Drilling is a provider of specialist drilling technology and services to the international offshore oil and gas industry. The company's head office is in Straume (near Bergen), Norway.

Enhanced Drilling has, for 35 years, built an enviable track record and world-class reputation for its innovative offshore drilling technology and services which have been deployed on more than 1 000 wells. Enhanced Drilling provides services within EC-Drill - Managed Pressure Drilling system, RMR - Riserless Mud Recovery system, MPC - Managed Pressure Cementing System, and CTS - Cuttings Transportation system.

On 15 November 2019, the Group acquired 100 % of the share capital in IKM Cleandrift AS and its subsidiary. IKM Cleandrift is a service provider to the global offshore drilling industry. The company specializes in drilling fluid handling at top hole drilling and has developed a new generation of riserless mud recovery technology. The company's head office was in Straume (near Bergen), Norway.

The acquisition of Enhanced Drilling and IKM Cleandrift is part of a strategic plan to develop industry-leading services in riserless mud recovery and managed pressure drilling.

The purchase price allocation has been performed with assistance from third-party valuation experts. The fair values of the identifiable assets and liabilities of the business as the acquisition date 15 July 2019 and 15 November 2019 were:

Fair values as of acquisition date	Enhanced Drilling	
	Holding AS	IKM Cleandrift AS
Assets		
Goodwill	-	41 600
Deferred tax assets	3 526	600
Patent research and development	53 556	17 500
Fixed assets	388 227	278 500
Financial fixed assets	65	-
Inventories	26 334	-
Trade receivables	63 710	46 200
Other current assets	7 386	9 900
Cash and cash equivalents	5 009	100
Total assets	547 813	394 400
Total equity	4 052	201 900
Deferred tax	36 717	31 900
Pension liabilities	1 233	-
Other provisions for liabilities	60 382	54 100
Credit facility	-	79 600
Group loan	368 890	(500)
Trade payables	41 098	12 100
Tax payable	3	4 200
Employees tax deductions, other deductions	4 574	2 100
Public duties	(409)	-
Other current liabilities	31 272	9 000
Total shareholders' equity and liabilities	547 813	394 400



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5 Segments

Figures in TNOK

Segment information for 2021 and 2020 is reported in accordance with the reporting to Group Executive Management (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. The accounting principles for the segment reporting are consistent with those applied by the Group. Segment result is defined as EBITDA before other income and expenses.

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

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

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

Geographical segments 2021	Australia	Azerbaijan	Brazil	Canada	Norway	UK	USA	Elim	Total
Profit and Loss Account									
External operating revenues	17 922	(160)	-	-	238 293	529	37 561	-	294 145
Intercompany operating revenues	61	-	-	-	41 219	20	2 155	(43 455)	(0)
Project expenses/payroll expenses	(13 514)	(1 662)	-	19	(143 217)	(650)	(47 154)	35 918	(170 260)
Other operating expenses	(1 924)	(137)	(530)	(104)	(26 705)	(1 357)	(9 695)	7 360	(33 093)
EBITDA¹	2 545	(1 960)	(530)	(86)	109 590	(1 458)	(17 133)	(177)	90 792
Impairment, depreciation and amortisation	(215)	-	-	(86)	(112 231)	(473)	(153)	(1 345)	(115 017)
Operating profit loss	2 330	(1 960)	(530)	(86)	(2 642)	(1 930)	(17 286)	(2 122)	(24 225)
Net financial items	(2 940)	4	(367)	-	(15 371)	(444)	741	(1 340)	(19 715)
Tax	(30)	(4)	(130)	684	(638)	-	(398)	6 648	6 132
Balance									
Non-current assets	538	-	7 869	-	641 391	-	4 119	(7 985)	645 931
Total assets ¹	3 645	-	8 196	-	711 828	1 129	51 317	(7 985)	768 130
Capex	228	-	-	-	89 626	-	422	-	90 276

Segment information 2020	Australia	Azerbaijan	Brazil	Canada	Norway	UK	USA	Elim	Total
Profit and Loss Account									
External operating revenues	16 811	38 225	-	-	157 036	8 518	45 380	-	265 970
Intercompany operating revenues	775	-	-	812	56 185	5 623	2 926	(66 322)	-
Project expenses/payroll expenses	(16 992)	(28 949)	-	(1 228)	(134 532)	(13 068)	(50 801)	56 481	(189 088)
Other operating expenses	(2 337)	(7 036)	(549)	(1 945)	(33 885)	(2 903)	(9 266)	8 280	(49 640)
EBITDA¹	(1 742)	2 241	(549)	(2 361)	44 804	(1 831)	(11 761)	(1 560)	27 242
Depreciation and amortisation	(92)	-	-	(5)	(86 277)	(2 783)	(46)	(41 238)	(130 440)
Operating loss	(1 834)	(1 834)	(549)	(2 366)	(41 473)	(4 613)	(11 807)	(42 798)	(103 198)
Net financial items	4 105	(1 170)	(3 069)	(14)	(30 001)	(296)	(678)	(70)	(31 195)
Tax	-	-	(4)	2 434	(761)	-	-	6 648	8 317
Balance									
Non-current assets	542	-	7 954	-	652 226	1 400	3 730	(9 478)	656 374
Total assets	6 645	-	8 806	689	767 048	3 422	31 436	(11 437)	806 609
Capex	175	-	-	-	23 426	-	531	-	24 133

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



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6 Geographical segment information

Figures in TNOK

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

Total operating revenues	2021	2020
Norway	149 351	119 419
Europe ex. Norway	70 054	46 703
Australia	35 276	14 711
America	38 708	53 803
Asia	757	18 538
Africa	-	12 795
Total	294 145	265 970

Non-current assets	2021	2020
Norway	641 274	652 109
Europe ex. Norway	-	-
Australia	538	542
America	4 119	3 723
Asia	-	-
Africa	-	-
Total	645 931	656 374

7 Operating revenues

Figures in TNOK

Operating revenue comprises:	2021	2020
Sale of goods	58	269
Sale of services	277 135	245 077
Total revenue	277 193	245 345
Rental of premises	433	-
Profit from sale of fixed assets	-	131
Recognised grants	16 488	20 094
Other sales	31	400
Total other operating revenue	16 952	20 625
Total operating revenue	294 145	265 970



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8 Intangible assets

Figures in TNOK

	Goodwill	Self-developed patent/ development project	Total
2021			
Historical cost 01.01.	41 600	236 094	277 694
Additions	-	-	-
Disposals	-	-	-
Conversion variances	-	-	-
Historical cost 31.12.	41 600	236 094	277 694
Accumulated amortisation 01.01.	-	105 350	105 350
Amortisation of the year	-	10 609	10 609
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
Amortisation 31.12.	-	115 959	115 959
Accumulated impairments 01.01.	12 200	76 988	89 188
Impairments for the year	-	-	-
Conversion variances	-	-	-
Accumulated impairments 31.12.	12 200	76 988	89 188
Book value 31.12.	29 400	43 147	72 547
Amortisation rates		5-20 years	
Amortisation method		Linear	
Self-developed assets are started amortized when they are fully developed.			

	Goodwill	Self-developed patent/ development project	Total
2020			
Historical cost 01.01.	41 600	235 858	277 458
Additions	-	236	236
Disposals	-	-	-
Exchange differences	-	-	-
Historical cost 31.12.	41 600	236 094	277 694
Accumulated amortisation 01.01.	-	93 330	93 330
Amortisation of the year	-	12 021	12 021
Disposals amortisation during the year	-	-	-
Conversion variances	-	-	-
Amortisation 31.12.	-	105 350	105 350
Accumulated impairments 01.01.	-	76 988	76 988
Impairments for the year	12 200	-	12 200
Conversion variances	-	-	-
Accumulated impairments 31.12.	12 200	76 988	89 188
Book value 31.12.	29 400	53 756	83 156
Amortisation rates		5-20 years	
Amortisation method		Linear	
Self-developed assets are started amortized when they are fully developed.			

Goodwill for each acquisition	2021	2020
IKM Cleandril AS	29 400	29 400

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

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

The key assumptions used for value-in-use calculations are as follows:

	2021	2020
Margin	37,0 %	47,0 %
Discount rate	13,8 %	11,8 %



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9 Fixed assets

Figures in TNOK

	Right of use assets		Machinery and operating equipment		Total
	assets	Building			
2021					
Historical cost 01.01.	24 999	446	1 569 338		1 594 784
Additions	22 173	-	68 103		90 276
Disposals	(2 248)	-	(5)		(2 253)
Conversion variances	116	-	74		190
Historical cost 31.12.	45 041	446	1 637 510		1 682 997
Accumulated depreciation 01.01.	15 158	265	935 025		950 448
Depreciation of the year	6 195	50	97 046		103 292
Disposals depreciation during the year	(1 782)	-	-		(1 782)
Conversion variances	46	-	61		107
Accumulated depreciations 31.12.	19 617	316	1 032 132		1 052 065
Accumulated impairments 01.01.	1 859	-	72 557		74 416
Impairment of the year	-	-	1 117		1 117
Disposals impairment during the year	-	-	-		-
Conversion variances	43	-	11		54
Accumulated impairments 31.12.	1 902	-	73 686		75 587
Book value 31.12.	23 522	130	531 692		555 344
Depreciation rates	3 - 8 years	8 years	3 - 10 years		
Depreciation method	Linear	Linear	Linear		
2020					
Historical cost 01.01.	24 123	446	1 548 558		1 573 127
Additions	841	-	23 055		23 897
Disposals	-	-	(2 354)		(2 354)
Conversion variances	35	-	79		114
Historical cost 31.12.	24 999	446	1 569 338		1 594 784
Accumulated depreciation 01.01.	6 881	215	841 115		848 211
Depreciation of the year	8 301	50	96 004		104 356
Disposals depreciation during the year	-	-	(2 136)		(2 136)
Conversion variances	(24)	-	42		18
Accumulated depreciations 31.12.	15 158	265	935 025		950 448
Accumulated impairments 01.01.	-	-	72 568		72 568
Impairment of the year	1 864	-	-		1 864
Disposals impairment during the year	-	-	-		-
Conversion variances	(5)	-	(11)		(16)
Accumulated impairments 31.12.	1 859	-	72 557		74 416
Book value 31.12.	7 982	181	561 756		569 919
Depreciation rates	3 - 8 years	8 years	3 - 10 years		
Depreciation method	Linear	Linear	Linear		

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

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

10 Group entities

Company	Head Office	Owner	Equity interest/ voting share	
			2021	2020
Enhanced Drilling AS	Straume-Norway	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Assets AS	Straume-Norway	Enhanced Drilling Holding AS	-	100 %
Enhanced Drilling Australia Pty Ltd	Perth-Australia	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Canada Inc	St. Johns-Canada	Enhanced Drilling Inc	-	100 %
Enhanced Drilling Holding AS	Straume-Norway	Enhanced Well Technologies AS	100 %	100 %
Enhanced Drilling Inc	Houston-USA	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling Services do Brasil Ltda	Rio de Janeiro-Brasil	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Drilling UK Ltd	Aberdeen-UK	Enhanced Drilling Holding AS	100 %	100 %
Enhanced Well Technologies AS	Straume-Norway	Enhanced Well Technologies Group AS	100 %	100 %
IKM Cleandrill AS	Straume-Norway	Enhanced Well Technologies AS	-	100 %
IKM Cleandrill Australia Pty Ltd	Perth-Australia	IKM Cleandrill AS	100 %	100 %

During 2021, Enhanced Drilling AS has entered into a merger with its sister companies Enhanced Drilling Assets AS and IKM Cleandrill AS. For accounting purposes, the mergers have been carried out with continuity with effect from January 1st 2021.

Enhanced Drilling Canada Inc has been dissolved during 2021.



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11 Long term receivables

Figures in TNOK

	2021	2020
Security deposit	65	65
Loan EWTG MIP AS	14 627	-
Long term receivables 31.12.	14 692	65

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

12 Inventory

Figures in TNOK

	2021	2020
Stocks	-	-
Work in progress	-	-
Finished goods	23 981	24 864
Inventories 31.12.	23 981	24 864

All amounts are net of any write-downs for obsolescence. For 2021 and 2020 the total accumulated write-down for obsolescence included in inventory is TNOK 1 000.

13 Trade receivables

Figures in TNOK

	2021	2020
Trade debtors at nominal value	54 536	34 489
Revenues not invoiced	21 899	36 040
Provisions for bad debt	-	-
Trade receivables 31.12.	76 435	70 529

14 Aging trade debtors at nominal value

Figures in TNOK

	2021	2020
Receivables not overdue	73 286	52 813
Receivables overdue up to 3 months	3 263	18 336
Receivables overdue more than 3 months	(114)	(620)
Provision	-	-
Trade debtors 31.12.	76 435	70 529

15 Other current receivables

Figures in TNOK

	2021	2020
Other taxes receivables	6 742	1 308
Advanced payments to suppliers	4 764	4 247
Advanced payments employees	257	231
Other prepaid expenses	378	2 500
Other current assets	172	20
Other current receivables 31.12.	12 312	8 306

16 Cash and cash equivalents

Figures in TNOK

	2021	2020
Cash	-	2
Bank deposits	8 861	46 534
Cash and cash equivalents 31.12.	8 861	46 536

Of which is restricted deposits - -

Unused overdraft facilities 31.12. 51 000 4 388



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17 Financial instruments by category

Figures in TNOK

The accounting policies for financial instruments have been applied to the items below:

2021	Loans and receivables	Assets at fair value through the profit and loss	Total
Assets as per balance sheet			
Currency cash flow hedge	611	-	611
Trade and other receivables	88 747	-	88 747
Cash and cash equivalents	8 861	-	8 861
Total	98 219	-	98 219

2021	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Currency cash flow hedge	-	20	-	20
Interest rate swap	-	428	-	428
Borrowings - DNB Bank ASA	-	-	204 846	204 846
Total	-	428	204 846	205 274

2020	Loans and receivables	Assets at fair value through the profit and loss	Total
Assets as per balance sheet			
Trade and other receivables	78 900	-	78 900
Cash and cash equivalents	46 536	-	46 536
Total	125 436	-	125 436

2020	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Interest rate swap	-	2 000	-	2 000
Borrowings - DNB Bank ASA	-	-	271 004	271 004
Total	-	2 000	271 004	273 004



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18 Share capital and shareholder information

At 31 December 2021 (2020) the company had a share capital of NOK 509 915 (485 405) divided into 471 194 (446 684) A-shares with total face value of NOK 471 194 (446 684) and 38 721 (38 721) B-shares with total face value of NOK 38 721 (38 721), in total 509 915 (485 405) shares each with a face value of NOK 1. All issued shares are fully paid.

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

Shareholders in Enhanced Well Technologies Group AS, as well as shares held by executive employees and board members including shares owned by affiliated individuals and companies, were at 31 December 2021 and 2020 as follows:

Shareholders 2021	A-shares	B-shares	Number of shares	Equity interest
EV Private Equity V Plus LP	181 504	-	181 504	35,6 %
Shell Ventures B.V.	96 000	-	96 000	18,8 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,2 %
IKM Gruppen AS	62 225	3 692	65 917	12,9 %
EWTG MIP AS	24 510	-	24 510	4,8 %
IKM Testing AS	-	20 442	20 442	4,0 %
Socap AS	-	8 516	8 516	1,7 %
CDI AS	6 255	2 687	8 942	1,8 %
HC Invest AS	6 254	2 687	8 941	1,8 %
Kråko Invest AS	1 853	697	2 550	0,5 %
Total shareholders	471 194	38 721	509 915	100,0 %

Board

Thomas Arthur Hasler (owned via CDI AS)			8 942	1,8 %
Total shares owned by board members			8 942	1,8 %

Shareholders 2020	A-shares	B-shares	Number of shares	Equity interest
EV Private Equity V Plus LP	181 504	-	181 504	37,4 %
Shell Ventures B.V.	96 000	-	96 000	19,8 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	19,1 %
IKM Gruppen AS	62 225	3 692	65 917	13,6 %
IKM Testing AS	-	20 442	20 442	4,2 %
Socap AS	-	8 516	8 516	1,8 %
CDI AS	6 255	2 687	8 942	1,8 %
HC Invest AS	6 254	2 687	8 941	1,8 %
Kråko Invest AS	1 853	697	2 550	0,5 %
Total shareholders	446 684	38 721	485 405	100,0 %

Board

Thomas Arthur Hasler (owned via CDI AS)			8 942	1,8 %
Total shares owned by board members			8 942	1,8 %

19 Share capital and premium

Figures in TNOK

	Number of shares (thousand)	A-Shares	B-Shares	Share premium	Total
31.12.19	354	354	-	353 739	354 094
09.06. Shares issued	58	-	58	57 950	58 008
17.07. Shares issued	93	93	-	99 907	100 000
15.08. Redemption of shares and dividend	(19)	-	(19)	(19 981)	(20 000)
31.12.20	485	447	39	491 616	492 101
03.09. Shares issued	25	25	-	17 181	17 205
31.12.21	510	471	39	508 797	509 306



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20 Pensions and pension commitments

Figures in TNOK

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

Contribution plan

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

Defined benefit plan

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

	2021	2020
Cost contribution plan	7 045	6 289
Cost defined benefit scheme	-	-
Total pension costs	7 045	6 289
	2021	2020
Pension commitments	1 052	1 229
Total pension commitments	1 052	1 229



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21 Tax

Figures in TNOK

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

	2021	2020
Current income tax expense Norway	-	-
Current income tax expense abroad	516	707
Changes in deferred tax Norway	(6 648)	(9 024)
Change in deferred tax abroad	-	-
Income tax expense (from continuing operations)	(6 132)	(8 317)
Reconciliation of tax payable		
Tax payable in profit and loss account	155	-
Prepaid tax	(821)	(3 138)
Tax, international	771	3 140
Tax payable in balance sheet	105	3
Reconciliation of nominal and effective tax rate		
Pre-tax result	(43 940)	(134 394)
Applicable tax with tax rate 22%	(9 667)	(29 567)
Variance, actual and expected income tax expense	3 535	21 250
Explanation of why actual tax cost deviates from expected tax cost		
Tax effect from non-deductible costs	8 286	5 114
Tax effect from non-taxable income	(8 329)	(91)
Tax effect from impairment	-	(2 684)
Tax losses for which no deferred income tax asset was recognised	2 815	15 835
International tax rate deviates from Norwegian tax rate	763	3 075
Variance compared to applicable tax rate	3 535	21 249
Deferred tax assets as of 31.12.	3 347	3 234
Deferred tax liability as of 31.12.	53 551	60 199
Balance sheet value	50 204	56 965

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

The Group have not recognised deferred income tax assets of TNOK 172 424 (165 738) in respect of losses amounting to TNOK 774 343 (741 725), related to Australian, Norwegian, UK, and US companies, that can be carried forward against future taxable income.

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

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

	2021	2020
Basis for deferred tax		
Receivables	(61 050)	(61 050)
Inventory	(1 000)	(1 000)
Other current balance sheet items	(6 901)	(5 808)
Amount linked to current balance sheet items	(68 951)	(67 858)
Fixed assets and intangible assets	271 648	311 064
Long term receivables	(50)	(605)
Profit and loss account	(619)	(774)
Interest cut off on intra group loans	(68 082)	(75 082)
Loss carried forward	(783 382)	(751 318)
Amount linked to long-term balance sheet items	(580 486)	(516 716)
Total basis for deferred tax assets	(649 437)	(584 573)



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22 Debt to credit institutions

Figures in TNOK

	2021	2020			
Long-term debt to credit institutions	175 150	202 375			
Capex Facility	5 250	6 000			
Capitalised arrangement fee deducted	(5 404)	(7 758)			
Total long-term debt to credit institutions	174 996	200 617			
	2021	2020			
Short-term debt to credit institutions	-	46 612			
First year installment on long-term debt	29 850	23 775			
Capitalised arrangement fee deducted	-	-			
Total short-term debt to credit institutions	29 850	70 387			
Guaranteed liabilities	2021	2020			
Total guaranteed liabilities	210 250	278 762			
Average interest rate NOK loans	5,9 %	6,6 %			
Amortization profile Debt to Credit Institutions	2022	2023	2024	Thereafter	Total
Revolving Facility	-	-	-	-	-
CAPEX Facility	750	750	4 500	-	6 000
Long-term loans	29 100	25 350	149 800	-	204 250
Total	29 850	26 100	154 300	-	210 250

The Group has a long-term loan facility of TNOK 262 000, a government-guaranteed Covid-19 liquidity loan of TNOK 15 000, a CAPEX facility of TNOK 50 000, and a revolving facility (the "RCF") of TNOK 58 000.

During 2021 (2020) there was made installments on the long-term loan of TNOK 17 400 (40 800), balance per 31.12.2021 was TNOK 193 000 (210 400). During 2021 TNOK 3 750 (0) in installments was paid on the Covid 19 liquidity loan, balance per 31.12.2021 was TNOK 11 250 (15 000). TNOK 750 (750) was down paid on the Capex facility, balance per 31.12.2021 was TNOK 6 000 (6 750). TNOK 7 000 (53 612) was drawn under the RCF per December 2021, TNOK 0 (46 612) in cash drawings and TNOK 7 000 (7 000) in guarantees.

The Credit Facilities Agreement entered into with DNB Bank ASA includes the following financial covenants as agreed per December 2021:

(a) Cash flow cover:

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

(b) Leverage cover:

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

Relevant Period expiring	Cash flow cover ratio	Leverage cover ratio
31 December 2021	0,70	3,17
31 March 2022	0,25	3,20
30 June 2022	0,30	2,50
30 September 2022	-0,35	2,50
31 December 2022	0,50	2,50
31 March 2023	1,00	2,50
Each relevant period expiring thereafter	1,00	2,25

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

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

23 Other current liabilities

Figures in TNOK

	2021	2020
Holiday pay and wages due	17 381	12 822
Advances from customers	71 472	3 005
Incurring interest cost	1 757	1 569
Accrued costs	819	1 763
Other current liabilities	62	-
Currency cash flow hedge at fair value	20	-
Total	91 509	19 160



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24 Earnings per share

Figures in TNOK

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

Basis for calculation of earnings per share	2021	2020
Net result allocated to shareholders from continuing operations	(37 808)	(126 077)
Net result allocated to shareholders including discontinued operations	(37 808)	(126 077)
Weighted average number of outstanding shares excluding treasury shares	494	429
Earnings per share from continuing operations (NOK)	(76,60)	(293,61)
Earnings per share including discontinuing operations (NOK)	(76,60)	(293,61)

25 Wages, fees, number of employees etc.

Figures in TNOK

	2021	2020
Wages	103 711	103 544
Employers' social security contributions	13 749	14 156
Pension costs	7 045	6 289
Other remunerations	8 205	4 163
Hired personnel	186	2 881
Capitalised wages	(6 216)	(5 136)
Total	126 680	125 897
Average number of man-labour years	94	108

The Covid-19 pandemic continued to be a challenge into 2021. The offshore activity remained lower than normal. Various regulations have been implemented by different governments and customers to slow the spread of the Covid-19 virus. As a direct consequence, Enhanced Drilling experienced increased costs levels.

As a response to the decline in activity caused by the Covid-19 pandemic, Enhanced Drilling executed a program to implement cost reductions and increase efficiency during 2020. The cost reduction program has carried on into 2021. The offshore activity levels regained some traction as the vaccine rollout progressed in the first half of 2021, which eventually led to reopening of borders and restrictions being lifted.

Pension costs are described in detail in Note 20 Pensions and Pension commitments.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other Group executives and members of the parent company's board accordingly for 2021 and 2020 were:

2021	Wages	Pension premiums	Other remuneration	Total
CEO - Kjetil Lunde	2 184	78	14	2 276
Chariman of the Board - Martyn James Fear	255	-	-	255
Total	2 439	78	14	2 531

2020	Wages	Pension premiums	Other remuneration	Total
CEO - Thomas Arthur Hasler until 24.09.2020	1 654	-	-	1 654
CEO - Kjetil Lunde from 24.09.2020	545	19	3	567
Chariman of the Board - Martyn James Fear	255	-	-	255
Total	2 455	19	3	2 477

Per 31.12.2021 and 31.12.2020 there are no loans or guarantees to the CEO or to members of the board. No related parties to these have loans or guarantees from the group.

An annual companywide bonus scheme has been implemented in 2022. The CEO has a performance-based bonus agreement. Bonus may not exceed 50% of the annual salary for CEO. No bonus payments have been made in 2021.



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25 Wages, fees, number of employees etc. (cont.)

Figures in TNOK

Auditor's fee

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

Specification of auditor's fee excl. VAT

	2021	2020
Fees for audit of annual accounts	2 038	1 689
Fees for other attestation services	9	175
Fees for tax-related services	792	540
Fees for other services	120	84
Total	2 959	2 488

26 Leasing

Figures in TNOK

The company has adopted IFRS 16 using the simplified approach. The company has implemented the standard by applying the exceptions in the standard to exclude short-term and low-value leases. See note 9 for capitalized lease agreements. Short term leases, low value leases and variable elements of lease agreements as shared cost and government charges are all recognised as operating expenses. Ordinary utility cost is not included as part of note 26.

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

	2021	2020
Land, buildings and permanent property	2 221	5 189
Apartments	215	352
Machinery and operating equipment	347	1 119
Total	2 782	6 660

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

Lease liabilities

	2021	2020
IFRS 16 lease liabilities	25 332	10 700
Lease liabilities related to lease contracts	16 976	35 103
Total	42 308	45 803

27 Financial income and expenses

Figures in TNOK

	2021	2020
Interest income	45	42
Currency gain	15 119	11 348
Other financial income	34	(20)
Financial Income	15 198	11 370
Interest expense	19 487	23 034
Currency loss	15 921	17 204
Unrealised loss on interest swap	(1 572)	2 000
Other financial expense	1 076	327
Financial expenses	34 913	42 565
Net financial items	(19 715)	(31 195)



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28 Derivates

Figures in TNOK

As of 31 December 2021, the Group has foreign exchange contracts to hedge future sales to customers in USD. Forward exchange derivatives are utilised to hedge currency risk related to projected future sales. Interest rate swap is utilised to manage interest rate risk by converting from floating to fixed interest rate. The Group has not applied hedge accounting for the interest rate swap agreement.

The table below displays the fair value of derivative financial instruments, and the impact on the cash flow hedges on profit and loss and equity, as of 31 December 2021 and 2020.

	2021				2020			
	Assets	Liabilities	Recognized in P&L	Deferred in equity	Assets	Liabilities	Recognized in P&L	Deferred in equity
Interest rate swap	-	428	1 572	-	-	2 000	(2 000)	-
Foreign exchange contracts	611	20	-	591	-	-	-	-
Total	611	448	1 572	591	-	2 000	(2 000)	-
Non-current portion								
Interest rate swap	-	428			-	2 000		
Foreign exchange contracts	-	-			-	-		
Non-current portion	-	428			-	2 000		
Current portion	611	20			-	-		

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

Interest rate derivatives

As of 31.12 the Group held the following interest rate swap to manage interest rate risk by converting from floating to fixed interest rate. The Group has not applied hedge accounting for the interest rate swap agreement.

Instrument	Fixed rate	Floating rate	Notional amount	Effective from	Maturity date
31.12.2021					
Interest rate swap - NOK	1,85 %	Nibor 3m	66 800	2019	2023
31.12.2020					
Interest rate swap - NOK	1,85 %	Nibor 3m	73 400	2019	2023

Foreign exchange derivatives

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

Instrument	Committed	Amount	Remaining term to maturity
31.12.2021			
Foreign exchange contracts	NOK/USD	57 778	< 1 year
Foreign exchange contracts	NOK/USD	15 048	> 1 year

As of 31.12 the Group did not have any foreign exchange rate derivatives.



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29 Financial market risk

Figures in TNOK

The Group has financial instruments linked to ordinary activities such as trade debtors, trade creditors and similar. Short-term and medium-term interest rate risk arises from floating interest rates on parts of the company's debt.

The Group's credit risk exposure is considered to be low. The majority of the Group's debtors are publicly listed Norwegian and international oil companies.

A proportion of the Group's turnover is in foreign currencies, primarily AUD, GBP, and USD. As a result of international operations, the Group is exposed to fluctuations in currency exchange rates. As of 31 December 2021, the Group has foreign exchange contracts to hedge future sales to customers in USD. There were no FX contracts at year end 2020. The Group is not directly exposed to fluctuations in commodity prices.

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

Currency	2021			2020		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
Total operating revenue:						
AUD	2 799	17 922	6 %	2 566	16 811	6 %
GBP	45	529	0 %	683	8 518	3 %
NOK	137 056	137 056	47 %	156 819	156 819	59 %
USD	16 076	138 638	47 %	9 011	83 823	32 %
Total		294 145	100 %		265 970	100 %

Currency	2021			2020		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
Trade receivables:						
AUD	256	1 640	2 %	641	4 218	6 %
GBP	8	95	0 %	-	-	0 %
NOK	30 521	30 521	40 %	33 442	33 442	47 %
USD	5 000	44 178	58 %	3 850	32 869	47 %
Total		76 435	100 %		70 529	100 %

Currency	2021			2020		
	Currency (1000)	TNOK	Share %	Currency (1000)	TNOK	Share %
Trade payables:						
AUD	63	406	1 %	69	456	2 %
AZN	(4)	(19)	0 %	(1)	(5)	0 %
BRL	1	1	0 %	1	1	0 %
CAD	-	-	0 %	11	74	0 %
EUR	6	63	0 %	-	-	0 %
GBP	112	1 332	4 %	64	748	3 %
MYR	-	-	0 %	41	88	0 %
NOK	27 831	27 831	90 %	24 191	24 191	90 %
USD	152	1 346	4 %	172	1 465	5 %
Total		30 961	100 %		27 019	100 %



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30 Related parties

Figures in TNOK

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

	Operating revenue	
	2021	2020
AS Norske Shell	50 382	-
Shell Exploration and Production	-	3 282
Shell Offshore Inc	73 516	28 095
Shell Oil Company	-	777
Transocean Offshore Deepw. Drill Inc	-	1 787
Transocean Sedco Forex Ventures Limited	3 489	8 205
Total	127 387	42 147

	Other operating costs	
	2021	2020
EV Private Equity IV AS	-	34
EV Private Equity V Plus (GP) Ltd	18	829
EV Private Equity Ltd	94	226
Martyn James Fear	1 125	1 686
Total	1 237	2 775

	Trade receivables	
	2021	2020
AS Norske Shell	328	-
Shell Exploration and Production	-	25
Shell Offshore Inc	36 762	12 084
Transocean Sedco Forex Ventures Limited	-	7 795
Total	37 090	19 904

	Trade payables	
	2021	2020
EV Private Equity IV AS	-	10
EV Private Equity Ltd	-	1
Martyn James Fear	-	164
Total	-	175

EV Private Equity IV AS, EV Private Equity V Plus (GP) Ltd, and EV Private Equity Ltd are related companies with the shareholder EV Private Equity V Plus LP.

AS Norske Shell, Shell Exploration and Production, Shell Offshore Inc and Shell Oil Company are related companies with the shareholder Shell Ventures B.V.

Transocean Offshore Deew. Drilling Inc is related company with the shareholder Transocean Sedco Forex Ventures Limited. Martyn James Fear is the Chairman of the company.

All transactions with related parties are carried out at market prices in connection with ordinary business transactions. There is not given or received any guarantees related to transaction with related parties in 2021 or 2020. There is not recognised any provision for doubtful debts related to the amount of outstanding balances, and there is not recognised any expense during 2021 or 2020 in respect of bad or doubtful debts due from related parties.



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31 Public grants

Figures in TNOK

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

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

	2021	2020
Other long term liability	10 422	14 296
Received during the year	72	603
Released to the income statement	(4 435)	(4 477)
Other long term liability 31.12.	6 059	10 422

32 Assets of disposal group classified as held for sale and discontinued operations

Per 31.12.2021 and per 31.12.2020 no operations are classified as discontinued.

33 Contingencies

In February 2022, Russia invaded Ukraine and strict sanctions have been imposed against Russia and Belarus. Enhanced Well Technologies Group and its subsidiaries does not have any operations, personnel, or equipment in any of Russia, Belarus or Ukraine. The operation in Sakhalin in 2021 was completed well before year end, and we have currently no direct exposure to these countries. In our forecasts for future operations, activities in these countries are not included.

34 Share investment program

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

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

The price per share EWTG MIP paid was NOK 701.96, of which NOK 700.96 is share premium. The subscription price reflects an estimated market value of the shareholding that EWTG MIP subscribes for in the Company, taking into account the size of the shareholding and the terms defined in the shareholder agreement. The assessment of market value is based on a valuation by an independent third party in June 2021.

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

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



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Enhanced Well Technologies Group

Parent Company



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Enhanced Well Technologies Group AS

Figures in TNOK

Income Statement

Revenues and expenses	Note	2021	2020
Other operating revenue		-	-
Total operating revenue		<u>-</u>	<u>-</u>
Other operating expenses	9	682	661
Total operating expenses		<u>682</u>	<u>661</u>
Net operating income		<u>(682)</u>	<u>(661)</u>
Financial income and expenses			
Financial income		42	0
Financial expenses	10	(92 071)	92 114
Net financial items		<u>92 113</u>	<u>(92 114)</u>
Income before tax		<u>91 431</u>	<u>(92 776)</u>
Income tax	8	-	-
Net income		<u>91 431</u>	<u>(92 776)</u>
Appropriation of net income			
Retained earnings		91 431	(92 776)
Total appropriation	6	<u>91 431</u>	<u>(92 776)</u>



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Enhanced Well Technologies Group AS

Figures in TNOK

Balance as of 31 December

Assets	Note	2021	2020
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	3	492 101	400 000
Long term receivables	11	14 627	-
Total financial non-current assets		506 729	400 000
Total non-current assets		506 729	400 000
Current assets			
Current receivables			
Group receivables	2	1 146	-
Other receivables		53	-
Total current receivables		1 199	-
Bank deposits, cash in hand, etc.			
Bank deposits, cash in hand, etc.	4	0	53
Total bank deposits, cash in hand, etc.		0	53
Total current assets		1 199	53
Total assets		507 927	400 053



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Enhanced Well Technologies Group AS

Figures in TNOK

Balance as of 31 December

Equity and liabilities	Note	2021	2020
Equity			
Paid in equity			
Share capital	5	510	485
Share premium fund		508 797	491 616
Total paid in equity		509 306	492 101
Earned equity			
Earned equity		(1 379)	(92 810)
Total earned equity		(1 379)	(92 810)
Total equity	6	507 927	399 292
Liabilities			
Current liabilities			
Trade payables	7	-	-
Income tax payable	8	-	-
Group liabilities	2	-	761
Other current liabilities		0	0
Total current liabilities		0	761
Total liabilities		0	761
Total equity and liabilities		507 927	400 053

Straume, 23.06.2022

DocuSigned by: Martyn James Fear Chairman	DocuSigned by: Gregory John Herrera Board Member	DocuSigned by: Geert-Peter Van Gijssel Board Member
DocuSigned by: Kjell Erik Jacobsen Board Member	DocuSigned by: Scott William Mckaig Board Member	DocuSigned by: Erling Meinich-Bache Board Member



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Enhanced Well Technologies Group AS

Figures in TNOK

Cash flow statement

	Note	2021	2020
Cash flow from operating activities			
Ordinary profit/(loss) before taxes		91 431	(92 776)
Impairment of financial assets		(92 101)	92 101
Change in trade payables		-	(42)
Change in other accruals		(1 960)	761
Net cash flow from operational activities		(2 631)	46
Cash flow from investment activities			
Cash outflows for acquisitions of shares in subsidiaries		-	(80 000)
Other long term receivables	11	(14 627)	-
Net cash flow from investment activities		(14 627)	(80 000)
Cash flow from finance activities			
Increased equity	6	17 205	80 000
Net cash flow from finance activities		17 205	80 000
Net change in cash and equivalents		(53)	46
Cash and equivalents at start of period		53	7
Cash and equivalents at end of period	4	0	53



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1 Accounting principles

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

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

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

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

Changes in accounting policy and disclosures

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

Subsidiary companies

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

Classification and valuation of balance sheet items

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

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

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

Revenue recognition

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

Estimates and assumptions

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

Currency

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

Contingent liabilities and contingent assets

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

Extraordinary income and expenses

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

Tangible fixed assets

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

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

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



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1 Accounting principles

Short-term investments

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

Receivables

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

Cash and cash equivalents

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

Best estimate

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

Tax

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



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2 Intra group

Figures in TNOK

Short-term group receivables:	2021	2020
Enhanced Well Technologies AS	1 146	-
Total short-term group receivables	1 146	-

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

Short-term group payables:	2021	2020
Enhanced Well Technologies AS	-	761
Total short-term group receivables	-	761

3 Investment in subsidiaries

Figures in TNOK

Company 2021	Head office	Equity interest / voting share	Share capital	Equity	Profit/(loss)	Book value
Enhanced Well Technologies AS	Straume Norway	100 %	1 110	423 942	26 205	492 101
Total				423 942	26 205	492 101

Company 2020	Head office	Equity interest / voting share	Share capital	Equity	Profit/(loss)	Book value
Enhanced Well Technologies AS	Straume Norway	100 %	1 110	397 737	(78 779)	400 000
Total				397 737	(78 779)	400 000

4 Cash

Figures in TNOK

	2021	2020
Cash	-	-
Bank deposits	0	30
Cash and cash equivalents	0	30

Of which is restricted deposits: - -

5 Share Capital information

Figures in TNOK

At 31 December 2021 (2020) the company had a share capital of NOK 509 915 (485 405) divided into 471 194 (446 684) A-shares with total face value of NOK 471 194 (446 684) and 38 721 (38 721) B-shares with total face value of NOK 38 721 (38 721), in total 509 915 (485 405) shares each with a face value of NOK 1. All issued shares are fully paid.

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

Shareholders in Enhanced Well Technologies Group AS, as well as shares held by executive employees and board members including shares owned by affiliated individuals and companies, were at 31 December 2021 and 2020 as follows:

Share capital 31.12.2021	Number	Face value	Balance
A-Shares	471 194	1	471 194
B-Shares (Preference shares)	38 721	1	38 721
Total	-	-	509 915

Shareholders	A-Shares	B-Shares	Number of	Equity	Vote
EV Private Equity V Plus LP	181 504	-	181 504	35,6 %	38,5 %
Shell Ventures B.V	96 000	-	96 000	18,8 %	20,4 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	18,2 %	19,7 %
IKM Gruppen AS	62 225	3 692	65 917	12,9 %	13,2 %
EWTG MIP AS	24 510	-	24 510	4,8 %	5,2 %
IKM Testing AS	-	20 442	20 442	4,0 %	0,0 %
CDI AS	6 255	2 687	8 942	1,8 %	1,3 %
HC Invest AS	6 254	2 687	8 941	1,8 %	1,3 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Socap AS	-	8 516	8 516	1,7 %	0,0 %
Sum	471 194	38 721	509 915	100 %	100,0 %

Share capital 31.12.2020	Number	Face value	Balance
A-Shares	446 684	1	446 684
B-Shares (Preference shares)	38 721	1	38 721
Total	-	-	485 405

Shareholders	A-Shares	B-Shares	Number of	Equity	Vote
EV Private Equity V Plus LP	181 504	-	181 504	37,4 %	40,6 %
Shell Ventures B.V	96 000	-	96 000	19,8 %	21,5 %
Transocean Sedco Forex Ventures Limited	92 593	-	92 593	19,1 %	20,7 %
IKM Gruppen AS	62 225	3 692	65 917	13,6 %	13,9 %
IKM Testing AS	-	20 442	20 442	4,2 %	0,0 %
CDI AS	6 255	2 687	8 942	1,8 %	1,4 %
HC Invest AS	6 254	2 687	8 941	1,8 %	1,4 %
Kråko Invest AS	1 853	697	2 550	0,5 %	0,4 %
Socap AS	-	8 516	8 516	1,8 %	0,0 %
Sum	446 684	38 721	485 405	100 %	100,0 %



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6 Changes in equity Figures in TNOK

	Share capital	Share premium fund	Other paid in capital	Total paid in equity	Earned equity	Sum
Opening balance 01.01.2020	354	353 739	-	354 094	(34)	354 059
Conversion liability (Pref. Shares)	58	57 950	-	58 008	-	58 008
Cash infusion	93	99 907	-	100 000	-	100 000
Redemption of pref shares	(19)	(19 981)	-	(20 000)	-	(20 000)
Loss for the year	-	-	-	-	(92 776)	(92 776)
Closing balance 31.12.2020	485	491 616	-	492 101	(92 810)	399 292
Opening balance 01.01.2021	485	491 616	-	492 101	(92 810)	399 292
Cash infusion	25	17 181	-	17 206	-	17 206
Profit for the year	-	-	-	-	91 431	91 431
Closing balance 31.12.2021	510	508 797	-	509 306	(1 379)	507 927

7 Current liabilities Figures in TNOK

	2021	2020
Trade payables	-	-
Total other current liabilities	-	-

8 Taxes Figures in TNOK

	2021	2020
Tax payable Norway	-	-
Amendments, deferred tax Norway	-	-
Income tax expense	-	-

Reconciliation of tax payable

Tax payable	-	-
Tax payable of group contribution	-	-
Tax payable in balance sheet	-	-

Reconciliation of tax payable

Income before tax	91 431	(92 776)
Expected 22 % tax cost	20 115	(20 411)

Variance, actual and expected tax cost	(20 115)	20 411
-----------------------------------------------	-----------------	---------------

Explanation why actual tax cost deviates from expected tax cost:

Tax effect from non-deductible costs	(20 256)	20 262
Tax effect from non-taxable income	-	-
Tax effect for which no deferred income tax asset was recognised	141	148
Variance compared to expected tax cost	(20 115)	20 411

Calculation of tax payable:

	2021	2020
Income before tax	91 431	(92 776)
Permanent differences	(92 071)	92 101
Interest cut off on intra group loans	-	-
Amendments, deferred tax	-	-
Basis for tax calculation	(641)	(674)

Deferred tax

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

Basis for deferred tax	2021	2020	Change
Non-current assets	-	-	-
Profit and loss account	-	-	-
Interest cut off on intra group loans carried forward	-	-	-
Bank loan fee	-	-	-
Loss carried forward	(1 349)	(708)	641
Amount linked to long-term balance sheet items	(1 349)	(708)	641
Total basis for deferred tax assets	(1 349)	(708)	641
Deferred tax assets - 22% (22 %)	(297)	(156)	(141)

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



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9 Group CEO, Board of directors and Auditor

Figures in TNOK

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

Specification of auditor's fee excl. VAT	2021	2020
Fees for audit of annual accounts, expenses during the year	398	445
Fees for other attestation services	-	68
Fees for tax-related services	-	-
Fees for other services	82	84
Total	480	597

10 Financial income and expenses

Figures in TNOK

	2021	2020
Other interest income	42	-
Total financial income	42	-
Other financial expenses	30	13
Impairment investment in subsidiaries	(92 101)	92 101
Total financial expenses	(92 071)	92 114
Net financial items	92 113	(92 114)

11 Long term receivables

Figures in TNOK

	2021	2020
Loan EWTG MIP AS	14 627	-
Long term receivables 31.12.	14 627	-

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

12 Contingencies

In February 2022, Russia invaded Ukraine and strict sanctions have been imposed against Russia and Belarus. Enhanced Well Technologies Group and its subsidiaries does not have any operations, personnel, or equipment in any of Russia, Belarus or Ukraine. The operation in Sakhalin in 2021 was completed well before year end, and we have currently no direct exposure to these countries. In our forecasts for future operations, activities in these countries are not included.

13 Share investment program

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

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

The price per share EWTG MIP paid was NOK 701.96, of which NOK 700.96 is share premium. The subscription price reflects an estimated market value of the shareholding that EWTG MIP subscribes for in the Company, taking into account the size of the shareholding and the terms defined in the shareholder agreement. The assessment of market value is based on a valuation by an independent third party in June 2021.

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

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



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Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Enhanced Well Technologies Group AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

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

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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.



Bergen, 29 June 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Eirik Moe
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: FPMYN-KTHFB-CIWAN-HIIBF-JSUHE-ZLUPF



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Eirik Moe

Statsautorisert revisor

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