



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 987 878 037
Organisasjonsform: Aksjeselskap
Foretaksnavn: WELL INNOVATION AS
Forretningsadresse: Koppholen 19
4313 SANDNES

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Sven Petter Omdal
Dato for fastsettelse av årsregnskapet: 26.03.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 14.09.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	9	3 184 241	9 028 792
Annen driftsinntekt		104 422	19 696 914
Sum inntekter		3 288 663	28 725 706
Kostnader			
Varekostnad			43 793
Lønnskostnad	2	6 075 973	9 664 141
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	1 597 293	5 316 180
Nedskrivning av varige driftsmidler og immaterielle eiendeler		310 123	633 033
Annen driftskostnad	2	2 274 044	4 817 980
Sum kostnader		10 257 433	20 475 126
Driftsresultat		-6 968 770	8 250 580
Finansinntekter og finanskostnader			
Annen renteinntekt		2 652	45 041
Annen finansinntekt		20 746	41 409
Sum finansinntekter		23 398	86 450
Rentekostnad til foretak i samme konsern	9	1 540 476	2 087 084
Annen rentekostnad		3 750	6 380
Annen finanskostnad		32 037	221 713
Sum finanskostnader		1 576 263	2 315 177
Netto finans		-1 552 865	-2 228 727
Ordinært resultat før skattekostnad		-8 521 634	6 021 853
Skattekostnad på ordinært resultat	5	-2 129 557	1 883 122
Ordinært resultat etter skattekostnad		-6 392 077	4 138 731
Årsresultat		-6 392 077	4 138 731
Årsresultat etter minoritetsinteresser		-6 392 077	4 138 731



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Totalresultat		-6 392 077	4 138 731
Overføringer og disponeringer			
Konsernbidrag	7		
Overført til annen egenkapital/udekket tap	7	-6 392 077	4 138 731
Sum overføringer og disponeringer		-6 392 077	4 138 731



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	4	35 405 332	28 263 762
Konsesjoner, patenter, lisenser, varemerker o.l.	4	4 500 000	5 000 000
Utsatt skattefordel		16 554 070	14 424 513
Sum immaterielle eiendeler		56 459 402	47 688 275
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	4		
Maskiner og anlegg	4, 6	1 832 513	77 956
Driftsløsøre, inventar, verktøy, kontormaskiner o.l.	4, 6	72 494	65 000
Sum varige driftsmidler		1 905 007	142 956
Finansielle anleggsmidler			
Lån til foretak i samme konsern	9		
Sum anleggsmidler		58 364 410	47 831 232
Omløpsmidler			
Varer			
Sum varer	6, 9		
Fordringer			
Kundefordringer	6, 9	494 082	138 702
Andre kortsiktige fordringer	9	1 311 518	876 295
Sum fordringer		1 805 599	1 014 997
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	8	583 577	581 412
Sum bankinnskudd, kontanter og lignende		583 577	581 412
Sum omløpsmidler		2 389 177	1 596 409
SUM EIENDELER		60 753 586	49 427 640



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	3, 7	1 300 000	1 300 000
Overkurs	7	15 844 198	18 097 544
Annen innskutt egenkapital		3 500 000	3 500 000
Sum innskutt egenkapital		20 644 198	22 897 544
Opptjent egenkapital			
Annen egenkapital	7		4 138 731
Udekket tap			
Sum opptjent egenkapital			4 138 731
Sum egenkapital		20 644 198	27 036 275
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	6, 9		
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	6		
Leverandørgjeld	9	246 614	532 517
Betalbar skatt	5		
Skyldige offentlige avgifter		1 059 717	1 017 943
Annen kortsiktig gjeld	9	38 803 057	20 840 905
Sum kortsiktig gjeld		40 109 388	22 391 365
Sum gjeld		40 109 388	22 391 365
SUM EGENKAPITAL OG GJELD		60 753 586	49 427 640



Skatteetaten

Saksbehandler Inger Helene Iversen	Deres dato 20.03.2017	Vår dato 28.03.2017
Telefon 61236772	Deres referanse Eva-Kristin Kloster	Vår referanse 2017/298992

WELL INNOVATION HOLDING AS
Postboks 8094
4068 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 20. mars 2017 og ytterligere korrespondanse på e-post den 28. mars 2017. I brevet søker der om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

- Well Innovation Holding AS, org.nr. 995 171 910
- Well Innovation AS, org.nr. 987 878 037
- GTK AS, org.nr. 995 189 291

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

Well Innovation Holding AS er morselskap og eier 100 % av aksjene i Well Innovation AS og GTK AS. Det søkes om tillatelse til å utarbeide årsregnskapet på engelsk fordi en større aksjonærgruppe er engelsk (19,5 %) samt at konsernet i hovedsak har bedriftskunder i utlandet. I e-post av 28. mars opplyses det at heller ingen øvrige aksjonærer har problemer med engelsk språk. Det er også vist til at konsernet driver i en internasjonal bransje hvor GTK AS driver med salg og utleie av boreutstyr og Well Innovation AS driver med utvikling og innovasjon innen oljeboring. Selskapene har ansatte fra flere land og arbeidsspråket er engelsk.

Skattedirektoratets vurdering

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

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

Postadresse Postboks 9200 Grønland 0134 Oslo skatteetaten.no/sendepost	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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”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 Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på konsernet driver virksomhet i en internasjonal bransje, med kunder hovedsakelig i utlandet og hvor arbeidsspråket er engelsk. Det er også vektlagt at ingen aksjonærgrupper vil bli negativt berørt av at årsregnskapet og årsberetningen avlegges på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Inger Helene Iversen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Deloitte.

Deloitte AS
Strandsvingen 14 A
NO-4032 Stavanger
Norway

Tel: +47 51 81 56 00
www.deloitte.no

To the General Meeting of Well Innovation AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Well Innovation AS showing a loss of NOK 6 392 077. The financial statements comprise the balance sheet as at 31 December 2019, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Qualified Opinion

In our opinion the total capitalized deferred tax asset of the Company of NOK 16 554 070 does not meet the requirements for capitalization as set out in section 5-3 of the Norwegian Accounting Act and further disclosed in the preliminary Norwegian accounting standard for income tax. The Company/Group has not been able to substantiate a sufficient level of expected future earnings in the form of final negotiated agreements or contracted order reserves that can be used to offset the underlying tax losses carried forward in the upcoming 5 year period or utilization of the tax positions through other realistic tax adjustments. The effect on the Company and Group Financial Statements of the deferred tax asset not being capitalized is a similar reduction in book value of equity.

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 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 qualified opinion.

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 fair presentation 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 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 to cease operations, or has no realistic alternative but to do so.

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Registrert i Foretaksregisteret Medlemmer av
Den norske Revisorforening
Organisasjonsnummer: 980 211 282

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Independent Auditor's Report -
Well Innovation AS

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 International Standards on Auditing, 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 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 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 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.

We communicate with those charged with governance 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.



Deloitte.

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Independent Auditor's Report -
Well Innovation AS

Report on Other Legal and Regulatory Requirements

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.

Stavanger, 26 March 2020
Deloitte AS

Bård Frøyland
State Authorised Public Accountant (Norway)



Financial Statements

Well Innovation AS

2019



Well Innovation AS Profit and loss statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2019	2018
	Revenue	3 184 241	9 028 792
4	Other operating revenue	104 422	19 696 914
	Total operating revenue	3 288 663	28 725 706
	Costs of goods sold	0	43 793
2	Payroll and related costs	6 075 973	9 664 141
4	Depreciation and amortisation of fixed and intangible assets	1 597 293	5 316 180
4	Write-downs of fixed and intangible assets	310 123	633 033
2	Other operating expenses	2 274 044	4 817 980
	Total operating expenses	10 257 433	20 475 127
	Operating profit/(loss)	-6 968 769	8 250 580
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
	Other interest income	2 652	45 041
	Other financial income	20 746	41 409
	Interest paid to group companies	-1 540 476	-2 087 084
	Other interest expenses	-3 750	-6 380
	Other financial expenses	-32 037	-221 713
	Financial items, net	-1 552 865	-2 228 726
	Profit/(loss) on ordinary activities before taxation	-8 521 634	6 021 853
5	Tax on ordinary income	-2 129 557	1 883 122
	Profit/(loss) on ordinary activities	-6 392 077	4 138 731
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	-6 392 077	4 138 731
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
7	Transferred to other equity/uncovered losses	-6 392 077	4 138 731
	Total allocations and equity transfers	-6 392 077	4 138 731



Well Innovation AS Balance sheet at 31 December

NOTE	ASSETS	2019	2018
	Non-current assets		
	Intangible assets		
4	Research and development	35 405 332	28 263 762
4	Concessions, patents, licences, trademarks and similar rights	4 500 000	5 000 000
5	Deferred tax assets	16 554 070	14 424 513
	Total intangible assets	56 459 402	47 688 275
	Tangible fixed assets		
4,6	Plant and machinery	1 832 513	77 956
4,6	Fixtures and fittings	72 494	65 000
	Total tangible fixed assets	1 905 007	142 956
	Total non-current assets	58 364 410	47 831 232
	Current assets		
	Receivables		
6,9	Accounts receivable	494 082	138 702
	Other receivables	1 311 518	876 295
	Total receivables	1 805 599	1 014 997
8	Cash and cash equivalents	583 577	581 412
	Total current assets	2 389 176	1 596 409
	TOTAL ASSETS	60 753 586	49 427 640

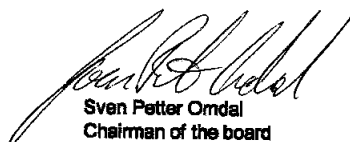


Well Innovation AS Balance sheet at 31 December

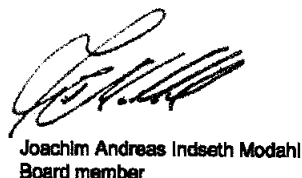
NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2019	2018
	Shareholders equity		
	Paid-in capital		
3,7	Share capital	1 300 000	1 300 000
7	Share premium account	15 844 198	18 097 544
7	Other paid-in capital	3 500 000	3 500 000
	Total paid-in capital	<u>20 644 198</u>	<u>22 897 544</u>
	Retained earnings		
7	Other equity	0	4 138 731
	Total retained earnings	<u>0</u>	<u>4 138 731</u>
	Total shareholders equity	<u>20 644 198</u>	<u>27 036 275</u>
	Liabilities		
	Current liabilities		
	Accounts payable	248 614	532 517
	Other taxes and withholdings	1 059 717	1 017 943
6,9	Other current liabilities	38 803 057	20 840 905
	Total current liabilities	<u>40 109 389</u>	<u>22 391 366</u>
	Total liabilities	<u>40 109 388</u>	<u>22 391 366</u>
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	<u>60 753 586</u>	<u>49 427 640</u>

Stavanger 26.03.2020

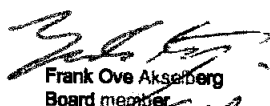
Board of Well Innovation AS




Sven Petter Omdal
Chairman of the board



Joachim Andreas Indseth Modahl
Board member



Frank Ove Akseberg
Board member



Frode Vassbø
Board member



Per Bjarte Tanche-Larsen
CEO



Well Innovation AS

Notes to the accounts, year ended 31 December 2019

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for small entities in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Intangible fixed assets

Expenses relating to the development of intangible assets, including research and development expenses, are capitalized when it becomes probable that the future economic benefits arising from the assets will accrue to the company, and the cost of the assets can be reliably measured.

Intangible assets that are acquired separately, are recognised at historical cost.

Intangible assets with a limited economic life are amortised on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

Revenue

Sale of goods:

Revenue is recognised when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. The revenue is recognised with the value of the remuneration at the time of transaction.

Sale of services:

Revenue is recognised when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognised with the value of the remuneration at the time of transaction.

Construction contracts

For construction contracts, revenue and cost is recognized continually based on the stage of completion of the project (the percent of completion method). The stage of completion is calculated based on actual status compared to a milestone plan agreed in the contract or a production plan

Receivables

Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Post-employment benefits

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.



Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Government grants

Investment grants are recognised in the balance sheet based on net amounts, and allocated to the operating result as reduction in depreciation expenses over the economic life of the investment. Operating grants received are matched with their corresponding costs.

Note 2 Number of employees, benefits, loan to employees etc.

Payroll costs	2019	2018
Wages and salaries	10 635 942	13 342 992
Social security tax	1 692 974	2 006 299
Pension costs	658 915	513 473
Other benefits	115 133	18 411
Capitalized payroll costs	-7 026 990	-6 217 034
Total	6 075 973	9 664 141

Average number of employees during the year 11 12

The Managing Director is employed by Well Innovation's parent company and the cost is included in Management Fee invoiced by the parent company. Well Innovations's total Management fee was 0,5 MNOK in 2019 which includes the company's share off all overhead costs.

Remuneration to the board of directors in 2019 has been paid from the parent company. Remuneration paid in 2019 was 0,5 MNOK.

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenstepensjon"). The company's pension plan meets the requirements of this legislation.

The company's defined-contribution pension scheme is set up according to the Norwegian legislation on defined-contribution pension schemes.

Number of persons included in the company's defined-contribution pension scheme 31.12.19: 11

Auditor's remuneration

Remuneration to Deloitte AS and their associates is in 2019 was NOK 82.663 exclusive of VAT. Remuneration for other services was NOK 75.324 exclusive of VAT.



Note 3 Share capital and shareholder information

The share capital in the company at 31 December 2019 consists of the following classes:

	Number	Nominal amount	Carrying value
Shares	52 000	25	1 300 000
Total	52 000		1 300 000

Ownership structure

Shareholders as of 31 December 2019:

	Number of shares	Carrying Value	Ownership share	Voting share
<i>Well Innovation Holding AS</i>	52 000	1 300 000	100 %	100 %

The company is 100 % owned by Well Innovation Holding AS and thus is a subsidiary of Well Innovation Holding AS. Well Innovation Holding AS operates their business from Koppholen 19 in Sandnes municipality. Consolidated financial statements can be obtained by inquiry at the parent company's business premises.

Shares in parent company held by members of the board:

Name	Title	Number of shares	Ownership share
Sven Petter Omdal, via Cinclus AS	Chairman of the Board	1 992	0,28 %
Sven Petter Omdal, via Hekrima AS	Chairman of the Board	10 261	1,45 %
Frank Ove Akselberg, via Combo AS	Board member	28 069	3,97 %

Note 4 Non-current assets

Intangible assets

	Concessions, patents, licences etc	R&D	Total
Cost at 1 January 2019	5 000 000	54 002 988	59 002 988
Additions	-	8 494 803	8 494 803
Disposals	-	-	-
Cost at 31 Desember 2019	5 000 000	62 497 791	67 497 791
Acc. Amortisation and writedowns at 1 Jan. 2019	-	25 739 226	25 739 226
Acc. Amortisation and writedowns at 31 Dec. 2019	500 000	27 092 459	27 592 459
Balance at 31 December 2019	4 500 000	35 405 332	39 905 332
Current year amortisation charge	500 000	1 043 110	1 543 110
Current year writedown charge	-	310 123	310 123
Economic life	10 years	10 years	
Amortisation method	straight-line	straight-line	

Well Innovation AS is developing new technology within the energy sector. All direct expenses in ongoing internal development projects, hereunder payroll expenses and external purchase has in 2019 been capitalized.

This year's depreciation is related to intangible assets with a book value 31.12.2019 of 9,5 MNOK. Other immaterial assets have not been depreciated. Depreciation will start when the technologies are finalized and commercialized.

The company has in 2019 received governmental grants trough the Norwegian Research Council's (Norges Forskningsråd) program called "Skattefunn" of 1,2 MNOK. The government grant has been recognized as a reduction of the booked acquisition cost for the related development project.

It is the company's opinion that expected future economic benefits resulting from the capitalized research and development expenses will exceed the recognized acquisition cost.

In 2018 Other operating revenue included gain on sale of 7" Liner Hanger and 14" Liner Hanger Technology rights to associated company GTK AS as per Technology Transfer Agreement.



Property, plant and equipment

	Fixtures and fittings	Plant and machinery	Total
Cost at 1 January 2019	76 000	5 033 279	5 109 279
Additions	29 165	1 787 068	1 816 233
Disposals	-	-	-
Cost at 31 Desember 2019	105 165	6 820 347	6 925 512
Acc. depreciation at 31 Dec 2019	32 671	4 987 834	5 020 505
Balance at 31 December 2019	72 494	1 832 513	1 905 007
Current year depreciation charge	21 671	32 511	54 182
Economic life	3-10 years	3-10 years	
Depreciation method	straight-line	straight-line	

Note 5 Income tax expense

Specification of income tax expense:	2019	2018
Current income tax payable	-	-
Changes in deferred tax	-2 129 556	1 227 462
Effect of changes in tax rules	-	655 660
Tax on profit/(loss)	-2 129 556	1 883 122

Specification of current income tax payable:

	2019	2018
This year's payable income tax expense	-	-
Too little/much income tax allocation previous years	-	-
Current income tax payable in the balance sheet	-	-

Specification of the tax effect of temporary differences and losses carried forward:

	2019		2018	
	Benefit	Liability	Benefit	Liability
Fixed assets	-	371 236	-	418 166
Accounting provisions	33 000	-	33 000	-
Balance of profit and loss account	-	1 932 433	-	2 415 542
Losses carried forward	18 824 739	-	17 225 220	-
Total	18 857 739	2 303 669	17 258 220	2 833 707
Off-balance sheet deferred tax benefits	-	-	-	-
Net deferred benefit/liability in the balance sheet	16 554 070		14 424 513	

The deferred tax benefit is included in the balance sheet on the basis of future income. Well Innovation Holding AS and its subsidiaries forms part of the same tax group (in Norwegian called "skattekonsem") which means that expected future income for all the group companies must be considered collectively when evaluating the individual company's possibility to utilize its recognized deferred tax benefit. At the time of rendering of accounts final negotiated agreements or contracted order reserves that will generate taxable income in future years sufficient to utilize the entire recognized deferred tax benefit in the group does not exist. Thus, there is a risk associated with whether the recognized deferred tax benefit can be utilized in future years.



Note 6 Secured borrowings and guarantees

In 2011 the Well Innovation group established a group account scheme with SR-Bank. The overdraft agreement is established between the parent company Well Innovation Holding AS and SR-Bank. Drawdowns within the group account scheme are therefore presented as intercompany receivables/liabilities in the other group companies (refer note 9 on intercompany balances). All group companies are jointly and severally liable for the group account scheme.

Per 31.12.2019 the group has a net deposit of 8,2 MNOK on the group account scheme (31,0 MNOK per 31.12.2018). This consists of prepayments from group customers, of 13,12 MNOK (25,93 MNOK per 31.12.2018). These prepayments can only be used to fulfill contractual obligations as per agreement with the customers. Exclusive of the prepayments, the group has a net draw-down of 5,1 MNOK per 31.12.2019 on the group account scheme (deposit of 5,1 MNOK per 31.12.2018).

Carrying amount of pledged assets	2019	2018
Accounts receivables	494 082	138 702
Tangible fixed assets	1 905 007	142 956
Total	2 399 089	281 658

Note 7 Equity

	Share capital	Share premium	Other paid in equity	Other equity	Total equity
Equity at 1 January 2019	1 300 000	18 097 544	3 500 000	4 138 731	27 036 275
<i>This year's change in equity:</i>					
Profit/(loss) of the year	-	-	-	-6 392 077	-6 392 077
Loss coverage in share premium	-	-2 253 346	-	2 253 346	-
Equity at 31 December 2019	1 300 000	15 844 198	3 500 000	-	20 644 198

Note 8 Bank deposits

Bank deposits, cash etc. include restricted tax deduction funds with NOK 583.577.

Note 9 Related party balances

	Accounts receivable	
	2019	2018
Well Innovation Holding AS	39 456	-
GTK AS	121 126	138 702
Total	160 582	138 702

	Other current liabilities	
	2019	2018
Well Innovation Holding AS	37 340 655	19 218 737
GTK AS	3 818	-
Total	37 344 473	19 218 737

Other current liabilities towards Well Innovation Holding AS per 31.12.2019 of 37,3 MNOK represents Well Innovation AS' drawdown on the group account overdraft facility (19,2 MNOK per 31.12.2018). For further disclosure of the groups overdraft facility see note 6.



Note 10 Subsequent events

In 2020 the prospects for the world economy has become more uncertain, due to among other factors the ongoing spreading of the corona virus (COVID-19). This, combined with lack of consensus between the largest oil-producing countries (OPEC+) with regards to market regulations, has in March 2020 lead to a substantial decrease in oil prices.

Because of the corona virus the governments in several countries have implemented powerful measures to limit the virus from spreading. The result of these measures will most likely be reduced economic activity on a global scale for an uncertain period of time.

For Well Innovation AS a reduction in global, economic activity could lead to a reduction in the general ability to invest in new technology. However, at the same time, the technology that the Company can offer potential investors is considered important to ensure better exploitation of existing offshore infrastructure that in turn can help investors to mitigate possible negative consequences of the decrease in oil prices.

Apart from the effect on key economic variables the virus outbreak has so far had limited effect on the Company's operations. If the negative development continues this could have a financial impact on the Company. The Company however, monitors the situation close and continuously work to identify measures to mitigate risks that may occur if the situation progresses or escalates.