



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 924 747 005
Organisasjonsform: Aksjeselskap
Foretaksnavn: EDDYFI NDT NORWAY AS
Forretningsadresse: Glasskaret 1
5106 ØVRE ERVIK

Regnskapsår

Årsregnskapets periode: 10.02.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Paul Seaforth Cooper
Dato for fastsettelse av årsregnskapet: 12.07.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 24.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 3, 16	146 446	
Other revenue		0	
Sum inntekter		146 446	
Kostnader			
Cost of materials	4	0	
Personnel expenses	5	0	
Depreciation of operating and intangible assets	11, 12, 13	0	
Other operating expenses	6, 7, 8	4 991 349	
Sum kostnader		4 991 349	
Driftsresultat		-4 844 903	
Finansinntekter og finanskostnader			
Financial income	9, 16	4 242 926	
Sum finansinntekter		4 242 926	
Financial expenses	9, 16	543 986	
Sum finanskostnader		543 986	
Netto finans		3 698 940	
Ordinært resultat før skattekostnad		-1 145 963	0
Tax on ordinary result	10	716 418	
Ordinært resultat etter skattekostnad		-1 862 381	0
Årsresultat	18	-1 862 381	0
Overføringer og disponeringer			
Allocated to other equity		-1 862 381	
Sum overføringer og disponeringer		-1 862 381	



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	11	0	
Sum immaterielle eiendeler		0	
Finansielle anleggsmidler			
Investering i datterselskap	14	562 373 719	
Lån til foretak i samme konsern	15, 20	72 081 879	
Sum finansielle anleggsmidler		634 455 598	
Sum anleggsmidler		634 455 598	0
Omløpsmidler			
Varer			
Inventories	4	0	
Sum varer		0	
Fordringer			
Accounts receivables	20	0	
Accounts receivables group	15, 20	146 446	
Other short term receivables	20	0	
Other short term receivables group	15, 20	10 666	
Sum fordringer		157 112	
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	17	596 741	
Sum bankinnskudd, kontanter og lignende		596 741	
Sum omløpsmidler		753 853	0
SUM EIENDELER		635 209 451	0

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	18, 19	60 905 385	
Share premium reserve	19	547 743 619	
Sum innskutt egenkapital		608 649 004	
Opptjent egenkapital			
Other equity	19	-1 862 381	
Sum opptjent egenkapital		-1 862 381	
Sum egenkapital		606 786 623	0
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	659 795	
Sum avsetninger for forpliktelser		659 795	
Annen langsiktig gjeld			
Langsiktig konserngjeld	20	16 041 561	
Other non-current liabilities	20	10 724 489	
Sum annen langsiktig gjeld		26 766 050	
Sum langsiktig gjeld		27 425 845	0
Kortsiktig gjeld			
Kortsiktig konserngjeld	15, 20	487 720	
Other current debt	20	509 263	
Sum kortsiktig gjeld		996 983	
Sum gjeld		28 422 828	0
SUM EGENKAPITAL OG GJELD		635 209 451	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 3, 16	127 923 800	
Other revenue		-2 195 247	
Sum inntekter		125 728 553	
Kostnader			
Cost of materials	4	38 395 794	
Personnel expenses	5	41 825 921	
Depreciation of operating and intangible assets	11, 12, 13	91 487 435	
Other operating expenses	6, 7, 8	44 098 464	
Sum kostnader		215 807 614	
Driftsresultat		-90 079 061	
Finansinntekter og finanskostnader			
Financial income	9, 16	7 083 710	
Sum finansinntekter		7 083 710	
Financial expenses	9, 16	3 616 068	
Sum finanskostnader		3 616 068	
Netto finans		3 467 642	
Ordinært resultat før skattekostnad		-86 611 419	0
Tax on ordinary result	10	-8 004 447	
Ordinært resultat etter skattekostnad	18	-78 606 972	0
Årsresultat		-78 606 972	0
Overføringer og disponeringer			
Allocated to other equity		-78 606 972	
Sum overføringer og disponeringer		-78 606 972	



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	12	205 493 546	
Development projects	12	16 870 436	
Goodwill	11	227 639 290	
Sum immaterielle eiendeler		450 003 272	
Varige driftsmidler			
Machinery and equipment	13	144 209 134	
Equipment and other movables	13	1 462 784	
Sum varige driftsmidler		145 671 918	
Finansielle anleggsmidler			
Investering i datterselskap	14	0	
Investering i annet foretak i samme konsern		0	
Lån til foretak i samme konsern	15, 20	0	
Other long term receivables	20	45 240	
Sum finansielle anleggsmidler		45 240	
Sum anleggsmidler		595 720 430	0
Omløpsmidler			
Varer			
Inventories	4	23 775 282	
Sum varer		23 775 282	
Fordringer			
Accounts receivables	20	21 946 041	
Accounts receivables group	15, 20	2 787 391	
Other short term receivables	20	20 079 294	
Other short term receivables group	15, 20	29 025 546	
Sum fordringer		73 838 272	
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	17	25 470 352	



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum bankinnskudd, kontanter og lignende		25 470 352	
Sum omløpsmidler		123 083 906	0
SUM EIENDELER		718 804 336	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18, 19	60 905 385	
Annen innskutt egenkapital	19	547 743 619	
Sum innskutt egenkapital		608 649 004	
Opptjent egenkapital			
Other equity	19	-82 221 388	
Sum opptjent egenkapital	19	-82 221 388	
Sum egenkapital		526 427 616	0
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	43 737 384	
Sum avsetninger for forpliktelser		43 737 384	
Annen langsiktig gjeld			
Long term debt group	20	56 498 314	
Other non-current liabilities	20	10 724 489	
Sum annen langsiktig gjeld		67 222 803	
Sum langsiktig gjeld		110 960 187	0
Kortsiktig gjeld			
Leverandørgjeld	15, 20	21 893 181	
Tax payable	10	5 714	
Public duties payable		5 374 328	
Kortsiktig konserngjeld	15, 20	4 336 104	
Other current debt	20	49 807 205	



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum kortsiktig gjeld		81 416 532	
Sum gjeld		192 376 719	0
SUM EGENKAPITAL OG GJELD		718 804 335	0



Skatteetaten

Vår dato
13.01.2021

Din/Deres dato
21.12.2020

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR406531356

Telefon
32212244

Org.nr
974761076

Vår referanse
2020/6310138

Postadresse
Postboks 9200 Grønland
0134 OSLO

HALFWAVE AS
O.H. Bangs vei 70
1363 HØVIK

Att. Rasmus Noraas Bendvold

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev sendt inn 21. desember 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Halfwave AS	org.nr. 897 067 382
Eddyfi NDT Norway AS	org.nr. 924 747 005
TSC Subsea AS	org.nr. 920 538 223

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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

De ovennevnte selskapene er eid av et utenlandsk selskap som er en del av et internasjonalt konsern. Selskapene driver servicenæring innen olje- og gassnæringen. Alle kundene er internasjonale store selskaper innen olje- og gassindustrien. Selskapenes arbeidsspråk er engelsk, og styrelederen i selskapene er utenlandsk.

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 selskapene er eid av et utenlandsk selskap som er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

**Consolidated Financial Statements 2020
for
Eddyfi NDT Norway AS**

Content:

Revenue statement
Balance sheet
Cash flow
Notes to the Accounts



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Annual Report 2020 for Eddyfi NDT Norway AS/ Group

The nature and location of the business

In February 2020, Eddyfi/NDT acquired all the shares in NDT Global AS and TSC Subsea AS. Eddyfi/NDT is a Canadian group specialized in inspection technology. Based on Eddyfi/NDT global geographical presence and financial position, it was the Board's view that NDT Global AS and TSC Subsea AS would benefit from becoming part of Eddyfi/NDT and the acquisition would enhance the potential of the company of realizing its growth potential.

Eddyfi NDT Group is a Norwegian technology group which has developed an acoustic inspection technology called ART (Acoustic Resonance Technology). The Group's overarching strategy is to commercialize this technology by selling services based on its ART platform to selected industries and markets.

In addition to Eddyfi NDT Norway AS, the Group consist of the following subsidiaries:

- NDT Global AS (100%)
- TSC Subsea AS (100%)

The Group's registered address is in Bergen municipality, that is also the operational head office. The company also has a satellite office providing support services based at Lysaker in the municipality of Bærum.

In a market influenced by the affects of the COVID-19 pandemic the Group has experienced a slowdown in activity caused by conservatism and a reduction in energy prices. However, the underlying market for energy transportation through pipeline infrastructure remains strong, with energy prices recovering during Q4 of 2020, combined with the introduction of vaccines against COVID-19 provides conservative optimism leading into 2021.

The Group continues to invest in technology and have made good headway with several core developments. These will provide new and enhanced technical solutions providing the potential for a stronger future market position for the company.

Fair review of development and result

The Group's financial performance in 2020 was heavily influenced by the ongoing COVID-19 pandemic and reduction in energy prices. Several key projects were delayed or cancelled reducing the expected number of projects and activity levels.

The Group had a revenue of NOK 126 million, cost of materials of NOK 39 million and net loss for NOK 78,6 million for 2020. The parent company had a revenue of NOK 147 446; cost of materials was 0 and NOK 19 million as net profit. The Group had an equity ratio of 79 % and the parent company had an equity ratio of 96% in 2020. The Group had cash balance NOK 25 million and the parent company had NOK 596 741 at the end of 2020.

The Board believes that the annual accounts give a true and fair view of the company's assets and liabilities, financial position, and result.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Financial risk

Overall objective and strategy

The Group is exposed to financial risk in various areas, especially currency risk. The aim is to reduce the financial risk until it is within an acceptable level. This level has not yet been more closely defined but is being continuously assessed by the Group's governing bodies.

The Group's debt has fixed interest rates and is recorded in NOK.

Market risk

The Group is exposed to changes in exchange rates. It earns most of its income in foreign currency, especially EUR and USD, while the costs are mostly in NOK, USD, and GBP. The Group sells most of its services to foreign customers in the energy sector and thus is indirectly affected by international economic trends and oil prices. The Group does not currently use any hedging mechanisms in this area.

Credit risk

The Group's customers are generally large international groups and the risk of losses on receivables is therefore considered low. If the risk is considered high, eg for new and material clients, credit insurance is entered into.

Liquidity risk

There is a very strong focus on managing working capital and all surplus liquidity goes into further development of the Group's technology and the construction of new inspection tools. With certain exceptions, due dates for trade receivables are adhered to and other long-term receivables are not considered for renegotiation or redemption.

Going concern

In accordance with § 3-3 of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

Working environment

Sickness absence for the Group is less than 1,5%. The Group is thus maintaining an impressively low level of sickness absence, which the Board is very pleased with.

No injuries or accidents have been reported in the workplace in 2020. The working environment is deemed to be good. The cooperation between the employees and the management of the Company has been constructive and has had a positive effect on its operations.

Equality and discrimination

Our goal in the Group is to be a workplace offering full equality between men and women. In its policy, the Group has incorporated provisions aimed at preventing discrimination based on gender in matters such as pay, promotion and recruitment.

Of the Group's 60 employees, 12 are women. There are no women on the boards as the board consists of only 3 people in total. The average annual earnings are NOK 769,000 for men and NOK 662,000 for women. This is due to differences in seniority and the fact that the proportion of women in senior positions is lower than for men.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Annual climate surveys are carried out, which seek, among other things, to address differences between the sexes in terms of pay, promotion and participation in internal training. Working time arrangements in the Group are applicable to the different positions and are independent of gender. The Group plans to continue its current policy in relation to equality as described above.

The Group works actively to prevent discrimination because of disability, ethnicity, nationality, skin color, religion, or lifestyle. The activities include, among other things, recruitment, salary and working conditions, promotion, development opportunities and protection against bullying.

External environment

The Group is not exposed to factors affecting its activities beyond what is normal for an enterprise developing products and services based on new technology for use in the oil and gas industry. The Group is operated under strict regulation and reporting requirements about the environment. The Group does not pollute the external environment and it is part of the Group's objective to help customers to improve integrity control of active hydrocarbon-carrying assets to prevent leaks and serious damage.

Report on the annual accounts

The board is not aware of any matters that are important for an assessment of the Group's position and result that are not set out in the annual accounts. Similarly, no matters have occurred after the end of the financial year that in the opinion of the board are material to an assessment of the accounts.

The board proposes the following allocation of the profit for the year in Eddyfi NDT Norway AS and the Group:

	Eddyfi NDT Norway AS	Group
Allocated to other equity	1 862 381	0
Transferred from other equity	0	78 606 972

Bergen, 12.07.2021

The board of Eddyfi NDT Norway AS

DocuSigned by:
Martin Theriault
A0E89F89D90341F...

Martin Theriault
Chairman of the Board

DocuSigned by:
Paul Seaforth Cooper
EEBE8BD057BD4D8...

Paul Seaforth Cooper
Member of the Board

DocuSigned by:
Jan Ove Toskedal
6646894C4D9E4D5...

Jan Ove Toskedal
Member of the Board



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Amounts in NOK

Parent company		REVENUE STATEMENT		Consolidated figures
2020		Note		2020
	OPERATING INCOME			
146 446	Revenue	2, 3, 16		127 923 800
0	Other revenue			(2 195 247)
146 446	TOTAL OPERATING INCOME			125 728 553
	OPERATING EXPENSES			
0	Cost of materials	4		38 395 794
0	Personnel expenses	5		41 825 921
0	Depreciation of operating and intangible assets	11, 12, 13		91 487 435
4 991 349	Other operating expenses	6, 7, 8		44 098 464
4 991 349	TOTAL OPERATING EXPENSES			215 807 614
(4 844 903)	OPERATING PROFIT/(LOSS)			(90 079 061)
	FINANCIAL INCOME AND EXPENSES			
4 242 926	Financial income	9, 16		7 083 710
543 986	Financial expenses	9, 16		3 616 068
3 698 939	NET FINANCIAL ITEMS			3 467 642
(1 145 963)	OPERATING RESULT BEFORE TAX			(86 611 419)
716 418	Tax on ordinary result	10		(8 004 447)
(1 862 381)	ORDINARY RESULT AFTER TAX	18		(78 606 972)
	<i>Brought forward</i>			
(1 862 381)	Allocated to other equity			(78 606 972)
(1 862 381)	Net brought forward			(78 606 972)



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Amounts in NOK

Parent company		BALANCE SHEET			Consolidated figures	
2020		Note	2020	OB 17.02.2020		
	ASSETS					
	FIXED ASSETS					
	Intangible assets					
0	Goodwill	11	227 639 290	275 926 412		
0	Intangible assets	12	205 493 546	237 580 950		
0	Development projects	12	16 870 436	0		
0	Total intangible assets		450 003 272	513 507 362		
	Tangible assets					
0	Machinery and equipment	13	144 209 134	153 964 757		
0	Equipment and other movables	13	1 462 784	2 118 015		
0	Total tangible assets		145 671 918	156 082 772		
	Financial fixed assets					
562 373 719	Investments in subsidiaries	14	0	0		
72 081 879	Loan to group companies	15, 20	0	0		
0	Other long term receivables	20	45 240	0		
634 455 598	Total financial fixed assets		45 240	0		
634 455 598	TOTAL FIXED ASSETS		595 720 430	669 590 134		
	CURRENT ASSETS					
0	Inventories	4	23 775 282	3 513 176		
	Debtors					
0	Accounts receivables	20	21 946 041	32 549 573		
146 446	Accounts receivables group	15, 20	2 787 391	24 178 007		
0	Other short term receivables	20	20 079 294	11 095 367		
10 666	Other short term receivables group	15, 20	29 025 546	0		
157 112	Total receivables		73 838 272	67 822 947		
596 741	Cash and bank deposits	17	25 470 352	7 988 091		
753 853	TOTAL CURRENT ASSETS		123 083 905	79 324 214		
635 209 451	TOTAL ASSETS		718 804 336	748 914 348		



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Amounts in NOK

Parent company		BALANCE SHEET		
2020		Note	2020	OB 17.02.2020
EQUITY AND LIABILITIES				
EQUITY				
Paid-up equity				
(60 905 385)	Share capital	18, 19	(60 905 385)	(60 905 385)
(547 743 619)	Share premium reserve	19	(547 743 619)	(547 743 619)
(608 649 004)	Total paid-up equity		(608 649 004)	(608 649 004)
Retained earnings				
1 862 381	Other equity	19	82 221 388	0
1 862 381	Total retained earnings		82 221 388	0
(606 786 623)	TOTAL EQUITY		(526 427 617)	(608 649 004)
LIABILITIES				
Non-current liabilities				
(659 795)	Deferred tax	10	(43 737 384)	(52 267 809)
(16 041 561)	Long term debt group	20	(56 498 314)	(16 041 561)
(10 724 489)	Other non-current liabilities	20	(10 724 489)	(9 523 976)
(27 425 845)	Total non-current liabilities		(110 960 187)	(77 833 346)
Current liabilities				
0	Trade creditors	20	(13 950 930)	(18 560 838)
0	Trade creditors group	15, 20	(7 942 251)	(2 135 019)
0	Tax payable	10	(5 714)	0
0	Public duties payable		(5 374 328)	(9 259 777)
(487 720)	Other short term debt group	15, 20	(4 336 104)	0
(509 263)	Other current debt	20	(49 807 205)	(32 476 364)
(996 983)	Total current liabilities		(81 416 532)	(62 431 998)
(28 422 828)	TOTAL LIABILITIES		(192 376 719)	(140 265 344)
(635 209 451)	TOTAL EQUITY AND LIABILITIES		(718 804 336)	(748 914 348)

Oslo, 12 /07 - 2021

DocuSigned by:

A0E89F89D90341F...
Martin Theriault
Chairman of the board

DocuSigned by:

EEBE8BD057BD4D8...
Paul Seaforth Cooper
Member of the board/General Manager

DocuSigned by:

6646894C4D9E4D5...
Jan Ove Toskedal
Member of the board



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Amounts in NOK

Parent company	INDIRECT CASH FLOW	Consolidated figures
2020		2020
	Cash flows from operating activities	
(1 145 963)	Profit/loss before tax	(86 611 419)
0	- Taxation paid	(321 046)
0	+ Ordinary depreciation	91 487 435
0	+/- Change in inventory	(20 262 106)
(146 446)	+/- Change in accounts receivable	31 994 148
0	+/- Change in accounts payable	1 197 324
0	+/- Items classified as investment or financing activities	(45 240)
1 292 541	+/- Change in other accrual items	(24 041 610)
132	= Net cash flows from operating activities	(6 602 514)
	Cash flows from investment activities	
0	+ Proceeds from the sale of fixed assets	21 623 145
0	- Payments to buy tangible assets	(39 195 636)
0	= Net cash flows from investment activities	(17 572 491)
	Cash flows from financing activities	
0	+ Proceeds from the issuance of new long-term liabilities	41 657 266
0	= Net cash flows from financing activities	41 657 266
132	= Net change in cash and cash equivalents	17 482 261
596 609	+ Cash and cash equivalents at the start of the period	7 988 091
596 741	= Cash and cash equivalents at the end of the period	25 470 352



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

NOTES TO THE ACCOUNTS

Amounts in NOK

Note 1 Accounting principles

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The preparation of the Financial Statements are based on the assumption of going concern.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Investments in subsidiaries

Subsidiaries are the entities over which the parent company has control, and thus decisive influence on the entities' financial and operational strategies, normally by owning more than half of the voting capital. Investments with 20-50 % ownership of the voting capital and significant influence are defined as associated companies.

The following entities are included in the group as of 31.12.:

Parent company and subsidiaries:	Ownership
Eddyfi NDT Norway AS	
NDT Global AS	100 %
TSC Subsea AS	100 %
Halfwave Ltd, UK	100% until 1.11.2020.
Halfwave LLC, USA	100% until 1.11.2020.

Halfwave Ltd UK and Halfwave LLC are no longer part of the group as of 31st of December 2020, since both companies have been liquidated in November 2020. As a result of the liquidation, the acquisition cost in NDT Global AS have been written off.

Consolidation

The Eddyfi NDT Norway AS group of companies was established on 18th February 2020. The consolidated financial statements hereby covers the period from the establishment till 31.12.2020. Since the group was formed in 2020, there is no comparable figures for 2019.

The Group Financial Statement will be available at the company's main office. The address of the main office is: Glasskaret 1, NO-5106 Øvre Ervik, Norway.

The accounting item for shares in subsidiaries in the consolidated financial statements are eliminated against assets and liabilities in the subsidiaries. The consolidated financial statements are prepared as if the group were one financial entity. Transactions, unrealized profits and balances between the companies in the group are eliminated.

Acquired subsidiaries are recognized in the consolidated financial statements based on the parent company's acquisition cost. The acquisition cost is allocated to identifiable assets and liabilities in the subsidiaries, which are entered in the consolidated financial statements at fair value at the time of acquisition. Any excess value in addition to what can be attributed to identifiable assets and liabilities is recognized in the balance sheet as goodwill. Goodwill is treated as a residual and recognized in the balance sheet with the share observed in the acquisition transaction. Excess values in the consolidated financial statements are amortized over the expected useful lives of the acquired assets.

Conversion of foreign currency takes place by the balance sheet being converted at the exchange rate on the balance sheet date, and the revenue statement being converted at an average exchange rate. Any significant transactions are converted at the exchange rate on the transaction date. All conversion differences are recognized directly to the equity.

Revenue

Income from sale of goods and services are recognized at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods are recognized in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Income from sale of services are recognized as income as the services are delivered.

Long-term contracts

Work in progress related to fixed-term contracts is assessed according to the percentage of completion method, where revenue is recognized according to the progress of the project. The completion rate is calculated based upon incurred cost as a percentage of the expected total cost. The total cost is reviewed on an ongoing basis. When the outcome of the contract can't be reliably estimated, revenue is recognized in an amount corresponding to incurred cost. For honors contracts the entire estimated loss is expensed immediately.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Classification and assessment of balance sheet items

Assets intended for long-term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Intangible assets and goodwill

Expenditure on own Research and Development are expensed as and when they incur. Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalized development costs are amortized linearly over the asset's expected useful life. Goodwill is amortized on a 5 years straight line basis.

Tax rebate scheme (Skattefunn)

The Tax rebate scheme in Norway is considered as a public subsidy and the accounting treatment follows the regulations in the Norwegian accounting standard NRS 4 Government subsidies. In cases where the R&D expenditure according to the accounting standards are to be expensed, the subsidy is treated as a cost reduction. When capitalizing R&D expenses, the subsidy is entered as a direct reduction of the capitalized acquisition cost and recognized in profit or loss as a reduction of the depreciation charge over the lifetime of the asset.

Fixed assets

Tangible fixed assets are capitalized and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Leased fixed assets are capitalized as fixed assets if the lease is considered financial.

Expenses for leasing other fixed assets are expensed ongoing. Prepayments are capitalized as prepaid expenses, and are distributed over the lease period.

All research and development activities are aiming at generating future economic benefit by producing and improving tools for sale, equipment rental and inspection activities. Total research and development expenditures for 2020 was NOK 44 428 582.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ongoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost, including both variable and fixed production costs.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are based on individual assessments of the individual receivables.

Additionally, for accounts receivables, a provision is made to cover expected losses.

Defined contribution pension scheme

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Currency gains and losses relating to sales and purchases of goods in foreign currencies are recognized as financial activities. Other profit and loss accounts are converted to NOK by implementing the average exchange rate during the relevant period. All effects due to exchange rate fluctuations in branch Brazil are recognized directly to the equity.

Warranties, guarantee commitments/complaints and service

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognized in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 2 Revenues

Parent company		Consolidated figures	
2020	Activity distribution	2020	
146 446	Revenues from services performed	119 877 378	
0	Revenue other	322 031	
	Covid-19 cash support	5 529 144	
146 446	Total	125 728 553	

2020	Business segment distribution	2020	
0	Art Scan	48 273 332	
0	Major Projects	22 328 849	
0	Crack Detection	9 237 242	
0	Artemis-Subsea	6 688 038	
0	Development	-9 072	
146 446	Other segments	13 182 706	
0	Petrobras contract	20 176 283	
0	Tax rebate scheme (Skattefunn)	322 032	
0	Covid-19 subsidy	5 529 144	
146 446	Total	125 728 553	

Parent company		Consolidated figures	
0	Geographical distribution	2020	
0	United States of America	10 174 528	
0	Switzerland	6 536 050	
0	Netherlands	25 207 853	
0	Australia	9 240 008	
0	Papua New Guinea	778 777	
146 446	Norway	17 246 560	
0	Canada	9 237 242	
0	United Kingdom	11 429 817	
0	Japan	45 952	
0	Germany	4 393 189	
0	Indonesia	482 173	
0	Brazil	30 956 405	
0	New Zealand	0	
146 446	Total	125 728 553	

COVID - 19:

On January 30th 2020, the World Health Organization (WHO) declared the corona-virus a global public health crisis. In the following weeks and months countries around the world have introduced strict measures to combat an uncontrolled and unwanted spread of the virus. The measures have resulted in a paralyzing effect on national and international business activities.

As with many other companies, this has also affected the group of Eddyfi NDT Norway AS. Ongoing and future projects are postponed or in some cases canceled. This has led the group to reduce the staff via temporary dismissals and some resignations in order to adapt the group to meet expected future activities and at the same time avoid ending up in a liquidity crisis. The group have recognized NOK 5 529 144 as government subsidy, whereas more than the half have been granted in 2020. So far, the situation has not led Eddyfi NDT Norway AS or the subsidiaries to breach its agreements towards third parties.

It is currently not possible to clearly calculate the financial consequences for the group of the virus outbreak as the situation is very complex and unpredictable.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 3 Long-term contracts

Parent company		Consolidated figures
	Balance sheet value of projects	
2020		2020
	<i>Included in Accounts receivables</i>	
0	Accrued income, not invoiced	0
0	Retained payments according to contract	0
	<i>Included in other short-term liabilities</i>	
0	Deferred income, invoiced amount in excess of earned	-34 603 696
	Result items relating to long-term contracts	
2020		2020
	<i>Result of work in progress</i>	
0	Total income in the income statement	26 910 685
0	Estimated contract profit	20 406 571
	<i>Loss-making long-term contracts</i>	
0	Remaining production	0

There are no loss-making long-term contracts. In case of other contract losses, the loss is recognized in the present period.

Note 4 Inventories and Costs of goods sold

Parent company		Consolidated figures
2020	Inventory	2020
0	Finished goods	23 775 282
0	Total	23 775 282

The inventory at year-end is valued at the lowest of acquisition cost and fair market value. The company does not have inventory obsolescence in the stocks at the year-end.

2020	Cost of goods sold	2020
0	Travel expenses	3 239 755
0	Freight	3 066 416
0	Subcontractors	14 901 191
0	Consultants hours	11 664 403
0	Commercial IT expenses	2 458 240
0	Equipment and workshop expenses	0
0	Other costs of goods	3 065 788
0	Total	38 395 794



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 5 Personnel expenses, number of employees, remuneration, loan to employees

Parent company		Consolidated figures	
2020	Payroll expenses		2020
0	Salaries/wages		43 118 443
0	Social security fees		5 036 278
0	Pension expenses		1 509 318
0	Other remuneration		1 813 493
0	Salaries/wages recognized in the balance sheet		-9 651 611
0	Total		41 825 921
0	Average number of employees during the financial year		60

OTP (Statutory occupational pension)

The subsidiaries are required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The companies' pension scheme meets the requirement of this law.

Remuneration to leading personell	General manager	Board
Salaries/wages	1 650 427	0
Pension expenses	68 992	0
Other remuneration	133 357	0
Total	1 852 776	-

No loans or guarantees have been granted to the General Manager, Chairman of the Board or other related parties.

Expensed audit fee	Parent company	Consolidated figures
Statutory audit fee	272 169	1 331 310
Other assistance	50 000	72 125
Total	322 169	1 403 435

The amounts for the parent company are incl. VAT and for consolidated figures excl. VAT.

Note 6 Other operating expenses

Other operating expenses	Parent company	Consolidated figures
Office rent, cleaning, electricity etc.	0	6 121 884
Fixtures & fittings and other smaller equipments	0	638 258
Audit, accounting and other legal advisors	791 034	10 641 224
Subcontractors	0	5 835 644
ICT expenses	0	4 532 108
Travel expenses	0	2 688 336
Bad debt loss	0	227 405
Capitalized IC-costs	0	1 707 075
Other expenses	4 200 315	11 706 529
Total other operating expenses	4 991 349	44 098 464

Note 7 Leasing

Operational lease		Parent company	Consolidated figures
Lease object	Expiration of agreement	Annual lease	Annual lease
Office machines	2021-2023	0	76 082
Truck	1 month termination time	0	112 699
Total		-	188 781

Office machines consists of four leasing agreements where the timeframe for expiration varies from December 2021 to May 2023.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 8 Tax rebate scheme (Skattefunn)

Following the Tax rebate scheme in 2020, the subsidies NDT Global AS and TSC Subsea AS was granted respectively NOK 4 122 126 and NOK 2 448 953 as government subsidy for the development of their projects ART Scan, Crack Detection and Artemis. The net total of NDT Global AS' subsidy of NOK 3 462 586 is entered as a receivable against Development projects. The net total of TSC Subsea AS' subsidy of NOK 2 057 120 is entered as a receivable against Development projects with NOK 1 226 557 and reduced the operating expenses with NOK 830 562.

Note 9 Financial items

Parent company		Consolidated figures	
	2020	Financial income	2020
	0	Dividend from subsidiaries	2 353 328
	1 233 061	Interest income from group companies	89 627
	132	Other interest income	68 681
	2 999 067	Profit on currency	2 965 286
	10 666	Other financial income	1 606 788
	4 242 926	Total financial income	7 083 710
	2020	Financial costs	2020
	543 986	Interest expense to group companies	1 606 043
	0	Other interest costs	1 059 608
	0	Other financial cost	950 417
	543 986	Total financial costs	3 616 068
	3 698 939	Net financial items	3 467 642



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 10 Tax

Parent company	2020	This year's tax expense	Consolidated figures
	2020		2020
	56 623	Payable tax	0
	659 795	Changes in deferred tax	-8 530 425
	0	Payable tax abroad	525 978
	716 418	Tax expense on ordinary profit/loss	-8 004 447

Basis for tax expense, change in deferred tax and payable tax

		Basis for payable tax	
-1 145 963		Ordinary result before tax, 18.2 - 31.12	-86 611 419
4 402 405		Permanent differences	-121 019
3 256 442		Basis for tax expense on ordinary result	-86 732 438
-2 999 067		Changes in temporary differences	19 728 092
257 375		Basis for payable tax in the revenue statement	-67 004 346
0		Allocation of loss to be brought forward	-2 529 968
-257 375		Group contribution + / -	0
0		Taxable income, 18.2 - 31.12	-69 534 314

Tax expense in subsidiaries on ordinary profit/loss

	2020
NDT Global AS, branch Brazil	321 046
TSC Subsea AS	-1 693 102
Halfwave LLC, USA	112 425
Halfwave Ltd, UK	92 507
Total	(1 167 124)

The tax expense in NDT Global AS is based on the operations of the Brazilian branch and in Canada.

Reconciliation of tax expenses for the year

2020	Reconciliation of tax expenses for the year	2020
-1 145 963	Ordinary result before tax	-86 611 419
-252 112	Calculated tax	-19 054 512
716 418	Tax expense in the revenue statement	-8 004 447
968 530	Difference	11 050 065

	The difference consist of the following:	
968 529	Tax on permanent differences	-26 624
0	Change in deferred tax not listed	10 550 711
0	Local tax outside Norway	525 978
968 529	Total explained difference	11 050 065

2020	Payable tax in the balance sheet	2020
257 375	Payable tax in the tax expense	700 978
-257 375	Tax effect of group contribution	-695 264
0	Payable tax in the balance sheet	5 714

Calculation of effective tax rate

	Calculation of effective tax rate	
-1 145 963	Ordinary result before tax, 18.2 - 31.12	-86 611 419
-252 112	Calculated tax	-19 054 512
968 529	Tax on permanent differences	-26 624
-	Change in deferred tax not listed	10 550 711
-	Payable tax abroad	525 978
716 417	Total tax expense	-8 004 447
-62,5 %	Effective tax rate	9,2 %

Calculation of deferred tax

2020	Temporary differences	2020
0	Intangible assets/goodwill	205 493 546
0	Tangible assets	10 185 112
0	Account receivables	-227 405
0	Allocations and more	-36 907 755
2 999 067	Other differences	2 999 067
2 999 067	Net temporary differences	181 542 565
0	Accumulated loss to be brought forward	-115 109 185
2 999 067	Basis for deferred tax	66 433 380
659 795	Deferred tax	14 615 344
0	Not included in the deferred tax calculation	29 122 040
659 795	Deferred tax assets (-) / Deferred tax in the balance sheet	43 737 384



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 11 Goodwill

Parent company

There are no goodwill in the parent company.

Consolidated figures	Goodwill	Additional technical goodwill	Total
Purchase cost as of 18.02.20	223 658 603	52 267 809	275 926 412
Exchange differences	0	0	0
Additions this year	0	0	0
Disposals this year	0	0	0
Acquisition cost 31.12.20	223 658 603	52 267 809	275 926 412
Acc. depreciation previous years			
This year's ordinary depreciations			
Depreciation as of 31.12.20	-39 140 256	-9 146 867	-48 287 122
Book value 31.12.20	184 518 348	43 120 942	227 639 290
This year's ordinary depreciations	39 140 256	9 146 867	48 287 122
Economic life	5 years	5 years	
Depreciation plan	Linear	Linear	

Note 12 Intangible assets

Parent company

There are no intangible assets in the parent company.

Consolidated figures	Backlog	Technology	Customer relationship	Development projects	Total
Purchase cost as of 18.02.20	14 348 026	164 909 130	58 323 794	0	237 580 950
Exchange differences	0	0	0	0	0
Additions this year	0	0	0	16 870 436	16 870 436
Disposals this year	0	0	0	0	0
Acquisition cost 31.12.20	14 348 026	164 909 130	58 323 794	16 870 436	254 451 386
Acc. depreciation previous years					
This year's ordinary depreciations					
Depreciation as of 31.12.20	-12 554 523	-14 429 549	-5 103 332	0	-32 087 404
Book value 31.12.20	1 793 503	150 479 581	53 220 462	16 870 436	222 363 982
This year's ordinary depreciations	12 554 523	14 429 549	5 103 332	0	32 087 404
Economic life	1 years	10 years	10 years	0 years	
Depreciation plan	Linear	Linear	Linear	Linear	

Note 13 Tangible assets

Parent company

There are no fixed assets in the parent company.

Consolidated figures	Plant and machinery	Fixtures and fittings	Total
Purchase cost as of 18.02.20	154 005 957	2 076 815	156 082 772
Exchange differences			0
Additions this year	21 996 095	329 105	22 325 200
Disposals this year	21 470 213	152 932	21 623 145
Acquisition cost 31.12.20	154 531 838	2 252 988	156 784 826
Acc. depreciation previous years			
This year's ordinary depreciations			
Depreciation as of 31.12.20	-10 322 705	-790 204	-11 112 909
Book value 31.12.20	144 209 134	1 462 784	145 671 918
This year's ordinary depreciations	10 322 705	790 204	11 112 909
Economic life	5-10 years	3-5 years	
Depreciation plan	Linear	Linear	

Parent company/Consolidated figures

There have been a reclassification in fixed assets in 2020. Fixed assets consisting of physical objects have been reclassified from intangible assets to tangible assets. Plant/construction in progress under "Plant and machinery" will be objects for depreciation once the asset have been utilized.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 14 Investments in subsidiaries

Subsidiaries are valued using the cost method in the annual accounts.

Subsidiary	Owner-ship	Headquarters	Equity acquisition day		Equity 31.12	Book value 31.12.20
			18.02.	Result 18.2 - 31.12		
NDT Global AS	100 %	Bærum, NOR	111 834 342	-11 204 372	102 767 533	463 725 501
TSC Subsea AS	100 %	Bergen, NOR	27 230 936	9 614 839	35 293 262	98 648 218
Halfwave (UK) Ltd	0 %	Portland, UK	667 521	-551 432	0	0
Halfwave LLC	0 %	Texas, USA	2 904 759	-667 521	0	0
Book value 31.12.20			3 572 280	-2 808 486	138 060 795	562 373 719

Halfwave Ltd UK and Halfwave LLC are no longer part of the group as of 31st of December 2020, since both companies were liquidated in November 2020. As a result of the liquidation, the acquisition cost in NDT Global AS have been written off.

Eddyfi NDT Inc ("the Ultimate Parent Company") has through Eddyfi NDT Norway AS acquired all of the shares in NDT Global AS and TSC Subsea AS. The Ultimate Parent has established Loan Facilities administered by the National Bank of Canada in the amount of USD 220.000.000. As a component of the agreement between the Ultimate Parent and the National Bank of Canada, the following assets held by Eddyfi NDT Norway AS have been pledged as security:

- (i) a first priority pledge of the shares in Halfwave AS
- (ii) a first priority pledge of the shares in TSC Subsea AS
- (iii) a first priority assignment of the inter-group receivables under intra-group loans
- (iv) a first priority pledge over the monetary claims in respect to certain bank accounts
- (v) a first priority pledge over the monetary claims arising in respect of certain insurance claims

The forfeiture of any of the assets pledged above would have a material impact on the reported financial statements for Eddyfi NDT Norway AS.

Note 15 Intercompany items between companies in the same group

Parent company		Consolidated figures
	Long-term receivables	2020
2020		
68 220 962	NDT Global AS	0
3 860 917	TSC Subsea AS	0
72 081 879	Total long-term receivables	0
	Account receivables	
121 459	NDT Global AS	0
24 987	TSC Subsea AS	0
0	NDT Global LLC	2 597 639
0	TSC Subsea Ltd.	189 751
146 446	Total account receivables	2 787 391
	Other short-term receivables	
0	TSC Subsea Ltd	2 353 328
0	NDT Global LLC	1 066 689
10 666	Eddyfi NDT Inc.	25 605 529
10 666	Total other short-term receivables	29 025 546
	Other long-term liabilities	
16 041 561	Eddyfi NDT Inc.	56 498 314
16 041 561	Total other long-term liabilities	56 498 314
	Trade creditors	
0	NDT Global LLC	3 910 376
0	NDT Global Inc.	320 767
0	NDT Germany	64 914
0	TSC Subsea UK Ltd.	3 646 194
0	Total account payables	7 942 251
	Other short-term debt	
308 115	NDT Global AS	0
179 605	TSC Subsea AS	0
0	NDT Global LLC	637 600
0	NDT Global Inc.	94 718
0	NDT Germany	1 400 363
0	TSC Subsea UK Ltd.	1 953 442
0	Eddyfi NDT Inc.	249 980
487 720	Total other short-term debt	4 336 104

The intercompany balances occurred during the ordinary transactions between the entities, based on existing agreements.



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 16 Related party transactions

Remuneration to senior executives is disclosed in note 5, for intercompany balances see note 15.

Parent company

Related-party transactions:

	<i>Sales of services</i>	<i>Interests</i>	2020
a) Sale of services and interest income			
Eddyfi NDT Inc.	10 666	0	10 666
NDT Global AS	121 459	1 166 979	1 288 438
TSC Subsea AS	24 987	66 082	91 069
Total	157 112	1 233 061	1 390 173

	<i>Purchase of services</i>	<i>Interests</i>	2020
b) Purchase of services and interest expenses			
Eddyfi NDT Inc.	0	543 986	543 986
NDT Global AS	0	0	0
TSC Subsea AS	0	0	0
Total	0	543 986	543 986

Consolidated figures

Related-party transactions:

	<i>Sales of services</i>	<i>Interests</i>	2020
a) Sale of services and interest income			
Eddyfi NDT Inc.	533 288	0	533 288
NDT Global LLC	0	89 627	89 627
NDT Global Inc.	0	0	0
NDT Germany	0	0	0
TSC Subsea UK Ltd.	0	0	0
Total	533 288	89 627	622 915

	<i>Purchase of services</i>	<i>Interests</i>	2020
b) Purchase of services and interest expenses			
Eddyfi NDT Inc.	249 980	1 606 043	1 856 023
NDT Global LLC	2 547 721	0	2 547 721
NDT Global Inc.	705 615	0	705 615
NDT Germany	1 433 120	0	1 433 120
TSC Subsea UK Ltd.	3 662 194	0	3 662 194
Total	8 598 629	1 606 043	10 204 672

Eddyfi NDT Inc is the parent company to Eddyfi NDT Norway AS. Eddyfi NDT Norway AS is the parent company to the Norwegian companies NDT Global AS and TSC Subsea AS. The other companies mentioned in the group are part of the Eddyfi NDT Inc group which has its headquarter in Canada.

Note 17 Restricted bank deposits, cash in hand etc.

Parent company

Consolidated figures

2020	Restricted bank deposits	2020
0	Withholding tax deposit	1 868 761
0	Other restricted funds	0

Note 18 Share capital, shareholders etc.

Parent company

The share capital in Eddyfi NDT Norway AS as of 31.12.2020 consists of:

	Total	Par value	Posted
Ordinary shares	60 905 385	1,00	60 905 385
Total	60 905 385	1,00	60 905 385

Ownership structure as of 31.12.2020:

	City	Country	Total	Ownership
Eddyfi NDT Inc.	Quebec City	Canada	60 905 385	100 %
Total			60 905 385	100 %



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 19 Equity capital

Parent company

Changes in the equity capital	Share capital	Share premium	Retained earnings	Total equity capital
Equity as of 18.02.2020	30 000	0	0	30 000
Capital increase 12.05.2020	60 875 385	547 878 463	0	608 753 848
Merger Halfwave Subsea Hold. AS	0	-134 844	0	-134 844
Annual result	0	0	-1 862 381	-1 862 381
Equity as of 31.12.	60 905 385	547 743 619	-1 862 381	606 786 623

Consolidated figures

Changes in the equity capital	Share capital	Share premium	Retained earnings	Total equity capital
Equity as of 18.02.2020	30 000	0	0	30 000
Capital increase 12.05.2020	60 875 385	547 878 463	0	608 753 848
Merger Halfwave Subsea Hold. AS	0	-134 844	0	-134 844
Annual result	0	0	-78 606 972	-78 606 972
Other effects on equity	0	0	-2 918 219	-2 918 219
Effect of conversion fluctuations	0	0	-696 198	-696 198
Equity as of 31.12.	60 905 385	547 743 619	-82 221 388	526 427 617

Note 20 Receivables and liabilities

Parent company

2020	Other long-term receivables	Consolidated figures
0	Other receivables	45 240
72 081 879	Intercompany receivables	0
72 081 879	Total other long-term receivables	45 240
	Account receivables	
0	Account receivables	22 173 446
146 446	Intercompany account receivables	2 787 391
0	Bad debt accrual	-227 405
146 446	Total account receivables	24 733 432
	Other short-term receivables	
0	Other receivables	20 079 294
10 666	Intercompany receivables	29 025 546
10 666	Total other long-term receivables	49 104 840
	Other long-term liabilities	
10 724 489	Other long-term debt	10 724 489
16 041 561	Other long-term debt group	56 498 314
26 766 050	Total other long-term liabilities	67 222 803
	Trade creditors	
0	Account payables	13 950 930
0	Intercompany account payables	7 942 251
0	Total trade creditors	21 893 181
	Other short-term liabilities	
509 263	Other short-term debt	49 807 205
487 720	Other short-term debt group	4 336 104
996 983	Total other long-term liabilities	54 143 309



DocuSign Envelope ID: F1221DF6-6461-4338-A747-3F8D55E1BF19

Note 21 - Group acquisition

The company Eddyfi NDT Norway AS was established the 10th of February 2020. The 17th of February 2020 the Canadian company Eddyfi NDT Inc. issued a loan to Eddyfi NDT Norway AS which bought 100 % of the two companies Halfwave AS and Halfwave Subsea Holding AS for respectively NOK 463 524 750 and NOK 99 401 831. The acquisition of Halfwave AS included the two minor subsidiaries Halfwave Ltd (UK) and Halfwave LLC (US). The acquisition of Halfwave Subsea Holding AS included the subsidiary Halfwave Subsea AS. The 17th of February 2020, Eddyfi NDT Inc., obtained control over the acquired companies. The debt to Eddyfi NDT Inc. was converted from debt to share capital through a debt conversion in May 2020.

The acquisition cost of Halfwave AS is consisting of NOK 454 000 773 in cash and an earn-out agreement with old shareholders of NOK 30 737 925. There are several milestones in the earn-out model. The last one has due date December 2022. The acquisition cost of Halfwave Subsea Holding AS consists of cash only.

In December 2020 the Halfwave Subsea Holding AS was merged into Eddyfi NDT Norway AS. In July 2020 Halfwave Subsea AS changed the name to TSC Subsea AS and in March 2021 Halfwave AS changed the name to NDT Global AS.

Treatment of deferred tax: Identified intangible assets as of acquisition date were amounted to 237 580 950. As of 31st of December 2020 the booked value of identified intangible assets was 205 493 546. The deferred tax of identified intangible assets is booked and included in deferred tax liability.

	Halfwave Subsea Holding AS	NDT Global AS
Assets Acquired		
Accounts Receivable	21 945 762	34 781 819
Tax credit receivables	896 639	4 705 029
Inventories	0	3 513 176
Prepaid expenses	525 488	4 968 211
PPE	13 109 970	142 972 802
Intangibles		
Client relationship	15 186 547	43 137 247
Technologies	20 497 180	144 411 950
Backlog	838 521	13 509 505
Goodwill	43 113 945	232 812 467
	108 079 157	624 812 206
Liabilities Assumed		
Accounts payable and accrued liabilities	7 874 017	49 258 926
Deferred revenues	0	5 708 197
Debt	3 794 836	67 053 983
Deferred income tax liabilities	8 034 895	44 232 914
	11 668 853	166 254 021
Cash and Cash Equivalents	2 991 527	4 966 565
Total identifiable net assets	99 401 831	463 524 750
Cash consideration transferred	99 401 831	454 000 773
Earn-out consideration *	0	9 523 977
Total Consideration for accounting purposes	99 401 831	463 524 750

*) This earn-out debt is denominated.

Note 22 - Individual transactions

Nord Stream 2:

We were engaged by Nord Stream 2 to perform a tool build and Pipeline Inspection. Work on the project commenced in 2018 and continued into 2020. As of 18th December 2020, the initial service agreements with Nord Stream 2 were terminated. New agreements were entered into at 18th December 2020 for the sale of part of the capitalized PPE under development, including necessary software. As a result, the arrangement with Nord Stream 2 was changed from a service agreement to an sale of goods agreement.

As NGAAP does not have guidance on how to account for a contract modification/termination, we have applied guidance provided under IFRS 15. Halfwave is not in the business of selling tools, and therefore has no observable data regarding stand-alone selling price. We have there applied the most conservative approach under IFRS 15.21 (a), which we believe to be under NGAAP. Based on this, revenue for work performed on the original contract up to the termination is recognized in 2020. All performance obligations under the subsequent contract, including delivery of the tool, are satisfied in 2021. Therefore, revenues related to the subsequent contract is recognized in full during 2021.

The total value of the new agreements were NOK 30.608.714,48. The invoices were sent the 18th of December and the full payments were received the 22nd of December. As no work related to these contracts were performed in 2020 there was no revenue recognized in 2020. Therefore, the paid amount connected to these contracts is accounted as deferred revenue in the balance sheet. Additionally, the value of the asset transferred in 2021 was moved from Capitalized Tool costs into Inventory. This cost was recognized subsequently in 2021 upon transfer of control to the customer."



KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Eddyfi NDT Norway AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eddyfi NDT Norway AS showing a loss of NOK 1 862 381 in the financial statements of the parent company and loss of NOK 78 606 972 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Eddyfi NDT Norway AS (the Company), which comprise the balance sheet as at 31 December 2020, the revenue statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Eddyfi NDT Norway AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the revenue statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alla	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 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, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the



Independent Auditor's report 2020
Eddyfi NDT Norway AS

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 July 2021
KPMG AS

Øyvind Skorgevik
State Authorised Public Accountant