



**Interim condensed consolidated financial information**  
**September 30, 2024**  
**HMH Holding B.V. including subsidiaries**  
**Unaudited**

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## Business Review Q3 2024

### Business Summary

HMH reports revenues of USD 213 million for the three months ended September 30, 2024, with an adjusted EBITDA (adjusted for non-recurring expenses or costs defined as outside of normal company operations) of USD 46 million, corresponding to an EBITDA margin of 21.7%. Unadjusted EBITDA was USD 45 million for the three months ended September 30, 2024. Revenues from Aftermarket Services were USD 141 million in the quarter, down 4% percent compared to third quarter last year and down 6% percent quarter-on-quarter, both driven by lower service order intake in the quarter. Order intake within this segment in period was down 10% percent year-on-year and down 8% percent quarter-on-quarter driven by pressure recently due to flat rig activity and restrained spending by customers. Revenues from Projects, Products & Other were USD 73 million in the quarter, up 30% percent year-on-year and up 25% percent quarter-on-quarter driven by increased product shipments.

### Adjusted EBITDA and Cash Flow

Adjusted EBITDA was up 32% on a year over year, and up 11% on a quarter over quarter basis, driven by increased product volume and improved revenue mix within projects, product, and other. Free cash flow (cash generated from operating activities less taxes paid and net investments) was flat driven by timing of key milestone collections and working capital build for key rig upgrades and land equipment projects.

### Capital Structure

In 4Q23 HMH preformed a full refinancing of its debt structure. We now have USD 230 million of interest-bearing debt, with USD 30 million drawn under the new RCF. With USD 33 million of cash on the balance sheet, we have USD 197 million of net debt. HMH stays well within all covenant requirements for Minimum Liquidity, Gearing Ratio and Interest Coverage Ratio.

### 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.

Thomas McGee  
(Chief Financial Officer)

**Amsterdam October 30, 2024**

## Unaudited condensed consolidated interim income statement

<i>Amounts in USD thousands</i>	Notes	Third quarter		Third quarter YTD	
		2024	2023	2024	2023
<b>Revenue and other income</b>	2.1	213,497	203,075	614,667	577,247
<b>Operating expenses</b>		<b>-168,904</b>	<b>-168,588</b>	<b>-498,652</b>	<b>-500,517</b>
<b>Operating profit before depreciation, amortization and impairment</b>	2.2	<b>44,592</b>	<b>34,486</b>	<b>116,015</b>	<b>76,730</b>
Depreciation and amortization	2.2	-12,192	-10,352	-34,907	-31,236
<b>Operating profit / loss(-)</b>		<b>32,401</b>	<b>24,135</b>	<b>81,108</b>	<b>45,494</b>
Finance income	4.2	4,983	833	15,531	8,791
Finance expenses	4.2	-13,151	-12,020	-42,020	-37,629
<b>Net finance expenses</b>		<b>-8,168</b>	<b>-11,187</b>	<b>-26,489</b>	<b>-28,838</b>
<b>Profit / loss(-) before tax</b>		<b>24,232</b>	<b>12,948</b>	<b>54,619</b>	<b>16,656</b>
Income tax expense	5.3	-5,972	-4,912	-14,655	-10,058
<b>Profit / loss(-) for the period</b>		<b>18,261</b>	<b>8,036</b>	<b>39,964</b>	<b>6,598</b>
<b>Profit / loss(-) attributable to:</b>					
Equity holders of the parent		17,912	8,036	39,410	6,598
Non-controlling interests		349	-	553	-

## Unaudited condensed consolidated interim statement of comprehensive income

<i>Amounts in USD thousands</i>	Notes	Third quarter		Third quarter YTD	
		2024	2023	2024	2023
<b>Profit / loss(-) for the period</b>		<b>18,261</b>	<b>8,036</b>	<b>39,964</b>	<b>6,598</b>
<b>Other comprehensive income</b>					
Cash flow hedges, gross amount		-556	3,472	983	-1,990
Cash flow hedges, related tax		111	-694	-197	398
Total change in hedging reserve, net of tax		<b>-445</b>	<b>2,778</b>	<b>787</b>	<b>-1,592</b>
Currency translation differences - foreign operations		3,428	-6,793	-6,714	373
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>		<b>2,983</b>	<b>-4,015</b>	<b>-5,927</b>	<b>-1,219</b>
Remeasurement gain (loss) net defined benefit liability		-248	96	53	288
Deferred tax of remeasurement gain (loss) net defined benefit liability		50	-19	-11	-58
<b>Total items that will not be reclassified to profit or loss, net of tax</b>		<b>-198</b>	<b>77</b>	<b>43</b>	<b>230</b>
<b>Total other comprehensive income / loss(-) for the period, net of tax</b>		<b>2,785</b>	<b>-3,938</b>	<b>-5,884</b>	<b>-989</b>
<b>Total comprehensive income / loss(-)</b>		<b>21,046</b>	<b>4,098</b>	<b>34,079</b>	<b>5,609</b>
<b>Total comprehensive income / loss(-) attributable to:</b>					
Equity holders of the parent		20,698	4,098	33,526	5,609
Non-controlling interests		349	-	553	-

## Unaudited condensed consolidated interim statement of financial position

<i>Amounts in USD thousands</i>	<i>Notes</i>	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>31.12.2023</b>
<b>Assets</b>				
Deferred tax assets		25,687	29,314	28,570
Property, plant and equipment	3.1	206,251	217,311	214,834
Other intangible assets		144,801	148,091	148,471
Right-of-use assets	3.2	37,279	32,606	34,149
Goodwill	3.3	299,676	287,702	287,848
Other non-current assets	5.2	32,195	29,074	28,488
<b>Total non-current assets</b>		<b>745,889</b>	<b>744,098</b>	<b>742,359</b>
Prepaid company tax		634	825	884
Inventories		282,459	238,143	241,404
Trade receivables and other current assets	4.1	188,908	197,845	178,206
Derivative financial instruments	4.1	1,139	2,386	2,759
Current financial assets	4.1	3,679	2,926	1,500
Contract assets		139,009	99,621	143,652
Cash and cash equivalents	4.1	33,400	44,414	62,524
<b>Total current assets</b>		<b>649,228</b>	<b>586,160</b>	<b>630,929</b>
<b>TOTAL ASSETS</b>		<b>1,395,117</b>	<b>1,330,258</b>	<b>1,373,288</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		0	0	0
Share premium		601,539	601,539	601,539
Other equity		21,648	-3,790	15,175
Retained earnings		18,578	-25,009	-20,832
<b>Equity attributable to equity holders of the parent company</b>		<b>641,765</b>	<b>572,740</b>	<b>595,882</b>
Non-controlling interests		985	-	-
<b>Total equity</b>		<b>642,750</b>	<b>572,740</b>	<b>595,882</b>
Non-current borrowings	4.3	323,966	265,921	315,175
Non-current lease liabilities	3.2	30,618	26,163	28,617
Employee benefit obligations		18,443	18,234	19,154
Deferred tax liabilities		19,668	19,851	21,541
Non-current provisions	5.1	1,036	1,354	1,068
Other non-current liabilities	4.1	14,286	20,340	11,359
<b>Total non-current liabilities</b>		<b>408,017</b>	<b>351,863</b>	<b>396,913</b>
Current borrowings	4.3	29,354	68,776	25,453
Current lease liabilities	3.2	8,951	7,608	8,722
Current tax liabilities		6,793	7,197	8,283
Current provisions	5.1	17,096	18,184	17,829
Trade payables and other current liabilities	4.1	220,502	226,184	243,355
Contract liabilities		60,929	71,025	75,525
Derivative financial instruments	4.1	725	6,681	1,326
<b>Total current liabilities</b>		<b>344,350</b>	<b>405,655</b>	<b>380,494</b>
<b>Total liabilities</b>		<b>752,367</b>	<b>757,518</b>	<b>777,407</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,395,117</b>	<b>1,330,258</b>	<b>1,373,288</b>

Amsterdam, October 30, 2024



Thomas McGee  
(Chief Financial Officer)

## Unaudited condensed consolidated interim statement of cash flows

<i>Amounts in USD thousands</i>	Notes	Third quarter		Third quarter YTD	
		2024	2023	2024	2023
<i>Cash flow from operating activities</i>					
Profit / loss(-) before tax		24,232	12,948	54,619	16,656
<i>Adjustments for:</i>					
Net finance income and expenses		8,168	11,187	26,489	28,838
Share-based payment expense		1,680	1,559	5,040	5,480
Foreign exchange gain and loss		5,073	372	2,257	1,353
Other net finance cost / income (-)		-1,453	-1,485	-1,911	-2,620
Depreciation, amortization and impairment	3.1	12,192	10,352	34,907	31,236
Sum Adjustments		49,892	34,932	121,401	80,944
<i>Changes in working capital:</i>					
Decrease/increase(-) in trade receivables and other current assets		-9,714	-14,485	-8,136	-23,990
Decrease/increase(-) in inventories		-4,301	-3,081	-38,012	-55,403
Increase/decrease(-) in trade payables and other liabilities		-18,012	-6,748	-38,735	-14,955
Decrease/increase(-) in contract assets		-11,669	-5,924	4,643	24,064
Increase/decrease(-) in contract liabilities		-8,574	11,104	-14,596	13,386
Other changes		8,094	714	-741	1,411
Sum Changes in working capital		-44,175	-18,420	-95,576	-55,488
Interest paid		-607	-7,533	-11,443	-18,872
Interest paid for leases	4.2	-485	-415	-1,581	-1,275
Interest received	4.2	307	1,254	1,964	2,149
Income taxes paid		-1,635	-1,212	-14,886	-8,836
<b>Net cash from / used in (-) operating activities</b>		<b>3,296</b>	<b>8,607</b>	<b>-121</b>	<b>-1,379</b>
<i>Cash flow from investing activities</i>					
Purchase of property, plant and equipment	3.1	-3,442	-761	-9,688	-10,859
Payments for capitalized development expenses	3.3	-	-2,704	-1,029	-5,041
Proceeds from sale of property, plant and equipment		27	-	27	-
Acquisition of subsidiaries, net of cash acquired	5.1	-19,624	-	-19,624	-
<b>Net cash flow from / used in (-) investing activities</b>		<b>-23,039</b>	<b>-3,465</b>	<b>-30,314</b>	<b>-15,900</b>
<i>Cash flow from financing activities</i>					
Proceeds from sale to non-controlling interests		-	-	2,291	-
Proceeds from borrowings	4.3	17,000	6,057	30,000	51,057
Payment of borrowings	4.3	-984	-5,000	-22,984	-28,556
Payment of borrowing cost	4.3	-	-	-1,615	-113
Payment of lease liabilities	3.2	-1,389	-1,630	-5,609	-6,152
<b>Net cash flow from / used in (-) financing activities</b>		<b>14,627</b>	<b>-573</b>	<b>2,082</b>	<b>16,236</b>
Effect of exchange rate changes on cash and cash equivalents		-1,183	-3,229	-771	-1,880
<b>Net increase / decrease (-) in cash and cash equivalents</b>		<b>-6,298</b>	<b>1,340</b>	<b>-29,124</b>	<b>-2,923</b>
Cash and cash equivalents at the beginning of the period		39,698	43,074	62,524	47,336
<b>Cash and cash equivalents at the end of the period</b>		<b>33,400</b>	<b>44,414</b>	<b>33,400</b>	<b>44,414</b>

## Unaudited condensed consolidated interim statement of changes in equity

### For the nine months ended September 30, 2024

<i>Amounts in USD thousands</i>	Share capital <sup>1)</sup>	Share premium	Other equity				Retained earnings	Total	Non-controlling interest	Total equity
			Hedging reserve	Pension remeasurement reserve	Other equity <sup>2)</sup>	Currency translation reserve				
<b>Equity as of December 31, 2023</b>	<b>0</b>	<b>601,539</b>	<b>1,098</b>	<b>2,036</b>	<b>9,967</b>	<b>2,075</b>	<b>-20,832</b>	<b>595,881</b>	<b>-</b>	<b>595,881</b>
Profit / loss (-) for the period	-	-	-	-	-	-	39,410	<b>39,410</b>	553	<b>39,964</b>
Other comprehensive income / loss (-)	-	-	-787	43	-	-6,714	-	<b>-7,458</b>	-	<b>-7,458</b>
<b>Total comprehensive income/loss(-)</b>	<b>0</b>	<b>-</b>	<b>-787</b>	<b>43</b>	<b>-</b>	<b>-6,714</b>	<b>39,410</b>	<b>31,953</b>	<b>553</b>	<b>32,506</b>
Share-based payments	-	-	-	-	5,040	-	-	<b>5,040</b>	-	<b>5,040</b>
Sale ownership interest in Hydril Arabia (note 5.6)	-	-	-	-	8,891	-	-	<b>8,891</b>	431	<b>9,322</b>
<b>Equity as of September 30, 2024</b>	<b>0</b>	<b>601,539</b>	<b>311</b>	<b>2,078</b>	<b>23,898</b>	<b>-4,639</b>	<b>18,578</b>	<b>641,765</b>	<b>985</b>	<b>642,750</b>

<sup>1)</sup> Share capital is USD 0.002 thousand at September 30, 2024

<sup>2)</sup> See note 5.6.

### For the nine months ended September 30, 2023

<i>Amounts in USD thousands</i>	Share capital <sup>1)</sup>	Share premium	Other equity				Retained earnings	Total	Non-controlling interests	Total equity
			Hedging reserve	Pension remeasurement reserve	Other equity	Currency translation reserve				
Balance at January 1, as previously reported	0	601,539	-1,769	2,019	-	-3,051	-17,721	581,017	-	<b>581,017</b>
Impact of correction of errors <sup>2)</sup>	-	-	-	-	-	-	-13,886	-13,886	-	<b>-13,886</b>
<b>Restated balance at January 1</b>	<b>0</b>	<b>601,539</b>	<b>-1,769</b>	<b>2,019</b>	<b>-</b>	<b>-3,051</b>	<b>-31,607</b>	<b>567,130</b>	<b>-</b>	<b>567,130</b>
Profit / loss (-) for the period	-	-	-	-	-	-	6,598	6,598	-	<b>6,598</b>
Other comprehensive income / loss (-)	-	-	-1,592	231	-	373	-	<b>-988</b>	-	<b>-988</b>
<b>Total comprehensive income/loss(-)</b>	<b>0</b>	<b>601,539</b>	<b>-3,361</b>	<b>2,250</b>	<b>-</b>	<b>-2,678</b>	<b>-25,009</b>	<b>572,740</b>	<b>-</b>	<b>572,740</b>
<b>Equity as of September 30, 2023</b>	<b>0</b>	<b>601,539</b>	<b>-3,361</b>	<b>2,250</b>	<b>-</b>	<b>-2,678</b>	<b>-25,009</b>	<b>572,740</b>	<b>-</b>	<b>572,740</b>

<sup>1)</sup> Share capital is USD 0.002 thousand at September 30, 2023

<sup>2)</sup> See note 1.2.

## 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 three and nine months ended September 30, 2024 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 judgment 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 2023. 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, 2023 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 effective as of January 1, 2024 but the Group does not have any significant impact on its consolidated financial statements.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

At the end of 2023, the Group discovered and corrected errors relating to goodwill, StepOil Tool and IFRS 16 Leases and changed its accounting policies for project inventory, refer to note 8.1 and 8.2 in the Group's consolidated financial statement for the year ended December 31, 2023. Therefore, the Group has also restated the comparatives in the current interim condensed consolidated financial statements accordingly to reflect the corrected 2023 figures.

The interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 are unaudited.



**Section 2 - Operating performance**  
**Note 2.1 - Revenue from contracts with customers**

**Revenue types**

<i>Amounts in USD thousands</i>	Third quarter		Third quarter YTD	
	2024	2023	2024	2023
<b>Revenue from contract with customers</b>	212,836	202,713	612,612	574,994
<b>Other revenue and income</b>				
Lease revenue	107	116	322	349
Other income	554	245	1,733	1,904
<b>Total revenue and other income</b>	<b>213,497</b>	<b>203,075</b>	<b>614,667</b>	<b>577,247</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. HMM 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 2024**

<i>Amounts in USD thousands</i>	ESS	PCS	Total
<b>Major contract/revenue types</b>			
Construction revenue	19,096	11,473	30,568
Service revenue	42,200	42,033	84,233
Sale of products	46,951	51,083	98,035
<b>Total revenue from contract with customers</b>	<b>108,247</b>	<b>104,589</b>	<b>212,836</b>

**Timing of revenue recognition**

Goods and services transferred over time	61,295	50,707	112,003
Goods and services transferred at point in time	46,951	53,881	100,833
<b>Total revenue from contract with customers</b>	<b>108,247</b>	<b>104,589</b>	<b>212,836</b>

**Third quarter YTD 2024**

<i>Amounts in USD thousands</i>	ESS	PCS	Total
<b>Major contract/revenue types</b>			
Construction revenue	48,983	27,005	75,988
Service revenue	133,536	130,262	263,798
Sale of products	131,114	141,712	272,825
<b>Total revenue from contract with customers</b>	<b>313,633</b>	<b>298,979</b>	<b>612,612</b>

**Timing of revenue recognition**

Goods and services transferred over time	182,519	143,228	325,747
Goods and services transferred at point in time	131,114	155,750	286,864
<b>Total revenue from contract with customers</b>	<b>313,633</b>	<b>298,979</b>	<b>612,612</b>

**Note 2.1 - Revenue from contracts with customers (Continued)****Third quarter 2023**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	10,810	13,156	23,966
Service revenue	48,850	36,419	85,269
Sale of products	36,646	56,833	93,478
<b>Total revenue from contract with customers</b>	<b>96,306</b>	<b>106,408</b>	<b>202,713</b>

**Timing of revenue recognition**

Goods and services transferred over time	59,660	47,571	107,232
Goods and services transferred at point in time	36,646	58,836	95,482
<b>Total revenue from contract with customers</b>	<b>96,306</b>	<b>106,408</b>	<b>202,713</b>

**Third quarter YTD 2023**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	36,870	39,673	76,543
Service revenue	138,455	96,332	234,787
Sale of products	106,217	157,449	263,665
<b>Total revenue from contract with customers</b>	<b>281,541</b>	<b>293,453</b>	<b>574,994</b>

**Timing of revenue recognition**

Goods and services transferred over time	175,325	130,115	305,440
Goods and services transferred at point in time	106,217	163,338	269,555
<b>Total revenue from contract with customers</b>	<b>281,541</b>	<b>293,453</b>	<b>574,994</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 2024

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	Total HMH
<i>Income statement</i>						
External revenue and other income	109,020	104,476	213,497	-	-	213,497
Inter-segment revenue	799	403	1,202	-1,202	-	-
<b>Total revenue and other income</b>	<b>109,819</b>	<b>104,879</b>	<b>214,698</b>	<b>-1,202</b>	<b>-</b>	<b>213,497</b>
<b>Operating profit depreciation, amortization and impairment</b>	<b>17,410</b>	<b>29,815</b>	<b>47,225</b>	<b>-</b>	<b>-2,633</b>	<b>44,592</b>
Depreciation and amortization	-4,336	-7,245	-11,581	-	-611	-12,192
<b>Operating profit / loss(-)</b>	<b>13,074</b>	<b>22,570</b>	<b>35,644</b>	<b>-</b>	<b>-3,243</b>	<b>32,401</b>
Net finance income/expense	-1,739	980	-759	-	-7,409	-8,168
<b>Profit / loss(-) before tax</b>	<b>11,335</b>	<b>23,550</b>	<b>34,885</b>	<b>-</b>	<b>-10,652</b>	<b>24,232</b>

### Third quarter YTD 2024

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	Total HMH
<i>Income statement</i>						
External revenue and other income	315,110	299,557	614,667	-	-	614,667
Inter-segment revenue	2,978	5,020	7,998	-7,998	-	-
<b>Total revenue and other income</b>	<b>318,088</b>	<b>304,577</b>	<b>622,665</b>	<b>-7,998</b>	<b>-</b>	<b>614,667</b>
<b>Operating profit depreciation, amortization and impairment</b>	<b>42,804</b>	<b>82,177</b>	<b>124,981</b>	<b>-</b>	<b>-8,966</b>	<b>116,015</b>
Depreciation and amortization	-12,377	-20,673	-33,050	-	-1,857	-34,907
<b>Operating profit / loss(-)</b>	<b>30,427</b>	<b>61,504</b>	<b>91,931</b>	<b>-</b>	<b>-10,823</b>	<b>81,108</b>
Net finance income/expense	-5,806	1,350	-4,455	-	-22,034	-26,489
<b>Profit / loss(-) before tax</b>	<b>24,621</b>	<b>62,854</b>	<b>87,476</b>	<b>-</b>	<b>-32,857</b>	<b>54,619</b>

### Third quarter 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	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 depreciation, amortization and impairment</b>	<b>6,809</b>	<b>26,851</b>	<b>33,660</b>	<b>-</b>	<b>826</b>	<b>34,487</b>
Depreciation and amortization	-3,223	-6,051	-9,274	-	-1,078	-10,352
<b>Operating profit / loss(-)</b>	<b>3,587</b>	<b>20,800</b>	<b>24,387</b>	<b>-</b>	<b>-252</b>	<b>24,134</b>
Net finance income/expense	-2,816	-290	-3,106	-	-8,080	-11,187
<b>Profit / loss(-) before tax</b>	<b>771</b>	<b>20,510</b>	<b>21,281</b>	<b>-</b>	<b>-8,332</b>	<b>12,948</b>

### Third quarter YTD 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	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 depreciation, amortization and impairment</b>	<b>21,031</b>	<b>65,265</b>	<b>86,296</b>	<b>-</b>	<b>-9,566</b>	<b>76,730</b>
Depreciation and amortization	-9,728	-18,248	-27,976	-	-3,260	-31,236
<b>Operating profit / loss(-)</b>	<b>11,303</b>	<b>47,018</b>	<b>58,321</b>	<b>-</b>	<b>-12,826</b>	<b>45,495</b>
Net finance income/expense	-4,355	-1,088	-5,443	-	-23,395	-28,838
<b>Profit / loss(-) before tax</b>	<b>6,948</b>	<b>45,929</b>	<b>52,877</b>	<b>-</b>	<b>-36,221</b>	<b>16,656</b>

## Section 3 - Asset base

### 3.1 Property, plant and equipment

As at September 30, 2024

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Buildings and land</b>	<b>Machinery, equipment, software</b>	<b>Assets under construction</b>	<b>Total</b>
<i>Historical cost</i>					
<b>Balance as at January 1, 2024</b>		<b>166,325</b>	<b>83,672</b>	<b>5,695</b>	<b>255,692</b>
Additions		120	1,647	7,921	9,688
Acquisition through business combinations	5.1	-	439	-	439
Reclassifications		407	5	-412	0
Transfer from assets under construction <sup>1)</sup>		1,703	5,638	-8,010	-669
Disposals and scrapping		-	-3,123	-	-3,123
Currency translation differences		-7,471	-957	-391	-8,818
<b>Balance as at September 30, 2024</b>		<b>161,085</b>	<b>87,320</b>	<b>4,803</b>	<b>253,208</b>
<i>Accumulated depreciation</i>					
<b>Balance as at January 1, 2024</b>		<b>-22,670</b>	<b>-18,188</b>	<b>-</b>	<b>-40,858</b>
Depreciation for the period		-4,339	-9,589	-25	-13,953
Reclassifications <sup>1)</sup>		-	1,352	-	1,352
Disposals and scrapping		-	3,097	-	3,097
Currency translation differences		2,839	566	-	3,406
<b>Balance as at September 30, 2024</b>		<b>-24,170</b>	<b>-22,761</b>	<b>-25</b>	<b>-46,957</b>
<b>Net book value as at January 1, 2024</b>		<b>143,655</b>	<b>65,484</b>	<b>5,695</b>	<b>214,834</b>
<b>Net book value as at September 30, 2024</b>		<b>136,914</b>	<b>64,558</b>	<b>4,778</b>	<b>206,251</b>

<sup>1)</sup> Reclassification from Property, plant and equipment to Intangibles.

As at September 30, 2023

<i>Amounts in USD thousands</i>		<b>Buildings and land</b>	<b>Machinery, equipment, software</b>	<b>Assets under construction</b>	<b>Total</b>
<i>Historical cost</i>					
<b>Balance as at 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	10,856
Reclassifications		-	-3,772	3,772	-
Currency translation differences		4,488	-1,855	96	2,729
<b>Balance as at 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 at January 1, 2023</b>		<b>-7,848</b>	<b>-13,325</b>	<b>-</b>	<b>-21,173</b>
Depreciation for the period		-13,541	-483	-	-14,024
Reclassifications		166	-166	-	-
Currency translation differences		-1,204	1,280	-	76
<b>Balance as at September 30, 2023</b>		<b>-22,427</b>	<b>-12,693</b>	<b>-</b>	<b>(35,121)</b>
<b>Net book value as at 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 at September 30, 2023</b>		<b>143,347</b>	<b>64,658</b>	<b>9,306</b>	<b>217,311</b>

### 3.2 Right-of-use assets and related lease liabilities

#### Group as lessee

The Group has mostly property leases on a number of locations worldwide. The leases typically run for a period of 2-10 years and some of the leases have extensions options. The Group also has an immaterial amount of lease agreements related to cars, machinery, IT equipment and office equipment. These leases have an average lease period of 2-3 years, generally with no renewal options included.

As of 30 September 2023, total right-of-use assets related to leases amounted to USD 33 million, with a related lease liability of USD 34 million. During 2023, HMM entered into 3 new office leases in Norway increasing right-of-use asset and lease liability of app. USD 1 million.

During the three first quarters of 2024, HMM has seen an increase in right-of-use assets and lease liability mainly due to newly agreed office and workshop rental contracts. HMM's ESS operations in the US has entered into contracts in two different locations at the beginning of 2024, amounting to a total of USD 648.5 thousand. Additionally, the HydriL UK subsidiary entered into a long-term office lease agreement valued at USD 2.3 million. Accounting for depreciation during the period and other additions relating to lease extensions, the total increase in right-of-use assets during the period amounts to USD 3.4 million and an

### 3.3 Intangible assets and goodwill

As at September 30, 2024

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Development costs 2<sup>1</sup></b>	<b>Goodwill</b>	<b>Patents and rights</b>	<b>Customer Relations</b>	<b>Other intangible assets</b>	<b>Total</b>
<i>Historical cost</i>							
<b>Balance as at January 1, 2024</b>		<b>55,989</b>	<b>287,848</b>	<b>20,550</b>	<b>107,893</b>	<b>11,140</b>	<b>483,420</b>
Additions from purchases		1,186	-	-	-338	181	1,029
Reclassifications and other changes <sup>1)</sup>		7,221	-	9	-7,487	926	669
Acquisition through business combinations	5.1	6,500	12,291	-	5,300	-	24,091
Disposal		-	-	-	-	-846	-846
Currency translation differences		-1,665	-461	-56	-	324	-1,858
<b>Balance as at September 30, 2024</b>		<b>69,230</b>	<b>299,677</b>	<b>20,504</b>	<b>105,369</b>	<b>11,725</b>	<b>506,505</b>
<i>Accumulated amortization and impairment</i>							
<b>Balance as at January 1, 2024</b>		<b>-11,890</b>	<b>-</b>	<b>-8,890</b>	<b>-25,081</b>	<b>-1,241</b>	<b>-47,102</b>
Amortization for the period		-5,617	-	-511	-8,374	-415	-14,917
Reclassifications <sup>1)</sup>		-2,529	-	-	2,495	-1,318	-1,352
Disposal		-	-	-	-	846	846
Currency translation differences		920	-	-36	-	-386	498
<b>Balance as at September 30, 2024</b>		<b>-19,116</b>	<b>-</b>	<b>-9,437</b>	<b>-30,960</b>	<b>-2,514</b>	<b>-62,028</b>
<b>Net book value as at January 1, 2024</b>		<b>44,099</b>	<b>287,848</b>	<b>11,660</b>	<b>82,812</b>	<b>9,899</b>	<b>436,318</b>
<b>Net book value as at September 30, 2024</b>		<b>50,114</b>	<b>299,677</b>	<b>11,067</b>	<b>74,408</b>	<b>9,211</b>	<b>444,478</b>
<b>Useful life</b>		<b>3-5</b>	<b>Indefinite</b>	<b>3-5</b>	<b>3-5</b>	<b>3-5</b>	

<sup>1)</sup> Reclassification from Property, plant and equipment to Intangibles.

<sup>2)</sup> Our ongoing R&D efforts are being orchestrated across multiple locations, including Norway, Germany, and the United States. These activities are primarily centered on the following areas:

- R&D and technology qualification effort developing a fully electric BOP for both subsea (floating rigs) and surface applications (jack-ups and platform).
- R&D and technology qualification of digital solutions to improve efficiency and cost of rigs in operation.
- R&D and conceptual development of system to do change-out of major components on offshore wind turbines.

We expect an increase in R&D and technology qualification initiatives to be financed by customers going forward. Mainly driven by Energy companies operating in Brazil.

### 3.3 Intangible assets and goodwill (Continued)

As at September 30, 2023

<i>Amounts in USD thousands</i>	Development costs <sup>1)</sup>	Goodwill	Patents and rights	Customer Relations	Other intangible assets	Total
<i>Historical cost</i>						
<b>Balance as at January 1, 2023</b>	45,279	287,525	21,141	105,611	11,042	470,599
Reclassification and other changes	413	-	-7,849	-	7,436	-
Additions from purchases	5,044	-	-	-	-	5,044
Currency translation differences	-3,166	176	-206	1,669	2,014	487
<b>Balance as at September 30, 2023</b>	<b>47,570</b>	<b>287,701</b>	<b>13,087</b>	<b>107,280</b>	<b>20,492</b>	<b>476,131</b>
<i>Accumulated amortization and impairment</i>						
<b>Currency translation differences</b>	<b>-6,274</b>	<b>-</b>	<b>-4,500</b>	<b>-15,064</b>	<b>-809</b>	<b>-26,647</b>
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 at 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 at January 1, 2023</b>	<b>39,005</b>	<b>287,525</b>	<b>16,641</b>	<b>90,547</b>	<b>10,233</b>	<b>443,953</b>
<b>Net book value as at September 30, 2023</b>	<b>39,129</b>	<b>287,701</b>	<b>4,262</b>	<b>85,480</b>	<b>19,221</b>	<b>435,793</b>
<b>Useful life</b>	<b>3-5</b>	<b>Indefinite</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.

## 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 at September 30, 2024

<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>Financial assets measured at fair value</b>				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		1,139	1,139	Level 2
<b>Financial assets not measured at fair value</b>				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		33,400	-	
Current financial assets		3,679	-	
Trade receivables and other current assets		188,908	-	
Contract assets		139,009	-	
Financial assets amortized at costs	5.3	6,933	-	
<b>Financial assets</b>		<b>373,068</b>	<b>1,139</b>	

As at September 30, 2024

<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>Financial liabilities measured at fair value</b>				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		725	725	Level 2
<b>Financial liabilities not measured at fair value</b>				
<i>Financial liabilities at amortized cost</i>				
Borrowings	4.3	353,319	-	
<i>Other financial liabilities</i>				
Other non-current liabilities		14,594	-	
Trade payables and other current liabilities		220,502	-	
Provisions	5.2	18,132	-	
<b>Financial liabilities</b>		<b>607,273</b>	<b>725</b>	

#### 4.1 Financial instruments (continued)

As at September 30, 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>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		2,926	-	
Trade receivables and other current assets		197,846	-	
Contract assets		119,325	-	
<b>Financial assets</b>		<b>366,897</b>	<b>2,386</b>	

As at September 30, 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>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	4.3	334,697	-	
<i>Other financial liabilities</i>				
Other non-current liabilities		10,927	-	
Trade payables and other current liabilities		226,184	-	
Provisions	5.2	19,538	-	
<b>Financial liabilities</b>		<b>598,027</b>	<b>6,681</b>	

#### 4.2 Finance income and finance expenses

<i>Amounts in USD thousands</i>	<b>Third quarter</b>		<b>Third quarter YTD</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income on bank deposits measured at amortized cost	298	565	1,928	2,149
Interest income on finance lease receivables	9	-	36	-
Foreign exchange gain	5,387	513	13,251	7,051
Other finance income	-711	-245	317	-409
<b>Finance income</b>	<b>4,983</b>	<b>833</b>	<b>15,531</b>	<b>8,790</b>
Interest expense on financial liabilities measured at amortized cost	-9,348	-8,290	-26,488	-26,884
Interest expense on lease liabilities	-485	-415	-1,581	-1,275
Foreign exchange loss	-2,545	-1,708	-11,723	-5,526
Other financial expenses	-772	-1,606	-2,228	-3,944
<b>Finance expenses</b>	<b>-13,151</b>	<b>-12,020</b>	<b>-42,020</b>	<b>-37,628</b>
<b>Net finance expenses recognized in profit and loss</b>	<b>-8,168</b>	<b>-11,187</b>	<b>-26,489</b>	<b>-28,838</b>



### 4.3 Borrowings

Below are contractual terms of the Group's interest-bearing loans and borrowings which are measured at amortized cost. For more information about the Group's exposure to interest rates, foreign currency and liquidity risk, see note 4.1 Financial risk management and exposure in the Group's consolidated financial statement for the year ended December 31, 2023.

#### As at September 30, 2024

<i>Amounts in USD thousands</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMM02	USD	200,000	196,436		9.88%	Nov 2026	Fixed rate
Shareholder loan	USD	127,530	127,530		8.00%	Oct 2027	Fixed rate
Revolving credit facility 2023	USD	30,000	29,354	3.75%		May 2026	SOFR + Margin
Credit line China	RBM	0	0			Jul 2024	China LPR - 0,4%
<b>Total borrowings</b>		<b>357,530</b>	<b>353,320</b>				

<b>Current borrowings</b>	29,354
<b>Non-current borrowings</b>	323,966
<b>Total borrowings</b>	<b>353,320</b>

HMH Holding B.V. is the direct borrower of the bonds, shareholder loan and the revolving credit facilities in the table above. MHWirth Offshore Petroleum Engineering (Shanghai) Co Ltd is the borrower of the Credit Line China.

#### Bonds

The revolving credit facilities are provided by a bank syndicate consisting of high-quality Nordic and international banks, consisting of: DNB Markets, a part of DNB Bank ASA and Nordea Bank Abp, filial i Norge. The terms and conditions include restrictions which are customary for these kinds of facilities, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions.

The Bond loan (ISIN code: NO0012428996) was refinanced on November 22, 2023. HMH Holding BV issued on November 16, 2023 a bond loan (ISIN code: NO0013063495) of USD 200 million with a 3-year tenor and a fixed coupon of 9.88 % per annum. The Group intends to list the bond on the Oslo Stock Exchange in Q4 2024. The terms and conditions include restrictions which are customary for these kinds of debt instruments, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions.

The prior bond loan was repaid at 104.71562% of the nominal amount (plus accrued and unpaid interest of the redeemed amount) on November 22, 2023.

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousands</i>	01.01.2024	Cash flows	Deferred Interest <sup>2)</sup>	Amortization	Capitalized borrowing costs	Currency translation	30.09.2024
Bond loan HMM02	198,928	-2,470	-	1,147	-1,169	-	196,436
Shareholder loan <sup>1)</sup>	119,587	-	7,942	-	-	-	127,530
Revolving Credit Facilities	21,128	8,000	-	226	-	-	29,354
Credit line China	984	-984	-	-	-	-	0
<b>Total liabilities arising from financing activities</b>	<b>340,628</b>	<b>4,546</b>	<b>7,942</b>	<b>1,373</b>	<b>-1,169</b>	<b>-</b>	<b>353,320</b>

<sup>1)</sup> As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, shareholder loans of USD 100 million was received comprising of USD 20 million from Akastor and USD 80 million from Baker Hughes, respectively.

<sup>2)</sup> Includes addition of USD 557 thousand DTA from contingent consideration due to used DTA from pre HMH establishment.

#### As at September 30, 2023

<i>Amounts in USD thousand</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMM01	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.

### 4.3 Borrowings (continued)

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousands</i>	<b>01.01.2023</b>	<b>Cash flows</b>	<b>Deferred Interest</b>	<b>Amortization</b>	<b>Capitalized borrowing costs</b>	<b>30.09.2023</b>
Term loan facility	35,684	-15,556	-	2,092	-36	22,184
Bond loan HMM01	147,858	-	-	760	-	148,618
Shareholder loan <sup>1)</sup>	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>

<sup>1)</sup> As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, shareholder loans of USD 100 million was received comprising of USD 20 million from Akastor and USD 80 million from Baker Hughes, respectively.

## Section 5 - Other information

### 5.1 Business combinations

#### Business combinations in 2024

On July 17, 2024 HMH Holdings B.V. acquired 100% of the shares for Drillform Technical Services Ltd ("Drillform") a Calgary, Canada based company with facilities in Tulsa, Oklahoma, USA and Abu Dhabi, UAE. Drillform holds a portfolio of patents and intellectual property related to equipment used in the handling of drill pipe during drilling operations. The company has a significant installed base of automated floor wrenches and catwalks. The purchase price was USD 21 million, and was settled in cash.

#### Business combinations in 2023

For the fiscal year of 2023, the Group did not engage in any business combinations. As a result, no transactions related to business combinations are reported in these financial statements for this reporting period.

#### Identifiable assets and liabilities acquired in 2024

<i>Amounts in USD thousands</i>	<b>Drillform</b>
Developed technology	6,500
Customer Relations	5,300
Machinery, equipment, software	439
Inventory	3,043
Trade and Other receivable	836
Prepaid expenses	110
Cash and cash equivalents	1,377
Other long term liability	-3,702
Account Payable	-1,307
Other current liability	-3,885
<b>Total identifiable net assets acquired</b>	<b>8,709</b>
Purchase consideration transferred	21,000
<b>Goodwill</b>	<b>12,291</b>

#### Analysis of cash flows on acquisition in 2024

<i>Amounts in USD thousands</i>	<b>Drillform</b>
Net cash acquired with the subsidiary	1,377
Cash paid	21,000
<b>Net cash flow from acquisition</b>	<b>-19,623</b>

The goodwill resulting from the Drillform acquisitions are mainly attributable to the skills and technical talent of the workforce and expected synergies going forward.

### 5.2 Provisions

<i>Amounts in USD thousands</i>	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>31.12.2023</b>
Provisions, current	17,096	18,184	17,829
Provisions, non-current	1,036	1,354	1,068
<b>Total provisions</b>	<b>18,132</b>	<b>19,538</b>	<b>18,897</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

The non-current provisions encompass a restructuring provision specific to MHWirth AS. The restructuring primarily pertains to substantial workforce reduction and reorganization within MHWirth, driven by the challenging rig market conditions. This provision incorporates unoccupied office premises subsequent to the reduction in workforce and is appraised based on the comprehensive restructuring plans for the affected businesses and locations. The reduction of the restructuring provision occurs on a monthly basis.

#### Other provisions

Provisions of USD 4 million in Hydril USA Distribution LLC relates to environmental reserve for estimated remediation costs for two plants. The remaining part of other provisions amounts to USD 2 million and is allocated among PCS entities. This mainly relates to concession reserves and liquidated damages reserves.

### 5.3 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.

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	Akastor AS	Other Baker-Hughes companies	Other Akastor companies	Tanajib Holding Company	Total
<b>Period January 1, 2024 - September 30, 2024</b>						
<b>Income statement</b>						
Revenue	-	2,480	132	32	-	<b>2,644</b>
Net financial items	-5,642	-1,253	-	-	-	<b>-6,895</b>
<b>Balance as at September 30, 2024</b>						
Trade receivables	-	-	365	99	-	<b>464</b>
Trade payables	-	-	202	38	-	<b>240</b>
Borrowings / shareholder loans	101,710	25,820	-	-	-	<b>127,530</b>
Indemnification asset <sup>2)</sup>	-	20,362	-	-	-	<b>20,362</b>
Non-current receivable related party <sup>1)</sup>	4,214	4,253	-	-	-	<b>8,466</b>
Liability to shareholders <sup>3)</sup>	514	8,341	-	-	-	<b>8,856</b>
Deferred consideration receivables <sup>4)</sup>	-	-	-	-	6,933	<b>6,933</b>

<i>Amounts in USD thousands</i>	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 at 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>
Liability to shareholders <sup>3)</sup>	666	-	8,747	-	-	<b>9,413</b>

<sup>1)</sup> It is recorded as 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 18.9 million as a non-current assets and USD 1.5 million as a current assets as of September 30, 2024. (2023: USD 19.9 million as a non-current assets and USD 1.5 million as a current assets.)

<sup>3)</sup> Contingent considerations related to its owners. HMH have booked a USD 8.9 million as an other non-current liabilities and USD 0 million as an other payables as of September 30, 2024 (2023: USD 9.4 million as an other non-current liabilities). See note 5.5 in this interim condensed report for details.

<sup>4)</sup> Deferred consideration related to subsidiary in Saudi Arabia. HMH have booked a total current assets of USD 2.2 million and non-current assets of USD 4.8 million as of September 30, 2024. See note 5.6 in this interim condensed report 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.
- As part of the merger, Akastor is responsible for the pension liability from before the merger. Hence, HMH has a receivable of USD 18.9 million receivable towards Akastor.

##### 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 5.5 in this interim condensed report for details.

## 5.4 Income tax

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The Company's effective tax rates for the three and nine months ended September 30, 2024 and 2023 were negatively impacted by the changes in valuation allowance related to losses in certain jurisdictions for which the Company 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 September 30, 2024 and 2023 were also impacted by these same items.

## 5.5 Commitments and contingencies

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Our contingent consideration as of September 30, 2024 include approximately USD 8.9 million associated with our deferred tax assets that were acquired as part of the formation of HMH and is payable to our shareholders upon utilization. Commitments and contingencies are liabilities recorded on the balance sheet.

There is no other commitments or contingencies as of September 30, 2024 or 2023.

## 5.6 Other equity

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<i>Amounts in USD thousands</i>	Share-based payment	Non-controlling interests	Total
<b>Balance as at December 31, 2022</b>	-	-	-
<b>Balance as at September 30, 2023</b>	-	-	-
<b>Balance as at December 31, 2023</b>	9,967	-	9,967
Share-based payments	5,040	-	5,040
Sale ownership interest in Hydril Arabia	-	8,891	8,891
<b>Balance as at September 30, 2024</b>	<b>15,007</b>	<b>8,891</b>	<b>23,898</b>

### Sale ownership interest in Hydril Arabia

During 1st quarter 2024, HMH announced that it entered into a partnership with Tanajib Holding Company in Saudi Arabia. Tanajib has a strong and lengthy legacy in Saudi Arabia and in the greater Middle East region, providing drilling and maintenance solutions as well as manufacturing and process optimization services. Under the agreement Tanajib will own 30 % of non-controlling interest in Hydril Pressure Controlling Arabia Limited. In Q1 2024, the Group has recognized deferred consideration receivable of USD 6.9 million as part of the sale price of 30% shares in Hydril Pressure Controlling Arabia Limited.

## 5.7 Subsequent events

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As of the signing date of interim condensed consolidated 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, amortization and impairment (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.