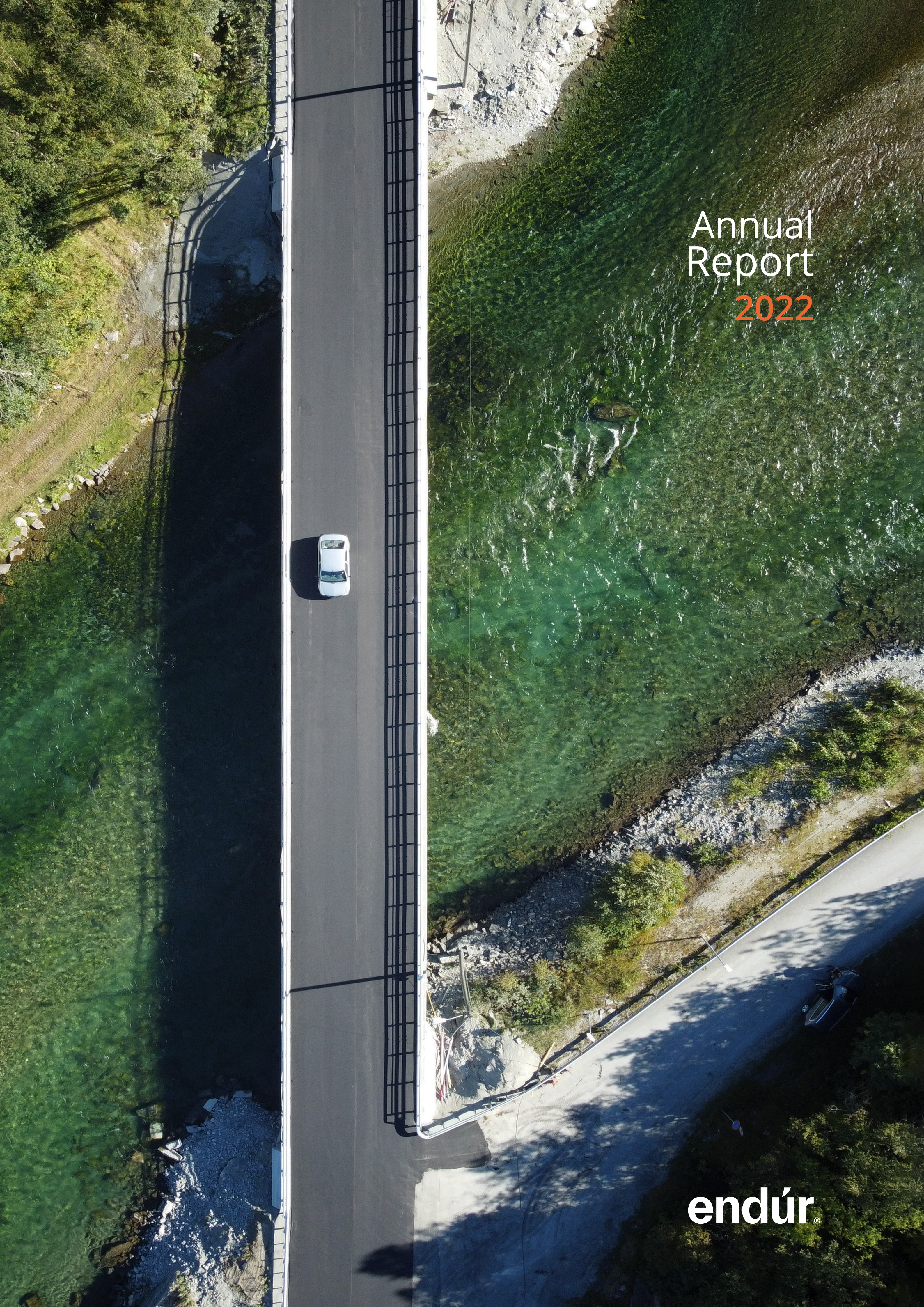
Annual Report 2022



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This annual report includes Endúr ASA Financial Statements for 2022 as approved by the Board of Endúr ASA on 26 April 2023.

Front cover:
Car driving over Tredalsbrua, Møre og Romsdal. Asphalt resurfacing and railing work performed by BMO Entreprenør AS.

Board of Directors' Report 2022

Endúr ASA (OSE: ENDUR) is a leading supplier of construction and maintenance projects, services, and solutions for marine infrastructure, including facilities for land-based aquaculture, quays, harbours, dams, bridges and other specialised concrete and steel projects. The company and its subsidiaries also offer a wide range of other specialised project and marine services. Endúr ASA is headquartered in Lysaker, Norway.

THE YEAR IN REVIEW

The main focus for the year 2022 has been to improve and stabilize the operations of the Group to ensure a positive return for its owners and stakeholders going forward. The board is pleased to see the result of this work with significantly improved and strong operating results and cash flow and a positive bottom line. The strong operating performance provided the basis for the Group's refinancing. The replacement of the Groups bond financing was the second priority during the year. A draft, non-binding, term sheet for bank financing was presented in December and the refinancing was successfully executed in 1Q 2023. Following the structural changes of the Group in end of 2020 and first half of 2021 along with the changes in the Group executive management, the board will prioritize to setting a strategic direction based on the Group's strengthened financial position.

Working towards long-term financial targets

In 2020, the Group implemented a significant strategic redirection and transformation, away from the Company's traditional operations related to maritime industry and offshore energy, towards becoming a provider of products and services to the marine infrastructure market and aquaculture industry. When setting out on this transformation, Endúr announced an ambition to build a company with revenues of more than NOK 2 billion within 2022, targeting a 10-12% EBITDA-margin in long-term. This target was achieved already in 2021 (proforma), with the acquisition of BMO Entreprenør AS ("BMO Entreprenør") in December 2020, and Marcon-Gruppen I Sverige AB ("Marcon") and Artec Aqua AS ("Artec Aqua") in March 2021. These acquisitions resulted in two new major operating and reporting segments, Marine Infrastructure and Aquaculture Solutions, comprising of more than 90 % of the Group's revenues at the end of 2022 (85 % in 2021, proforma). With a reported revenue for 2022 of NOK 2,510 Endúr continue to meet the Board's revenue ambition and closing in on our long-term objective of 10-12 % EBITDA-margin with an adjusted EBITDA of 9.2 % for 2022. The Board is pleased with the Group's improved strong results and targets an annualized revenue of NOK 4 billion by the end of 2024 (both organically and through complementary M&A).

Focus on strengthening the Groups financials

In addition to improvement of the Groups operations, Endúr has taken several steps toward a strengthening of the Groups financial position and reducing its leverage ratio. In December 2021, a principal amortization of NOK 200 million was made to the originally issued NOK 1,100 million senior secured floating rate bond loan. During the year, Endúr completed two bond buy-backs, each of a total nominal value of NOK 45 million, reducing the net outstanding principal amount to NOK 810 million. In addition to having a direct effect on leverage ratio, interest costs were materially reduced. The Board is pleased to see that this work has led to a highly successful refinancing of the bond loan after the balance sheet date. The Company raised NOK 140 million in gross proceeds in a private placement in early January 2023 in order to refinance the Company's senior secured callable bond loan with new bank debt facilities of a total of approx. NOK 700 million (see further details under "Events after the balance sheet date"-section later in this report).

The Company also took measure to reduce financial risks by entering into two swap contracts in the first half of 2022 to reduce the floating rate risk of the bond loan in addition to foreign currency risk from the Swedish operations.

Profit for the year

The Group's revenue was NOK 2 510.5 million in 2022, an increase of 25 % from NOK 2 009.1 million [1] in 2021. The Group's

[1] Assuming the acquisition of Marcon and Artec Aqua was undertaken January 1st 2021, proforma revenue, EBITDA and EBIT for 2021 amounted to NOK 2 185.7 million, NOK 149.0 million and NOK -8 million, respectively.

operating profit before depreciation and amortization (EBITDA) in 2022 was NOK 230.0 million, compared to NOK 138.9 million in 2021. The Group's operating result was NOK 96.3, compared to NOK -3.5 million in 202. The Group's result after tax in 2022 was NOK 9.1 in 2022, compared to NOK -67.1 million in 2021.

The increase in consolidated revenue stems from both major operating segments, Aquaculture Solutions and Marine Infrastructure. Both segments have been through a year with intensive production and a high activity level. Furthermore, improved results from Marine Infrastructure and Other have contributed to a material improvement EBITDA both in absolute and relative terms.

Balance sheet and cash flow
As of 31 December 2022, total assets were NOK 2 590.2 million and book equity was NOK 898.5 million, equivalent to an equity ratio of 35 %. Similarly, as of 31 December 2021, the Group had total assets of NOK 2 508.5 million, total equity of NOK 898.4 million and an equity ratio of 36 %.

Net interest-bearing debt by the end of 2022 was NOK 581.8 million. Cash and cash equivalents constituted NOK 314.8 million.

Cash flow from operations was NOK 266.7 million in 2022, versus NOK -28.9 million in 2021, witnessing a strong cash conversion from operating results in 2022.

Net cash flow from investments was NOK -45.5 million in 2022, versus NOK -982.2 million in 2021. The 2021 net cash flow from investments was largely driven by the acquisitions of Marcon-Gruppen i Sverige AB and Artec Aqua AS, both completed in March 2021.

Cash flow from financing activities was NOK -198.7 million in 2022, mainly driven by the bond buy-back of NOK 90 million and payment of interest rates on the bond loan.

Research and development
Endúr has no overarching research and development activity but works with targeted projects within product and service development, which may strengthen the market positions of the companies.

Parent Company – Endúr ASA
The operating result for the parent company was NOK -38.1 million in 2022, while the corresponding figure for 2021 was NOK -59.5 million. Net financial cost was NOK 22.5 million in 2022, including group contributions of NOK 105.4 million. In 2021, the net financial costs amounted to NOK -56.9 million. The annual result was NOK -2.5 million in 2022, compared to NOK -93.5 million in 2021. Endúr ASA merged with two subsidiaries, Endúr Invest AS and Endúr Bidco AS as of 30 November 2022 and 1 December 2022 in order to simplify the Group structure and reduce costs. At 31 December 2022, the parent company's equity was NOK 937.5 million.

Allocation of profit/loss and dividend policy:
The Board of Directors proposes the following allocation of the annual profit for the Group:

Transfer for retained earnings:	NOK 9.1 million
Total allocations:	NOK 9.1 million

The Board of Directors proposes the following allocation of the annual profit/(loss) for the parent company:

Allocation to share premium:	NOK -2.5 million
Total allocations:	NOK -2.5 million

It is the company's stated ambition to provide shareholders with annual returns on their investments in the form of dividends and/or value increases that are at least on a par with investment alternatives with comparable risk. Based on the Group's 2022 results, the Board does not propose any dividends.

REPORTING SEGMENTS
The Endúr group's operating activities have in 2022 been undertaken and reported through the following segments, with their respective operating companies:

- Marine Infrastructure
  BMO Entreprenør AS
  Marcon-Gruppen i Sverige AB
  Installit AS (sold in April 2022)

- Aquaculture Solutions
  Artec Aqua AS
  Endúr Sjøsterk AS
  Endúr Eiendom AS

- Other
  Endúr Maritime AS
  Endúr ASA
  BG Malta Ltd
  Endúr Bidco II AS

Marine Infrastructure
In 2022 the operating activities in the Marine Infrastructure segment were undertaken through BMO Entreprenør AS, Marcon-Gruppen i Sverige AB (Marcon) and Installit AS (sold in April 2022).

BMO Entreprenør is a market leader within maintenance and rehabilitation services for critical marine infrastructure such as quays, harbours, dams, bridges and other specialized concrete and steel projects to public and private customers in the Norwegian market.

Marcon-Gruppen i Sverige AB is the parent company of a Swedish market leading marine infrastructure group that performs a range of services connected to marine infrastructure construction and marine services, as well as other adjacent services including hydrographical services, dredging, rentals, inspections and diving. The group consists of 10 subsidiaries, including the newly acquired Dykab, a company providing marine infrastructure services out of Luleå, a city located in Norrbotten, Sweden's northernmost county. The acquisition contributes to Marcon's strategic foothold in marine infrastructure and contributes as a growth platform for Marcon's activities in Northern Sweden. Dykab was acquired in May 2022.

Installit AS (Installit) is an engineering and technology company providing project management and engineering services within subsea cable installation and marine operations for the marine and renewables industries. Installit was sold to Deep Ocean Group in April in order to enhance focus on core markets and operations. Installit had immaterial contributions to the group results in Q1.

Marine Infrastructure

(NOKm)	Actuals 2022	Proforma 2021 [2]
Revenue	1 024.1	891.1
EBITDA	182.2	164.9
EBITDA-margin	*17.8 %*	*18.5 %*
EBIT	91.5	66.9
Back-log	841.3	617.8

Total revenue within the Marine Infrastructure segment in 2022 was NOK 1 024.1 million (2021: NOK 891.1 million, proforma [2]), with an EBITDA of NOK 182.2 million (2021: NOK 164.9 million, proforma [2]).

The segment has a historically high activity level in both Norway and Sweden and at the same time a historically strong order backlog. The Marine Infrastructure segment's order backlog stood at NOK 841 million at year end 2022, compared to 618 million at year end 2021. As a substantial part of the revenue earned in the Marine Infrastructure segment do not go through the quarterly reported backlog, this understates the positive outlook for 2023.

The segment result is also effected by a less favourable currency development between NOK and SEK over the year as well as carrying development costs of Nye Utgrunden through operating expenses in Sweden until permission is granted.

Aquaculture Solutions

In 2022 the operating activities in the Aquaculture Solutions segment were undertaken through Artec Aqua AS (Artec Aqua) and Endúr Sjøsterk AS (Sjøsterk) and Endúr Eiendom AS.

Artec Aqua is a leading turnkey supplier of land-based aquaculture facilities. Based in Ålesund, Artec Aqua is renowned for its specialised services and patented technologies and solutions for water quality and fish health, two key aspects of reliable and environmentally sustainable land-based aquaculture.

Sjøsterk manufactures floating concrete structures largely by way of feed barges for the aquaculture industry. The company's production facility is located in the Stamsneset industrial area in Bergen.

Aquaculture Solutions

(NOKm)	Actuals 2022	Proforma 2021 [3]
Revenue	1 289.5	1 115.7
EBITDA	51.3	55.6
EBITDA-margin	*4.0 %*	*5.0 %*
EBIT	18.3	25.9
Back-log	304.0	1 284.0

Total revenue for the Aquaculture Solutions segment in 2022 was NOK 1 289.5 million (2021: NOK 1 115.7 million, proforma [3]), with an EBITDA of NOK 51.3 million (2021: NOK 55.6 million, proforma [3]). The segment results are highly affected by Artec Aqua's build-out of Salmon Evolution BTA approaching final stages as EBITDA and EBITDA-margins are affected by production above target price and mainly cost coverage on the final stages of the project.

The Aquaculture Solutions segment's order backlog stood at NOK 304 million at year end 2022, compared to NOK 1 284 million at year end 2021. The backlog does not include estimated contract value of NOK 1.6 billion of the construction phase on Geo Salmo and several other letters of intent and conditional agreements. Artec Aqua's backlog of early phase projects and leads was also affected by the market uncertainties following the announcement of resource rent tax in September 2022, causing a delay in conversion into firm backlog. There are still uncertainties at year end 2022, but the market outlook has improved.

Sjøsterk contributes strong in the segments order backlog, being almost sold out for 2023.

Other

In 2022 the Other segment comprised Endúr Maritime AS (Maritime), BG Malta Ltd, Endúr Bidco II AS and Endúr ASA, the Endúr group's holding company.

Based in Bergen, employing its own slip, drydock, quay, machining and welding workshops, Maritime provides a range of maintenance and repair services for ships, various marine vessels and related equipment. The company has extensive competences and experience within ship technical maintenance for complex vessels with strict quality and operational safety requirements, and services both military and civilian maritime customers.

Group holding company Endúr ASA affords holding group functions, incl. financing, to the group companies.

Other

(NOKm)	Actuals 2022	Actuals 2021
Revenue	221.6	190.4
EBITDA	(10.7)	(55.3)
EBITDA-margin	*(4.8 %)*	*(29.0 %)*
EBIT	(20.8)	(62.7)
Back-log	165.0	260.0

Total revenue for the Other segment in 2022 was NOK 216.9 million (2021: NOK 190.2 million), with an EBITDA of NOK -10.7 million (2021: NOK -55.3 million).

[2] Proforma, assuming the acquisition of Marcon was undertaken January 1st 2021. Reported revenue, EBITDA and EBIT for 2021 amounted to NOK 823.8 million, NOK 157.8 million and NOK 49.5 million, respectively.

[3] Proforma, assuming the acquisition of Artec Aqua was undertaken January 1st 2021. Reported revenue, EBITDA and EBIT for 2021 amounted to NOK 1 006.2 million, NOK 52,8 million and NOK 26.1 million, respectively.

The change in EBITDA from 2021 is mainly due to a significantly lower operating cost in the holding company, due to both measures taken to optimize efficiency and significantly lower levels of restructuring expenses. In addition, the group subsidiary Maritime, has undergone significant operational improvements in 2022 which have materialized in the segment results.

The Other segment's order backlog from Maritime stood at NOK 165 million at year-end 2021. The corresponding figure at year end 2021 was NOK 260 million.

RISK EXPOSURE AND RISK MANAGEMENT

Endúr ASA is exposed to risks of both operational and financial character. The Board of Endúr ASA is conscious of the importance of risk management and works actively to reduce the total risk exposure of the Group. Financial risks consist of credit risk, liquidity risk, interest rate risk and currency risk.

Credit risk mainly pertains to the group's operating subsidiaries through receivables from customers and is incorporated in the subsidiaries' risk management processes. The Group's exposure to credit risk is mainly the result of individual factors relating to each individual customer. The Group has established guidelines for credit rating and assessment of creditworthiness of all new customers. For the public sector, credit risk is considered to be minimal and for Norwegian private customers, most contracts follow standards with requirements of providing security before fulfilment of contractual obligations, reducing the credit exposure for the Group.

Liquidity risk is the risk that the Group will not have sufficient cash to meet its financial commitments in a timely manner. Endúr's business model involved significantly fluctuations in net working capital. Endúr is exposed to liquidity risk through its largely project based revenue generation, often employing a host of subcontractors. The failure of an Endúr client to make timely payments can in turn impact Endúr's ability to make timely payments to its own subcontractors. Diversification of project size, timing and customers affords active measures of liquidity risk mitigation, as well as, and more importantly, consistent profitable project execution. The Group's liquidity is impacted by seasonal fluctuations and fluctuations between different project phases. Endúr's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions. The Group management work closely together with the local management teams in the subsidiaries to monitor the Groups liquidity through revolving liquidity forecast.

The Group is exposed to interest rate risk and currency risk primarily through the secured bond loan and the Groups operations in Sweden. The Groups risk management policy regarding these risks is to continuously review the need to mitigate these risks through financial instruments. In May 2022, the Group entered into a floating for fixed interest rate swap and a cross currency swap to reduce exposure to floating interest rate on the secured bond loan and the currency translation of the Group's operations in Sweden.

Operational risk consists mostly of project risk and counterparty risk and is monitored both at subsidiary and group level. Project risk constitutes a persistent risk factor in and of itself and may be exacerbated by any resulting adverse liquidity consequences. From a portfolio perspective, and to the extent that the group's turnover is largely distributed across a number of different projects and customers, both in the public and private sector, this lowers the group's overall project risk exposure.

Beyond diversification through project size and counterparties, embedding risk-mitigating contract structures and provisions is paramount in managing both liquidity and project risk.

Market risks are mainly connected to strong fluctuations within market areas in which the Group operates. Currently the Group has diversified operational activities undertaken within different market areas and industry segments that are partially independent of each other. The market risks are therefore considered to be limited, however with certain risks connected to the renewal of larger framework contracts.

See note 23 of this report for a more detailed review of financial risk.

ORGANISATION

Lasse B. Kjelsås, the previous Chief Financial Officer (CFO), resigned from his position as of 29 April 2022 and Einar Olsen assumed the function of interim CFO. Olsen was appointed as permanent CFO from 2 August 2022. Olsen has been employed by Endúr ASA since the autumn of 2021 as Head of business development and controlling.

Kenneth Andersson assumed the role of CEO in Marcon as of November 2022, taking over from Jörn Rydberg. Jörn Rydberg is the original founder and will continue as Chairman of the board for Marcon. Andersson has been employed by Marcon since 1990 and previously held the position as CTO.

CORPORATE SOCIAL RESPONSIBILITY AND ESG

Endúr is committed to securing a sustainable future for the present and future generations. Sustainability in Endúr means creating value through responsible business decisions that protect the environment and contribute to the good of society. With a focus on environmental, social and governance (ESG) activities, Endúr is committed to work to mitigate and transition to the climate change challenge. We aim to provide Marine Infrastructure and Aquaculture Solutions that enable a sustainable use of marine resources, contribute to the development of sustainable technologies and solutions and secure responsibility in our supply chains.

Endúr works systematically and continuously on improving the systems for quality, health, safety culture and the environment (QHSE) connected to the Group's operations. The Group has a zero incident / accident vision for incidents connected to HSE, quality deviations and incidents impacting the environment. The goal is to avoid injuries or work-related illness, as well as ensuring the correct quality of deliveries and avoid negative impact on the environment.

The Group systematically develops process-based quality systems within each specific business area. An important part of this work is a dedicated focus on the management systems and to ensure that these are quality assured through internationally standards such as internationally recognised ISO certifications. To ensure the priority and focus on quality management, all subsidiaries are either qualified or under ongoing qualification under the international standard ISO 9001 for quality management systems.

In an ever-changing world, we constantly turn to the touchstone of our three core values:

01 Safety
We put the safety of our people, our clients and the environment at the heart of everything we do. Every day and everywhere.

02 Flexibility
Our systems and processes are agile, adaptable, and responsive to outside changes. We apply our thinking differently every time.

03 Trust
We embrace traditional values – and foremost among these is trust. We live by our word and expect our business peers to do likewise.

As part of the Group's ambition to afford our customers a unique service provider within Marine Infrastructure and Aquaculture Solutions we continue to develop and implement a sustainability strategy based on the UN Sustainable Development Goals (SDG), the requirements in the EU Taxonomy and other relevant standards. The 17 UN goals are all interconnected and mutually dependent and we seek to integrating them directly in our strategic work. The strategy shall comprise a basis for how to continuously improve our sustainability impact and create value in a sustainable manner.

Environmental impact
Environmental impact and sustainability is embedded throughout the Group's business model and operations with majority of projects working towards renewal and maintenance of critical infrastructure and land-based aquaculture solutions, minimizing emissions from aquaculture facilities.

Endúr maintains a continuous focus on environmental improvement when it comes to production processes and the use of alternative products and services in order to reduce the Group's environmental footprint. Several of the Group's subsidiaries are qualified through or compliant with ISO 14001, the international standard for environmental management systems, to optimize the Group's work towards reducing environmental impact.

Although our operations are working towards sustainability, our operations are highly dependent on materials and machinery with significant greenhouse gas emissions. The Group therefor strives for minimal use of solvents, energy and water and the use of fossil energy machinery where possible in our operations,. This includes recycling and reusing materials, replacing fossil driven machinery with electric machinery where possible and working on zero emission projects with our clients. A large portion of our machinery are running on Biodiesel and hybrid technology. In addition, collaborative agreements have been established with approved companies that ensure that hazardous waste is handled safely and according to regulations. The Group focuses on reduced use of environmentally harmful products by increasing the awareness of the total environmental impact of a product throughout its lifecycle.

There were no serious incidents that had consequences for the environment registered in 2022 and 2021.

The Group has minimal revenue from the oil sector during 2022, totalling approximately 0.5 %.

Social impact
Safe and secure workplace
Safety for our people and our clients is one of Endúr's core values, and will always remain one of our top priorities throughout our operations. The Group continuously monitors and further develops its systems, competences and learning in order to manage and reduce safety-related risks for all our activities. Operational activities employ electronic tools for all guiding documentation connected to the above mentioned certifications both for reporting purposes as well as attending to any incidents and non-conformances. The Group subsidiaries have implemented digital systems for risk assessment and maintenance management. Our ultimate goal is zero injuries.

For 2022, our LTI -value (H1-verdi) was 15.5, compared to 11.1 in 2021. The average sick leave among Endúr's employees in 2022 was 4.3 %, whereas women in the group had an average sick leave of 4.8 % and men had an average sick, leave of 4.1 %. For 2021 the corresponding figures was 4.6 % for the group in total, and 4.5 % for women and 4.6 % for men. The average sick leave amongst Norwegian employees in 2022 was 4.4 % vs. 4.7 % in 2021 and for Swedish employees the corresponding figures was 4.2 % in 2022 and 3.7 % in 2021.

Endúr ambitions to reduce sick leave to a level corresponding to or better than the national averages. The sick leave within the industry sector in Norway in 2022 was 6.1 % [4], and 3.5 % in Sweden [5].

Personnel, equality, competence development and diversity
Per 31 December 2022 the Group had 495 employees, the great majority of which

[4] Source: SSB
[5] Source: Statistikmyndigheten SCB

in full-time positions. The Group strives to create a good culture and working environment for all our employees and has a zero tolerance towards all types of harassment, discrimination, or other forms of behaviour that colleagues, customers, suppliers or others may perceive as threatening or derogatory. Endúr encourages its employees to alert either management or employee representatives when subjected to or witnessing any negative deviations in the work environment. The groups subsidiaries have also established anonymous whistleblowing channels and the Group management is currently working on establishing core ethical guidelines to be implemented in all subsidiaries, aligning the subsidiaries work towards a safe workplace.

The Group considers it important to promote gender equality and prevent discrimination in conflict with the Gender Equality Act. A substantial part of Endúr's operational activities, particularly in the Marine Infrastructure segment, is comprised of construction-type occupations traditionally dominated by male employees. The Group maintains a dedicated focus on recruiting more female employees across occupations and at all levels. The salary for women is considered the same as for men in similar positions. Long- and short-term goals have been established to help increase the percentage of women in the Group, both in terms of employment and in terms of management positions.

By the end of 2022, the percentage of female employees was 10.5 %, of which 50 % of executive management in the Group and subsidiaries, compared to 10 % by the end of 2021, with 17 % of women in executive management. At the end of 2022, the Board of Endúr ASA consisted of 40 % female directors.

Endúr relies on talented, experienced, and qualified managers and co-workers. All employees are and shall be treated equally, regardless of ethnicity, nationality, sexual orientation, gender, religion, or age. Equal opportunities are offered for development and promotion to management positions.

Endúr remains convinced that diversity benefits the Group's business, provides access to a wider range of talent and ensures better and wider understanding of customers, suppliers, and other stakeholders. Different perspectives drive innovation and growth, which is why Endúr endeavours to recruit and develop people of different ethnic backgrounds, ages and genders. To the extent possible, Endúr tries to implement working conditions enabling individuals with diminished functional abilities to work for the Group.

Governance impact and ethical business practice

The industries in which our business segments operate involve inherent compliance risks such as bribery, fraud, and misconduct in the supply chain of subcontractors. Ethical business practice is therefore a key factor in our operations and is considered a "license to operate" by Endúr and we are committed to our work on anticorruption, ant-bribery, fair competition and integrity in our supply chain. This has also been a part of our ongoing compliance project to unify ethical business practice and principles across the Group's subsidiaries. Today, whistleblowing is handled on subsidiary level, but we are currently working on implementing a formal whistleblowing directive across the Group to elevate the work against ethical breaches in our operations. We are also seeking to get relevant subsidiaries certified within ISO 37001, the internationally standard for anti-bribery management systems.

Human rights and decent working conditions

The Norwegian Transparency Act (Åpenhetsloven) came into force 1 July 2022, increasing the focus and transparency of human rights and decent working conditions throughout the supply chain of businesses. As part of our compliance with laws and regulations and our HR policies across the Group's operations centred in the Nordic countries, we believe our exposure to human rights risk on our direct work force to be at a low level, but we acknowledge that the risk of human rights violations are present in our supply chain through our third party contractors and down to the lowest level of raw materials used in our client deliveries. The Group has put together a task force throughout the subsidiaries to carry out a risk analysis on our supply chain to seek to identify, understand and review the risk on human right violations in our deliverables to our clients. We believe this work to be an integral part of building our ethical practice policies going forward and working together with our suppliers to minimize and eliminate human rights violations as well as promoting decent working conditions in our industry. A formal Transparency Act Statement will be made available on the Group's website before 30 June 2023.

CORPORATE GOVERNANCE

Endúr ASA believes that the foundation for good Corporate Governance should be built on clear and transparent relationships between the owners, the Board, and the management.

Corporate Governance shall ensure credibility and trust among all stakeholders and form a good foundation for furthering sustainable value creation and good results. Good business management is an important prerequisite for achieving Endúr ASA's vision and carrying out our strategy plans. Good business management contributes to the Group's long-term value creation, while the resources are utilised in an efficient and sustainable manner.

Endúr ASA's guidelines for corporate governance follow the recommendation of The Norwegian Committee for Corporate Governance (NUES), available at www. nues.no. Endúr's goal is to follow the NUES recommendation of strengthening the trust in the company and contribute to the greatest possible value creation in the long term, to the best of the shareholders, employees, and other stakeholders.

Endúr's principles for Corporate Governance are available on the company's website.

SHARE CAPITAL, SHARES AND SHAREHOLDER INFORMATION

Endúr ASA has been listed on the Oslo Stock Exchange since June 2008. The company's shares are freely transferable. No transferability restrictions are incorporated into the Articles of Association.

A reverse share split of 50:1 was effectuated 21 June 2022, following the resolution on Endúr ASA's General Meeting in May 2022. 50 shares, each with a nominal value of NOK 0.01, were consolidated into 1 share with a nominal value of NOK 0.5.

As of 31 December 2022, there were 27,452,869 shares issued, all of the same class and with equal voting rights. Each share has a nominal value of NOK 0.50. At year-end Endúr ASA had a total of 4,781 shareholders, compared to 5,686 shareholders by the end of 2021. An updated overview over the company's 20 largest shareholders is available on the company's IR pages at www.endur.no.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

Endúr ASA has purchased and maintains a Directors and Officers Liability Insurance for the Group and subsidiaries. The insurance is worldwide, with the exception of Russia, Belarus and Ukraine and with certain limitations for the US. The insurance covers the directors' and managements' legal personal liability in the event of claims made for any wrongful act.

EVENTS AFTER THE BALANCE SHEET DATE

Refinancing and private placement

- The company successfully raised NOK 140 million in a private placement 11 January 2023 through new shares. The equity was raised in connection with a committed bank financing, in order to refinance the Company's senior secured open callable NOK 1,100 million bond loan with ISIN NO0010935430. The net principal amount outstanding at bond redemption was NOK 810 million. The bank financing totalled to approx. NOK 700 million from a syndicate consisting of SpareBank 1 SR-Bank ASA and SpareBank 1 SMN. The bank financing includes a NOK 250 million term loan ("Facility A"), a SEK 300 million term loan ("Facility B") and a NOK 150 million overdraft facility ("Facility C") (together, the "Facilities"). Facility A and B will have 3-year maturity with quarterly instalments of NOK 12 million and SEK 13 million, respectively, with first instalments to be made in Q4 2023. The bond was redeemed effective on 16 March 2023. The Company paid a break-fee of 3.68 % of the nominal outstanding principle amount.

MARKET AND FUTURE OUTLOOK

After the strategic acquisitions of BMO Entreprenør, Marcon and Artec Aqua in late 2020 and early 2021 and the decision to discontinue previous operations outside the core segments of Marine Infrastructure and Aquaculture Solutions, it is The Board's opinion that The Group's overall outlook is positive. The Group's operating and financial performance in 2022 clearly supports this view.

The outlook for The Group's Norwegian Marine Infrastructure activities remains favourable. While inflation and changes in public spending in new infrastructure projects may impact the general construction market negatively, this has not been the case for the niches in which BMO Entreprenør operates. On the contrary, the maintenance gap has continued to increase, yielding higher demand, order backlogs and tender activity. At the same time, public investments in Sweden within the niches of Marcon, are rapidly increasing, yielding additional growth opportunities in Sweden and other countries in Northern Europe. Growth within Marine Infrastructure represents a highly attractive opportunity, as both BMO Entreprenør and Marcon have a history for creating high-end margins at the back of apparent competitive advantages. These competitive advantages include; equipment and competence specialized to market niches, flexible organizations with strong culture and understanding of business, trusted brand names and vast networks, and a selective approach to tenders with clear preference towards known and manageable operations and risks.

Generally, land-based grow-out salmon farming is subject to significant attention, both within the aquaculture industry as well as the investor community. There is a host of planned major onshore salmon grow-out facilities either in the pipeline or being planned, both in Norway and internationally. The proposed Norwegian resource rent tax for offshore aquaculture may have caused a temporary halt in new investments in land-based facilities for smolt, but provides a long-term competitive advantage for land-based aquaculture. The drive towards undertaking a greater part of aquaculture production on shore is powered by several fundamental issues and concerns, herein biology, sustainability and basic business economics. In addition to the firm backlog, Artec Aqua has entered into several early-phase projects with secured LOIs expected to materialize in near term, as well as the build-out for Geo Salmo at Iceland expected to commence during H2 2023. While the last year's inflationary environment may have altered the timing of some investment decisions, Artec Aqua has a unique market position with their in-house developed hybrid technology, yielding market leading water quality and fish welfare, as supported by the strong production results from Salmon Evolution BTA. It is also worth noting that Endúr Sjøsterk has a strong backlog going forward.

Outside Marine Infrastructure and Aquaculture Solutions, Endúr Maritime has seen steadily improving financial results in 2022 with increasing activity levels, at the back of several measures taken to streamline the company's operations. Revenue coverage for coming quarters is solid and one expects sustained business from The Norwegian Defence through the company's current contract, but also being pre-qualified as part of a consortium for a new and long-term maintenance contract for the same customer.

Finally, one cannot assess the development in The Group's outlook without considering the highly positive financial development in FY 2022. LTM EBITDA, both reported and adjusted, has increased and net interest-bearing debt has decreased, providing improved liquidity and a decreasing leverage ratio. All of these factors have contributed to the subsequent refinancing of The Group's bond loan in early 2023. As such, a platform for further and profitable growth is very much at place by the end of 2022.

GOING CONCERN

The Board of Directors of Endúr ASA remains focused on operational, financial, strategic and structural measures that seek to ensure that the Endúr group is positioned to realise its potential and ambitions, both in the present and for the future.

The Board of Directors consider that the Endúr group's continuing operations collectively comprise a sound platform for profitable and sustainable operations.

The Board of Endúr ASA confirms, according to § 3-3a of the Accounting Act, that the annual accounts have been prepared based on the assumption of going concern.

Lysaker - 26 April 2023
Board of Directors
and CEO of Endúr ASA

Pål Reiulf Olsen
(Chairman)
-sign

Jeppe Bjørnerud Raaholt
(CEO)
-sign

Bjørn Finnøy
-sign

Kristine Landmark
-sign

Hedvig Bugge Reiersen
-sign

Jörn Ryberg
-sign

Fish tank at Aquagen Profunda's facilities in Barstadvika, where Artec Aqua AS have been the turnkey supplier.

BMO Entreprenør AS drilling anchor points for overhead contact line in Tyholt Tunnel, Trondheim.

Consolidated Statement of Profit or Loss

(NOKm)	Note	2022	2021
Continued operations			
Revenue	4, 5, 29	2 492.2	1 998.9
Other revenue		18.3	10.1
Revenue		**2 510.5**	**2 009.1**
Cost of materials	29	(1 613.8)	(1 297.4)
Payroll expenses	6, 25, 27, 30	(424.4)	(380.0)
Depreciation, amortisation, impairment	11, 12, 13, 14	(133.7)	(142.4)
Other operating expenses	28, 29	(242.3)	(192.8)
Operating expenses		**(2 414.2)**	**(2 012.6)**
Operating profit/loss		**96.3**	**(3.5)**
Financial income	7	19.8	2.1
Financial expenses	7	(101.8)	(110.8)
Net financial items		**(82.0)**	**(108.7)**
Profit/loss before tax		**14.3**	**(112.2)**
Income Tax	8	(5.2)	45.1
Profit/loss - continued operations		**9.1**	**(67.1)**
Discontinued operations			
Profit/loss - discontinued operations	9	-	15.3
Profit/loss for the period		**9.1**	**(51.8)**
Other comprehensive income			
Items which may be reclassified over profit and loss in subsequent periods			
Exchange rate differences		(11.7)	(8.0)
Other comprehensive income for the period, net of tax		**(11.7)**	**(8.0)**
Total comprehensive income		**(2.6)**	**(59.8)**
Profit/loss attributable to:			
Owners of the company		9.1	(51.8)
Profit/loss		**9.1**	**(51.8)**
Total comprehensive income attributable to:			
Owners of the company		(2.6)	(59.8)
Total comprehensive income		**(2.6)**	**(59.8)**
Earnings per share			
Basic earnings per share (NOK)	10	0.33	(0.05)
Diluted earnings per share (NOK)	10	0.33	(0.05)
Earnings per share – continued operations			
Basic earnings per share (NOK)	10	0.33	(0.06)
Diluted earnings per share (NOK)	10	0.33	(0.06)

Consolidated Statement of Financial Position

(NOKm)	Note	2022	2021
ASSETS			
Intangible assets and goodwill	11, 13	1 071.1	1 120.7
Property, plant and equipment	12	391.7	426.0
Right-of-use assets	14	88.9	93.1
Financial assets	20, 22	6.6	1.1
Other non-current assets		18.3	1.3
Total non-current assets		**1 576.6**	**1 642.2**
Inventories	15	25.5	26.3
Contract assets	5	123.5	30.8
Trade and other receivables	16, 20	549.7	504.8
Cash and cash equivalents	17, 20	314.8	304.4
Total current assets		**1 013.6**	**866.3**
TOTAL ASSETS		**2 590.2**	**2 508.5**

(NOKm)	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Share capital	24	13.7	13.7
Share premium		888.7	888.7
Other paid-in capital		4.0	4.0
Other reserves		(19.7)	(8.0)
Retained earnings		9.1	-
Equity		**895.8**	**898.4**
Liabilities			
Deferred tax liabilities	8	77.6	77.9
Loans and borrowings	20, 21, 23	810.5	890.6
Lease liabilities	14	66.3	73.2
Other non-current liabilities		3.6	9.1
Total non-current liabilities		**957.9**	**1 050.7**
Loans and borrowings	20, 21	0.1	-
Lease liabilities	14	25.7	22.7
Trade and other payables	18, 19, 20, 23	606.8	505.3
Tax payables	8	-	-
Contract liabilities	5	103.9	31.4
Total current liabilities		**736.5**	**559.4**
Total liabilities		**1 694.4**	**1 610.0**
TOTAL EQUITY AND LIABILITIES		**2 590.2**	**2 508.5**

Lysaker - 26 April 2023
Board of Directors
and CEO of Endúr ASA

Pål Reiulf Olsen
(Chairman)
-sign

Jeppe Bjørnerud Raaholt
(CEO)
-sign

Bjørn Finnøy
-sign

Kristine Landmark
-sign

Hedvig Bugge Reiersen
-sign

Jörn Ryberg
-sign

Consolidated Statement of Cash Flows

(NOKm)	Note	2022	2021
Cash flow from operating activities			
Profit/loss for the period		9.1	(51.8)
Adjustments for non-cash items:			
Depreciation	11	84.5	76.5
Amortization	12	49.2	43.1
Impairment	13	-	22.8
Tax expense	8	5.2	(45.1)
Gains and losses on disposals	3, 9	(7.6)	(51.9)
Adjustments for non-operating items			
Financial income	7	(19.8)	(2.1)
Financial expenses	7	101.8	110.8
Changes in current operating assets and liabilities:			
Trade and other receivables	16	(44.9)	(372.3)
Trade and other payables	18	101.5	256.7
Inventories	15	0.7	15.7
Contract assets	5	(92.7)	(30.0)
Contract liabilities	5	72.5	(1.3)
Other changes from demeasurement, acquisitions and reclassification		7.2	-
Net cash flow from operating activities		**266.7**	**(28.9)**
Cash flow from investment activities			
Acquisition of PP&E and intangible assets	11, 12	(46.7)	(120.5)
Proceeds from sale of PP&E	11	2.5	75.6
Net outflow from non-current receivables		(16.9)	32.6
Effect bankruptcy in subsidiary	9	-	(0.6)
Business combinations, net cash (acquisition)	3	(5.2)	(957.1)
Business combinations, net cash (sale)	3	20.8	(12.2)
Net cash flow from investment activities		**(45.5)**	**(982.2)**
Cash flow from financing activities			
Proceeds from capital increases	24	-	638.7
Proceeds from loans and borrowings	21	2.0	1 100.0
Repayment of non-current loans and borrowings	21	(90.7)	(430.8)
Repayment of current loans and borrowings	21	(3.2)	(16.4)
Payment of interest		(78.9)	(102.1)
Repayment of principle and interest on lease liabilities	14	(28.0)	(33.7)
Net cash flow from financing activities		**(198.7)**	**1 155.7**
Currency translation effects		(11.7)	(8.0)
Net cash flow		**10.8**	**136.6**
Cash and cash equivalents as per 1.1		304.4	167.8
Cash and cash equivalents per 31.12		**314.8**	**304.4**
Of which restricted cash	17	8.9	17.1

Consolidated Statement of Changes in Equity

(NOKm)	Share capital	Share premium	Other paid-in capital	Retained earnings	Trans-lation reserves	Total equity
Equity 1.1.2022	**13.7**	**888.7**	**4.0**	**-**	**(8.0)**	**898.4**
Profit (loss)	-	-	-	9.1	-	9.1
Other comprehensive income, exchange differences	-	-	-	-	(11.7)	(11.7)
Equity 31.12.2022	**13.7**	**888.7**	**4.0**	**9.1**	**(19.7)**	**895.8**
Equity 1.1.2021	**7.3**	**308.2**	**4.0**			**319.6**
Profit (loss)	-	-	-	(51.8)	-	(51.8)
Other comprehensive income, exchange differences	-	-	-	-	(8.0)	(8.0)
Issue of shares - Business combination	4.0	466.8	-	-	-	470.8
Issue of shares	2.4	165.5	-	-	-	167.9
Adjustment	-	(51.8)	-	51.8	-	-
Equity 31.12.2021	**13.7**	**888.7**	**4.0**	**-**	**(8.0)***	**898.4**

* The amount has been reclassified from the 2021 Annual statement

Notes to the Consolidated Accounts

NOTE 1: CORPORATE INFORMATION

Endúr ASA is a public limited liability company based in Norway and was founded on 22 May 2007. The Company's registered office is at Strandveien 17, 1366 Lysaker, Norway. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies"). Endúr ASA is listed on Oslo Stock Exchange with the ticker ENDUR.

NOTE 2: ACCOUNTING PRINCIPLES

DECLARATION OF CONFORMITY

The consolidated financial statements of the Endúr group have been prepared in accordance with EU approved International Financial Reporting Standards (IFRS) and associated interpretations, and also the additional Norwegian information requirement pursuant to the Norwegian Accounting Act, and that are applicable as at 31 December 2022. The consolidated accounts is for the period 01.01.2022 until 31.12.2022. The proposed annual accounts were adopted by the Board of Directors on 26 April 2023. The annual accounts will be dealt with by the Ordinary General Meeting in May 2023 for final approval.

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared based on historical cost, with the exemption of financial instruments at fair value.

The consolidated accounts are presented in NOK, which is also the functional currency of the parent company. For accounts of foreign operations with a different functional currency, income statement items are converted at the average exchange rates per month. Assets and liabilities are converted at the exchange rate in effect on the balance sheet date. Financial information is stated in NOK million, unless otherwise specified.

BASIS OF CONSOLIDATION

The consolidated accounts include the parent company Endúr ASA and subsidiaries. The parent company and the subsidiaries are referred to collectively as "the Group" and individually as "group companies".

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

Subsidiaries

A subsidiary is a company controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Transactions between group companies and inter-company balances, including internal profit and unrealised gains and losses, are eliminated. Unrealised gains that arise from transactions with associated companies are eliminated with the group's share in the associated company. The same applies to unrealised loss, but only if there are no indications of an impairment of the asset that has been sold internally. The consolidated accounts have been prepared on the assumption of uniform accounting principles for similar transactions and other events under similar circumstances.

ACCOUNTING ESTIMATES

Preparation of the annual accounts in accordance with IFRS includes valuations, estimates and assumptions that influence both the choice of accounting principles applied and reported amounts for assets, obligations, income and expenses. During preparation of the annual accounts, the management has used estimates based on best judgement and assumptions that are considered realistic based on historical experience. Actual amounts may differ from estimated amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 5 Whether revenue is recognized over time or at a point in time. Identification of performance obligations in customer contracts.
Note 30 Discretionary judgements are utilized when applying the principle of best estimate in relation to legal claims and contingent liabilities.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year to come is included in the following notes:

Note 8 Recognition of deferred tax assets; availability of future taxable profit against which carry forward tax losses can be used.
Note 13 Impairment test: key assumptions underlying recoverable amounts.
Note 19 Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

CHANGES IN ACCOUNTING PRINCIPLES AND NEW PRONOUNCEMENTS

Endúr has not implemented any new accounting standards or otherwise made any significant changes to accounting policies during 2022. None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Endúr's financial reporting.

NOTE 3: BUSINESS COMBINATIONS AND SALE OF BUSINESS

Dykab

In May 2022, Endúr ASA through subsidiary Marcon-Gruppen I Sverige AB, acquired 100 % of the shares in Dykab, a company providing marine infrastructure services out of Luleå, a city located in Norrbotten, Sweden's northernmost county. The acquisition strengthens Marcon's strategic foothold in marine infrastructure and contributes as a growth platform for Marcon's activities in Northern Sweden.

(NOKm)	Dykab
Cash considerations	8.6
Total considerations	**8.6**
Book value of net assets and liabilities at recognition	3.9
Excess values	**4.7**
Allocated to identifiable excess values	*4.3*
Allocated to goodwill	*0.4*
Cash consideration	8.6
Cash balance at recognition	3.4
Cash outflow (+) /inflow (-)	**5.2**

See note 26 for the consolidated results of operations from Dykab in 2022.

Installit AS

In April 2022, Installit AS and its subsidiaries (Installit), a wholly owned subsidiary of Endúr ASA, was sold to DeepOcean Group. The sale was part of the strategic change of directions for the group, defining marine infrastructure and solutions for land-based aquaculture as the Group's core focus areas.

(NOKm)	Installit
Cash considerations	20.8
Total considerations	**20.8**
Share of group equity at demeasurement	13.6
Excess values	**7.2**
Allocated to gain/loss	*7.2*
Cash consideration	(20.8)
Cash balance at recognition	0.0
Cash outflow (+) /inflow (-)	**(20.8)**

Gain on sale from Installit is booked through Other revenue in the Income Statement.

BUSINESS COMBINATIONS AND SALE OF BUSINESS IN 2021

In March 2021, Endúr acquired Artec Aqua AS and Marcon-Gruppen I Sverige AB, for details regarding the transactions, please refer to the Group's Annual report 2021. For discontinued operations in 2021, see note 9.

NOTE 4: OPERATING SEGMENTS

OPERATING SEGMENTS

Endúr reports in 2022 distributed on the following segments. These segments offer different products and services, and are managed separately because they require different marketing strategies. Inter-segment pricing is determined on an arm's length basis.

Segment performance is measured by operating profit before depreciation, amortization and write-downs (EBITDA) and operating profit (EBIT). This is included in internal management reports, of which are being reviewed by the Group's executive management.

Aquaculture solutions

The Aquaculture solutions segment includes production of concrete barges for the aquaculture industry. Consists of the companies Artec Aqua AS, Endúr Sjøsterk AS and Endúr Eiendom AS.

Marine infrastructure

The Marine infrastructure segment includes harbour/quay construction and maintenance and underwater services. Consists of the companies BMO Entreprenør AS, Marcon-Gruppen i Sverige AB and Installit AS. Installit AS, and its subsidiaries, was sold in April 2022 to DeepOcean Group, details regarding the transaction is presented in note 3.

Other

Other includes maritime service and ship maintenance, unallocated corporate costs and Group financing. Consists of the companies Endúr Maritime AS, Endúr ASA, Endúr Bidco AS, Endúr Invest AS and BG Malta Ltd. Endúr Bidco AS and Endúr Invest AS was merged into Endúr ASA as of 30 November 2022 using the principles of accounting continuity.

2022 (NOKm)	Aquaculture solutions	Marine infrastructure	Other	Intra-group eliminations	Total
Operating revenue	1 289.5	1 018.9	216.9	(33.1)	2 492.2
Operating profit / loss EBITDA	**51.3**	**182.2**	**(10.7)**	**7.2**	**230.0**
Depreciation, Amortization	(33.0)	(90.6)	(10.1)	0.0	(133.7)
Impairment	-	(0.0)	--	0.0	(0.0)
Operating profit / loss EBIT	**18.3**	**91.5**	**(20.8)**	**7.2**	**96.3**
Segments assets	1 171.1	1 386.1	410.5	(377.5)	2 590.2
Segments liabilities	449.3	600.0	1 016.0	(370.9)	1 694.4

2021 (NOKm)	Aquaculture solutions	Marine infrastructure	Other	Intra-group eliminations	Total
Operating revenue	1 006.2	813.8	190.2	(11.3)	1 998.9
Operating profit / loss EBITDA	**52.8**	**157.8**	**(55.3)**	**(16.4)**	**138.9**
Depreciation, Amortization	(26.7)	(85.5)	(7.4)	(0.0)	(119.6)
Impairment	-	(22.8)	-	-	(22.8)
Operating profit / loss EBIT	**26.1**	**49.5**	**(62.7)**	**(16.4)**	**(3.5)**
Segments assets	1 199.7	1 264.9	428.4	(384.6)	2 508.5
Segments liabilities	456.3	470.9	1 053.1	(370.3)	1 610.0

MAJOR CUSTOMERS

Revenues from two customers of the Group's Aquaculture solutions segment represented approximately NOK 700 million and NOK 260 million of the Group's total revenues in 2022.

There are no other customer in the Group where the recognised revenue is more than 10 percent of total revenues in 2022.

NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS

FINANCIAL REPORTING PRINCIPLES

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. In the profit or loss statement revenues from contracts with customers are presented net of discounts, VAT and other public duties.

Revenue

The majority of the group's revenues, in the Marine infrastructure and Aquaculture solutions segment, stem from projects based on Norwegian Standard Contracts (NS) for construction works. Payments may be based on fixed totals with milestone instalments, cost-plus or quantity-based unit prices. The latter two are typically billed monthly. Revenues are typically due for payment within 30 days after the billing date, while end-invoices typically are due for payment within 60 days.

Revenue in the Other segment stem mainly form service and maintenance contracts, typically with a large amount of smaller work orders. This implies that revenue mainly is recognised as point in time with limited use of stage of completion calculations. For contracts with significant fixed-price elements an input method is used to measure the progress of the project, which is the basis for recognizing revenue over time.

The majority of the group's delivery commitments are fulfilled at project hand-over (or in some cases in accordance with partial handovers).

For revenue from projects defined as over time, Endúr primarily uses the stage of completion method, based on the estimated final contribution margins. Revenue is reported in line with actual production progress, based on degree of completion. The revenue recognition for variation orders and disputed claims with a high level of uncertainty is based on assessments of the highly probable outcome of the claim and elements that can be measured reliably.

Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables represents the Group's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group fulfils the performance obligation(s) under the contract.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	Aquaculture solutions		Marine infrastructure		Other		Total	
(NOKm)	2022	2021	2022	2021	2022	2021	2022	2021
Primary geographical markets								
Norway and the Norwegian Continental Shelf	1 257.7	1 002.4	540.0	469.1	214.4	180.1	2 012.1	1 651.6
Sweden	-	-	426.0	296.9	0.8	5.8	426.8	302.7
Other	30.6	3.9	22.2	37.9	0.5	2.9	53.3	44.7
Total	**1 288.2**	**1 006.2**	**988.2**	**803.9**	**215.7**	**188.8**	**2 492.2**	**1 998.9**
Major products / service lines								
Public Sector-Directly	136.3	-	559.9	460.8	145.0	102.5	841.2	563.4
Private Sector-Directly	1 151.9	1 006.2	428.3	343.1	70.7	86.3	1 650.9	1 435.6
Total	**1 288.2**	**1 006.2**	**988.2**	**803.9**	**215.7**	**188.8**	**2 492.2**	**1 998.9**
Timing of revenue recognition								
Products transferred at a point in time	-	72.7	24.5	460.9	215.7	184.8	240.3	718.4
Products and services transferred over time	1 288.2	933.5	963.7	343.0	-	4.0	2 251.9	1 280.5
Total	**1 288.2**	**1 006.2**	**988.2**	**803.9**	**215.7**	**188.8**	**2 492.2**	**1 998.9**

Performance obligations that are unsatisfied at the reporting date, have an original expected duration of one year or less.

CONTRACT BALANCES

(NOKm)	31.12.2022	31.12.2021
Trade receivables	498.7	471.6
Contract assets	123.5	30.8
Contract liabilities	103.9	31.4

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The main reason behind the increase in contract assets and liabilities from 2021 is the change in presentation from net to gross amounts on contract assets and contract liabilities in the aquaculture segment.

NOTE 6: PAYROLL EXPENSES

FINANCIAL REPORTING PRINCIPLES

Pensions

The Group mainly has defined contribution pension schemes that are charged against income as contributions are made to the scheme. Some group companies also have an early retirement scheme (AFP) in the LO-NHO area. The AFP scheme is accounted for as a defined contribution pension scheme, as the scheme's administrator is not able to make the necessary calculation of obligations, assets and pension earnings for each member enterprise. Consequently, the premium and contributions will be charged against income as they arise. However, an obligation is calculated for employees who have chosen to take early retirement. These are defined as active AFPs and the obligation is equivalent to the employer's contribution in the period from when they take early retirement until they reach 67 years of age. The obligation is recognized in the consolidated accounts under other non-current liabilities. In the previous AFP scheme, there is an under coverage. The company have accrued for the expected cost related to this under coverage.

For share-based payments and share subscription programme, see note 25.

PAYROLL EXPENSES

(NOKm)	2022	2021
Salaries and holiday pay	336.1	302.5
Employer's national insurance contribution	65.2	54.7
Share subscription program	0.0	0.9
Pension expenses	13.1	14.1
Other payroll expenses	9.9	7.7
Total	**424.4**	**380.0**
Number of employees 31.12.	495	463

The Group is required to have a pension scheme in accordance with the Norwegian law on required occupational pension schemes ("lov om obligatorisk tjenestepensjon"). The Group's pension arrangements fulfil the law requirements.

The Group has defined contribution pension plans for all employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contribution is expensed when it occurs.

The Group has, for some employees, an AFP scheme which gives a lifelong contribution to the ordinary pension. The employees can choose to exercise the new AFP-scheme starting at the age of 62 years, also in combination with continued work until they turn 67 years old. The new AFP-scheme is a defined benefit multi-employer plan, of which is financed through contributions that are determined by a percentage of the employee's earnings between 1G and 7.1G. There is currently no reliable measure and allocation of liabilities and assets in the plan. The plan is accounted for as a defined contribution plan, of which means that the contributions are recognised as expenses with no provisions.

NOTE 7: NET FINANCE COSTS

NET FINANCE COSTS

	Aquaculture solutions		Marine infrastructure		Other		Total	
(NOKm)	2022	2021	2022	2021	2022	2021	2022	2021
Interest income	0.7	0.4	5.1	0.1	3.9	0.0	9.6	0.6
Interest income bond	-	-	-	-	3.5	-	3.5	-
Currency gain	0.0	-	0.0	0.2	0.3	0.2	0.3	0.4
Interest income (IFRS 16 lease)	-	-	-	0.0	-	0.1	-	0.1
Increase in value of financial instruments	-	-	-	-	6.0	-	6.0	-
Other financial income	0.1	-	0.0	0.2	0.2	0.9	0.4	1.1
Finance income	**0.8**	**0.4**	**5.1**	**0.5**	**13.9**	**1.2**	**19.8**	**2.1**
Interest expenses	0.1	0.4	0.2	0.2	3.7	2.1	4.1	2.7
Interest expenses bond	-	-	-	-	81.2	67.7	81.2	67.7
Currency loss	0.0	0.1	2.2	(0.2)	4.4	2.7	6.6	2.6
Other financial expenses	0.4	0.0	(0.0)	0.0	0.9	15.0	1.3	15.0
Interest expense (IFRS 16 lease)	0.5	0.5	2.1	2.5	1.3	1.5	4.0	4.5
Amortization bond	-	-	-	-	4.7	18.4	4.7	18.4
Finance costs	**1.1**	**1.0**	**4.5**	**2.5**	**96.2**	**107.3**	**101.8**	**110.8**
Net finance costs recognised in the income statement	**(0.3)**	**(0.5)**	**0.6**	**(2.0)**	**(82.3)**	**(106.2)**	**(82.0)**	**(108.7)**

NOTE 8: TAX

FINANCIAL REPORTING PRINCIPLES

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

INCOME TAX EXPENSE

(NOKm)	2022	2021
Tax payable for the year	(4.3)	(7.8)
Changes in deferred tax	(0.9)	55.3
Adjustment in respect of previous years	-	(2.4)
Net tax income/expense	**(5.2)**	**45.1**

TAXES PAYABLE

(NOKm)	Total	Norway	Abroad
Corporate income tax	4.3	-	4.3
Prepaid tax	(4.3)	-	(4.3)
Total tax payable 2022	**-**	**-**	**-**

Taxes paid relates to the Swedish operations. Taxes are paid monthly in Sweden, based on estimated figures and settled yearly, resulting in zero tax payable in the balance sheet at 31.12.2022.

Marcon-Gruppen I Sverige AB received SEK 1.3 million in tax reduction under a temporary law of tax reduction following Covid-19. Individuals and legal entities with income from a business is entitled to a tax reduction on purchases of tangible inventory. The tax reduction was 3.9% of the purchase value of inventory acquired between 1 January and 31 December 2021. Certain additional conditions must be fulfilled in order for a business to qualify for the tax reduction. For example, the inventory must have been held for a certain period of time, and the purchase expense must be deducted annually as depreciation.

RECONCILIATION OF EFFECTIVE TAX RATE

(NOKm)	2022	2021*
Profit/(loss) before tax	**14.3**	**(96.9)**
Tax at nominal tax rate (22 %)	(3.1)	21.3
Non-deductible expenses and non-taxable income	6.2	(17.0)
Effect of other tax rates in subsidiaries	0.2	(0.6)
Changes in unrecognized deferred tax asset	(15.6)	37.6
Adjustments in respect to previous years	5.1	-
Other	2.1	3.7
Total tax payable for the period	**(5.2)**	**45.1**
Effective tax rate	*36 %*	*46 %*

MOVEMENT IN DEFERRED TAX BALANCES

(NOKm)	31.12.2021*	Recognised in profit or loss	Acquisition and sale of businesses	Currency translation	31.12.2022
Property plant and equipment	273.6	(27.9)	2.2	(8.3)	239.6
Intangible assets	266.8	(36.5)	(3.5)	-	226.8
Projects in process	121.1	62.4	-	-	183.6
Other current assets	(39.1)	13.7	-	-	(25.4)
Provisions for liabilities	(12.2)	(8.3)	(0.0)	-	(20.5)
Tax allocation reserves, Sweden	31.8	5.2	-	(1.0)	36.0
Other temporary differences	(20.9)	4.2	4.6	0.1	(11.9)
Interest deductibility carried forward	(55.4)	(76.4)	-	-	-
Losses carried forward	(193.8)	(5.9)	1.2	-	-
Total basis related to deferred tax	**371.9**	**(69.5)**	**4.5**	**(9.1)**	**628.2**
Net deferred tax	**(77.6)**	**15.1**	**(0.9)**	**1.9**	**(61.6)**
Net deferred tax asset - not recognised in the accounts	**0.3**	**(15.9)**	**0.3**	**-**	**15.9**
Net deferred tax - recognised in the accounts	**(77.9)**	**(0.9)**	**(0.6)**	**1.9**	**(77.6)**

Deferred tax assets have been recognised in respect of the total basis, because it is probable that future taxable profit will be available against which the Group can use the benefits therefrom.

* The table has been adjusted from the 2021 Annual Report and the 31.12.21 figures have been reclassified accordingly.

NOTE 9: DISCONTINUED OPERATIONS

FINANCIAL REPORTING PRINCIPLES

At disposal of a separate major line of business, the profit or loss from these operations, including gains/losses from the derecognition is classified as discontinued operations, if the criteria in IFRS 5 have been met. Profit/loss from group of assets classified as held for sale is also classified as discontinued operations. When discontinued operations are identified, the comparable amounts in the income statement and other comprehensive income, and the accompanying notes, are restated to reflect these operations in the previous year as if they were discontinued in that year.

DISCONTINUED OPERATIONS IN 2022

The Group had no discontinued operations in 2022.

DISCONTINUED OPERATIONS IN 2021

In 2021, the Group divested the Energy segment through the bankruptcy of the subsidiaries Endúr Industrier AS, in January and ØPD AS in February, and the divestment of the subsidiary Endúr AAK AS, in July. Endúr ASA resolved mid-2020 a strategic change of direction, where marine infrastructure and solutions for land-based aquaculture are defined as the group's core focus areas.

The operating result was negatively affected by a goodwill impairment of 461.3 million*, primarily related to the bankruptcy filing in ØPD AS.

The result up to the date of the bankruptcies and divestment is presented as discontinued operations. In addition, gains related to the bankruptcies and divestment are presented as discontinued operations.

* Note that NOK 198.7 million of the goodwill impairment derives from an increase in consideration due to increase in share price from announcement date to closing date of the merger with Oceano AS, and was mirrored by a corresponding increase in book equity, hence the net change to Endúr ASA's equity from this part of the goodwill impairment was zero.

RESULTS OF DISCONTINUED OPERATIONS

(NOKm)	2022	2021
Revenue	-	29.6
Expenses	-	(66.2)
Profit/loss before tax	**-**	**(36.6)**
Income tax expense	-	-
Profit/loss	**-**	**(36.6)**
Gain discontinued operations	-	51.9
Net result from discontinued operations	**-**	**15.3**
Earnings per share - discontinued operations		
Earnings per share (NOK)	-	0.01
Diluted earnings per share (NOK)	-	0.01

CASH FLOWS FROM DISCONTINUED OPERATIONS

(NOKm)	2022	2021
Net cash used in operating activities	-	-
Net cash from investing activities	-	(12.2)
Net cash from financing activities	-	-
Net cash flow	**-**	**(12.2)**

EFFECT OF DISPOSAL

(NOKm)	2022	2021
Intangible assets	-	6.9
Property, plant and equipment	-	46.0
Inventories	-	3.2
Contract assets	-	19.3
Trade and other receivables	-	128.2
Cash and cash equivalents	-	12.2
Loans and borrowings	-	(15.1)
Lease liabilities	-	(39.2)
Trade and other payables	-	(208.5)
Tax payable	-	(0.1)
Contract liabilities	-	(4.8)
Net assets and liabilities	**-**	**(51.9)**

NOTE 10: EARNINGS PER SHARE

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent divided by the weighted average number of ordinary shares outstanding. When calculating the diluted earnings per share, the profit/loss that is attributable to the ordinary shareholders of the parent and the weighted average number of ordinary shares outstanding are adjusted for all the dilution effects relating to convertible bonds and share options. In the calculations, convertible bonds and share options are assumed to have been converted/ exercised on the first date in the fiscal year. Convertible bonds and share options issued in the period are assumed to be converted/ exercised at the date of issue/ grant date.

BASIC EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of shares outstanding.

Profit (loss) attributable to ordinary shareholders (basic) (NOKm)		**2022**	**2021**
Profit (loss) attributable to ordinary shareholders (basic)		9.1	(51.8)

Weighted-average number of ordinary shares (basic)	**Date**	**2022**	**2021**
Issued ordinary shares at 1 January		1 372 643 406	732 667 536
Effect of shares issued	02/03/2021		1 707 438
Effect of shares issued related to a business combination	08/03/2021		87 021 974
Effect of shares issued related to a business combination	12/03/2021		239 336 966
Effect of shares issued	19/11/2021		26 703 196
Effect of shares issued related to share purchase program	31/12/2021		24 401
Effect of share issued June 2022 related to reverse share split	13/06/2022	24	
Effect of reverse share split	21/06/2022	(1 345 190 561)	
Weighted-average number of ordinary shares at 31 December		**27 452 869**	**1 087 461 511**

Endúr ASA's General Meeting in May 2022 resolved to consolidate shares in a ratio 50:1, so that 50 shares, each with a nominal value of NOK 0.01, are consolidated into 1 share with a nominal value of NOK 0.5. Share capital was increased with 44 shares to be able to effectuate the share split.

DILUTED EARNINGS PER SHARE

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Profit (loss) attributable to ordinary shareholders (diluted) (NOKm)	**2022**	**2021**
Profit (loss) attributable to ordinary shareholders (basic)	9.1	(51.8)
Profit (loss) attributable to ordinary shareholders (diluted)	**9.1**	**(51.8)**

Weighted-average number of ordinary shares (diluted)	**2022**	**2021**
Weighted-average number of ordinary shares (basic)	27 452 869	1 087 461 511
Weighted-average number of ordinary shares (diluted)	**27 452 869**	**1 087 461 511**

At 31 December 2022, 378 000 options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

At 31 December 2021, 12 500 000 options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

NOTE 11: INTANGIBLE ASSETS

FINANCIAL REPORTING PRINCIPLES

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost less any amortization and impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life and goodwill are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life and goodwill are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

INTANGIBLE ASSETS

2022 (NOKm)	Note	Licenses, patents etc.	Customer relation-ship	Order backlog	Goodwill	Total
Acquisition cost 1 Jan. 2022		91.1	190.8	26.4	914.3	1 222.6
Addition		8.7	-	-	-	8.7
Addition through business combinations	3	-	-	-	0.4	0.4
Disposals due to sale of business	3	-	(4.1)	(0.3)	(29.9)	(34.3)
Disposals		(2.4)	-	-	-	(2.4)
Currency adjustment		-	-	-	(2.5)	(2.5)
Other changes		-	-	-	(7.4)*	(7.4)
Acquisition cost 31 Dec. 2022		**97.4**	**186.7**	**26.1**	**874.8**	**1 185.0**
Accumulated depreciations/impairment as of 1 Jan. 2022		(10.0)	(16.0)	(10.7)	(65.1)	(101.9)
Current year's depreciations		(9.0)	(18.1)	(10.2)	-	(37.3)
Current year's impairment		-	-	-	-	0.0
Disposals due to sale of business	3	-	-	-	22.8	22.8
Disposals		2.4	-	-	-	2.4
Accumulated depreciations/ impairments as of 31 Dec. 2022		**(16.7)**	**(34.1)**	**(20.9)**	**(42.3)**	**(113.9)**
Book value 31. Dec 2022		**80.7**	**152.6**	**5.2**	**832.5**	**1 071.1**
Amortization rates		10 years	7 years	2.5 years	Impairment	
Amortization plan		Linear	Linear	Linear	test	

See note 13 for details regarding impairment-testing.

* Goodwill calculated from the Purchase Price Allocation on BMOE Entreprenør AS has been adjusted in 2022 to reflect indemnification from previous owner in the ongoing dispute against NPRA, refer to Note 30 for further details.

INTANGIBLE ASSETS

2021 (NOKm)	Note	Licenses, patents etc.	Customer relation-ship	Order backlog	Goodwill	Total*
Acquisition cost 1 Jan. 2021		2.3	4.1	26.4	770.9	803.7
Addition		4.7	-	-	-	4.7
Addition through business combinations	3	84.1	186.7	-	500.1	770.9
Disposals due to discontinued operations	9	-	-	-	(355.0)	(355.0)
Currency adjustment		-	-	-	(1.7)	(1.7)
Acquisition cost 31 Dec. 2021		**91.1**	**190.8**	**26.4**	**914.3**	**1 222.6**
Accumulated depreciations/impairment as of 1 Jan. 2021		(2.9)	-	-	(390.4)	(393.3)
Current year's depreciations		(7.1)	(16.0)	(10.7)	-	(33.9)
Current year's impairment	13	-	-	-	(22.8)	(22.8)
Disposals due to discontinued operations	9	-	-	-	348.1	348.1
Accumulated depreciations/impairment as of 31 Dec. 2021		**(10.0)**	**(16.0)**	**(10.7)**	**(65.1)**	**(101.9)**
Book value 31. Dec 2021		**81.0**	**174.8**	**15.7**	**849.2**	**1 120.7**
Amortization rates		10 years	7 years	2.5 years	Impairment	
Amortization plan		Linear	Linear	Linear	test	

See note 13 for details regarding impairment-testing.

* The table have changed from the 2021 Annual report. The changes consist of smaller reclassifications and changes in net/gross presentation where applicable. There are no deviations on total book value as of 31.12.21.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

FINANCIAL REPORTING PRINCIPLES

Property plant and equipment are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

The cost of property plant and equipment is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalised.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognised as a change in an estimate.

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use. An impairment loss is identified if the carrying amount of a tangible asset exceeds its recoverable amount. The impairment loss is recognised by reducing the carrying amount of the tangible asset to equal the recoverable amount.

PROPERTY, PLANT AND EQUIPMENT

2022 (NOKm)	Note	Land and buildings	Plant and equipment	Operating equipment	Total
Acquisition cost 1 Jan. 2022		25.3	176.7	591.3	793.2
Additions		3.7	12.7	29.8	46.3
Additions through business combinations	3	0.0	0.0	13.7	13.7
Disposals		-	(2.7)	(8.4)	(11.1)
Disposals due to sale of business	3	-	(0.6)	-	(0.6)
Currency adjustment		(0.4)	(0.2)	(13.8)	(14.4)
Acquisition cost 31 Dec. 2022		**28.6**	**185.9**	**612.6**	**827.1**
Accumulated depreciations as of 1 Jan 2022		(12.7)	(116.8)	(237.7)	(367.2)
Additions through business combinations	3	(0.0)	0.0	(9.4)	(9.4)
Current year's depreciation		(1.4)	(17.1)	(48.2)	(66.7)
Current year's impairment		(0.4)	(2.2)	-	(2.6)
Disposals		-	1.9	2.0	3.9
Disposals due to sale of business	3	-	0.2	-	0.2
Currency adjustment		0.2	0.2	6.3	6.8
Other changes		-	(0.3)	-	(0.3)
Accumulated depreciations 31 Dec. 2022		**(14.4)**	**(134.0)**	**(287.0)**	**(435.4)**
Book value 31. Dec 2022		**14.3**	**51.9**	**325.6**	**391.7**
Depreciation rates		0-20 years	2-7 years	3-10 years	
Depreciation plan		Linear	Linear	Linear	

PROPERTY, PLANT AND EQUIPMENT

2022 (NOKm)	Note	Land and buildings	Plant and equipment	Operating equipment	Total*
Acquisition cost 1 Jan. 2021		35.1	149.3	201.2	385.7
Acquisitions		0.1	30.2	53.6	83.9
Acquisitions through business combinations	3	8.9	2.9	379.3	391.2
Disposals		(18.9)	(5.7)	(42.9)	(67.5)
Acquisition cost 31 Dec. 2021		**25.3**	**176.7**	**591.3**	**793.2**
Accumulated depreciations as of 1 Jan 2021		(12.3)	(96.0)	(190.0)	(298.4)
Current year's depreciation		(1.1)	(17.6)	(36.3)	(55.1)
Current year's impairment		-	-	-	-
Disposals		0.7	(3.1)	(11.4)	(13.8)
Accumulated depreciations 31 Dec. 2021		**(12.7)**	**(116.8)**	**(237.7)**	**(367.2)**
Book value 31. Dec 2021		**12.5**	**59.9**	**353.6**	**426.0**
Depreciation rates		0-20 years	2-7 years	3-10 years	
Depreciation plan		Linear	Linear	Linear	

* The table have changed from the 2021 Annual report. The changes consist of reclassifications between groups and changes in net/gross presentation where applicable. There are no deviations on total book value as of 31.12.21

NOTE 13: IMPAIRMENT OF ASSETS

FINANCIAL REPORTING PRINCIPLES

The carrying amounts of the group's assets, other than employee benefit assets, inventories, deferred tax assets and derivatives are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated.

Cash-generating units (CGU) containing goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the income statement. An impairment loss recognised in respect of CGU is allocated first to goodwill and then to the other assets in the unit (group of units) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

IMPAIRMENT TESTING OF GOODWILL

Endúr`s goodwill originates from several business combinations.
Goodwill has been allocated to the Group's cash generating units as follows:

(NOKm)	2022	2021
Aquaculture Solutions - Artec Aqua AS	413.8	413.8
Aquaculture Solutions - Endúr Sjøsterk AS	48.5	48.5
Marine Infrastructure - Marcon Gruppen i Sverige AB	77.5	79.9
Marine Infrastructure - BMO Entreprenør AS	271.3	278.7
Marine Infrastructure - Installit AS	-	7.1
Other - Endúr Maritime AS	15.7	15.7
Total goodwill	**826.7**	**843.6**

Goodwill calculated from the Purchase Price Allocation on BMOE Entreprenør AS has been adjusted in 2022 to reflect indemnification from previous owner in the ongoing dispute against NPRA, refer to Note 30 for further details, no impairment has been made.

Endúr performs a test of the value of goodwill and other intangible assets annually or at the end of each reporting period, if there is indication of impairment of the assets. There were no impairment losses in 2022.

(NOKm)	2022	2021
Installit AS	-	22.8
Total impairment	**-**	**22.8**

Aquaculture Solutions - Artec Aqua AS

As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, Artec Aqua AS. The calculations are based upon budgets and long term profit goals for the period 2023 up to and including 2027. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. For subsequent periods, a growth rate of 2.5 % has been used, which is in line with the expected inflation rate. WACC of 12.0 % after tax and EBITDA-margin of 3-7 % has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

The headroom related to Artec Aqua AS in the impairment-test amounts to MNOK 289.4.

The following table shows the sensitivity related to changes in the key assumptions:

Sensitivity - changes in key assumptions

(NOKm)	Effect recoverable amount	Impairment
Discount rate +1%	(106.7)	-
Terminal value growth rate -1%	(74.1)	-
EBITDA-margin -1 %	(169.8)	-

Aquaculture Solutions - Endúr Sjøsterk AS

As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, Endúr Sjøsterk AS. The calculations are based upon budgets and long term profit goals for the period 2023 up to and including 2027. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. For subsequent periods, a growth rate of 2.5 % has been used, which is in line with the expected inflation rate. WACC of 11.7 % after tax and EBITDA-margin of 4-5 % has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

The headroom related to Endúr Sjøsterk AS in the impairment-test amounts to MNOK 27.7.

The following table shows the sensitivity related to changes in the key assumption:

Sensitivity - changes in key assumptions

(NOKm)	Effect recoverable amount	Impairment
Discount rate +1%	(5.6)	-
Terminal value growth rate -1%	(4.2)	-
EBITDA-margin -1 %	(13.6)	-

Marine Infrastructure - Marcon-Gruppen i Sverige AB

As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, Marcon-Gruppen i Sverige AB. The calculations are based upon budgets and long term profit goals for the period 2023 up to and including 2027. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. For subsequent periods, a growth rate of 2.5 % has been used, which is in line with the expected inflation rate. WACC of 11.1 % after tax and EBITDA-margin of 17-18 % has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

The headroom related to Marcon-Gruppen i Sverige AB in the impairment-test amounts to MNOK 221.7.

The following table shows the sensitivity related to changes in the key assumptions:

Sensitivity - changes in key assumptions

(NOKm)	Effect recoverable amount	Impairment
Discount rate +1%	(65.9)	-
Terminal value growth rate -1%	(45.8)	-
EBITDA-margin -1 %	(52.8)	-

Marine Infrastructure - BMO Entreprenør AS

As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, BMO Entreprenør AS. The calculations are based upon budgets and long term profit goals for the period 2023 up to and including 2027. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. For subsequent periods, a growth rate of 2.5 % has been used, which is in line with the expected inflation rate. WACC of 11.1 % after tax and EBITDA-margin of 13-14 % has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

The headroom related to BMO Entreprenør AS in the impairment-test amounts to MNOK 170.2.

The following table shows the sensitivity related to changes in the key assumptions:

Sensitivity - changes in key assumptions

(NOKm)	Effect recoverable amount	Impairment
Discount rate +1%	(52.8)	-
Terminal value growth rate -1%	(37.1)	-
EBITDA-margin -1 %	(53.6)	-

Other - Endúr Maritime AS
As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, Endúr Maritime AS. The calculations are based upon budgets and long term profit goals for the period 2023 up to and including 2027. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. For subsequent periods, a growth rate of 2.5 % has been used, which is in line with the expected inflation rate. WACC of 12.1 % after tax and EBITDA-margin of 6-7 % has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

The headroom related to Endúr Maritime AS in the impairment-test amounts to MNOK 64.1.

The following table shows the sensitivity related to changes in the key assumptions:

Sensitivity - changes in key assumptions

(NOKm)	Effect recoverable amount	Impairment
Discount rate +1%	(10.8)	-
Terminal value growth rate -1%	(6.5)	-
EBITDA-margin -1 %	(20.6)	-

NOTE 14: RIGHT-OF-USE-ASSETS AND LEASING LIABILITIES

FINANCIAL REPORTING PRINCIPLES

The Group recognises a right-of-use asset and a lease liability at the start date of the lease. On initial recognition in the balance sheet, the right-of-use assets is measured at cost. Subsequently, the right-of-use asset is measured at cost less depreciation and impairment. On initial recognition in the balance sheet, the lease liability is measured at the present value of future lease payments. The present value is calculated by discounting the rental payments using the implicit interest rate in the lease. If the implicit interest rate is not known, the Group's marginal borrowing rate is used for loans with similar risk. The lease liability is subsequently increased by the interest cost associated with the liability and is subsequently reduced by rental payments. Leases with a lease term of 12 months or less are not capitalised. Low-value leases, typically office equipment / fixtures, are not capitalised.

Some of the premises that the group leases are sub-leased. The sublease is assessed against the head lease, in order to assess whether the sublease agreement is to be treated as an operational or financial lease. When the sublease agreement is treated as a financial lease, a lease liability is recognized in the balance sheet, with a corresponding receivable from the lessee, which is reduced in line with the remaining sublease agreement.

RIGHT-OF-USE ASSETS

2022 (NOKm)	Note	Building, property	Machinery, equipment	Vehicles, vessels	Other office equipment	Total
Acquisition cost 1 Jan. 2022		107.6	6.1	22.4	3.1	139.2
Additions of right-of-use assets		11.1	13.2	18.3	0.3	42.9
Disposals		(24.7)	(2.4)	(16.0)	(2.0)	(45.2)
Currency exchange differences		(0.2)	(0.8)	(0.7)	(0.1)	(1.7)
Acquisition cost 31 Dec. 2022		**93.8**	**16.1**	**24.0**	**1.3**	**135.2**
Accumulated depreciations 1 Jan. 2022		(34.7)	(2.2)	(8.0)	(1.2)	(46.1)
Depreciation		(18.9)	(2.9)	(5.8)	(1.5)	(29.1)
Impairment		-	-	-	-	-
Disposals		15.8	2.5	8.3	2.0	28.6
Currency exchange differences		0.1	0.1	0.1	0.0	0.4
Accumulated depreciations 31 Dec. 2022		**(37.7)**	**(2.6)**	**(5.3)**	**(0.6)**	**(46.3)**
Book value 31. Dec 2022		**56.1**	**13.5**	**18.7**	**0.6**	**88.9**

2021 (NOKm)	Note	Building, property	Machinery, equipment	Vehicles, vessels	Other office equipment	Total
Acquisition cost 1 Jan. 2021		142.6	-	8.4	-	151.0
Additions of right-of-use assets		22.8	3.7	4.3	1.2	32.0
Additions through business acquisitions	3	13.3	2.5	10.9	1.9	28.6
Disposals		0.0	-	-	-	0.0
Disposals due to discontinued operations	9	(71.0)	-	(1.1)	-	(72.0)
Currency exchange differences		(0.1)	(0.0)	(0.2)	(0.0)	(0.3)
Acquisition cost 31 Dec. 2021		**107.6**	**6.1**	**22.4**	**3.1**	**139.2**
Accumulated depreciations 1 Jan. 2021		(41.3)	-	(0.5)	-	(41.7)
Depreciation		(18.9)	(2.3)	(8.1)	(1.2)	(30.4)
Impairment		-	-	-	-	-
Disposals due to discontinued operations	9	25.5	-	0.5	-	26.0
Currency exchange differences		0.0	0.0	0.0	0.0	0.0
Accumulated depreciations 31 Dec. 2021		**(34.7)**	**(2.2)**	**(8.0)**	**(1.2)**	**(46.1)**
Book value 31. Dec 2021		**72.9**	**3.9**	**14.5**	**1.9**	**93.1**

LEASING LIABILITIES

AS A LESSEE

(NOKm)	2022	2021
Total lease obligations at 1 Jan	95.8	138.1
Additions from business combinations	0.0	28.6
New lease liabilities recognised during the period	42.9	32.0
Cash payments for lease liabilities	(32.0)	(33.7)
Interest expensed from lease liabilities	4.0	4.5
Amendments/Terminations of leases	(18.3)	(73.5)
Translation differences	(0.4)	(0.2)
Total lease obligations at 31 Dec	**92.0**	**95.8**
- of which non-current lease liabilities	66.3	73.2
- of which current lease liabilities	25.7	22.7

Aging of leasing liabilities

(NOKm)	31.12.2022	31.12.2021
Debt analysis - contractual undiscounted cash flows		
Less than 1 year	29.3	30.2
1-5 years	60.6	63.5
Over 5 years	11.6	17.2
Total	**101.5**	**110.9**
Non-current lease liabilities recognised	66.3	73.2
Current lease liabilities recognised	25.7	22.7
Total	**92.0**	**95.8**

Other lease liabilities recognised in P&L

(NOKm)	2022	2021
Expense relating to short-term leases (included in other operating expenses)	0.6	0.5
Expense relating to leases of low-value assets (included in other operating expenses)	0.0	0.0
Variable lease payments (included in other operating expenses)	0.8	0.7
Total	**1.4**	**1.2**

The leasing liability as of 31 December 2022 primarily comprises lease of office space and other property, vehicles, vessels and office machines.

AS A LESSOR

The Group subleased property in 2021. The Group has classified the sublease as a finance lease because the sublease corresponds to the remaining contract period for the underlying lease agreement. There were no subleases at 31.12.2022.

Net investment in the lease

(NOKm)	31.12.2022	31.12.2021
Analysis - contractual undiscounted cash flows		
Less than 1 year	-	0.4
1-5 years	-	-
Over 5 years	-	-
Total	**-**	**0.4**
Non-current net investment in the lease recognised	-	0.3
Current net investment in the lease recognised	-	1.1
Total	**-**	**1.4**

Lease interest income recognised in P&L

(NOKm)	2022	2021
Interest income on the investment in the lease	-	0.1

NOTE 15: INVENTORIES

FINANCIAL REPORTING PRINCIPLES

Inventories are recognised in the accounts at the lower of the acquisition cost and net realisable value. The net realisable value is the estimated sales price in ordinary operations, less estimated costs relating to completion, marketing and distribution. The cost of inventory is based on the FIFO method and includes costs of bringing the goods to their present state and location.

INVENTORIES

(NOKm)	31.12.2022	31.12.2021
Raw materials and consumables	10.1	19.0
Work in progress	0.6	-
Finished goods	16.0	8.6
Impairment of inventories	(1.3)	(1.4)
Total	**25.5**	**26.3**

NOTE 16: TRADE AND OTHER RECEIVABLES

FINANCIAL REPORTING PRINCIPLES

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. Impairment losses are estimated using the simplified approach in calculating the expected credit losses (ECL).

TRADE AND OTHER RECEIVABLES

(NOKm)	2022	2021
Trade receivables at nominal value	523.6	476.2
Provision for bad debt	(24.9)	(4.5)
Trade receivables, net	**498.7**	**471.6**
Net investment - lease	-	0.0
Prepaid expenses	12.5	11.7
Other short-term receivables	38.8	17.4
Provision for bad debt	(0.3)	4.0
Total	**549.7**	**504.8**

MATURITY PROFILE OF TRADE RECEIVABLES

	2022		2021	
(NOKm)	Trade receivables	Provision for bad debts	Trade receivables	Provision for bad debts
Not overdue	242.5		286.5	
Overdue 0-30 days	66.7		69.8	
Overdue 31-90 days	17.9		9.0	
Overdue 91-365 days	123.7	(2.4)	46.0	
Overdue > 1 year	72.7	(22.1)	64.8	(4.5)
Ending Balance	**523.6**	**(24.9)**	**476.2**	**(4.5)**

NOK 42.5 million of the trade receivables overdue by more than 12 months pertain to two projects undertaken by Marcon and BMOE respectively prior to their incorporation into Endúr. See Note 30 for further details. Endúr has obtained certain indemnification statements from the companies' previous owners which provide that Endúr's risk of incurring losses from these disputed projects is limited.

NOTE 17: CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

(NOKm)	31.12.2022	31.12.2021
Cash and cash equivalents	305.9	287.3
Cash and bank deposits - restricted funds	8.9	17.1
Total	**314.8**	**304.4**

RESTRICTED FUNDS

(NOKm)	31.12.2022	31.12.2021
Tax withholding accounts	4.2	7.3
Security related to guarantees issued	1.0	6.2
Deposit accounts for non-insured pension obligations	3.6	3.6
Total	**8.9**	**17.1**

The Group companies Endúr Maritime AS and BMO Entreprenør AS have established bank guarantee for tax payment.

NOTE 18: TRADE AND OTHER PAYABLES

TRADE AND OTHER PAYABLES

(NOKm)	31.12.2022	31.12.2021
Trade payables	306.0	339.9
Accrued expenses	41.1	52.1
Public duties and taxes	64.2	26.1
Holiday -pay allowance	33.7	24.0
Salary liability	26.9	13.8
Provisions	56.9	33.0
Other current liabilities	78.0	16.4
Total	**606.8**	**505.3**

NOTE 19: PROVISIONS

FINANCIAL REPORTING PRINCIPLES

A provision is recognised in the balance sheet when the group has a present obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks.

Warranty provision
A provision for warranty is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

Guarantee liabilities
Contractual guarantees of completion and guarantees in connection with advance payment from customers are furnished as part of Endúr's activities. Such guarantees usually involve a bank connection that issues the guarantee in relation to the customer. In some cases, guarantees have also been furnished by other companies in the group.

PROVISIONS

(NOKm)	Warranties	Other provisions	Total
Balance as at 1 Jan. 2022	17.8	-	17.8
Provisions made during the year	(8.9)	36.4	27.4
Provisions used during the year	2.2	-	2.2
Provisions reversed during the year	7.7	-	7.7
Other changes	1.7	-	1.7
Balance as at 31 Dec. 2022	**20.5**	**36.4**	**56.9**

Expected timing of payment

(NOKm)	Warranties	Other provisions	Total
Current	20.5	36.1	56.6
Non-current	-	0.3	0.3
Total	**20.5**	**36.4**	**56.9**

NOTE 20: FINANCIAL INSTRUMENTS

FINANCIAL REPORTING PRINCIPLES

Financial instruments are recognized in the balance sheet when the Group has become a party to the contractual terms of the instrument. Financial instruments are derecognised when the contractual rights or obligations are met, cancelled, expired or transferred.

Initial measurement of financial instruments is made at fair value at the time of settlement, normally at transaction price. Subsequent measurement depends on the classification of the financial asset or the financial liability.

Financial instruments are classified as long-term when the expected realization date is more than twelve months after the balance sheet date. Other financial instruments are classified as short-term.

Financial assets
For initial recognition, a financial asset is classified in the following categories:
- Amortized cost
- Fair value with change in value over profit & loss
- Fair value with change in value over other comprehensive income (OCI).

The Group's financial assets mainly consist of debt instruments (receivables) and cash. The receivables cash flows consist only of principal and any interest and all receivables are only held to receive contractual cash flows. Receivables and cash are included in the category amortized cost.

Financial liabilities
For initial recognition, a financial liability is classified in the following categories:
- Amortized cost
- Fair value with change in value over profit

The Group's financial liabilities consist of convertible loans, bank loans, vendor credit payables and other payment obligations. These financial liabilities are subsequently measured at amortized cost.

Overview of carrying amounts of financial instruments in the consolidated balance sheet

2022 (NOKm)	Note	Financial assets and liabilities at amortized cost	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at fair value through OCI	Total carrying amount 2022
Financial assets by category					
Financial derivatives	22, 23		6.0		6.0
Other financial assets		0.6			0.6
Trade receivables	16	498.7			498.7
Cash and cash equivalents	17	314.8			314.8
Financial liabilities by category					
Loans and borrowings	21	810.5			810.5
Other current loans	21	0.1			0.1
Trade and other payables	18	306.0			306.0
Total		**1 930.6**	**6.0**		**1 936.6**

Overview of carrying amounts of financial instruments in the consolidated balance sheet

2021 (NOKm)	Note	Financial assets and liabilities at amortized cost	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at fair value through OCI	Total carrying amount 2022
Financial assets by category					
Financial derivatives	22, 23		-		
Other financial assets		1.1			1.1
Trade receivables	16	471.6			471.6
Cash and cash equivalents	17	304.4			304.4
Financial liabilities by category					
Loans and borrowings	21	890.6			890.6
Other current loans	21	-			-
Trade and other payables	18	339.9			339.9
Total		**2 007.6**	**-**		**2 007.6**

Fair value of financial assets and liabilities not measured at fair value

The Group has not disclosed the fair values for financial assets and liabilities not measured at fair value as the carrying amount is considered to be a reasonable approximation of fair value.

NOTE 21: LOANS AND BORROWINGS

LOANS AND BORROWINGS

(NOKm)	2022	2021
Non-current loans and borrowings		
Secured bank loans	0.1	-
Other loans	4.3	-
Secured bond loans	806.1	890.6
Current loans and borrowings		
Secured bank loans	0.1	-
Total	**810.5**	**890.6**

TERMS AND REPAYMENT SCHEDULE

	Currency	Nominal interest rate	Year of maturity	Carrying amount
Secured bond loan	NOK	Fixed margin 7.25% + 3 M NIBOR	2025	806.1
Other loans	NOK	3-6 %	2023-2024	4.3

Secured bond loan

Endúr has an outstanding senior secured, non-amortizing callable bond loan with ISIN NO0010935430 (the "Bonds") with NOK 810 million principal at 31.12.22. The Bonds were issued 3 March 2021, originally with NOK 1100 million principal. Effective 1 December 2021 Endúr redeemed bonds with a total nominal value of NOK 200 million. During 2022, Endúr completed two bond buy-backs, each of a total nominal value of NOK 45 million, reducing the net outstanding principal amount to NOK 810 million. The bond buy-backs were effectuated 3 June 2022 and 29 September 2022. The transaction cost amortized on the bond was written down proportionally and booked through finance cost in 2022, this amounted to NOK 1.3 million. Capitalized transaction cost in form of brokerage commission and bond premium/ discount in connection to the bond buy back amounted to NOK 0.1 million.

The NOK 810 million principal outstanding matures at par on 3 March 2025. The Bonds incur interest of the aggregate of 3m NIBOR (floating reference rate) plus a fixed margin 7.25% p.a., with quarterly interest payments. As issuer of the Bonds Endúr is subject to certain financial covenants; (i) maintaining a leverage ratio not greater than 3.75x up to 3 March 2023, and then 3.0x and 2.5x up to 3 March 2024 and 3 March 2025, respectively, and (ii) maintaining minimum liquidity of NOK 75 million.

Refinancing of secured bond loan

After the balance sheet date, the Company raised NOK 140 million in gross proceeds in a private placement in early January 2023 in order to refinance the bond loan with a new bank debt facility of a total of approx. NOK 700 million. The bond was called 16 March 2023, for further details see Note 31 Subsequent events.

Carrying amount of assets pledged as security for liabilities

(NOKm)	31.12.2022	31.12.2021
Property, plant and equipment	283.4	304.9
Inventories	18.2	26.2
Contract assets	101.4	44.3
Trade and other receivables	495.5	543.5
Cash and cash equivalents	244.3	178.8

Reconciliation of movements of liabilities to cash flows arising from financing activities

(NOKm)	Secured bond loan	Other loans	Total
Balance as at 1 Jan. 2022	890.6	-	896.1
Changes from financing cash flows			
Proceeds from loans and borrowings	-	2.0	2.0
Repayment of borrowings (incl. bond buy-back)	(90.0)	(3.2)	(93.2)
Total changes from financing cash flows	**800.6**	**(1.2)**	**799.4**
Other changes	5.5	5.7	11.2
Balance as at 31 Dec. 2022	**806.1**	**4.5**	**810.6**

Other changes for the secured bond loan consist primarily of change in accrued interest and amortisation.

NOTE 22: DERIVATIVES

FINANCIAL REPORTING PRINCIPLES

Derivative financial instruments are measured at fair value. Any gains or losses arising from changes in fair value on derivatives are recognised in the income statement as financial income or expense. Derivatives are recognised without any offsetting; as assets when the value is positive and as liabilities when the value is negative, unless the Group has the intention or legally enforceable right to settle the contracts net.

Fair value hierarchy
The Group classifies the financial instruments at fair value in accordance with the valuation hierarchy prescribed under the accounting standards. The various levels are defined as follows:

Level 1 – Quoted price (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Valuation derived directly or indirectly from a quoted price within level 1.
Level 3 – Valuation based on inputs not obtained from observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the lowest level in the hierarchy.

The Group uses the following derivative financial instruments to hedge its risks associated with interest rates and foreign exchange rates: interest rate swaps and currency swaps.

FINANCIAL DERIVATIVES

(NOKm)	Level 1	Level 2	Level 3	Total
Interest rate swaps	-	2.7	-	2.7
Cross currency swaps	-	3.3	-	3.3
Total financial assets measured at fair value	**-**	**6.0**	**-**	**6.0**
Interest rate swaps	-	-	-	-
Cross currency swaps	-	-	-	-
Total financial liabilities measured at fair value	**-**	**-**	**-**	**-**

Financial derivatives
Endúr entered into two financial derivates contracts in 2022, in order to reduce inherent exposure to floating interest rate on the senior secured bond loan and foreign currency risk on the Group's Swedish operations. The fair value of the derivatives at 31.12.2022 is equal to the change in net value during the year, as the Group had no financial derivative contracts in 2021.

NOTE 23: FINANCIAL RISK MANAGEMENT

The group is exposed to the following financial risks resulting from the use of financial instruments:

- credit risk
- liquidity risk
- market risk
  - currency risk
  - interest rate risk

The board of directors has overall responsibility for establishing and monitoring the Group's risk management framework. Risk management principles have been established in order to identify and analyse the risks to which the Group is exposed, to stipulate limits on risk and pertaining control procedures, and to monitor risk and compliance with the limits. Risk management principles and systems are reviewed regularly to reflect changes in activities and market conditions.

CREDIT RISK

Credit risk is the risk of financial losses in the event that a customer or counterparty in a financial instrument is unable to meet its contractual obligations. Credit risk relates usually to the Group's receivables from customers. The Group's exposure to credit risk is mainly the result of individual factors relating to each individual customer. The demographics of the customer base, including the risk of default of payment in the industry and the country in which the customers operate, have less influence on the credit risk. There is no geographical concentration of credit risk.

The Group's trade receivables are related to the segments Marine infrastructure, Aquaculture solutions and Other. The customers are public customers within maritime and transport related infrastructure, aquaculture companies and other industrial companies of all sizes.

The Group has established guidelines for credit rating. This means that the creditworthiness of all new customers is assessed on an individual basis before the customer is offered the group's standard terms and conditions for delivery and payment.

For the public sector, credit risk is considered to be minimal and for Norwegian private customers, most contracts follow standards with requirements of providing security before fulfilment of contractual obligations, reducing the credit exposure for the Group. The groups sales directly to the public sector amounted to approx. 34 % of operating revenue in 2022.

The credit risk linked to transactions on financial derivatives is considered to be limited as the counterparties are banks with a high credit ranking.

Credit Risk is monitored by subsidiaries and at group level. The Group regards its maximum credit risk exposure to the carrying amount of trade debtors and other receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions. The Group management monitors the Groups liquidity through revolving liquidity forecast. See note 21 for more information on the Group's loans and borrowings as of 31.12.2022.

The Group's liquidity is impacted by seasonal fluctuations and fluctuations between different project phases. The Group had NOK 314.8 million in liquidity reserves as at 31.12.22, including 8.9 million in restricted funds.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date, including payment of interest and without the effect of settlement arrangements:

31.12.2022			Contractual cash flows				
(NOKm)	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Secured bank loans	0.1	0.1	-	-	-	0.1	-
Other loans	4.3	4.3	0.6	0.4	3.4	-	-
Secured bond loans	806.1	1 004.5	43.4	43.3	86.5	831.3	-
Current interest-bearing debt	0.1	0.1	-	0.1	-	-	-
Financial derivatives	6.0	6.8	-	-	-	6.8	
Trade and other payables	606.8	606.8	606.8	-	-	-	-
Total	**1 423.3**	**1 622.6**	**650.7**	**43.7**	**89.9**	**838.2**	**-**

31.12.2021			Contractual cash flows				
(NOKm)	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Secured bond loans	890.6	1 148.1	37.5	38.4	76.6	995.6	-
Trade and other payables	505.3	505.3	505.3	-	-	-	-
Total	**1 395.8**	**1 653.4**	**542.8**	**38.4**	**76.6**	**995.6**	**-**

MARKET RISK

Market risk is the risk that fluctuations in market prices, e.g. exchange rates, the price of such raw materials as steel, and interest rates, will affect future cash flows or the value of financial instruments. Market risk management aims to ensure that risk exposure stays within the defined limits, while optimising the risk-adjusted return. Attempts should be made to secure major purchases in connection with projects as soon as possible after the final clarification of the project.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries. From Marcon-Gruppen i Sverige AB the Group has parts of both revenues and expenses in SEK that provides a natural hedge. Endúr has the highest currency exposure towards SEK, but also has minor exposure against other currencies. The Group entered into a cross currency swap in 2022 to reduce foreign currency risk on the Group's Swedish operations. The Group continuously assesses the need for hedging remaining currency exposure, based on perceived risk and materiality.

Sensitivity analysis

A change in the foreign exchange rate towards SEK on the reporting date would have increased (reduced) equity and yearly profit by the amounts shown in the table below. The analysis show the sensitivity of the Group's foreign operations in Sweden net of cross currency swap in 2022 and assumes all other variables remain unchanged.

(NOKm)	2022	2021
Effect of 5 % appreciation of NOK towards SEK at 31 Dec		
Effect on profit after tax	16.6	(0.8)
Effect on other comprehensive income	(30.2)	(26.5)
Effect on equity	(13.0)	(26.5)

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to changes in market interest rates relates primarily to the Group's secured bond loan with floating interest rates. Endúr entered into an interest rate swap in 2022 to partly hedge against the interest rate risk of the Group, and will continuously assess whether to hedge against further interest rate risk. The following table demonstrates the sensitivity to interest rate changes.

Sensitivity analysis

A change in the interest rate of 100 base points on the reporting date would have increased (reduced) equity and yearly profit by the amounts shown in the table below (net of interest rate swap). This analysis assumes that all other variables, particularly the exchange rates, remain unchanged.

(NOKm)	2022	2021
Effect of 100 bp increase in interest rate		
Effect on profit after tax	(6.1)	(6.9)
Effect on equity	(6.1)	(6.9)

CAPITAL MANAGEMENT

The board of directors' goal is to maintain a strong capital base in order to preserve the confidence of investors, creditors and market, and to develop business activities. The return on capital is monitored by the board. Return on capital is defined as the operating profit/loss divided by the total equity. The board also monitors the level of dividends on ordinary shares. The Group has no defined plan for the purchase of own shares.

NOTE 24: SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL

Issue of shares registered 15 June 2022 – The company's share capital increased by 0,44 from NOK 13,726,434.06 to NOK 13,726,434.0.50, by issuing 44 new shares each with a nominal value of NOK 0.01. The issue of shares was related to the reverse share split commented below.

Reverse share split of 50:1 was effectuated 21 June 2022, following the resolution on Endúr ASA's General Meeting in May 2022. 50 shares, each with a nominal value of NOK 0.01, were consolidated into 1 share with a nominal value of NOK 0.5. After the reverse share split, the share capital was NOK 13,726,434,50 divided into 27,452,869 shares, each with a nominal value of NOK 0.5.

At 31 December 2022, the share capital of Endúr ASA was NOK 13,726,434.50, divided into 27,452,869 shares, each with a nominal value of NOK 0.05. All shares have equal voting rights.

Shareholders as of 31 December 2022	No of shares	Holding
Artec Holding AS	7 643 641	27.84 %
Bever Holding AS	2 087 641	7.60 %
Tigerstaden Marine AS	2 044 684	7.45 %
Jörn Ryberg Holding AB	1 748 910	6.37 %
Fender Eiendom AS	869 215	3.17 %
Cygnus Olor AB	674 221	2.46 %
Valleløkken AS	594 149	2.16 %
Gimle Invest AS	544 637	1.98 %
Alden AS	544 470	1.98 %
Guttis AS	453 079	1.65 %
Bergskogen Eiendom AS	391 525	1.43 %
Langåker, Steinar	328 584	1.20 %
Tight Holding AS	328 547	1.20 %
BR Industrier AS	316 351	1.15 %
Energon Holding AS	251 500	0.92 %
Solsidan AS	245 348	0.89 %
AS Flyfisk	241 051	0.88 %
Hortulan AS	200 000	0.73 %
Tatomi Invest AS	186 371	0.68 %
Eikeland Holding AS	183 128	0.67 %
Total shares owned by 20 largest shareholders	**19 877 052**	**72.40 %**
Other shareholders	7 575 817	27.60 %
Total number of shares 31.12.2022	**27 452 869**	**100.00 %**

SHARES OWNED BY EXECUTIVE PERSONNEL AND BOARD MEMBERS

The following table shows shares owned by executive personnel and board members, including shares owned by their closely-related persons and companies, as of 31 December 2022.

Name	Role/title	Ownership	No of shares	Holding
Pål Reiulf Olsen	Chairman	Shares owned by Poca Invest AS	45 000	0.16 %
Bjørn Finnøy	Board member	Shares owned by Artec Holding AS	7 643 641	27.84 %
Kristine Landmark	Board member		21 000	0.08 %
Jörn Ryberg	Board member	Shares owned by Jörn Ryberg Holding AB and private	1 748 910	6.37 %
Jeppe Raaholt	CEO Endúr ASA and the Group	Shares owned by Råbjørn AS	180 000	0.66 %
Einar Olsen	CFO Endúr ASA and the Group		20 658	0.08 %
Total number of shares 31.12.2022 owned by executive personnel and board members			**9 659 209**	**35.18 %**

At year end, in addition to the share holdings presented above, Pål Reiulf Olsen owned 10 000 share options, Jeppe Raaholt owned 51 471 share options and Einar Olsen owned 32 006 share options.

No loans nor guarantees have been issued to members of the Board.

NOTE 25: SHARE-BASED PAYMENTS

FINANCIAL REPORTING PRINCIPLES

Share purchase program
The Group issued a share subscription program in December 2021 whereby all permanent employees of the Group were offered the opportunity to subscribe new shares in the Group at a discount. The sale of shares to employees at less than market price is accounted for by recognising the difference between market value of the shares and purchase price as a payroll expense.

Share option program
The Group offered a share option program to executive management and key personnel of the Group in 2022. Share options are measured at fair value at the time of allotment. The calculated value of the estimated share of redeemed options is recognised as a payroll expense, booked towards other paid-in equity. The cost is distributed over the period until the employee acquires an unconditional right to redeem the options. The estimated number of options that are expected to be redeemed is reassessed on every balance sheet date.

SHARE PURCHASE PROGRAM

The Group did undertake a share purchase program in December 2021 whereby all permanent employees of the Group were offered the opportunity to subscribe new shares in the Group at a discount in accordance with a resolution made by the annual general meeting on 21 May 2021 at a subscription price per share of NOK 26.5 (NOK 0.52996 before reverse share split of 50:1), reflecting a discount of 20% on the volume weighted average closing price of the Group's share during the application. All shares subscribed and allotted under the offering are subject to 6 months lock-up.

SHARE OPTION PROGRAMS

Share option allocations 2020
As part of the transaction regarding the acquisition of BMO Entreprenør AS in 2020, Endúr issued 250 000 share options (12,5 million options before share consolidation of 50:1 in June 2022) to the sellers of BMO Entreprenør AS. Award date was 17 December 2020, with strike price NOK 60 (NOK 1,2 before the share consolidation 50:1). For the allocated options, 50 % vested 30 June 2021, with an exercise period of 1 year and 50 % with vesting date was 30 June 2022 with an exercise period of 1 year, subject to the participant's continued employment.

Share option program 2022
The Group issued a share option program to executive management and key personnel of the Group in 2022. A total of 311.000 share options / warrants where issued (before share consolidation of 50:1 in June 2022, the number of share options totalled to 15.550.000), each option with a right of issuance or purchase of 1 share in Endúr ASA. The strike price is NOK 37,5 plus 10 per cent (strike price of issue resolved on 15 November 2021, at issuance the strike price was NOK 0,75 plus 10 per cent before the share consolidation mentioned above). The share options were allocated 28 February 2022. The vesting period is 1 year from the date of allocation, with a 3-year exercise period, subject to the participant's continued employment. Options not exercised by the expiration date will lapse without consideration.

Reconciliation of outstanding share options

	2022	2021
Share allocations 2020		
Outstanding options at 1 January	12 500 000	12 500 000
Expired during the year	(125 000)	-
Forfeited during the year	(2 000)	-
Exercised during the year	-	-
Effect of reverse share split 50:1	(12 250 000)	-
Outstanding options at 31 December	**123 000**	**12 500 000**
Share allocations 2022		
Granted during the year	15 550 000	
Expired during the year	-	
Forfeited during the year	(56 000)	
Exercised during the year	-	
Effect of reverse share split 50:1	(15 239 000)	
Outstanding options at 31 December	**311 000**	
Total outstanding options	**378 000**	**12 500 000**

Measurement of fair value

The model used for measurement of the fair values is Black-Scholes. The inputs used in the measurement of the fair values at grant date of the options were as follows.

	2022		2021
	Share option program 2022	**Share allocation 2020**	**Share allocation 2020 ***
Options outstanding at 31 Dec	255 000	123 000	12 500 000
Awarded date	28 Feb 2022	17 Dec 2020	17 Dec 2020
Expiration period in months	38 months	6 months	18 months
Fair value	NOK 1.9	NOK 0	NOK 0.06
Share price at grant date	37.50	58.25	1.165
Strike price	41.25	60.00	1.2
Risk free interest rate	2.75 %	2.75 %	0.5 %
Expected volatility	12.9 %	12.9 %	20.7 %

Expected volatility has been based on an evaluation of the 12-month historical volatility of the Company's share price.

* Numbers presented before reverse share split of 50:1 in June 2022. To comparison, the outstanding options was 250 000, and the strike price 60.

NOTE 26: GROUP COMPANIES

Group company	Owner	Registered office	Company's share capital	Holding and votes	Profit/ loss for the year (prelim.)	Equity as at 31.12.22 (prelim.)
Endúr Maritime AS	Endúr ASA	1366 Lysaker	12.4	100 %	8.2	57.4
Marcon Gruppen i Sverige AB	Endúr ASA	Sweden	0.2	100 %	7.1	209.1
BG Malta Ltd	Endúr ASA	Malta	0.0	100 %	(0.8)	0.2
BMO Entreprenør AS	Endúr ASA	3619 Skollenborg	0.6	100 %	53.5	118.7
Artec Aqua AS	Endúr ASA	6018 Ålesund	3.3	100 %	36.6	67.6
Endúr Sjøsterk AS	Endúr ASA	5252 Søreidgrend	0.4	100 %	3.0	6.8
Endúr Eiendom AS	Endúr ASA	5160 Laksevåg	0.1	100 %	0.3	12.7
Endúr Bidco II AS	Endúr ASA	1366 Lysaker	-	100 %	-	0.0
Marcon Teknik AB	Marcon Gruppen i Sverige AB	Sweden	0.2	100 %	0.7	6.8
Svensk Sjöentrepenad i Malmö AB	Marcon Gruppen i Sverige AB	Sweden	0.2	100 %	6.4	22.7
Stockholms Vattentrepenader AB	Marcon Gruppen i Sverige AB	Sweden	0.1	100 %	1.4	18.1
Marc-Con Wind Power i Sverige AB	Marcon Gruppen i Sverige AB	Sweden	0.1	100 %	0.0	0.8
SSE Gibraltar Ltd	Marcon Gruppen i Sverige AB	Sweden	0.0	100 %	0.1	1.3
Sp/f Soundtug	Marcon Gruppen i Sverige AB	Sweden	-	100 %	-	-
Marcon Vindtransmission AB	Mar-Con Wind Power i Sverige AB	Sweden	0.1	100 %	-	0.1
Incerno AB	Svensk Sjöentrepenad i Malmö AB	Sweden	0.0	100 %	(0.6)	0.6
DYKAB i Luleå AB	Marcon Gruppen i Sverige AB	Sweden	0.2	100 %	3.3	6.1
DYKAB i Stockholm AB	Marcon Gruppen i Sverige AB	Sweden	0.1	100 %	0.3	1.0
DYKAB Varv & Mek AB	Marcon Gruppen i Sverige AB	Sweden	0.1	100 %	0.1	0.8

NOTE 27: MANAGEMENT REMUNERATION

The following changes have been implemented in Endúrs executive management over the course of 2022:

Lasse B. Kjelsås, the previous CFO, resigned from his position as of 29 April 2022 and Einar Olsen assumed the function of interim CFO. Olsen was appointed as permanent CFO from 2 August 2022. Olsen has been employed by Endúr ASA since the autumn of 2021 as Head of business development and controlling.

Remuneration paid out and termination agreements to members of the executive management team as of 31.12.2022:

(NOKm)	Base salary*	Variable pay	Other benefits	Pension benefit	Total	Notice period	Severance pay
Chief Executive Officer	2.9	0.0	0.2	0.1	3.2	3 months	12 months
Chief Financial Officer	2 3	0.0	0.2	0.1	2.6	3 months	6 months
Total	**5.2**	**0.0**	**0.3**	**0.2**	**5.8**		

There was no variable pay program for 2021 paid out in 2022 in Endúr ASA. Variable remuneration for 2022 is accrued as of year-end 2022 and amounts to NOK 3.1 million for the CEO and NOK 2.6 million for the CFO.

The Group's guidelines on salaries and other remuneration for directors and senior management, as resolved in the 2022 ordinary general meeting, are available at the Group's website; endur.no/investor-relations/statement-on-remuneration.

Remuneration to the Board of Directors for the period from ordinary meeting 2021 until ordinary general meeting 2022

Name	Position	Remuneration (NOK thousand)
Pål Reiulf Olsen	Chairman of the Board, Audit Committee and Remuneration Committee	625
Bjørn Finnøy	Member of the Board	300
Hedvig Bugge Reiersen	Member of the Board and Remuneration Committee	330
Jörn Ryberg	Member of the Board	300
Kristine Landmark	Member of the Board and Audit Committee	360

Other remuneration to the Board of Directors

Endúr ASA's board chairman, Pål Reiulf Olsen received additional remuneration in 2022 based on management consulting services to the group of NOK 47.5 thousand, remuneration was paid on an hourly basis. Pål Reiulf Olsen also received holiday pay in 2022 for services rendered in 2021.

Remuneration to the nomination committee for the period from ordinary meeting 2021 until ordinary general meeting 2022

Name	Position	Remuneration (NOK thousand)
Henning Nordgulen	Member	25
Arne Henning Markhus	Member	25
Espen Ommedal	Leader	35

* Including the effects of holiday pay.

NOTE 28: AUDIT FEE

AUDIT FEES

(NOKm - all amounts excluding VAT)	2022	2021
Audit services	3.3	2.5
Other attestation services	0.0	0.3
Tax advisory services	0.1	0.1
Other non-audit services	0.2	0.4
Total	**3.7**	**3.1**

NOTE 29: RELATED PARTIES

FINANCIAL REPORTING PRINCIPLES

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company, of which would not be undertaken between unrelated parties. All related party transactions are carried out on arm's length terms.

For transactions with executive management and board members, see note 27.

Marcon-Gruppen i Sverige AB

Customer / Vendor	Source of service	Amount Sale	Amount Purchase
Marine Suuply Invest AB	Barboat Charter	-	0.9
Total		**0.0**	**0.9**

BMO Entreprenør AS

Customer / Vendor	Source of service	Amount Sale	Amount Purchase
Bever Holding AS	Sale of admin services and rent of premises	0.3	0.9
BMO Elektro AS	Subcontractor	0.0	1.6
BMO Tunnelsikring AS	Re-invoicing	0.0	-
Bever Eiendom AS	Rent of premises	0.0	0.6
Davanger Utvikling AS	Rent of premises	0.0	0.1
Provita ANS	Rent of premises	-	1.7
Skrubbemoen 3 AS	Rent of premises	-	2.1
Skrubbemoen 8 AS	Rent of premises	-	0.3
Total		**0.3**	**7.3**

Endúr Sjøsterk AS

Customer / Vendor	Source of service	Amount Sale	Amount Purchase
Moves AS	Rent of equipment	-	0.1
Total		**-**	**0.1**

NOTE 30: CONTINGENT LIABILITIES / LEGAL CLAIMS

FINANCIAL REPORTING PRINCIPLES

Contingent liabilities and assets
Contingent liabilities are defined as:
- potential liabilities resulting from previous events, but whose existence depends on future events
- liabilities not recognised in the accounts because it is not likely that the liability will result in an outflow of resources
- liabilities that cannot be measured with a satisfactory degree of reliability.

Contingent liabilities are not recognised, with the exception of contingent liabilities stemming from the acquisition of enterprises. Material contingent liabilities are specified in the notes, except for contingent liabilities where the likelihood of existence is very low. A contingent asset is not recognised in the accounts, but will be specified in the notes to the accounts if it is likely that the asset will devolve on the group.

LEGAL CLAIMS

BMO Entreprenør AS
BMO Entreprenør AS is currently involved in a dispute against the NPRA related to a contract regarding surface works on Nordhordlandsbrua (based on NS 8406). The project was completed during the last quarter of 2022 and was materially delayed. BMO Entreprenør's position is that the delay is caused by extra work due to circumstances outside its scope and control, which has caused extra work, as well as higher labour costs, material costs and rig-related costs. The NPRA has offered to compensate some of the extra work, but the dispute has not yet been settled. The Company has obtained an indemnification statement from Bever Holding in the SPA, which shall indemnify and keep the Company harmless for 80% of the cost the Company may incur in connection with ongoing disputes involving BMO Entreprenør. The Company considers the downside risk exposure relating to said disputes to be lower than the potential upside.

Marcon-Gruppen i Sverige AB
A subsidiary of Marcon-Gruppen i Sverige, Sventab, had an ongoing litigation with Statens Fastighetsverk (SFV) per year end 2022 regarding a construction project in Stockholm, concerning outstanding claims for payment of compensation for alterations and additions (Sw. ÄTA). The Company has obtained an indemnification statement from the Sellers of Marcon-Gruppen I Sverige in the SPA, which shall indemnify and keep the Company harmless for any downside exceeding provisions already made in the Company's financial statements in relation to the acquisition of Marcon-Gruppen i Sverige AB. The dispute has been settled during the first quarter of 2023, with no material effect on the Group's financial statements.

Endúr Sjøsterk AS
Endúr Sjøsterk AS is involved in an on-going dispute with an external consultant company related to warranty-claims from a client with respect construction weaknesses discovered in previously produced concrete feed rafts. The company holds the external consultant company responsible for insufficient calculations of strength. Both parties are represented by legal council, but no litigation have yet been set into motion. The company has treated the claim according to the principle of "best estimate" and maintains that the company's financial exposure, both upside and downside, must be considered well balanced.

NOTE 31: SUBSEQUENT EVENTS

Settlement of litigation with Statens Fastighetsverk (SFV)

With reference to the information given in Note 30 Legal Claims, Stockholms Vattenentreprenader AB (Sventab), a subsidiary of Marcon-Gruppen I Sverige AB, entered into a legal settlement with SFV in January 2023. Endúr had obtained certain indemnification statements from the Sellers of Marcon-Gruppen I Sverige, limiting Endúrs downside risk.

Private placement and refinancing of the secured bond loan

Endúr successfully raised NOK 140 million in a private placement 11 January 2023 through new shares. The equity was raised in connection with a committed bank financing, in order to refinance the Company's senior secured open callable NOK 1,100 million bond loan with ISIN NO0010935430. The net principal amount outstanding at bond redemption was NOK 810 million. The bank financing totalled to approx. NOK 700 million from a syndicate consisting of SpareBank 1 SR-Bank ASA and Sparebank 1 SMN. The bank financing includes a NOK 250 million term loan ("Facility A"), a SEK 300 million term loan ("Facility B") and a NOK 150 million overdraft facility ("Facility C") (together, the "Facilities"). Facility A and B will have 3-year maturity with quarterly instalments of NOK 12 million and SEK 13 million, respectively, with first instalments to be made in Q4 2023. The bond was redeemed effective on 16 March 2023. The Company paid a break-fee of 3.68 % of the nominal outstanding principle amount.

NOTE 32: GOING CONCERN

The Board of Endúr ASA confirms, according to § 3-3a of the Accounting Act, that the annual accounts have been prepared based on the assumption of going concern.

BMO Entreprenør AS replacing edge beam and railing using FastBeam scaffolding and hydro-demolition robot at Svartfossen Power Plant, Kongsvinger.

Income Statement
Endúr ASA

(NOKm)	Note	2022	2021
Other operating revenue		7.0	0.1
Revenue		**7.0**	**0.1**
Payroll expenses	4	(22.6)	(29.9)
Depreciation, amortisation, impairment	5, 6	(0.1)	(0.2)
Other operating expenses	4	(15.4)	(29.5)
Operating expenses		**(38.1)**	**(59.5)**
Operating profit/loss		**(31.0)**	**(59.5)**
Financial income	7	127.6	86.2
Financial expenses	7	(104.8)	(143.1)
Net financial items		**22.8**	**(56.9)**
Profit/loss before tax		**(8.2)**	**(116.3)**
Income Tax	8	5.7	22.9
Profit/loss		**(2.5)**	**(93.5)**

Balance Sheet
Endúr ASA

(NOKm)	Note	31.12.2022	31.12.2021
ASSETS			
Deferred tax assets	8	65.6	28.7
Intangible assets and goodwill	5	0.4	-
Property, plant and equipment	6	0.1	0.2
Investments in group companies	9	1 621.1	616.7
Receivables from group companies	10	76.9	1 119.3
Financial assets	11	6.0	-
Total non-current assets		**1 770.1**	**1 764.9**
Trade and other receivables		22.8	0.7
Receivables from group companies	10	105.4	77.6
Cash and cash equivalents		16.8	16.9
Total current assets		**145.0**	**95.2**
TOTAL ASSETS		**1 915.0**	**1 860.1**
EQUITY AND LIABILITIES			
Equity			
Share capital	12, 13	13.7	13.7
Share premium	13	919.8	863.4
Other paid-in capital	13	4.0	4.0
Retained earnings	13	-	-
Equity		**937.5**	**881.2**
Liabilities			
Loans and borrowings	14, 15	806.1	890.6
Liabilities to group companies	10	21.3	16.0
Other non-current liabilities		3.6	3.6
Total non-current liabilities		**830.9**	**910.1**
Trade payables		1.6	3.4
Liabilities to group companies	10	126.1	50.9
Other short-term liabilities		19.0	14.5
Total current liabilities		**146.6**	**68.8**
Total liabilities		**977.5**	**978.9**
TOTAL EQUITY AND LIABILITIES		**1 915.0**	**1 860.1**

Lysaker - 26 April 2023
Board of Directors
and CEO of Endúr ASA

Pål Reiulf Olsen
(Chairman)
-sign

Jeppe Bjørnerud Raaholt
(CEO)
-sign

Bjørn Finnøy
-sign

Kristine Landmark
-sign

Hedvig Bugge Reiersen
-sign

Jörn Ryberg
-sign

Cashflow Statement Endúr ASA

(NOKm)	Note	2022	2021
Cash flow			
Profit/loss for the period		(2.5)	(93.5)
Adjustments for:			
Income tax expense	8	(5.7)	(22.9)
Depreciation. amortisation. impairment	5, 6	0.1	0.2
Items classified as investments and financing activities	7	(22.8)	42.6
Impairment investments in subsidiaries		-	14.2
Changes in:			
Trade and other receivables		(6.9)	(8.5)
Trade and other payables		(1.9)	(5.2)
Other current accruals		5.7	9.0
Net cash flow from operating activities		**(34.0)**	**(64.2)**
Acquisition of Property. plant and equipment and intangibles	5, 6	(0.4)	(0.3)
Net outflow from non-current receivables		-	(954.4)
Acquisitions of other investments	3	-	(394.7)
Sale of subsidiary	3	20.8	-
Net cash effect from merger with subsidiaries		1.7	-
Net cash flow from investment activities		**22.1**	**(1 349.4)**
Repayment of loans and borrowings	14	(90.7)	(213.0)
Proceeds from loans and borrowings	14	-	1 100.0
Proceeds from issue of share capital (capital increase)	13	-	638.7
Payment of interests	7	(77.5)	(106.4)
Net changes in intercompany balances		180.2	(5.9)
Net cash flow from financing activities		**11.9**	**1 413.4**
Net change in cash and cash equivalents		(0.0)	(0.1)
Cash and cash equivalents as per 1.1		16.9	17.0
Cash and cash equivalents as per 31.12		**16.8**	**16.9**
Of which is restricted cash as per 31.12		4.2	4.2

Notes to the Parent Company Accounts

NOTE 1: CORPORATE INFORMATION

Endúr ASA is a public limited company based in Norway, and was founded on 22 May 2007. The Company's registered office is at Lysaker. Endúr ASA is the parent company in the Endúr Group. Endúr ASA is listed on Oslo Stock Exchange with the ticker ENDUR.

NOTE 2: ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP) valid as per 31 December 2022, and consist of income statement, balance sheet, cash flow statement and notes. The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognised at the time of delivery of goods or services. Costs are expensed in the same period as the income to which they relate. Costs that cannot be directly related to income are expensed as incurred. The different accounting principles are further commented on below. According to generally accepted accounting standards, there may be some exceptions to the basic assessment and valuation principles. Comments on these exceptions can be found in the respective notes to the accounts. Contingent losses, of which are probable and quantifiable are charged to the profit and loss account.

ESTIMATES AND JUDGEMENTS

Preparing the annual accounts includes judgements, estimates and assumptions that influence both the choice of accounting principles applied and the reported amounts for assets, liabilities, revenues and expenses. The management has used estimates based on its best judgement and assumptions that are considered realistic on the basis of historical experience during preparation of the annual accounts. Actual amounts may deviate from estimated amounts. Estimates and underlying assumptions are reviewed and assessed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are changed and in all future periods affected.

CLASSIFICATION OF ASSETS AND LIABILITIES

Assets are classified as current assets when:

- the asset is part of the entity's service cycle and is expected to be realised or consumed during the entity's normal production period;
- the asset is held for trading;
- the asset is expected to be realised within 12 months of the balance sheet date;
- the asset is cash or cash equivalents, but with an exception for when there are restrictions on exchanging or using it to settle debt within 12 months of the balance sheet date.

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

- the liability is part of the service cycle and is expected to be settled during the normal production period;
- the liability is held for trading;
- settlement within 12 months of the balance sheet date has been agreed;
- the entity has no unconditional right to postpone settlement of the liability to minimum 12 months after the balance sheet date.

All other liabilities are classified as non-current liabilities.

FOREIGN CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The company's functional currency is NOK, of which is also the parent company's presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Balance sheet items are measured at the rate of exchange at the balance sheet date.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

REVENUE

Revenue from services is reported in the profit and loss account in accordance with the degree of completion of the transaction on the balance sheet date. The degree of completion is calculated on the basis of work completed.

SUBSIDIARIES

In the parent company, subsidiaries are valued using the cost method. The investment is valued at acquisition cost, unless a write-down is required. Dividends, group contributions and other distributions are recognised in the same year as they are distributed in the subsidiary's financial statements. If the dividend/group contribution received exceed the retained profit share in the ownership period, the excess amount is recognised as a repayment of invested capital and entered in the balance sheet as a reduction of the investment.

IMPAIRMENT OF ASSETS

If indications are identified that the carrying value of a non-current assets is higher than fair value, an impairment test is performed. The test is performed for the lowest level of an assets with independent cash flows. If carrying value is higher than recoverable amount, a write down to recoverable amount will be recognised. Write downs recognised in previous years will be reversed if the conditions leading to the write down is no longer present. Impairment of goodwill will never be reversed.

INCOME TAX

The tax consists of tax payable and the change in deferred tax. Deferred tax/tax asset is calculated on the basis of all taxable temporary differences. A deferred tax asset is recognised in the profit and loss account when it is probable that the company will have sufficient taxable income to utilise the tax asset. Deferred tax and deferred tax assets are recognised regardless of when the differences are reversed, and are in principle recognised at nominal value. Deferred tax/tax asset is valued on the basis of the expected future tax rate. Both tax payable and deferred tax are recognised directly against equity to the extent to which they relate to items recognised directly against equity.

RECEIVABLES

Accounts receivable and other receivables are recognised in the balance sheet at nominal value less provisions for expected losses. Provisions for losses are made on the basis of individual assessments of the individual receivables. In addition, for other accounts receivable, an unspecified provision is made to cover expected losses on claims.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Derivative financial instruments are measured at fair value. Any gains or losses arising from changes in fair value on derivatives are recognised in the income statement as financial income or expense. Derivatives are recognised without any offsetting; as assets when the value is positive and as liabilities when the value is negative, unless the Company has the intention or legally enforceable right to settle the contracts net. Fair value is measured based on input from quoted prices.

LOANS

The Secured bond loan is recognized in the balance sheet at the discounted future cashflow with the bond's interest rate as a discount factor. The transaction cost related to the bond, is amortized over the maturity of the bond.

EQUITY

Transaction costs relating to equity transactions, including the tax effect of the transaction costs, are recognised directly against the equity. Only transaction costs directly related to the equity transactions are recognised against equity.

On the repurchase of own shares, the purchase price, including directly attributable costs such as changes in equity, is entered as a change in equity. Own shares are presented as a reduction of equity. Losses or gains from transactions with own shares are not recognised in the profit and loss account.

MERGER WITH WHOLLY OWNED SUBSIDIARIES

Endúr Bidco AS and Endúr Invest AS was merged into Endúr ASA as of 30 November 2022 and 1 December 2022 using the principles of accounting continuity. Endúr Bidco AS and Endúr Invest AS was wholly owned subsidiaries of Endúr ASA with limited activity and no employees, no consideration was made. Endúr Bidco AS was the parent company of BMO Entreprenør AS and Artec Aqua AS, and Endúr Invest AS was the parent company of Endúr Sjøsterk AS and Endúr Eiendom AS.

NOTE 3: ACQUISITION AND SALE OF BUSINESS

ACQUISITIONS AND SALE OF BUSINESSES IN 2022

There were no acquisitions in 2022 in Endúr ASA.

Installit AS

In April 2022, Installit AS and its subsidiaries (Installit), a wholly owned subsidiary of Endúr ASA, was sold to DeepOcean Group. The sale was part of the strategic change of directions for the group, defining marine infrastructure and solutions for land-based aquaculture as the Group's core focus areas.

(NOKm)	Installit
Cash considerations	20.8
Total considerations	**20.8**
Value of shares in Endúr ASA	20.8
Gain/loss	**0.0**

ACQUISITION AND SALE OF BUSINESSES IN 2021

In March 2021, Endúr ASA acquired Marcon-Gruppen I Sverige AB, for details regarding the transactions, please refer to the Company's Annual report 2021.

NOTE 4: SALARIES, FEES, REMUNERATIONS

PAYROLL EXPENSES

(NOKm)	2022	2021
Salaries and holiday pay	19.6	24.6
Employer's national insurance contribution	2.1	3.1
Share subscription program	0.0	-
Pension expenses	0.5	0.7
Other payroll expenses	0.3	1.5
Total	**22.6**	**29.9**
Number of employees 31.12.	4	7

For an overview of compensation to the executive management group please see note 27 in the group notes.

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension schemes ("lov om obligatorisk tjenestepensjon"). The company's pension arrangements fulfil the law requirements.

See note 25 in the group financial statements for information regarding share options.

REMUNERATION TO THE AUDITOR

(NOKm - all amounts excluding VAT)	2022	2021
Audit services	1.7	1.4
Other attestation services	0.0	0.3
Tax advisory services	0.0	0.1
Other non-audit services	0.0	0.3
Total	**1.7**	**2.0**

NOTE 5: INTANGIBLE ASSETS

INTANGIBLE ASSETS

(NOKm)	Licences, patents etc.	Total
Acquisition cost 1 Jan. 2022	0.8	0.8
Addition	0.4	0.4
Acquisition cost 31 Dec. 2022	**1.2**	**1.2**
Accumulated depreciations as of 1 Jan. 2022	(0.8)	(0.8)
Current year's depreciations	0.0	0.0
Accumulated depreciations as of 31 Dec. 2022	**(0.8)**	**(0.8)**
Book value 31. Dec 2022	**0.4**	**0.4**
Amortization rates	3-5 year	
Amortization plan	Linear	

(NOKm)	Licences, patents etc.	Total
Acquisition cost 1 Jan. 2021	0.8	0.8
Addition	0.0	0.0
Acquisition cost 31 Dec. 2021	**0.8**	**0.8**
Accumulated depreciations as of 1 Jan. 2021	0.8	-
Current year's depreciations	(0.0)	(0.8)
Accumulated depreciations as of 31 Dec. 2021	**(0.8)**	**(0.8)**
Book value 31. Dec 2021	**-**	**-**
Amortization rates	3-5 years	
Amortization plan	Linear	

NOTE 6: TANGIBLE ASSETS

TANGIBLE ASSETS

(NOKm)	Operating equipment	Total
Acquisition cost 1 Jan. 2022	0.3	0.3
Acquisition cost 31 Dec. 2022	**0.3**	**0.3**
Accumulated depreciations as of 1 Jan. 2022	(0.1)	(0.1)
Current year's depreciation	(0.1)	(0.1)
Accumulated depreciations as of 31 Dec. 2022	**(0.2)**	**(0.2)**
Book value 31. Dec 2022	**0.1**	**0.1**
Depreciation rates	3 years	
Depreciation plan	Linear	

(NOKm)	Operating equipment	Total
Acquisition cost 1 Jan. 2021	-	-
Acquisitions	0.3	0.3
Acquisition cost 31 Dec. 2021	**0.3**	**0.3**
Accumulated depreciations as of 1 Jan. 2021	-	-
Current year's depreciation	(0.1)	(0.1)
Accumulated depreciations as of 31 Dec. 2021	**(0.1)**	**(0.1)**
Book value 31. Dec 2021	**0.2**	**0.2**
Depreciation rates	3 years	
Depreciation plan	Linear	

NOTE 7: NET FINANCIAL ITEMS

(NOKm)	2022	2021
Other interest income	4.1	-
Group contribution	105.4	61.0
Interest income bond	3.5	-
Increase in value of financial instruments	6.0	-
Interest income from group companies	8.6	25.2
Finance income	**127.6**	**86.2**
Interest expenses to group companies	(10.5)	(1.8)
Interest expenses secured bond loan	(81.2)	(67.7)
Other interest expenses	(3.6)	-
Currency loss	(4.0)	(2.4)
Amortization bond	(4.7)	(18.4)
Impairment investments in subsidiaries	-	(14.2)
Impairment group receivables	-	1.2
Guarantee expenses bankruptcy in subsidiary	-	(18.6)
Other financial expenses	(0.9)	(21.2)
Finance costs	**(104.8)**	**(143.1)**
Net finance costs recognised in the income statement	**22.8**	**(56.9)**

NOTE 8: INCOME TAX

(NOKm)	2022	2021
Result before taxes before group contribution	(113.5)	(124.9)
Permanent differences	(5.6)	(1.1)
Group contribution with tax effect	45.3	61.0
Changes in temporary differences	0.3	14.9
Changes in interest deductibility carried forward	76.3	-
Changes in losses carried forward	(22.4)	50.1
Adjustment from prior year	19.7	-
Basis for taxes payable	**-**	**-**
Taxes payable	-	-

The income tax for the year is calculated as follows:

(NOKm)	2022	2021
Taxes payable	-	-
Net change in deferred tax/tax assets	(6.1)	22.9
Other adjustments	0.4	-
Income tax for the year	**(5.7)**	**22.9**
Taxes payable	-	-

RECOGNISED DEFERRED TAX ASSETS

(NOKm)	31.12.2021	Effect of merger with subsidiaries as of 01.01.2022	Recognised in the income statement	31.12.2022
Temporary differences	(25.9)	(14.6)	0.3	(40.2)
Interest deductibility carried forward	(38.9)	(16.7)	(76.3)	(131.9)
Loss carried forward	(65.6)	(110.5)	(22.4)	(198.5)
Total basis related to deferred tax assets	**(130.4)**	**(141.9)**	**(98.4)**	**(370.6)**
Net deferred tax assets	**28.7**	**31.2**	**21.6**	**81.5**
Net deferred tax assets - not recognised in the accounts	**-**	**0.3**	**15.6**	**15.9**
Net deferred tax assets - recognised in the accounts	**28.7**	**30.9**	**6.1**	**65.6**

NOTE 9: INVESTMENTS IN SUBSIDIARIES

Group company	Owner	Registered office	Company's share capital	Holding and votes	Profit/ loss for the year (prelim.)	Equity as at 31.12.22 (prelim.)
Endúr Maritime AS	Endúr ASA	1366 Lysaker	12.4	100 %	8.2	57.4
Marcon Gruppen i Sverige AB	Endúr ASA	Sweden	0.2	100 %	7.1	209.1
BG Malta Ltd	Endúr ASA	Malta	0.0	100 %	(0.8)	0.2
BMO Entreprenør AS	Endúr ASA	3619 Skollenborg	0.6	100 %	53.5	118.7
Artec Aqua AS	Endúr ASA	6018 Ålesund	3.3	100 %	36.6	67.6
Endúr Sjøsterk AS	Endúr ASA	5252 Søreidgrend	0.4	100 %	3.0	6.8
Endúr Eiendom AS	Endúr ASA	5160 Laksevåg	0.1	100 %	0.3	12.7
Endúr Bidco II AS	Endúr ASA	1366 Lysaker	-	100 %	-	0.0

NOTE 10: INTERCOMPANY BALANCES

RECEIVABLES

(NOKm)	2022	2021
Long-term receivables	76.9	1 119.3
Short-term receivables	105.4	77.6
Total	**182.2**	**1196.9**

LIABILITIES

(NOKm)	2022	2021
Long-term liabilities	21.3	16.0
Short-term liabilities	126.1	50.9
Total	**147.4**	**1196.9**

NOTE 11: FINANCIAL ASSETS AND LIABILITIES

FINANCIAL DERIVATIVES MEASURED AT FAIR VALUE

(NOKm)	2022	2021
Interest rate swaps	2.7	-
Cross currency swaps	3.3	-
Total financial assets measured at fair value	**6.0**	**-**
Interest rate swaps	-	-
Cross currency swaps	-	-
Total financial liabilities measured at fair value	**-**	**-**

Financial derivatives
Endúr entered into two financial derivates contracts in 2022, in order to reduce inherent exposure to floating interest rate on the senior secured bond loan and foreign currency risk on receivables towards the subsidiaries in Sweden. The fair value of the derivatives at 31.12.2022 is equal to the change in net value during the year, as the Group had no financial derivative contracts in 2021.

NOTE 12: SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL

Issue of shares registered 15 June 2022 – The company's share capital increased by 0,44 from NOK 13,726,434.06 to NOK 13,726,434.0.50, by issuing 44 new shares each with a nominal value of NOK 0.01. The issue of shares was related to the reverse share split commented below.

Reverse share split of 50:1 was effectuated 21 June 2022, following the resolution on Endúr ASA's General Meeting in May 2022. 50 shares, each with a nominal value of NOK 0.01, were consolidated into 1 share with a nominal value of NOK 0.5. After the reverse share split, the share capital was NOK 13,726,434,50 divided into 27,452,869 shares, each with a nominal value of NOK 0.5.

At 31 December 2022, the share capital of Endúr ASA was NOK 13,726,434.50, divided into 27,452,869 shares, each with a nominal value of NOK 0.05. All shares have equal voting rights.

Shareholders as of 31 December 2022	No of shares	Holding
Artec Holding AS	7 643 641	27.84 %
Bever Holding AS	2 087 641	7.60 %
Tigerstaden Marine AS	2 044 684	7.45 %
Jörn Ryberg Holding AB	1 748 910	6.37 %
Fender Eiendom AS	869 215	3.17 %
Cygnus Olor AB	674 221	2.46 %
Valleløkken AS	594 149	2.16 %
Gimle Invest AS	544 637	1.98 %
Alden AS	544 470	1.98 %
Guttis AS	453 079	1.65 %
Bergskogen Eiendom AS	391 525	1.43 %
Langåker, Steinar	328 584	1.20 %
Tight Holding AS	328 547	1.20 %
BR Industrier AS	316 351	1.15 %
Energon Holding AS	251 500	0.92 %
Solsidan AS	245 348	0.89 %
AS Flyfisk	241 051	0.88 %
Hortulan AS	200 000	0.73 %
Tatomi Invest AS	186 371	0.68 %
Eikeland Holding AS	183 128	0.67 %
Total shares owned by 20 largest shareholders	**19 877 052**	**72.40 %**
Other shareholders	7 575 817	27.60 %
Total number of shares 31.12.2022	**27 452 869**	**100.00 %**

SHARES OWNED BY EXECUTIVE PERSONNEL AND BOARD MEMBERS

The following table shows shares owned by executive personnel and board members, including shares owned by their closely-related persons and companies, as of 31 December 2022.

Name	Role/title	Ownership	No of shares	Holding
Pål Reiulf Olsen	Chairman	Shares owned by Poca Invest AS	45 000	0.16 %
Bjørn Finnøy	Board member	Shares owned by Artec Holding AS	7 643 641	27.84 %
Kristine Landmark	Board member		21 000	0.08 %
Jörn Ryberg	Board member	Shares owned by Jörn Ryberg Holding AB and private	1 748 910	6.37 %
Jeppe Raaholt	CEO Endur ASA and the Group	Shares owned by Råbjørn AS	180 000	0.66 %
Einar Olsen	CFO Endúr ASA and the Group		20 658	0.08 %
Total number of shares 31.12.2022 owned by executive personnel and board members			**9 659 209**	**35.18 %**

At year end, in addition to the share holdings presented above, Pål Reiulf Olsen owned 10 000 share options, Jeppe Raaholt owned 51 471 share options and Einar Olsen owned 32 006 share options.

No loans nor guarantees have been issued to members of the Board.

NOTE 13: EQUITY

(NOKm)	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity 1.1.2022	**13.7**	**863.4**	**4.0**	**-**	**881.2**
Profit (loss)	0.0	-	-	(2.5)	(2.5)
Equity effect of merger with subsidiaries	-	58.8	-	-	58.8
Adjustments	-	(2.5)	-	2.5	-
Equity 31.12.2022	**13.7**	**919.8**	**4.0**	**-**	**937.5**
Equity 1.1.2021	**7.3**	**375.0**	**4.0**	**-**	**386.4**
Profit (loss)	-	-	-	(93.5)	(93.5)
Issue of shares - Business combination	4.0	466.8	-	-	470.8
Issue of shares	2.4	165.5	-	-	167.9
Group contribution	-	-	-	(50.5)	(50.5)
Adjustments	-	(143.9)	-	143.9	-
Equity 31.12.2021	**13.7**	**863.4**	**4.0**	**-**	**881.2**

NOTE 14: LOANS AND BORROWINGS

LOANS AND BORROWINGS

(NOKm)	2022	2021
Non-current loans and borrowings		
Secured bond loans	806.1	890.6
Total	**806.1**	**890.6**

TERMS AND REPAYMENT SCHEDULE

(NOKm)	Currency	Nominal interest rate	Year of maturity	Carrying amount 31.12.2022
Secured bond loan	NOK	Fixed margin 7.25% + 3MNIBOR	2025	806.1

Secured bond loan
The Company has an outstanding senior secured, non-amortizing callable bond loan with ISIN NO0010935430 (the "Bonds") with NOK 810 million principal at 31.12.22. The Bonds were issued 3 March 2021, originally with NOK 1100 million principal. Effective 1 December 2021 Endúr redeemed bonds with a total nominal value of NOK 200 million. During 2022, Endúr completed two bond buy-backs, each of a total nominal value of NOK 45 million, reducing the net outstanding principal amount to NOK 810 million. The bond buy-backs were effectuated 3 June 2022 and 29 September 2022. The transaction cost amortized on the bond was written down proportionally and booked through finance cost in 2022, this amounted to NOK 1,3 million.

The NOK 810 million principal outstanding matures at par on 3 March 2025. The Bonds incur interest of the aggregate of 3m NIBOR (floating reference rate) plus a fixed margin 7.25% p.a., with quarterly interest payments. As issuer of the Bonds Endúr is subject to certain financial covenants; (i) maintaining a leverage ratio not greater than 3.75x up to 3 March 2023, and then 3.0x and 2.5x up to 3 March 2024 and 3 March 2025, respectively, and (ii) maintaining minimum liquidity of NOK 75 million.

Refinancing of secured bond loan
After the balance sheet date, the Company raised NOK 140 million in gross proceeds in a private placement in early January 2023 in order to refinance the bond loan with a new bank debt facility of a total of approx. NOK 700 million. The bond was called 16 March 2023, for further details see Note 31 Subsequent events in the group accounts.

NOTE 15: FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk
  - currency risk
  - interest rate risk

The board of directors has overall responsibility for establishing and monitoring the Company's risk management framework. Risk management principles have been established in order to identify and analyse the risks to which the Company is exposed, to stipulate limits on risk and pertaining control procedures, and to monitor risk and compliance with the limits. Risk management principles and systems are reviewed regularly to reflect changes in activities and market conditions.

CREDIT RISK

Credit risk is the risk of financial losses in the event that a customer or counterparty in a financial instrument is unable to meet its contractual obligations. Credit risk relates usually to the Company's receivables towards Group companies and will be depending on performance of the actual operations in the subsidiary. The Company regards its maximum credit risk exposure to the carrying amount of receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions. The Company's management monitors the Company's liquidity through revolving liquidity forecast.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date, including payment of interest and without the effect of settlement arrangements:

31.12.2022			Contractual cash flows				
(NOKm)	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Secured bond loans	806.1	1 004.5	43.4	43.3	86.5	831.3	-
Financial derivatives	6.0	6.8	-	-	-	6.8	-
Trade and other payables	20.5	20.5	20.5	-	-	-	-
Total	**832.6**	**1 031.8**	**63.9**	**43.3**	**86.5**	**838.1**	**-**

31.12.2021			Contractual cash flows				
(NOKm)	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Secured bond loans	890.6	1 148.1	37.5	38.4	76.6	995.6	-
Trade and other payables	17.9	17.9	17.9	-	-	-	-
Total	**908.4**	**1 166.0**	**55.4**	**38.4**	**76.6**	**995.6**	**-**

MARKET RISK

Market risk for the company is related to currency risk and interest rate risk.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to changes in foreign exchange rates relates primarily to the Company's receivables towards subsidiaries outside of Norway, this relates primarily to Marcon-Gruppen I Sverige AS in Sweden, but also minor exposure against other currencies. The Company entered into a cross currency swap in 2022 to reduce foreign currency risk towards SEK. The Company continuously assesses the need for hedging remaining currency exposure, based on perceived risk and materiality.

Sensitivity analysis

A change in the foreign exchange rate towards SEK on the reporting date would have increased (reduced) equity and yearly profit by the amounts shown in the table below. The analysis show the sensitivity of the Company's receivables in SEK net of cross currency swap in 2022 and assumes all other variables remain unchanged.

(NOKm)	2022	2021
Effect of 5 % appreciation of NOK towards SEK at 31 Dec		
Effect on profit after tax	14.4	4.3
Effect on equity	14.4	4.3

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in market interest rates relates primarily to the Company's secured bond loan with floating interest rates. Endúr entered into an interest rate swap in 2022 to partly hedge against the interest rate risk of the Company, and will continuously assess whether to hedge against further interest rate risk. The following table demonstrates the sensitivity to interest rate changes.

Sensitivity analysis

A change in the interest rate of 100 base points on the reporting date would have increased (reduced) equity and yearly profit by the amounts shown in the table below (net of interest rate swap). This analysis assumes that all other variables, particularly the exchange rates, remain unchanged.

(NOKm)	2022	2021
Effect of 100 bp increase in interest rate		
Effect on profit after tax	(6.1)	(6.9)
Effect on equity	(6.1)	(6.9)

NOTE 16: GUARANTEES

Endúr Sjøsterk AS

Endúr ASA has given a parent company guarantee as security for Endúr Sjøsterk AS' obligations under its guarantee facilities produced from Nordic Guarantee.

ØPD AS

Endúr ASA had given a parent company guarantee to Nordic Guarantee to secure ØPD AS' obligations under its guarantee facilities produced from Nordic Guarantee. Following the bankruptcy in ØPD AS, Endúr ASA had to answer to this parent company guarantee, assuming ØPD's continued obligation for projects with active guarantees provided by Nordic Guarantee. Endúr ASA has made relevant provisions for known and probable claims, according to the principle of best estimate.

NOTE 17: CONTINGENT LIABILITIES / LEGAL CLAIMS

LEGAL CLAIMS

There are no contingent liabilities nor legal claims in Endúr ASA as of 31.12.2022.

NOTE 18: SUBSEQUENT EVENTS

See note 31 in the group accounts.

Alternative Performance Measures

In this annual report the Group presents several Alternative Performance Measures (APMs), which are described below:

EBITDA
EBITDA (Earnings before interest, taxes, depreciation and amortization) is a commonly used performance measure. EBITDA provides an expression of profitability from operations. Endúr believes that this performance measure provides useful information about the Group's ability to service debt and finance investments. In addition, the performance measure is useful for comparing profitability with other companies. Endúr presents EBITDA in the Board of Directors' report, in note 4 Operating Segments and note 13 Impairment of assets.

EBITDA is calculated as Profit for the period before tax, net financial items and depreciation and amortization.

EBITDA-MARGIN
EBITDA-margin is calculated as EBITDA divided by total revenue.

EBIT
EBIT (Earnings before interest and taxes) is a commonly used performance measure. EBIT provides an expression of profitability from operations, but unlike EBITDA this performance measure also includes depreciations and amortization for the period. Endúr presents EBIT in the Board of Directors' report and in note 4 Operating Segments.

EBIT is equal to operating profit/loss in the income statement and is calculated as Profit for the period before tax and net financial items.

NET INTEREST BEARING DEBT
Net Interest-Bearing Debt is calculated as interest-bearing loans minus cash and cash equivalents. Endúr presents Net Interest-Bearing Debt in the key figures.

Responsibility Statement

We confirm to the best of our knowledge that the consolidated financial statements for 2022 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2022 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Endúr ASA and the Endúr Group for the period. We also confirm to the best of our knowledge that the Board of Directors'; Report includes a true and fair review of the development, performance and financial position of Endúr ASA and the Endúr Group, together with a description of the principal risks and uncertainties that they face.

Lysaker - 26 April 2023
Board of Directors
and CEO of Endúr ASA

Pål Reiulf Olsen
(Chairman)
-sign

Jeppe Bjørnerud Raaholt
(CEO)
-sign

Bjørn Finnøy
-sign

Kristine Landmark
-sign

Hedvig Bugge Reiersen
-sign

Jörn Ryberg
-sign

Auditor's Report

BDO AS
Munkedamsveien 45
PO Box 1704 Vika
0121 Oslo
Norway

Independent Auditor's Report

To the Annual Shareholders meeting of Endúr ASA

Opinion

We have audited the financial statements of Endúr ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2022, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2022, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements comply with applicable statutory requirements. • The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Endúr ASA for 16 years from the election by the general meeting of the shareholders on 16 July 2007 for the accounting year 2007.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	**How the key audit matter was addressed in the audit**
Goodwill and intangible assets Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life. Impairment testing of intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that support the assessment. As of 31 December 2022, intangible assets and goodwill amounts to NOK 1 071.1 millions, representing 41.4 %of total assets (note 11).	Our audit procedures have included a detailed review of management's impairment test for each business unit to which intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into account management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 13 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36
Investments in subsidiaries The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if impairment indicators are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The carrying amount at 31.12.2022 was NOK 1 621.1 millions. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.	Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions supporting the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 13 to the consolidated financial statements.

Recognition of revenue from contracts with customers	
Revenue from contracts with customers amounts to NOK 2 251.9 millions (note 5). For calculation of income from contracts with customers, the percentage of completion method based on expected contract revenue and degree of contract completion is used. The contracts with customers may be complex, include multiple performance obligations, executed over a long period of time and involve significant uncertainty. The estimation of total revenues and costs involves the use of judgements, including impact of expected profit, degree of contract completion, variable consideration, and effects of potential disputes. Accounting for revenue from contracts with customers is a key audit matter as the company has a large number of contracts with customers and managements' use of judgements can significantly impact a number of accounts in the financial statements, such as revenue, costs of materials, trade and other receivables, contract assets, contract liabilities and deferred tax. More information on the Group's accounting for revenue from contracts with customers, how the percentage of completion is calculated, and management's application of judgement is given in note 4 operating segments and note 5 revenue from contracts with customers.	We have reviewed a sample of contracts with customers and compared the accounting to the Group's accounting policies. We compared the Group's accounting policies for accounting of revenue to IFRS 15. We reviewed relevant documentation regarding the relevant internal controls that support the quality of discussions and assessed whether the process has worked effectively. Furthermore, we tested the control directed at ensuring that hours and costs are allocated to the appropriate projects, which forms the basis for assessing accurate degree of completion and project margin. In order to evaluate the use of judgement in the estimates, we have interviewed and challenged business unit management and Group management about the assumptions used in the estimates. Furthermore, we have reviewed that significant assessments and assumptions used in the project forecasts are supported by relevant documentation, such as signed customer contracts and change orders and other relevant documentation. For projects with significant disputes, we have obtained confirmations directly from the Group's external legal counsel. We also analyzed the consistency of management's application of judgments. We verified that the disclosures in the key notes are in accordance with underlying information about the projects, and in accordance with the relevant IFRS requirements.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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

Management is responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Endùr ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name **Endur_ASA-2022-12-31-en.zip** have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 26 April 2023
BDO AS

Yngve Gjethammer
State Authorised Public Accountant

Representative from BMO Entreprenør AS doing steel reinforcement binding.

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