



**Interim condensed consolidated financial information**

**September 30, 2023**

**HMH Holding B.V. including subsidiaries**

**Unaudited**

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## Business Review Q3 2023

### Business Summary

HMH reports revenues of USD 577 million for the nine months ended September 30, 2023, with an adjusted EBITDA (adjusted for non-recurring expenses or costs defined as outside of normal company operations) of USD 88 million, corresponding to an EBITDA margin of approximately 17%. Unadjusted EBITDA was USD 76 million for the nine months ended September 30, 2023. Revenues up 8% in a quarter-to-quarter basis and up 29% year-to-year. For the nine months ended September 30, 2023, revenues were positively impacted by strong activities related to our product and services business. We continue to experience strong growth in our orders with an improved book to bill ratio, highlighting the rebound in the offshore industry from higher crude prices and higher day rates for our customers.

### Adjusted EBITDA and Cash Flow

Adjusted EBITDA was up 25% on a year over year, and up 5% on a quarter over quarter basis, driven by increase aftermarket services and higher service margin. Free cash flow (cash generated from operating activities less taxes paid and net investments) was positive USD 8 million driven by milestone collections and past due reduction. The aftermarket segment of HMH exhibits very steady working capital performance.

### Integration process

HMH has continued to integrate the businesses and build out an independent team from our respective parents. We completed our ERP implementation in our PCS business in 2022 and our ESS in 3Q23. This will greatly enhance our reporting capabilities as we prepare to be able to meet US public company reporting standards. Other key integration initiatives involve combining a few smaller product lines, integration of foreign service operations, and unification of compensation plans.

### Capital Structure

HMH continued to amortize its term loan per the agreed schedule with the banks. We now have \$218 million of interest-bearing debt, with an \$45 million RCF. With \$44 million of cash on the balance sheet, we have \$174 million of net debt. This allows us to stay well within all covenant requirements for Minimum Liquidity, Gearing Ratio and Interest Coverage Ratio. While the company continuously evaluates the state of the capital markets, we expect to continue amortizing the term loan.

### Growth

The Company continues to look to expand current product offerings in new areas, while also looking at a wide variety of M&A opportunities. As a top priority, we are looking to expand our land capabilities. Furthermore, we continue to explore other oil and gas capital equipment segments. Finally, we have both organic and inorganic initiatives aimed at increasing our non-oil and gas businesses.

Amsterdam 25 October 2023

  
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Thomas McGee  
(Chief Financial Officer)

## Unaudited condensed consolidated interim income statement

Amounts in USD thousands	Notes	Third quarter		Third quarter YTD	
		2023	2022	2023	2022
Revenue		203,075	156,958	577,247	481,230
<b>Revenue and other income</b>	2.1	203,075	156,958	577,247	481,230
<b>Operating expenses</b>		<b>-168,840</b>	<b>-132,752</b>	<b>-501,278</b>	<b>-427,825</b>
<b>Operating profit before depreciation, amortization and impairment</b>		<b>34,235</b>	<b>24,206</b>	<b>75,969</b>	<b>53,405</b>
Depreciation and amortization		-10,830	-12,105	-32,671	-35,499
<b>Operating profit / loss(-)</b>		<b>23,405</b>	<b>12,100</b>	<b>43,298</b>	<b>17,906</b>
Finance income		1,178	4,722	9,823	10,270
Finance expenses		-12,147	-15,808	-38,010	-39,828
<b>Net finance expenses</b>	4.2	<b>-10,970</b>	<b>-11,086</b>	<b>-28,187</b>	<b>-29,558</b>
Profit / loss(-) from joint ventures and associates		-	-	-	168
<b>Profit / loss(-) before tax</b>		<b>12,435</b>	<b>1,014</b>	<b>15,111</b>	<b>-11,484</b>
Income tax expense	5.3	-4,824	-4,202	-9,793	-9,713
<b>Profit / loss(-) for the period</b>		<b>7,611</b>	<b>-3,187</b>	<b>5,318</b>	<b>-21,197</b>
<b>Profit / loss(-) attributable to:</b>					
Equity holders of the parent		7,611	-3,187	5,318	-22,818

## Unaudited condensed consolidated interim statement of comprehensive income

Amounts in USD thousands	Notes	Third quarter		Third quarter YTD	
		2023	2022	2023	2022
<b>Profit / loss(-) for the period</b>		<b>7,611</b>	<b>-3,187</b>	<b>5,318</b>	<b>-22,818</b>
<b>Other comprehensive income</b>					
Cash flow hedges, gross amount		2,083	-3,932	-1,194	-11,197
Cash flow hedges, related tax		694	786	-398	2,239
Total change in hedging reserve, net of tax		<b>2,777</b>	<b>-3,146</b>	<b>-1,592</b>	<b>-8,957</b>
Currency translation differences - foreign operations		-6,700	241	610	322
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>		<b>-3,923</b>	<b>-2,905</b>	<b>-982</b>	<b>-8,635</b>
Remeasurement gain (loss) net defined benefit liability		58	-572	132	-763
Deferred tax of remeasurement gain (loss) net defined benefit liability		19	158	44	211
<b>Total items that will not be reclassified to profit or loss, net of tax</b>		<b>77</b>	<b>-414</b>	<b>176</b>	<b>-553</b>
<b>Total other comprehensive income / loss(-) for the period, net of tax</b>		<b>-3,846</b>	<b>-3,319</b>	<b>-806</b>	<b>-9,188</b>
<b>Total comprehensive income / loss(-)</b>		<b>3,765</b>	<b>-6,506</b>	<b>4,512</b>	<b>-32,007</b>
<b>Total comprehensive income / loss(-) attributable to:</b>					
Equity holders of the parent		3,765	-6,506	4,512	-32,007

## Unaudited condensed consolidated interim statement of financial position

<i>Amounts in USD thousands</i>	<i>Notes</i>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>31.12.2022</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Deferred tax assets		29,640	32,353	32,300
Property, plant and equipment	3.1	217,311	215,193	217,675
Other intangible assets		146,192	153,345	156,427
Right-of-use assets		27,004	32,462	32,745
Goodwill	3.2	287,702	278,173	278,112
Other non-current assets	5.2	29,074	7,184	8,041
<b>Total non-current assets</b>		<b>736,923</b>	<b>718,709</b>	<b>725,301</b>
<b>Current assets</b>				
Prepaid company tax		825	516	1,213
Inventories		197,124	139,586	158,097
Trade receivables and other current assets	4.1	197,661	140,186	170,096
Derivative financial instruments	4.1	2,386	11,538	3,703
Current financial assets	4.1	18,928	45,347	41,984
Contract assets		142,539	113,934	148,328
Cash and cash equivalents	4.1	44,414	54,414	47,336
<b>Total current assets</b>		<b>603,877</b>	<b>505,520</b>	<b>570,758</b>
<b>TOTAL ASSETS</b>		<b>1,340,800</b>	<b>1,224,229</b>	<b>1,296,059</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		0	0	0
Share premium		601,539	600,000	601,539
Other equity		-3,607	-10,555	-2,801
Retained earnings		-12,402	-21,480	-17,721
<b>Total equity</b>		<b>585,529</b>	<b>567,965</b>	<b>581,017</b>
<b>Non-current liabilities</b>				
Non-current borrowings	4.3	265,921	268,385	262,640
Non-current lease liabilities		20,633	25,544	25,900
Employee benefit obligations		18,234	20,582	18,797
Deferred tax liabilities		19,851	22,798	22,687
Non-current provisions	5.1	1,354	1,041	734
Contingent considerations	5.4	9,413	-	-
Other non-current liabilities	4.1	10,927	2,299	5,620
<b>Total non-current liabilities</b>		<b>346,333</b>	<b>340,648</b>	<b>336,377</b>
<b>Current liabilities</b>				
Current borrowings	4.3	68,776	31,377	39,204
Current lease liabilities		8,496	8,850	8,927
Current tax liabilities		7,197	8,449	6,452
Current provisions	5.1	18,184	15,251	15,754
Trade payables and other current liabilities	4.1	226,290	169,780	244,722
Contract liabilities		73,313	60,250	57,639
Derivative financial instruments	4.1	6,681	21,657	5,967
<b>Total current liabilities</b>		<b>408,938</b>	<b>315,615</b>	<b>378,665</b>
<b>Total liabilities</b>		<b>755,271</b>	<b>656,264</b>	<b>715,042</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,340,800</b>	<b>1,224,229</b>	<b>1,296,059</b>

Amsterdam 25 October 2023

  
 Thomas McGee  
 (Chief Financial Officer)

## Unaudited condensed consolidated interim statement of cash flows

Amounts in USD thousands	Notes	Third quarter		Third quarter YTD	
		2023	2022	2023	2022
Cash flow from operating activities					
Profit / loss(-) before tax		12,435	1,014	15,111	-11,484
Adjustments for:					
Net finance income and expenses		10,970	11,086	28,187	29,561
Share-based payment expense		1,559	-	5,480	
Foreign exchange gain and loss		2,158	-1,262	2,787	-3,787
Other net finance cost / income (-)		-1,485	586	-2,620	1,758
Depreciation, amortization and impairment		10,830	12,105	32,670	35,499
Gain (-) / loss on disposal of assets		-	-1,635	-	-1,746
Profit (-) / loss from joint ventures and associates		-	-	-	-169
Sum Adjustments		36,466	21,895	81,615	49,632
Changes in working capital:					
Decrease/increase(-) in trade receivables and other current assets		-12,855	-6,095	-27,840	-9,268
Decrease/increase(-) in inventories		473	5,582	-39,027	17,346
Increase/decrease(-) in trade payables and other liabilities		-6,748	1,974	-15,287	25,681
Decrease/increase(-) in contract assets		-11,377	9,117	5,789	-8,497
Increase/decrease(-) in contract liabilities		11,104	-8,710	15,674	-34,857
Other changes		-918	-9,353	3,427	-14,673
Sum Changes in working capital		-20,322	-7,486	-57,264	-24,268
Interest paid		-6,627	-4,764	-18,221	-13,840
Interest paid for leases		-415	-502	-1,275	-1,649
Interest received		565	715	2,149	1,688
Income taxes paid		-1,211	-2,568	-8,835	-4,586
Net cash from / used in (-) operating activities		8,457	7,291	-1,831	6,977
Cash flow from investing activities					
Purchase of property, plant and equipment		-761	-497	-10,859	-1,666
Payments for capitalized development expenses		-2,707	310	-5,044	-298
Proceeds from sale of property, plant and equipment		3	943	3	1,056
Acquisition of subsidiaries, net of cash acquired		-	-3,255	-	-3,255
Sale of subsidiaries, net of cash		-	1,740	-	1,740
Net cash flow from / used in (-) investing activities		-3,465	-760	-15,900	-2,423
Cash flow from financing activities					
Proceeds from borrowings		6,057	-	51,057	150,000
Payment of borrowings		-5,000	-11,678	-28,556	-177,234
Payment of borrowing cost		-	-312	-113	-3,903
Payment of lease liabilities		-1,478	-1,831	-5,699	-5,039
Net cash flow from / used in (-) financing activities		-422	-13,821	16,689	-36,176
Effect of exchange rate changes on cash and cash equivalents		-3,229	-2,475	-1,880	-5,687
Net increase / decrease (-) in cash and cash equivalents		1,341	-9,765	-2,922	-37,311
Cash and cash equivalents at the beginning of the period		43,074	64,179	47,336	91,725
Cash and cash equivalents at the end of the period		44,415	54,414	44,414	54,411

## Unaudited condensed consolidated interim statement of changes in equity

For the nine months ended September 30, 2023

Amounts in USD thousands	Share capital <sup>1)</sup>	Share premium	Hedging reserve	Reserves		Retained earnings	Total equity
				Pension remeasurement reserve	Currency translation reserve		
Equity as of December 31, 2022	0	601,539	-1,769	2,019	-3,051	-17,721	581,017
Profit / loss(-) for the period	-	-	-	-	-	5,318	5,318
Other comprehensive income	-	-	-1,592	176	610	-	-806
<b>Total comprehensive income / loss(-)</b>	<b>0</b>	<b>601,539</b>	<b>-3,361</b>	<b>2,195</b>	<b>-2,441</b>	<b>-12,402</b>	<b>585,529</b>
<b>Equity as of September 30, 2023</b>	<b>0</b>	<b>601,539</b>	<b>-3,361</b>	<b>2,195</b>	<b>-2,441</b>	<b>-12,402</b>	<b>585,529</b>

<sup>1)</sup> Share capital is USD 0.003 thousand at September 30, 2023

For the nine months ended September 30, 2022

Amounts in USD thousands	Share capital <sup>1)</sup>	Share premium	Hedging reserve	Reserves		Retained earnings	Total equity
				Pension remeasurement reserve	Currency translation reserve		
Equity as of 31 December, 2021	0	601,539	1,063	-737	-1,285	-1,863	598,717
Profit / loss(-) for the period	-	-	-	-	-	-22,818	-22,818
Other comprehensive income	-	-	-8,957	-553	322	-	-9,188
<b>Total comprehensive income / loss(-)</b>	<b>0</b>	<b>601,539</b>	<b>-7,894</b>	<b>-1,289</b>	<b>-963</b>	<b>-24,681</b>	<b>566,711</b>
<b>Equity as of September 30, 2022</b>	<b>0</b>	<b>601,539</b>	<b>-7,894</b>	<b>-1,289</b>	<b>-963</b>	<b>-24,681</b>	<b>566,711</b>

<sup>1)</sup> Share capital is USD 0.003 thousand at September 30, 2022



## Section 1 - Background

### Note 1 General information

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#### 1.1 Corporate information

HMH (the Group) consist of HMH Holding B.V. and its subsidiaries. HMH Holding B.V. is a limited liability company that was incorporated and domiciled in the Netherlands on the April 28, 2021. The registered office is located at Amstelveenseweg 500, 1081KL Amsterdam, Netherlands.

The HMH group was established with effect from October 1, 2021, HMH Holding B.V. acquired 100% of MHWirth and 100% of Subsea Drilling System. The shareholders are Baker Hughes Holdings LLC (50%), Akastor AS (25%), and Mercury HoldCo Inc. (25%).

HMH is a leading global provider of full-service offshore and onshore drilling equipment offering that provides our customers with a broad portfolio of products and services that are designed to be safer and more efficient.

#### 1.2 Basis of preparation

The interim condensed consolidated financial statements for the nine months ended September 30, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all of the information and disclosure required for a complete set of annual consolidated financial statements and should be read in conjunction with HMH's Annual Report 2022. The accounting policies applied in this interim financial statements are the same as those applied in the group's consolidated financial statement for the year ended December 31, 2022 which were prepared according to IFRS as approved by the EU.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

HMH reassessed in Q4 2022 the presentation of the sale of Frontica and concluded that it is not a sale of a major line of business so it is disclosed as part of the continuing operations. The presentation has been corrected in the Q4 2022 interim condensed consolidated financial statement and also restated the comparatives in the 2023 interim condensed consolidated financial statements resulting decrease of USD 1,622 thousand in the profit / loss before tax for the nine month ended September 30, 2022.

The interim condensed consolidated financial statements for the nine months ended September 30, 2023 are unaudited.

## Section 2 - Operating performance

### Note 2.1 - Revenue from contracts with customers

#### Revenue types

Amounts in USD thousands	Third quarter		Third quarter YTD	
	2023	2022	2023	2022
<b>Revenue from contract with customers</b>	212,213	156,954	575,901	479,536
<b>Other revenue and income</b>				
Lease revenue	88	93	281	333
Other income	-9,227	16	1,065	1,356
Gain / Loss (-) on disposal of fixed assets	-	-105	-	6
<b>Total revenue and other income</b>	<b>203,075</b>	<b>156,958</b>	<b>577,247</b>	<b>481,230</b>

#### Disaggregation of revenue from contracts with customers

Revenue from contracts with customer is disaggregated in the following table by major contract and revenue types and timing of revenue recognition and by operating segments. HMH has two operating segments: Equipment and System Solutions (ESS) and Pressure Control Systems (PCS).

ESS is a supplier of drilling solutions and complete top side drilling packages and services to both onshore and offshore oil and gas, which includes: overhaul, equipment installation and commissioning, services account management, 24/7 technical support, logistics, engineering upgrades, spare parts supply, training and condition based maintenance etc. ESS segment is derived from the acquisition of MHWirth AS.

PCS is a supplier of integrated drilling products and services, and the key product offering consists of Blowout Prevention (BOP) systems, controls and drilling riser equipment, spare parts supply for rig operations and maintenance programs, overhaul and recertification and reactivation of rigs, technical and operational rig support which includes a 24/7 support center and Contractual Service Agreements (CSA) / Long Term Service Agreements (LTSA). PCS is derived from the acquisition of Subsea Drilling Systems (SDS).

#### Third quarter 2023

Amounts in USD thousands	ESS	PCS	Total
<b>Major contract/revenue types</b>			
Construction revenue	59,590	13,156	72,746
Service revenue	18,435	36,031	54,466
Sale of products	18,598	57,265	75,863
<b>Total revenue and other income</b>	<b>96,623</b>	<b>106,452</b>	<b>203,075</b>

#### Timing of revenue recognition

Goods and services transferred over time	78,025	40,207	118,233
Goods and services transferred at point in time	18,598	66,245	84,843
<b>Total revenue and other income</b>	<b>96,623</b>	<b>106,452</b>	<b>203,075</b>

#### Third quarter YTD 2023

Amounts in USD thousands	ESS	PCS	Total
<b>Major contract/revenue types</b>			
Construction revenue	102,775	39,674	142,449
Service revenue	88,145	96,756	184,901
Sale of products	91,575	158,322	249,897
<b>Total revenue and other income</b>	<b>282,495</b>	<b>294,752</b>	<b>577,247</b>

#### Timing of revenue recognition

Goods and services transferred over time	159,262	111,565	270,827
Goods and services transferred at point in time	123,234	183,186	306,420
<b>Total revenue and other income</b>	<b>282,496</b>	<b>294,751</b>	<b>577,247</b>

**Note 2.1 - Revenue from contracts with customers (Continued)****Third quarter 2022**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	22,387	8,271	30,658
Service revenue	44,895	21,452	66,347
Sale of products	25,674	34,279	59,953
<b>Total revenue and other income</b>	<b>92,956</b>	<b>64,002</b>	<b>156,958</b>

**Timing of revenue recognition**

Goods and services transferred over time	67,282	21,881	89,163
Goods and services transferred at point in time	25,674	42,121	67,796
<b>Total revenue and other income</b>	<b>92,956</b>	<b>64,002</b>	<b>156,958</b>

**Third quarter YTD 2022**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	104,594	41,320	145,914
Service revenue	98,034	64,104	162,138
Sale of products	73,915	99,263	173,178
<b>Total revenue and other income</b>	<b>276,543</b>	<b>204,687</b>	<b>481,230</b>

**Timing of revenue recognition**

Goods and services transferred over time	202,628	88,041	290,669
Goods and services transferred at point in time	73,915	116,646	190,561
<b>Total revenue and other income</b>	<b>276,543</b>	<b>204,687</b>	<b>481,230</b>

## Note 2.2 - Operating segments

HMH identifies its reportable segments and disclose segment information under IFRS 8 Operating Segments. See note 2.1 in this interim report for description of HMH's management model and operating segments as well as accounting principles used for segments reporting.

### Third quarter 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	96,623	106,452	203,075	-	-	203,075
Inter-segment revenue	1,130	1,816	2,946	-2,946	-	-
<b>Total revenue and other income</b>	<b>97,753</b>	<b>108,268</b>	<b>206,021</b>	<b>-2,946</b>	<b>-</b>	<b>203,075</b>
<b>Operating profit before interest, depreciation, amortization and impairment (EBITDA)</b>	<b>6,809</b>	<b>26,599</b>	<b>33,408</b>	<b>-</b>	<b>826</b>	<b>34,235</b>
Depreciation and amortization	-3,223	-6,529	-9,752	-	-1,078	-10,830
Net finance income/expense	-2,816	-73	-2,889	-	-8,080	-10,970
<b>Profit / loss(-) before tax</b>	<b>771</b>	<b>19,997</b>	<b>20,767</b>	<b>-</b>	<b>-8,332</b>	<b>12,435</b>

### Third quarter YTD 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	282,495	294,751	577,247	-	-	577,247
Inter-segment revenue	3,869	5,197	9,066	-9,066	-	-
<b>Total revenue and other income</b>	<b>286,365</b>	<b>299,948</b>	<b>586,312</b>	<b>-9,066</b>	<b>-</b>	<b>577,247</b>
<b>Operating profit before interest, depreciation, amortization and impairment (EBITDA)</b>	<b>21,031</b>	<b>64,504</b>	<b>85,535</b>	<b>-</b>	<b>-9,566</b>	<b>75,969</b>
Depreciation and amortization	-9,728	-19,682	-29,411	-	-3,260	-32,671
Net finance income/expense	-4,355	-437	-4,792	-	-23,395	-28,187
<b>Profit / loss(-) before tax</b>	<b>6,948</b>	<b>44,385</b>	<b>51,332</b>	<b>-</b>	<b>-36,221</b>	<b>15,111</b>

## Note 2.2 - Operating segments (Continued)

### Third quarter 2022

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HHM
<i>Income statement</i>						
External revenue and other income	92,956	64,002	156,958	-	-	156,958
Inter-segment revenue	625	588	1,213	-1,213	-	-
<b>Total revenue and other income</b>	<b>93,580</b>	<b>64,590</b>	<b>158,170</b>	<b>-1,213</b>	<b>-</b>	<b>156,958</b>
<b>Operating profit before interest, depreciation, amortization and impairment</b>	<b>14,904</b>	<b>13,078</b>	<b>27,983</b>	<b>-</b>	<b>-3,777</b>	<b>24,206</b>
Depreciation and amortization	-4,010	-7,030	-11,041	-	-1,065	-12,105
Net finance income/expense	-1,575	-819	-2,394	-	-8,693	-11,086
Profit / loss(-) from joint ventures and associates	-	-	-	-	-	-
<b>Operating profit / loss(-)</b>	<b>9,319</b>	<b>5,229</b>	<b>14,548</b>	<b>-</b>	<b>-13,534</b>	<b>1,014</b>

### Third quarter YTD 2022

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HHM
<i>Income statement</i>						
External revenue and other income	276,544	204,686	481,230	-	-	481,230
Inter-segment revenue	2,335	3,124	5,458	-5,458	-	-
<b>Total revenue and other income</b>	<b>278,879</b>	<b>207,810</b>	<b>486,689</b>	<b>-5,458</b>	<b>-</b>	<b>481,230</b>
<b>Operating profit before interest, depreciation, amortization and impairment</b>	<b>29,111</b>	<b>35,465</b>	<b>64,405</b>	<b>-</b>	<b>-11,000</b>	<b>53,405</b>
Depreciation and amortization	-10,940	-21,348	-32,288	-	-3,211	-35,499
Net finance income/expense	-9,744	-744	-10,488	-	-19,242	-29,558
Profit / loss(-) from joint ventures and associates	168	-	168	-	-	168
<b>Operating profit / loss(-)</b>	<b>8,595</b>	<b>13,374</b>	<b>21,969</b>	<b>-</b>	<b>-33,453</b>	<b>-11,484</b>

## Section 3 - Asset base

### 3.1 Property, plant and equipment

As of 30 September, 2023

<i>Amounts in USD thousands</i>	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>				
<b>Balance as of January 1, 2023</b>	<b>155,278</b>	<b>82,171</b>	<b>1,398</b>	<b>238,847</b>
Additions	6,007	808	4,041	<b>10,856</b>
Reclassifications	-	-3,772	3,772	-
Currency translation differences	4,488	-1,855	96	<b>2,729</b>
<b>Balance as of September 30, 2023</b>	<b>165,774</b>	<b>77,352</b>	<b>9,306</b>	<b>252,432</b>
<i>Accumulated depreciation</i>				
<b>Balance as of January 1, 2023</b>	<b>-7,848</b>	<b>-13,325</b>	-	<b>-21,173</b>
Depreciation for the period	-13,541	-483	-	<b>-14,024</b>
Reclassifications	166	-166	-	-
Currency translation differences	-1,204	1,280	-	<b>76</b>
<b>Balance as of September 30, 2023</b>	<b>-22,427</b>	<b>-12,693</b>	-	<b>-35,121</b>
<b>Net book value as of January 1, 2023</b>	<b>147,431</b>	<b>68,846</b>	<b>1,398</b>	<b>217,675</b>
<b>Net book value as of September 30, 2023</b>	<b>143,347</b>	<b>64,658</b>	<b>9,306</b>	<b>217,311</b>

As of 30 September 2022

	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>				
<b>Balance as of January 1, 2022</b>	<b>152,377</b>	<b>78,512</b>	<b>651</b>	<b>231,540</b>
Additions	0	1,666	-	<b>1,666</b>
Reclassifications	-	809	-102	<b>707</b>
Transfer from assets under construction	-	74	-74	<b>0</b>
Disposals and scrapping	-	-29	-	<b>-29</b>
Currency translation differences	2,342	-0	-749	<b>1,593</b>
<b>Balance as of September 30, 2022</b>	<b>154,719</b>	<b>81,032</b>	<b>-274</b>	<b>235,477</b>
<i>Accumulated depreciation</i>				
<b>Balance as of January 1, 2022</b>	<b>-989</b>	<b>-2,320</b>	-	<b>-3,309</b>
Depreciation for the period	-4,589	-10,297	-	<b>-14,886</b>
Disposals and scrapping	-	27	-	<b>27</b>
Currency translation differences	-970	-1,147	-	<b>-2,117</b>
<b>Balance as of September 30, 2022</b>	<b>-6,548</b>	<b>-13,737</b>	-	<b>-20,285</b>
<b>Net book value as of January 1, 2022</b>	<b>151,388</b>	<b>76,192</b>	<b>651</b>	<b>228,231</b>
<b>Net book value as of September 30, 2022</b>	<b>148,172</b>	<b>67,295</b>	<b>-274</b>	<b>215,192</b>

### 3.2 Intangible assets and goodwill

#### First three quarter 2023

Amounts in USD thousands	Note	Development costs <sup>1)</sup>	Goodwill	Patents and rights	Customer Relations	Other intangible assets	Total
<i>Historical cost</i>							
<b>Balance as of January 1, 2023</b>		45,279	278,112	21,141	105,611	11,042	461,186
Reclassification and other changes		413	-	-7,849	-	7,436	-
Capitalized development		5,044	-	-	-	-	5,044
Adjustment <sup>2)</sup>		-	9,413	-	-	-	9,413
Currency translation differences		-3,166	176	-206	1,669	115	-1,412
<b>Balance as of September 30, 2023</b>		<b>47,570</b>	<b>287,701</b>	<b>13,087</b>	<b>107,280</b>	<b>18,593</b>	<b>474,232</b>
<i>Accumulated amortization and impairment</i>							
<b>Balance as of January 1, 2023</b>		-6,274	-	-4,500	-15,064	-809	-26,647
Amortization for the period		-3,828	-	-4,303	-6,054	-416	-14,600
Currency translation differences		1,661	-	-22	-682	-47	910
<b>Balance as of September 30, 2023</b>		<b>-8,441</b>	<b>-</b>	<b>-8,825</b>	<b>-21,800</b>	<b>-1,271</b>	<b>-40,338</b>
<b>Net book value as of January 1, 2023</b>		<b>39,005</b>	<b>278,112</b>	<b>16,641</b>	<b>90,547</b>	<b>10,233</b>	<b>434,539</b>
<b>Net book value as of September 30, 2023</b>		<b>39,129</b>	<b>287,701</b>	<b>4,262</b>	<b>85,480</b>	<b>17,322</b>	<b>433,895</b>
<b>Useful life</b>		<b>3-5</b>	<b>Infinite</b>	<b>3-5</b>	<b>3-5</b>	<b>3-5</b>	

<sup>1)</sup> Current R&D activities are spread across Norway, Germany, and the United States. The development activities are mainly related to:

- R&D in adjoining industries and misc software development initiatives
- Develop next generation elastomers for oilfield sealing applications, not just in our current space, in cooperation with a major operator.
- Develop a novel solution to reduce the number of accumulator bottles required to meet new regulatory requirements in the Gulf of Mexico

New R&D efforts for 2023 and beyond include developing a fully electric BOP for both offshore surface (platforms and jack-ups) and subsea use.

<sup>2)</sup> Increase in goodwill relates to contingent considerations. See note 5.4 for details.

#### First three quarter 2022

Amounts in USD thousands	Note	Development costs	Goodwill	Patents and rights	Customer Relations	Other intangible assets	Total
<i>Historical cost</i>							
<b>Balance as of January 1, 2022</b>		43,310	277,157	19,594	105,255	4,541	449,857
Acquisition through business combinations		1,973	961	2,736	-	-	5,670
Reclassification and other changes		-625	-	-	-	-	-625
Capitalized development		298	-	-	-	-	298
Disposal and scrapping		-879	-	-	-	-	-879
Disposals of subsidiaries		-48	-	-	-	-	-48
Currency translation differences		-2,184	54	-623	-19	-1	-2,773
<b>Balance as of September 30, 2022</b>		<b>41,845</b>	<b>278,173</b>	<b>21,707</b>	<b>105,236</b>	<b>4,540</b>	<b>451,501</b>
<i>Accumulated amortization and impairment</i>							
<b>Balance as of January 1, 2022</b>		-695	-	-884	-3,583	71	-5,092
Reclassification		-	-	-	-	-31	-31
Amortization for the period		-4,077	-	-2,825	-8,284	-416	-15,601
Disposal and scrapping		293	-	-	-	-	293
Currency translation differences		108	-	340	-1	-0	447
<b>Balance as of September 30, 2022</b>		<b>-4,371</b>	<b>-</b>	<b>-3,369</b>	<b>-11,867</b>	<b>-375</b>	<b>-19,983</b>
<b>Net book value as of January 1, 2022</b>		<b>42,615</b>	<b>277,157</b>	<b>18,710</b>	<b>101,672</b>	<b>4,612</b>	<b>444,765</b>
<b>Net book value as of September 30, 2022</b>		<b>37,474</b>	<b>278,173</b>	<b>18,338</b>	<b>93,369</b>	<b>4,165</b>	<b>431,517</b>
<b>Useful life</b>		<b>3-5</b>	<b>Infinite</b>	<b>3-5</b>	<b>3-5</b>	<b>3-5</b>	

## Section 4 - Financial instruments, risk and capital management

### 4.1 Financial instruments

#### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

**Level 1** - Fair values are based on prices quoted in an active market for identical assets or liabilities.

**Level 2** - Fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.

**Level 3** - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

As of 30 September 2023

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.09.2023</b>				
<b>Financial assets measured at fair value</b>				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		2,386	2,386	Level 2
<b>Financial assets not measured at fair value</b>				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		44,414		
Current financial assets		18,928		
Trade receivables and other current assets		197,661		
Contract assets		142,539		
<b>Financial assets</b>		<b>405,928</b>	<b>2,386</b>	
<b>30.09.2023</b>				
<b>Financial liabilities measured at fair value</b>				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		6,681	6,681	Level 2
<b>Financial liabilities not measured at fair value</b>				
<i>Financial liabilities at amortized cost</i>				
Borrowings		334,697		
<i>Other financial liabilities</i>				
Other non-current liabilities		10,927		
Trade payables and other current liabilities		226,291		
Provisions		19,538		
<b>Financial liabilities</b>		<b>598,134</b>	<b>6,681</b>	



#### 4.1 Financial instruments (continued)

As of 30 September 2022

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.09.2022</b>				
<b>Financial assets measured at fair value</b>				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		11,538	11,538	Level 2
<b>Financial assets not measured at fair value</b>				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		54,414		
Current financial assets		45,347		
Trade receivables and other current assets		140,186		
Contract assets		113,934		
<b>Financial assets</b>		<b>251,484</b>	<b>11,538</b>	

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.09.2022</b>				
<b>Financial liabilities measured at fair value</b>				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		21,657	21,657	Level 2
<b>Financial liabilities not measured at fair value</b>				
<i>Financial liabilities at amortized cost</i>				
Borrowings		299,762		
<i>Other financial liabilities</i>				
Other non-current liabilities		2,299		
Trade payables and other current liabilities		169,780		
Contract liabilities		60,250		
Provisions		16,292		
<b>Financial liabilities</b>		<b>570,040</b>	<b>21,657</b>	

## 4.2 Finance income and finance expenses

<i>Amounts in USD thousands</i>	Third quarter		Third quarter YTD	
	2023	2022	2023	2022
Interest income on bank deposits measured at amortized cost	565	715	2,149	1,688
Foreign exchange gain	513	3,687	7,051	8,260
Other finance income	99	319	623	322
<b>Finance income</b>	<b>1,177</b>	<b>4,722</b>	<b>9,823</b>	<b>10,270</b>
Interest expense on financial liabilities measured at amortized cost	-9,241	-6,992	-26,884	-18,323
Interest expense on lease liabilities	-415	-502	-1,275	-1,649
Loss on foreign currency forward contracts	-	-291	-	-291
Foreign exchange loss	-1,708	-6,781	-5,526	-13,003
Other financial expenses <sup>1)</sup>	-783	-1,243	-4,325	-6,732
<b>Finance expenses</b>	<b>-12,147</b>	<b>-15,808</b>	<b>-38,010</b>	<b>-39,997</b>
<b>Net finance expenses recognized in profit and loss</b>	<b>10,970</b>	<b>11,086</b>	<b>28,187</b>	<b>29,727</b>
<b>Profit / loss(-) from equity-accounted investees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168</b>

<sup>1)</sup> Other financial expense relates to bank fees and amortisation of capitalized borrowing costs.

### 4.3 Borrowings

Below are contractual terms of the group's interest-bearing loans and borrowings which are measured at amortized cost. During third quarter 2023, the Company amended its terms under the Facility Agreement. The amendment gives the Company an option to extend the maturity date for the Revolving Credit Facility and the term loan from February 2024 to December 2024. Further, no payments are required on the term loan until maturity. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 4.1 Financial risk management and exposures.

#### As of 30 September 2023

<i>Amounts in USD thousand</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond	USD	150,000	148,618	7%		Feb 2025	LIBOR + Margin
Term loan Tranche A	USD	16,638	16,638	4%		Feb 2024	LIBOR + Margin
Term loan Tranche B	USD	5,546	5,546	5%		Feb 2024	LIBOR + Margin
Shareholder loan	USD	117,303	117,303		8%	Oct 2025	Fixed rate
Revolving credit facility (USD 80 million)	USD	45,000	45,535	4%		Feb 2024	LIBOR + Margin
Credit line China	RBM	7,704	1,057	-0.40%		Jul 2024	China LPR + Margin
<b>Total borrowings</b>		<b>342,191</b>	<b>334,697</b>				

<b>Current borrowings</b>	68,776
<b>Non-current borrowings</b>	265,921
<b>Total borrowings</b>	<b>334,697</b>

HMH Holding B.V. is the direct borrower of all of the loans above.

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousand</i>	01.01.2023	Cash flows	Interest	Amortization	Capitalized borrowing costs	30.09.2023
Term loan facility	35,684	-15,556	-	2,092	-36	22,184
Bond	147,858	-	-	760	-	148,618
Shareholder loan	110,266	-	7,037	-	-	117,303
Revolving Credit Facilities	8,035	37,000	500	-	-	45,535
Credit Line China	-	1,057	-	-	-	1,057
<b>Total liabilities arising from financing activities</b>	<b>301,843</b>	<b>22,501</b>	<b>7,537</b>	<b>2,852</b>	<b>-36</b>	<b>334,697</b>

#### As of 30 September 2022

<i>Amounts in USD thousand</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond	USD	150,000	147,841	7%		Feb 2022	LIBOR + Margin
Term loan Tranche A	USD	32,741	32,741	4%		Feb 2024	LIBOR + Margin
Term loan Tranche B	USD	10,795	10,914	5%		Feb 2024	LIBOR + Margin
Shareholder loan	USD	108,267	108,267		8%	Oct 2025	Fixed rate
<b>Total borrowings</b>			<b>299,762</b>				

<b>Current borrowings</b>	31,377
<b>Non-current borrowings</b>	268,385
<b>Total borrowings</b>	<b>299,762</b>

HMH Holding B.V. is the direct borrower of all of the loans above.

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousand</i>	01.01.2022	Cash flows	Interest	Amortization	Capitalized borrowing costs	30.09.2022
Term loan facility	66,140	-22,959	-	474	-	43,654
Bridge loan facility	148,808	-150,000	-	1,192	-	-
Bond	-	150,000	-	723	-2,882	147,841
Shareholder loan <sup>1)</sup>	102,000	-	6,267	-	-	108,267
<b>Total liabilities arising from financing activities</b>	<b>316,948</b>	<b>-22,959</b>	<b>6,267</b>	<b>2,389</b>	<b>-2,882</b>	<b>299,762</b>

<sup>1)</sup> As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture was by establishing shareholder loans to Akastor and Baker Hughes. The total amount of the shareholder loan is USD 100 million and will not be settled prior to external debt. Earliest maturity date is set to October 1, 2025. USD 20 million of the loan relates to Akastor, and remaining USD 80 million is a loan from Baker Hughes to HMH.

## Section 5 - Other information

### 5.1 Provisions

<i>Amounts in USD thousands</i>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>31.12.2022</b>
Provisions, current	18,184	15,251	15,754
Provisions, non-current	1,354	1,041	734
<b>Total provisions</b>	<b>19,538</b>	<b>16,292</b>	<b>16,488</b>

Provisions mainly consist of Warranties, Restructuring provision and other provisions.

#### **Warranties**

The provision for warranties relates mainly to the possibility that HMH Group, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. Warranty provision is presented as current as it is expected to be settled in the group's normal operating cycle.

#### **Restructuring**

Restructuring mainly relates to significant workforce reduction and reorganization in MHWirth due to challenging rig market. The provision includes provision for vacant office premises after the workforce reduction and is estimated based on the detailed restructuring plans for the businesses and locations affected.

As of 31 December 2022, a restructuring provision of USD 1.1 million had been recognised mainly relating to gratuity pensions and provision for restoration and hand back costs of rented offices. Expenditures of USD 1.8 million were charged against the provision in the Second Quarter of 2023 related to restructuring of workforce in HMH. There was no reversal of restructuring provision in 2023 so far.

#### **Other provisions**

Provisions in Hydril USA Distribution LLC were:

- USD 4 million environmental reserve for estimated remediation costs for two plants.
- USD 2 million other provisions

The remaining USD 4 million are other provisions in the HMH Group

## 5.2 Related party transactions

HMH Group with its parent company HMH Holding B.V., is a joint venture by Akastor and Baker Hughes. The shareholders are Baker Hughes Holdings LLC (50%), Akastor AS (25%), and Mercury HoldCo Inc. (25%).

Related parties for the HMH Group are the shareholders and the entities in the Akastor Group and Baker Hughes Group.

As of 30 September 2023

Amounts in USD thousands	Baker Hughes Holding LLC	GEO Oil and Gas Australia Pty Ltd	Akastor AS	Other Baker-Hughes companies	Other Akastor companies	Total
<b>Period January 1, 2023 - September 30, 2023</b>						
<b>Income statement</b>						
Revenue	-	131	5,244	216	34	<b>5,625</b>
Net financial items	-5,260	-	-1,146	-64	-	<b>-6,471</b>
<b>Balance as of September 30, 2023</b>						
Interest-bearing receivables	-	-	17,079	873	-	<b>17,952</b>
Trade receivables	-	774	569	-	56	<b>1,399</b>
Trade payables	-	-	-	107	-	<b>107</b>
Borrowings / shareholder loans	93,855	-	23,449	-	-	<b>117,303</b>
Indemnification asset <sup>2)</sup>	-	-	21,422	-	-	<b>21,422</b>
Non-current receivable related party <sup>1)</sup>	3,454	-	3,835	-	-	<b>7,288</b>
Contingent considerations <sup>3)</sup>	666	-	8,747	-	-	<b>9,413</b>

<sup>1)</sup> It is included as part of Other non-current assets. It consists of receivable against Akastor and Baker-Hughes resulting from the settlement of the acquisition of MHWirth and Subsea Drilling Systems, respectively.

<sup>2)</sup> As part of the agreement between Akastor and Baker Hughes at the time of the formation of the group, Akastor is responsible for all pension liabilities accrued and unsettled pension liabilities pre October 1, 2021. HMH have booked a receivable in HMH Holding B.V. towards Akastor for their part of the total pension liability of USD 19.9 million as a non-current assets and USD 1.5 million as a current assets.

<sup>3)</sup> See note 5.4 for details.

### Related party transactions

#### Akastor

- Akastor has provided a shareholder loan to HMH of total USD 20 million in 2021. This is a long-term loan provided to finance the Groups operating and finance activities. The closing balance includes the initial loan amount and the capitalized interest, see Note 4.3 for details.
- Akastor has provided a seller's credit for Step Oiltools of USD 17.1 million related to carve-out of Step Oiltools prior to the merger.
- As part of the merger, Akastor is responsible for the pension liability from before the merger. Hence, HMH has a receivable of USD 21.4 million receivable towards Akastor.
- HMH agreed to pay consideration to the shareholders upon utilization of the deferred tax assets that were acquired as part of the formation of HMH. See note 5.4 for details.

#### Baker Hughes

- Baker Hughes has provided a shareholder loan to HMH of total USD 80 million in 2021. This is a long-term loan provided to finance the Groups operating and finance activities. The closing balance includes the initial loan amount and the capitalized interest, see Note 4.3 for details.
- HMH agreed to pay consideration to the shareholders upon utilization of the deferred tax assets that were acquired as part of the formation of HMH. See note 5.4 for details.

## 5.2 Related party transactions (continued)

As of 30 September 2022

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	GE Drilling Services LLC	GEO Oil and Gas Australia Pty Ltd	Akastor AS	Other Baker-Hughes companies	Other Akastor companies	Total
<b>Period January 1, 2022 - September 30, 2022</b>							
<b>Income statement</b>							
Revenue	-	-	123	2,745	-	1,769	<b>4,637</b>
Net financial items	-5,018	-	-	-207	-108	-	<b>-5,333</b>
<b>Balance as of September 30, 2022</b>							
Interest-bearing receivables	3,467	-	-	20,914	-	-	<b>24,381</b>
Trade receivables	-	1,040	-	-	317	-	<b>1,357</b>
Trade payables	-	-	-	-	-	683	<b>683</b>
Borrowings / shareholder loans	86,613	-	-	21,653	-	-	<b>108,267</b>
Indemnification asset	-	-	-	27,919	-	-	<b>27,919</b>

### Related party transactions

#### Akastor

- Akastor has provided a shareholder loan to HMH of total USD 20 million in 2021. This is a long-term loan provided to finance the Group's operating and finance activities. (See note 4.3)
- Akastor has provided a seller's credit for Step Oiltools of USD 16.4 million related to carve-out of Step Oiltools prior to the merger.
- In relation to the merger, there were performed a carve-out of pension liabilities in MHWirth AS - asset in HMH Holding B.V against Akastor AS. As part of the merger, Akastor is responsible for the pension liability from before the merger, so called carved-out pension. Hence, HMH has a receivable of USD 27.9 million receivable towards Akastor as of June 30, 2022.

#### Baker Hughes

- Baker Hughes has provided a shareholder loan to HMH of total USD 80 million in 2021. This is a long-term loan provided to finance the Group's operating and finance activities. (See note 4.3)

### **5.3 Income tax**

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The Group's effective tax rates for the three and nine months ended September 30, 2023 and 2022 were negatively impacted by the changes in the unrecognized deferred tax assets related to losses in certain jurisdictions for which the Group cannot currently recognize a tax benefit. The effective tax rates were also impacted by the Group's US income and losses which are taxed to Baker Hughes and Akastor, certain withholding taxes, as well as differences in tax rates in the jurisdictions in which we operate. The effective tax rates for the periods ending December 31, 2022 and 2021 were also impacted by these same items.

### **5.4 Commitments and contingencies**

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Our contingent consideration include approximately USD 9.4 million associated with our deferred tax assets that were acquired as part of the formation of HMM and is payable to our shareholders upon utilization.

### **5.5 Subsequent events**

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#### **Adjusting and non-adjusting events**

As of the signing date of the interim financial statement, no subsequent events are noted which require adjustments in the interim condensed consolidated financial statements or to be disclosed.

## **Alternative Performance Measures (APM)**

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To enhance investors' understanding of the company's performance, The Group presents certain alternative performance measures (APMs). An APM is defined as a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). As every group does not calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

The Group uses adjusted EBITDA as an APM.

### **Adjusted EBITDA**

Adjusted EBITDA is defined as the profit/(loss) for the year/ period before net financial income (expenses), income tax expense, depreciation and amortization (EBITDA), adjusted for non-recurring items affecting comparability.

### **Non-recurring items**

The Group defines non-recurring items as one-time costs, not relating to the actual reporting period or core activity.