



**Interim condensed consolidated financial information**

**June 30, 2024**

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

**Unaudited**

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## Business Review Q2 2024

### Business Summary

HMH reports revenues of USD 208 million for the three months ended June 30, 2024, with an adjusted EBITDA (adjusted for non-recurring expenses or costs defined as outside of normal company operations) of USD 42 million, corresponding to an EBITDA margin of 20%. Unadjusted EBITDA was USD 40 million for the three months ended June 30, 2024. Revenues up 7% in a quarter-on-quarter basis and up 10% year-on-year. For the three months ended June 30, 2024, revenues were positively impacted by increased aftermarket service volume and increased product shipments.

### Adjusted EBITDA and Cash Flow

Adjusted EBITDA was up 23% on a year over year, and up 25% on a quarter over quarter basis, driven by increased aftermarket services volume and improved revenue mix. Free cash flow (cash generated from operating activities less taxes paid and net investments) was negative USD 12 million driven by timing of key milestone collections and working capital build for key rig upgrades.

### Capital Structure

In 4Q23 HMH preformed a full refinancing of its debt structure. The USD 150 million Senior Secured floating rate bond was replaced by a new 3-year USD 200 million Senior Secured fixed rate bond. There is a tap capacity built into the bond framework, allowing a further issue of USD 75 million subject to market conditions. The refinancing allowed HMH to take advantage of improved market conditions, extending the maturity structure of its debt, while at the same time improving terms which helps position the Group for further growth. We now have USD 213 million of interest-bearing debt, with USD 13 million drawn under the RCF. With USD 40 million of cash on the balance sheet, the Company has USD 173 million of net debt. HMH stays well within all covenant requirements for Minimum Liquidity, Gearing Ratio and Interest Coverage Ratio.

### Growth

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

A handwritten signature in blue ink, appearing to read 'TM', positioned above a horizontal line.

Thomas McGee  
(Chief Financial Officer)

**Amsterdam August 29, 2024**

## Unaudited condensed consolidated interim income statement

Amounts in USD thousands	Notes	Second quarter		First half year	
		2024	2023	2024	2023
<b>Revenue and other income</b>	2.1	207,794	188,597	401,170	374,172
<b>Operating expenses</b>		<b>-167,881</b>	<b>-160,916</b>	<b>-329,747</b>	<b>-331,928</b>
<b>Operating profit before depreciation and amortization</b>	2.2	<b>39,913</b>	<b>27,681</b>	<b>71,423</b>	<b>42,244</b>
Depreciation and amortization	2.2	-11,694	-10,056	-22,716	-20,884
<b>Operating profit / loss(-)</b>		<b>28,219</b>	<b>17,626</b>	<b>48,707</b>	<b>21,360</b>
Finance income	4.2	7,947	4,607	10,549	7,957
Finance expenses	4.2	-16,327	-14,576	-28,869	-25,609
<b>Net finance expenses</b>		<b>-8,380</b>	<b>-9,969</b>	<b>-18,321</b>	<b>-17,651</b>
<b>Profit / loss(-) before tax</b>		<b>19,839</b>	<b>7,656</b>	<b>30,386</b>	<b>3,708</b>
Income tax expense	5.3	-4,562	-2,164	-8,684	-5,146
<b>Profit / loss(-) for the period</b>		<b>15,277</b>	<b>5,492</b>	<b>21,703</b>	<b>-1,438</b>
<b>Profit / loss(-) attributable to:</b>					
Equity holders of the parent		15,352	5,492	21,498	-1,438
Non-controlling interests		-75	-	205	-


## Unaudited condensed consolidated interim statement of comprehensive income

Amounts in USD thousands	Notes	Second quarter		First half year	
		2024	2023	2024	2023
<b>Profit / loss(-) for the period</b>		<b>15,277</b>	<b>5,492</b>	<b>21,703</b>	<b>-1,438</b>
<b>Other comprehensive income</b>					
Cash flow hedges, gross amount		4,295	-4,077	1,540	-5,463
Cash flow hedges, related tax		-859	815	-308	1,093
Total change in hedging reserve, net of tax		<b>3,436</b>	<b>-3,261</b>	<b>1,232</b>	<b>-4,370</b>
Currency translation differences - foreign operations		-5,561	6,647	-10,142	7,166
<b>Total items that may be reclassified subsequently to profit or loss, net of tax</b>		<b>-2,125</b>	<b>3,386</b>	<b>-8,910</b>	<b>2,796</b>
Remeasurement gain (loss) net defined benefit liability		-19	125	301	192
Deferred tax of remeasurement gain (loss) net defined benefit liability		4	-25	-60	-38
<b>Total items that will not be reclassified to profit or loss, net of tax</b>		<b>-15</b>	<b>100</b>	<b>241</b>	<b>154</b>
<b>Total other comprehensive income / loss(-) for the period, net of tax</b>		<b>-2,140</b>	<b>3,486</b>	<b>-8,670</b>	<b>2,950</b>
<b>Total comprehensive income / loss(-)</b>		<b>13,137</b>	<b>8,978</b>	<b>13,033</b>	<b>1,512</b>
<b>Total comprehensive income / loss(-) attributable to:</b>					
Equity holders of the parent		13,212	8,978	12,828	1,512
Non-controlling interests		-75	-	205	-

## Unaudited condensed consolidated interim statement of financial position

<i>Amounts in USD thousands</i>	<i>Notes</i>	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>31.12.2023</b>
<b>ASSETS</b>				
Deferred tax assets		27,472	29,914	28,570
Property, plant and equipment	3.1	204,901	222,235	214,834
Other intangible assets		138,702	147,797	148,471
Right-of-use assets	3.2	38,397	33,692	34,149
Goodwill	3.3	287,291	287,863	287,848
Other non-current assets	5.2	32,568	29,044	28,488
<b>Total non-current assets</b>		<b>729,330</b>	<b>750,545</b>	<b>742,359</b>
Prepaid company tax		1,024	1,523	884
Inventories		275,115	216,956	241,404
Trade receivables and other current assets	4.1	182,995	178,019	178,206
Derivative financial instruments	4.1	1,146	7,727	2,759
Current financial assets	4.1	3,679	2,926	1,500
Contract assets		127,340	111,803	143,652
Cash and cash equivalents	4.1	39,698	43,074	62,524
<b>Total current assets</b>		<b>630,997</b>	<b>562,027</b>	<b>630,929</b>
<b>TOTAL ASSETS</b>		<b>1,360,328</b>	<b>1,312,572</b>	<b>1,373,288</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		0	0	0
Share premium		601,539	601,539	601,539
Other equity		16,293	149	15,175
Retained earnings		666	-33,046	-20,832
<b>Equity attributable to equity holders of the parent company</b>		<b>618,498</b>	<b>568,642</b>	<b>595,882</b>
Non-controlling interests		635	-	-
<b>Total equity</b>		<b>619,133</b>	<b>568,642</b>	<b>595,882</b>
Non-current borrowings	4.3	323,470	260,648	315,175
Non-current lease liabilities	3.2	31,338	27,663	28,617
Employee benefit obligations		17,781	18,259	19,154
Deferred tax liabilities		19,301	19,910	21,541
Non-current provisions	5.1	1,017	1,358	1,068
Other non-current liabilities	4.1	9,768	16,228	11,359
<b>Total non-current liabilities</b>		<b>402,674</b>	<b>344,066</b>	<b>396,913</b>
Current borrowings	4.3	13,343	69,673	25,453
Current lease liabilities	3.2	9,336	7,737	8,722
Current tax liabilities		4,999	4,737	8,283
Current provisions	5.1	18,384	16,489	17,829
Trade payables and other current liabilities	4.1	221,613	227,127	243,355
Contract liabilities		69,503	59,921	75,525
Derivative financial instruments	4.1	1,344	14,182	1,326
<b>Total current liabilities</b>		<b>338,521</b>	<b>399,864</b>	<b>380,494</b>
<b>Total liabilities</b>		<b>741,195</b>	<b>743,930</b>	<b>777,407</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,360,328</b>	<b>1,312,572</b>	<b>1,373,288</b>

Amsterdam, August 29, 2024

  
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 Thomas McGee  
 (Chief Financial Officer)

## Unaudited condensed consolidated interim statement of cash flows

<i>Amounts in USD thousands</i>	<i>Notes</i>	<b>Second quarter</b>		<b>First half year</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<i>Cash flow from operating activities</i>					
Profit / loss(-) before tax		19,839	7,656	30,386	3,708
<i>Adjustments for:</i>					
Net finance income and expenses		8,380	9,969	18,321	17,651
Share-based payment expense		1,680	2,361	3,360	3,921
Foreign exchange gain and loss		-442	5,853	-2,815	981
Other net finance cost / income (-)		584	-1,134	-458	-1,134
Depreciation and amortization	3.1	11,694	10,056	22,716	20,884
Sum Adjustments		41,735	34,761	71,509	46,012
<i>Changes in working capital:</i>					
Decrease/increase(-) in trade receivables and other current assets		7,228	-14,594	1,578	-9,505
Decrease/increase(-) in inventories		-7,740	-15,767	-33,711	-34,215
Increase/decrease(-) in trade payables and other liabilities		-16,892	-28,014	-20,723	-8,207
Decrease/increase(-) in contract assets		-5,464	22,456	16,312	11,882
Increase/decrease(-) in contract liabilities		-11,933	19,646	-6,022	2,281
Other changes		-5,115	-3,071	-8,565	697
Sum Changes in working capital		-39,916	-19,344	-51,131	-37,068
Interest paid		-10,257	-5,690	-10,836	-11,339
Interest paid for leases	4.2	-556	-413	-1,095	-860
Interest received	4.2	768	460	1,657	895
Income taxes paid		-7,950	-5,683	-13,251	-7,624
<b>Net cash from / used in (-) operating activities</b>		<b>-16,175</b>	<b>4,090</b>	<b>-3,147</b>	<b>-9,985</b>
<i>Cash flow from investing activities</i>					
Purchase of property, plant and equipment	3.1	-1,517	-7,157	-6,247	-10,098
Payments for capitalized development expenses	3.3	-708	-1,934	-1,298	-2,338
<b>Net cash flow from / used in (-) investing activities</b>		<b>-2,225</b>	<b>-9,091</b>	<b>-7,545</b>	<b>-12,435</b>
<i>Cash flow from financing activities</i>					
Proceeds from sale to non-controlling interests		-	-	2,291	-
Proceeds from borrowings	4.3	13,000	20,000	13,000	45,000
Payment of borrowings	4.3	-	-7,778	-22,000	-23,556
Payment of borrowing cost	4.3	-1,615	-	-1,615	-113
Payment of lease liabilities	3.2	-3,047	-2,107	-4,220	-4,522
<b>Net cash flow from / used in (-) financing activities</b>		<b>8,338</b>	<b>10,115</b>	<b>-12,545</b>	<b>16,809</b>
Effect of exchange rate changes on cash and cash equivalents		522	703	411	1,349
<b>Net increase / decrease (-) in cash and cash equivalents</b>		<b>-9,539</b>	<b>5,818</b>	<b>-22,826</b>	<b>-4,263</b>
Cash and cash equivalents at the beginning of the period		49,238	37,256	62,524	47,336
<b>Cash and cash equivalents at the end of the period</b>		<b>39,698</b>	<b>43,074</b>	<b>39,698</b>	<b>43,074</b>

## Unaudited condensed consolidated interim statement of changes in equity

### For the six months ended June 30, 2024

<i>Amounts in USD thousands</i>	Share capital <sup>1)</sup>	Share premium	Other equity				Retained earnings	Total	Non-controlling interest	Total equity
			Hedging reserve	Pension remeasurement reserve	Other equity <sup>2)</sup>	Currency translation reserve				
<b>Equity as of December 31, 2023</b>	0	601,539	1,098	2,036	9,967	2,075	-20,832	595,881	-	595,881
Profit / loss (-) for the period	-	-	-	-	-	-	21,498	21,498	205	21,703
Other comprehensive income / loss (-)	-	-	-1,232	241	-	-10,142	-	-11,133	-	-11,133
<b>Total comprehensive income/loss(-)</b>	0	-	-1,232	241	-	-10,142	21,498	10,365	205	10,570
Share-based payments	-	-	-	-	3,360	-	-	3,360	-	3,360
Sale ownership interest in Hydril Arabia (note 5.5)	-	0	-	-	8,891	-	-	8,891	430	9,321
<b>Equity as of June 30, 2024</b>	0	601,539	-134	2,276	22,218	-8,067	666	618,498	635	619,133

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

<sup>2)</sup> See note 5.5.

### For the six months ended June 30, 2023

<i>Amounts in USD thousands</i>	Share capital <sup>1)</sup>	Share premium	Other equity				Retained earnings	Total	Non-controlling interests	Total equity
			Hedging reserve	Pension remeasurement reserve	Other equity	Currency translation reserve				
Balance at January 1, as previously reported	0	601,539	-1,769	2,019	-	-3,051	-17,721	581,017	-	581,017
Impact of correction of errors	-	-	-	-	-	-	-13,886	-13,886	-	-13,886
<b>Restated balance at January 1</b>	0	601,539	-1,769	2,019	-	-3,051	-31,607	567,130	-	567,130
Profit / loss (-) for the period	-	-	-	-	-	-	-1,438	-1,438	-	-1,438
Other comprehensive income / loss (-)	-	-	-4,370	154	-	7,166	-	2,950	-	2,950
<b>Total comprehensive income/loss(-)</b>	-	-	-4,370	154	-	7,166	-1,438	1,512	-	1,512
Share-based payments	-	-	-	-	-	-	-	-	-	-
<b>Equity as of June 30, 2023</b>	-	-	-4,370	154	-	7,166	-1,438	1,512	-	568,642

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

## Section 1 - Background

### Note 1 General information

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#### 1.1 Corporate information

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

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

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

#### 1.2 Basis of preparation

The interim condensed consolidated financial statements for the three and six months ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all of the information and disclosure required for a complete set of annual consolidated financial statements and should be read in conjunction with HMH's Annual Report 2023. The accounting policies applied in this interim financial statements are the same as those applied in the Group's consolidated financial statement for the year ended December 31, 2023 which were prepared according to IFRS as approved by the EU.

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

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

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

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



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

**Revenue types**

<i>Amounts in USD thousands</i>	<b>Second quarter</b>		<b>First half year</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenue from contract with customers</b>	207,650	186,985	399,776	372,281
<b>Other revenue and income</b>				
Lease revenue	-	-	-	-
Other income	144	1,613	1,394	1,891
<b>Total revenue and other income</b>	<b>207,794</b>	<b>188,597</b>	<b>401,170</b>	<b>374,172</b>

**Disaggregation of revenue from contracts with customers**

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

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

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

**Second quarter 2024**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	15,195	6,652	21,847
Service revenue	71,354	85,713	157,067
Sale of products	21,230	7,506	28,735
<b>Total revenue from contract with customers</b>	<b>107,778</b>	<b>99,871</b>	<b>207,650</b>

**Timing of revenue recognition**

Goods and services transferred over time	55,696	86,292	141,988
Goods and services transferred at point in time	52,082	13,579	65,662
<b>Total revenue from contract with customers</b>	<b>107,778</b>	<b>99,871</b>	<b>207,650</b>

**First half year 2024**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	29,887	15,532	45,419
Service revenue	148,638	161,036	309,674
Sale of products	26,860	17,822	44,682
<b>Total revenue from contract with customers</b>	<b>205,386</b>	<b>194,390</b>	<b>399,776</b>

**Timing of revenue recognition**

Goods and services transferred over time	121,224	165,327	286,551
Goods and services transferred at point in time	84,162	29,063	113,225
<b>Total revenue from contract with customers</b>	<b>205,386</b>	<b>194,390</b>	<b>399,776</b>

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

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	11,266	6,608	17,873
Service revenue	71,386	75,209	146,596
Sale of products	13,402	9,114	22,516
<b>Total revenue from contract with customers</b>	<b>96,054</b>	<b>90,930</b>	<b>186,985</b>
<b>Timing of revenue recognition</b>			
Goods and services transferred over time	57,373	80,721	138,094
Goods and services transferred at point in time	38,681	10,209	48,890
<b>Total revenue from contract with customers</b>	<b>96,054</b>	<b>90,930</b>	<b>186,985</b>

**First half year 2023**

<i>Amounts in USD thousands</i>	<b>ESS</b>	<b>PCS</b>	<b>Total</b>
<b>Major contract/revenue types</b>			
Construction revenue	26,060	26,517	52,577
Service revenue	136,674	139,799	276,473
Sale of products	22,502	20,730	43,232
<b>Total revenue from contract with customers</b>	<b>185,235</b>	<b>187,046</b>	<b>372,281</b>
<b>Timing of revenue recognition</b>			
Goods and services transferred over time	115,664	162,430	278,095
Goods and services transferred at point in time	69,571	24,615	94,186
<b>Total revenue from contract with customers</b>	<b>185,235</b>	<b>187,046</b>	<b>372,281</b>

## Note 2.2 - Operating segments

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

### Second quarter 2024

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	107,899	99,894	207,794	-	-	207,794
Inter-segment revenue	894	1,695	2,589	-2,589	-	-
<b>Total revenue and other income</b>	<b>108,793</b>	<b>101,589</b>	<b>210,382</b>	<b>-2,589</b>	<b>-</b>	<b>207,794</b>
<b>Operating profit before interest, depreciation and amortization (EBITDA)</b>	<b>15,611</b>	<b>27,529</b>	<b>43,140</b>	<b>-</b>	<b>-3,227</b>	<b>39,913</b>
Depreciation and amortization	-4,108	-6,978	-11,086	-	-608	-11,694
<b>Operating profit / loss(-)</b>	<b>11,503</b>	<b>20,551</b>	<b>32,054</b>	<b>-</b>	<b>-3,835</b>	<b>28,219</b>
Net finance income/expense	-1,176	419	-757	-	-7,624	-8,380
<b>Profit / loss(-) before tax</b>	<b>10,328</b>	<b>20,970</b>	<b>31,297</b>	<b>-</b>	<b>-11,458</b>	<b>19,839</b>

### First half year 2024

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	206,089	195,081	401,170	-	-	401,170
Inter-segment revenue	2,180	4,617	6,797	-6,797	-	-
<b>Total revenue and other income</b>	<b>208,269</b>	<b>199,698</b>	<b>407,967</b>	<b>-6,797</b>	<b>-</b>	<b>401,170</b>
<b>Operating profit before interest, depreciation and amortization (EBITDA)</b>	<b>25,395</b>	<b>52,362</b>	<b>77,756</b>	<b>-</b>	<b>-6,334</b>	<b>71,423</b>
Depreciation and amortization	-8,042	-13,428	-21,470	-	-1,246	-22,716
<b>Operating profit / loss(-)</b>	<b>17,353</b>	<b>38,934</b>	<b>56,287</b>	<b>-</b>	<b>-7,580</b>	<b>48,707</b>
Net finance income/expense	-4,067	371	-3,696	-	-14,625	-18,321
<b>Profit / loss(-) before tax</b>	<b>13,286</b>	<b>39,304</b>	<b>52,591</b>	<b>-</b>	<b>-22,204</b>	<b>30,386</b>

### Second quarter 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	101,941	86,657	188,597	-	-	188,597
Inter-segment revenue	1,542	2,477	4,019	-4,019	-	-
<b>Total revenue and other income</b>	<b>103,482</b>	<b>89,134</b>	<b>192,617</b>	<b>-4,019</b>	<b>-</b>	<b>188,597</b>
<b>Operating profit before interest, depreciation and amortization</b>	<b>11,798</b>	<b>20,939</b>	<b>32,737</b>	<b>-</b>	<b>-5,055</b>	<b>27,681</b>
Depreciation and amortization	-3,272	-5,678	-8,950	-	-1,106	-10,056
<b>Operating profit / loss(-)</b>	<b>8,526</b>	<b>15,261</b>	<b>23,788</b>	<b>-</b>	<b>-6,162</b>	<b>17,626</b>
Net finance income/expense	-1,762	-250	-2,012	-	-7,958	-9,969
<b>Profit / loss(-) before tax</b>	<b>6,764</b>	<b>15,012</b>	<b>21,776</b>	<b>-</b>	<b>-14,119</b>	<b>7,657</b>

### First half year 2023

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarter	Total HMH
<i>Income statement</i>						
External revenue and other income	203,867	170,305	374,172	-	-	374,172
Inter-segment revenue	2,739	3,381	6,120	-6,120	-	-
<b>Total revenue and other income</b>	<b>206,606</b>	<b>173,686</b>	<b>380,292</b>	<b>-6,120</b>	<b>-</b>	<b>374,172</b>
<b>Operating profit before interest, depreciation and amortization</b>	<b>20,227</b>	<b>32,409</b>	<b>52,636</b>	<b>-</b>	<b>-10,392</b>	<b>42,244</b>
Depreciation and amortization	-6,600	-12,101	-18,701	-	-2,182	-20,883
<b>Operating profit / loss(-)</b>	<b>13,627</b>	<b>20,307</b>	<b>33,935</b>	<b>-</b>	<b>-12,574</b>	<b>21,360</b>
Net finance income/expense	-1,539	-800	-2,339	-	-15,314	-17,653
<b>Profit / loss(-) before tax</b>	<b>12,089</b>	<b>19,508</b>	<b>31,596</b>	<b>-</b>	<b>-27,888</b>	<b>3,708</b>

## Section 3 - Asset base

### 3.1 Property, plant and equipment

#### First half year 2024

<i>Amounts in USD thousands</i>	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>				
<b>Balance as of January 1, 2024</b>	<b>166,325</b>	<b>83,672</b>	<b>5,695</b>	<b>255,692</b>
Additions	677	2,042	3,527	<b>6,247</b>
Reclassifications	-	-	-347	<b>-347</b>
Transfer from assets under construction	1,147	3,351	-4,498	-
Disposals and scrapping	-	-3,102	0	<b>-3,102</b>
Currency translation differences	-9,308	-3,660	-433	<b>-13,400</b>
<b>Balance as of June 30, 2024</b>	<b>158,842</b>	<b>82,303</b>	<b>3,944</b>	<b>245,088</b>
<i>Accumulated depreciation</i>				
<b>Balance as of January 1, 2024</b>	<b>-22,670</b>	<b>-18,188</b>	-	<b>-40,858</b>
Depreciation for the period	-2,854	-6,364	-	<b>-9,219</b>
Reclassifications	-	661	-	<b>661</b>
Disposals and scrapping	-	3,101	-	<b>3,101</b>
Currency translation differences	3,561	2,567	-	<b>6,128</b>
<b>Balance as of June 30, 2024</b>	<b>-21,963</b>	<b>-18,224</b>	-	<b>-40,188</b>
<b>Net book value as of January 1, 2024</b>	<b>143,655</b>	<b>65,484</b>	<b>5,695</b>	<b>214,834</b>
<b>Net book value as of June 30, 2024</b>	<b>136,878</b>	<b>64,079</b>	<b>3,944</b>	<b>204,901</b>

#### First half year 2023

<i>Amounts in USD thousands</i>	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>				
<b>Balance as of January 1, 2023</b>	<b>155,278</b>	<b>82,171</b>	<b>1,398</b>	<b>238,847</b>
Additions	6,173	1,071	2,853	<b>10,098</b>
Reclassifications	-	-209	-	<b>-209</b>
Transfer from assets under construction	-	328	-328	<b>-0</b>
Disposals and scrapping	-	-3	-	<b>-3</b>
Currency translation differences	7,495	-353	-140	<b>7,002</b>
<b>Balance as of June 30, 2023</b>	<b>168,946</b>	<b>83,005</b>	<b>3,783</b>	<b>255,734</b>
<i>Accumulated depreciation</i>				
<b>Balance as of January 1, 2023</b>	<b>-7,848</b>	<b>-13,325</b>	-	<b>-21,173</b>
Depreciation for the period	-7,821	-1,368	-	<b>-9,189</b>
Reclassifications	-	589	-	<b>589</b>
Disposals and scrapping	-	3	-	<b>3</b>
Currency translation differences	-2,762	-968	-	<b>-3,730</b>
<b>Balance as of June 30, 2023</b>	<b>-18,431</b>	<b>-15,068</b>	-	<b>-33,499</b>
<b>Net book value as of January 1, 2023</b>	<b>147,431</b>	<b>68,846</b>	<b>1,398</b>	<b>217,675</b>
<b>Net book value as of June 30, 2023</b>	<b>150,514</b>	<b>67,937</b>	<b>3,783</b>	<b>222,235</b>

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

#### Group as lessee

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

As of June 2023, total right-of-use assets related to leases amounted to USD 34 million, with a related lease liability of USD 38 million. During 2023, HMM entered into 3 new office leases in Norway increasing right-of-use asset and lease liability of app. USD 1 million.

During the first half of 2024, HMM has seen an increase in right-of-use assets and lease liability mainly due to newly agreed office rental contracts. HMM's ESS operations in the US has entered into contracts in two different locations at the beginning of 2024, amounting to a total of USD 648.5 thousand. Additionally, the Hydril UK subsidiary entered into a long-term office lease agreement valued at USD 2.3 million. Accounting for depreciation during the period and other additions relating to lease extensions, the total increase in right-of-use assets during the period amounts to USD 3.4 million thousand and an increase of lease liability of USD 5.2 million.

### 3.3 Intangible assets and goodwill

#### First half year 2024

<i>Amounts in USD thousands</i>	Development costs <sup>1)</sup>	Goodwill	Patents and rights	Customer Relations	Other intangible assets	Total
<i>Historical cost</i>						
<b>Balance as of January 1, 2024</b>	<b>63,138</b>	<b>287,848</b>	<b>20,550</b>	<b>107,893</b>	<b>3,991</b>	<b>483,420</b>
Additions from purchases	1,191	-	-	-	107	1,298
Reclassification and other changes	-367	-	-9	-	867	491
Disposal	-	-	-	-	-846	-846
Currency translation differences	-2,887	-557	-208	-275	-12	-3,938
<b>Balance as of June 30, 2024</b>	<b>61,075</b>	<b>287,291</b>	<b>20,333</b>	<b>107,618</b>	<b>4,107</b>	<b>480,425</b>
<i>Accumulated amortization</i>						
<b>Balance as of January 1, 2024</b>	<b>-13,140</b>	<b>-</b>	<b>-8,890</b>	<b>-23,882</b>	<b>-1,189</b>	<b>-47,102</b>
Amortization for the period	-3,523	-	-	-5,690	-245	-9,458
Reclassification	-	-	-	-	-804	-804
Disposal	-	-	-	811	35	846
Currency translation differences	2,086	-	73	-71	-3	2,086
<b>Balance as of June 30, 2024</b>	<b>-14,577</b>	<b>-</b>	<b>-8,817</b>	<b>-28,832</b>	<b>-2,207</b>	<b>-54,432</b>
<b>Net book value as of January 1, 2024</b>	<b>49,998</b>	<b>287,848</b>	<b>11,660</b>	<b>84,011</b>	<b>2,801</b>	<b>436,318</b>
<b>Net book value as of June 30, 2024</b>	<b>46,498</b>	<b>287,291</b>	<b>11,516</b>	<b>78,787</b>	<b>1,900</b>	<b>425,992</b>
<b>Useful life</b>	<b>3-5</b>	<b>Infinite</b>	<b>3-5</b>	<b>3-5</b>	<b>3-5</b>	

<sup>1)</sup> Our ongoing R&D efforts are being orchestrated across multiple locations, including Norway, Germany, and the United States. These activities are primarily centered on several areas:

- Develop next generation elastomers for oilfield sealing applications, not just in our current space, in cooperation with a major operator.
- Develop a novel solution to reduce the number of accumulator bottles required to meet new regulatory requirements in the Gulf of Mexico.
- New R&D efforts for 2023 and beyond include developing a fully electric BOP for both offshore surface (platforms and jack-ups) and subsea use.

In addition to the ongoing R&D activities, the Group also includes the implementation cost of group-wide ERP system as a development costs.

### 3.3 Intangible assets and goodwill (Continued)

First half year 2023

<i>Amounts in USD thousands</i>	Development costs	Goodwill	Patents and rights	Customer Relations	Other intangible assets	Total
<i>Historical cost</i>						
<b>Balance as of January 1, 2023</b>	51,324	287,525	21,141	105,611	4,997	470,599
Reclassification and other changes	301	-	-134	-	133	300
Additions from purchases <sup>1)</sup>	2,338	-	-	-	-	2,338
Currency translation differences	-2,776	339	-153	404	99	-2,087
<b>Balance as of June 30, 2023</b>	<b>51,186</b>	<b>287,864</b>	<b>20,854</b>	<b>106,015</b>	<b>5,230</b>	<b>471,149</b>
<i>Accumulated amortization</i>						
<b>Currency translation differences</b>	<b>-6,291</b>	<b>-</b>	<b>-4,500</b>	<b>-15,048</b>	<b>-808</b>	<b>-26,647</b>
Amortization for the period	-3,091	-	-4,303	-2,146	-392	-9,932
Currency translation differences	2,076	-	-69	-794	-124	1,089
<b>Balance as of June 30, 2023</b>	<b>-7,306</b>	<b>-</b>	<b>-8,871</b>	<b>-17,988</b>	<b>-1,325</b>	<b>-35,490</b>
<b>Net book value as of January 1, 2023</b>	<b>45,033</b>	<b>287,525</b>	<b>16,641</b>	<b>90,564</b>	<b>4,189</b>	<b>443,953</b>
<b>Net book value as of June 30, 2023</b>	<b>43,880</b>	<b>287,864</b>	<b>11,982</b>	<b>88,028</b>	<b>3,905</b>	<b>435,659</b>
<b>Useful life</b>	<b>3-5</b>	<b>Infinite</b>	<b>3-5</b>	<b>3-5</b>	<b>3-5</b>	

<sup>1)</sup> Our ongoing R&D efforts are being orchestrated across multiple locations, including Norway, Germany, and the United States. These activities are primarily centered on several areas:

- Develop next generation elastomers for oilfield sealing applications, not just in our current space, in cooperation with a major operator.
- Develop a novel solution to reduce the number of accumulator bottles required to meet new regulatory requirements in the Gulf of Mexico.
- New R&D efforts for 2023 and beyond include developing a fully electric BOP for both offshore surface (platforms and jack-ups) and subsea use.

In addition to the ongoing R&D activities, the Group also includes the implementation cost of group-wide ERP system as a development costs.

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

### 4.1 Financial instruments

#### Accounting classifications and fair values

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

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

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

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

#### First half year 2024

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.06.2024</b>				
<b>Financial assets measured at fair value</b>				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		1,146	1,146	Level 2
<b>Financial assets not measured at fair value</b>				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		39,698		
Current financial assets		3,679		
Trade receivables and other current assets		182,995		
Contract assets		127,340		
Financial assets amortized at costs	5.2	6,933		
<b>Financial assets</b>		<b>361,791</b>	<b>1,146</b>	

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.06.2024</b>				
<b>Financial liabilities measured at fair value</b>				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		1,345	1,345	Level 2
<b>Financial liabilities not measured at fair value</b>				
<i>Financial liabilities at amortized cost</i>				
Borrowings	4.3	336,813		
<i>Other financial liabilities</i>				
Other non-current liabilities		1,629		
Trade payables and other current liabilities		221,613		
Provisions	5.1	19,401		
<b>Financial liabilities</b>		<b>580,801</b>	<b>1,345</b>	

#### 4.1 Financial instruments (continued)

First half year 2023

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.06.2023</b>				
<b>Financial assets measured at fair value</b>				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		7,727	7,727	Level 2
<b>Financial assets not measured at fair value</b>				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		43,074		
Current financial assets		2,926		
Trade receivables and other current assets		178,019		
<b>Financial assets</b>		<b>231,745</b>	<b>7,727</b>	

<i>Amounts in USD thousands</i>	<i>Note</i>	<b>Carrying amount</b>	<b>Financial instruments measured at fair value</b>	<b>Level in fair value hierarchy</b>
<b>30.06.2023</b>				
<b>Financial liabilities measured at fair value</b>				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		14,182	14,182	Level 2
<b>Financial liabilities not measured at fair value</b>				
<i>Financial liabilities at amortized cost</i>				
Borrowings	4.3	330,321		
<i>Other financial liabilities</i>				
Other non-current liabilities		6,815		
Trade payables and other current liabilities		227,127		
Provisions	5.1	17,846		
<b>Financial liabilities</b>		<b>596,291</b>	<b>14,182</b>	

#### 4.2 Finance income and finance expenses

	<b>Second quarter</b>		<b>First half year</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income on bank deposits measured at amortized cost	753	1,149	1,630	1,583
Interest income on finance lease receivables	12	-	27	-
Foreign exchange gain	6,437	3,918	7,864	6,538
Other finance income	743	-460	1,028	-164
<b>Finance income</b>	<b>7,945</b>	<b>4,607</b>	<b>10,549</b>	<b>7,957</b>
Interest expense on financial liabilities measured at amortized cost	-8,575	-9,493	-17,110	-19,203
Interest expense on lease liabilities	-556	-413	-1,095	-860
Foreign exchange loss	-6,237	-2,940	-9,178	-3,818
Other financial expenses <sup>1)</sup>	-960	-1,730	-1,486	-1,728
<b>Finance expenses</b>	<b>-16,327</b>	<b>-14,576</b>	<b>-28,869</b>	<b>-25,609</b>
<b>Net finance expenses recognized in profit and loss</b>	<b>-8,381</b>	<b>-9,969</b>	<b>-18,321</b>	<b>-17,651</b>



### 4.3 Borrowings

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

#### First half year 2024

<i>Amounts in USD thousands</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMMH02	USD	200,000	198,494		9.88%	Nov 2026	Fixed rate
Shareholder loan	USD	124,976	124,976		8.00%	Oct 2027	Fixed rate
Revolving credit facility 2023 <sup>1)</sup>	USD	13,000	12,278	3.75%		May 2026	SOFR + Margin
Credit line China	RBM	7,704	1,065			Jul 2024	China LPR - 0,4%
<b>Total borrowings</b>			<b>336,813</b>				

<b>Current borrowings</b>	13,343
<b>Non-current borrowings</b>	323,470
<b>Total borrowings</b>	<b>336,813</b>

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

#### Bonds

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

The Bond loan (ISIN code: NO0012428996) was refinanced on November 30, 2023. HMH Holding BV issued on November 30, 2023 a bond (ISIN code: NO0012428996) of USD 200 million with a 3-year tenor and a fixed coupon of 9.88 % per annum. The Group intends to list the bond on the Oslo Stock Exchange in Q3 2024. The terms and conditions include restrictions which are customary for these kinds of debt instruments, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions.

The existing bond was repaid at 104.71562% of the nominal amount (plus accrued and unpaid interest of the redeemed amount) on November 28, 2023.

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousands</i>	01.01.2024	Cash flows	Interest	Amortization	Capitalized borrowing costs	Currency translation	6/30/2024
Bond loan HMMH02	198,928	-2,469	2,469	736	-1,169	-	198,494
Shareholder loan <sup>2)</sup>	119,587	-	5,389	-	-	-	124,976
Revolving Credit Facilities	21,128	-9,000	-	149	-	-	12,278
Credit line China	984	-	-	-	-	81	1,065
<b>Total liabilities arising from financing activities</b>	<b>340,628</b>	<b>-11,469</b>	<b>7,857</b>	<b>885</b>	<b>-1,169</b>	<b>81</b>	<b>336,813</b>

<sup>2)</sup> As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, it was established a shareholder loans of USD 100 million to Akastor and Baker Hughes. The total amount of the shareholder loan is USD 100 million and capitalized interests and the Group expects that it will not be settled prior to external debt. Earliest maturity date is set to October 1, 2027. At establishment, the USD 20 million of the loan related to Akastor, and remaining USD 80 million was a loan from Baker Hughes to HMH.

#### First half year 2023

<i>Amounts in USD thousand</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMMH01	USD	150,000	148,364	7%		Feb 2025	LIBOR + Margin
Term loan Tranche A	USD	17,725	15,887	4%		Feb 2024	LIBOR + Margin
Term loan Tranche B	USD	5,908	5,296	5%		Feb 2024	LIBOR + Margin
Shareholder loan	USD	104,040	114,954		8%	Feb 2026	Fixed rate
Revolving credit facility (USD 80 million)	USD	45,000	45,821	4%		Feb 2024	LIBOR + Margin
<b>Total borrowings</b>		<b>322,673</b>	<b>330,321</b>				

<b>Current borrowings</b>	69,673
<b>Non-current borrowings</b>	260,648
<b>Total borrowings</b>	<b>330,321</b>

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

### 4.3 Borrowings (continued)

#### Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousands</i>	01.01.2023	Cash flows	Interest	Amortization	Capitalized borrowing costs	6/30/2023
Term loan facility	35,684	-15,556	-	1,054	-	21,182
Bond loan HMM01	147,858	-	-	506	-	148,364
Shareholder loan <sup>1)</sup>	110,266	-	4,688	-	-	114,954
Revolving Credit Facilities	8,035	37,000	786	-	-	45,821
<b>Total liabilities arising from financing activities</b>	<b>301,843</b>	<b>21,444</b>	<b>5,474</b>	<b>1,560</b>	<b>-</b>	<b>330,321</b>

<sup>1)</sup> As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, it was established a shareholder loans of USD 100 million to Akastor and Baker Hughes. The total amount of the shareholder loan is USD 100 million and capitalized interests and the Group expects that it will not be settled prior to external debt. Earliest maturity date is set to February 1, 2026. At establishment, USD 20 million of the loan relates to Akastor, and remaining USD 80 million is a loan from Baker Hughes to HMM.

## Section 5 - Other information

### 5.1 Provisions

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<i>Amounts in USD thousands</i>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>12/31/2023</b>
Provisions, current	18,384	16,489	17,829
Provisions, non-current	1,017	1,358	1,068
<b>Total provisions</b>	<b>19,401</b>	<b>17,846</b>	<b>18,897</b>

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

#### **Warranties**

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

#### **Restructuring**

The non-current provisions encompass a restructuring provision specific to MHWirth AS. The restructuring primarily pertains to substantial workforce decrease and reorganization within MHWirth, driven by the challenging rig market conditions. This provision incorporates unoccupied office premises subsequent to the decrease in workforce and is appraised based on the comprehensive restructuring plans for the affected businesses and locations. Due to more adverse market conditions, additional restructuring provision was provided in 2023. The decrease of the restructuring provision occurs on a monthly basis.

#### **Other provisions**

Provisions of USD 4 million in Hydril USA Distribution LLC relates to environmental reserve for estimated remediation costs for two plants. The remaining part of other provisions amounts to USD 2.5 million and is allocated among PCS entities. This mainly relates to concession reserves and liquidated damages reserves.

## 5.2 Related party transactions

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

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

### First half year 2024

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	GE Oil and Gas Pressure Control de Mexico S A de C V	Akastor AS	Aker BP	Other Baker-Hughes companies	Other Akastor companies	Tanjib Holding Company	Total
<b>Period January 1, 2024 - June 30, 2024</b>								
<b>Income statement</b>								
Revenue	-	-	2,394	43	102	-	-	<b>2,539</b>
Net financial items	-3,709	-	-815	-	-	-	-	<b>-4,524</b>
<b>Balance as of June 30, 2024</b>								
Trade receivables	-	136	-	-	127	-	89	<b>352</b>
Trade payables	-	-	-	-	9	12	92	<b>113</b>
Borrowings / shareholder loans	99,687	-	25,289	-	-	-	-	<b>124,976</b>
Indemnification asset <sup>2)</sup>	-	-	20,899	-	-	-	-	<b>20,899</b>
Non-current receivable related party <sup>1)</sup>	4,130	-	4,168	-	-	-	-	<b>8,298</b>
Liability to shareholders <sup>3)</sup>	514	-	8,341	-	-	-	-	<b>8,856</b>
Deferred consideration receivables <sup>4)</sup>	-	-	-	-	-	-	6,933	<b>6,933</b>

### First half year 2023

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	GE Drilling Services LLC	Gas Pressure Control Middle East	GEO Oil and Gas Australia Pty Ltd	Akastor AS	Aker Solution AS	AKOFS JV	Other Baker-Hughes companies	Other Akastor companies	Total
<b>Period January 1, 2023 - June 30, 2023</b>										
<b>Income statement</b>										
Revenue	-	-	-	131	-41	-	4,222	166	232	<b>4,711</b>
Operation expenses	-	-	-	-	-	-	-	-	-	<b>-</b>
Depreciation and impairment (ROU assets)	-	-	-	-	-	-	-	-	-	<b>-</b>
Net financial items	-2,982	-	-	-	-608	-	-	-36	-619	<b>-4,245</b>
<b>Balance as of June 30, 2023</b>										
Interest-bearing receivables	-	-	-	-	18,928	-	-	-	-	<b>18,928</b>
Trade receivables	-	1,053	1,301	-	-	319	-	511	-319	<b>2,866</b>
Trade payables	-	-	-	-	-	-	-	285	-	<b>285</b>
Lease liability related party	-	-	-	-	-	1,518	-	-	-	<b>1,518</b>
Borrowings / shareholder loans	91,975	-	-	-	22,979	-	-	-	-	<b>114,954</b>
Indemnification asset <sup>2)</sup>	-	-	-	-	22,821	-	-	-	-	<b>22,821</b>
Non-current receivable related party <sup>1)</sup>	3,454	-	-	-	3,486	-	-	-	-	<b>6,940</b>
Liability to shareholders <sup>3)</sup>	666	-	-	-	8,747	-	-	-	-	<b>9,413</b>

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

<sup>2)</sup> As part of the agreement between Akastor and Baker Hughes at the time of the formation of the Group, Akastor is responsible for all pension liabilities accrued and unsettled pension liabilities pre October 1, 2021. HMH have booked a receivable in HMH Holding B.V. towards Akastor for their part of the total pension liability of USD 19.4 million as a non-current assets and USD 1.5 million as a current assets as of June 30, 2024. (2023: USD 21.3 million as a non-current assets and USD 1.5 million as a current assets.)

<sup>3)</sup> Contingent considerations related to its owners. HMH have booked a USD 8 139 thousands as an other non-current liabilities and USD 0.717 million as an other payables as of June 30, 2024 (2023: USD 9.413 million as an other non-current liabilities). See note 5.4 in this interim condensed report for details .

<sup>4)</sup> Deferred consideration related to subsidiary in Saudi Arabia. HMH have booked a total current assets of USD 2.179 million and non-current assets of USD 4.754 million as of June 30, 2024. See note 5.5 in this interim condensed report for details.

### Related party transactions

#### Akastor

- Akastor has provided a shareholder loan to HMH of total USD 20 million in 2021. This is a long-term loan provided to finance the Groups operating and finance activities. The closing balance includes the initial loan amount and the capitalized interest, see Note 4.3 for details.
- As part of the merger, Akastor is responsible for the pension liability from before the merger. Hence, HMH has a receivable of USD 19.4 million receivable towards Akastor.

#### Baker Hughes

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

### 5.3 Income tax

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The Company's effective tax rates for the three and six months ended June 30, 2024 and 2023 were negatively impacted by the changes in valuation allowance related to losses in certain jurisdictions for which the Company cannot currently recognize a tax benefit. The effective tax rates were also impacted by the Group's US income and losses which are taxed to Baker Hughes and Akastor, certain withholding taxes, as well as differences in tax rates in the jurisdictions in which we operate. The effective tax rates for the periods ending June 30, 2024 and 2023 were also impacted by these same items.

### 5.4 Commitments and contingencies

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Our contingent consideration as of June 30, 2024 include approximately USD 8.8 million associated with our deferred tax assets that were acquired as part of the formation of HMH and is payable to our shareholders upon utilization. Commitments and contingencies are liabilities recorded on the balance sheet.

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

### 5.5 Other equity

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<i>Amounts in USD thousands</i>	Share-based payment	Non-controlling interests	Total
<b>Balance as of December 31, 2022</b>	-	-	-
<b>Balance as of June 30, 2023</b>	-	-	-
<b>Balance as of December 31, 2023</b>	9,967	-	9,967
Share-based payments	3,360	-	3,360
Sale ownership interest in Hydril Arabia	-	8,891	8,891
<b>Balance as of June 30, 2024</b>	<b>13,327</b>	<b>8,891</b>	<b>22,218</b>

#### **Sale ownership interest in Hydril Arabia**

During 1st quarter 2024, HMH announced that it entered into a partnership with Tanajib Holding Company in Saudi Arabia. Tanajib has a strong and lengthy legacy in Saudi Arabia and in the greater Middle East region, providing drilling and maintenance solutions as well as manufacturing and process optimization services. Under the agreement Tanajib will own 30 % of non-controlling interest in Hydril Pressure Controlling Arabia Limited. In Q1 2024, the Group has recognized deferred consideration receivable of USD 6,9 million as part of the sale price of 30% shares in Hydril Pressure Controlling Arabia Limited.

### 5.6 Subsequent events

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On 17 July 2024, HMH Holdings B.V. completed the acquisition of Drillform Technical Services Ltd., a Calgary, Canada-based company with facilities in the USA and UAE. Drillform is recognized for its portfolio of patents and intellectual property in automated drilling equipment, significantly enhancing HMH's onshore capabilities.

On 13 August 2024, HMH Holding B.V. announced that its subsidiary, HMH Holding Inc., has publicly filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission (the "SEC") relating to a proposed initial public offering of HMH Holding Inc.'s Class A common stock. The offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed. The number of shares to be offered and the price range for the offering have not yet been determined.

No other subsequent events which require adjustments in the interim condensed consolidated financial statements or to be disclosed are noted as of the signing date of the interim condensed financial statements.

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

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

The Group uses adjusted EBITDA as an APM.

### **Adjusted EBITDA**

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

### **Non-recurring items**

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