

## Attachment to stock exchange notice dated 7 June 2019

### Appendix

This appendix forms part of the stock exchange announcement of 7 June 2019 and is prepared in accordance with the requirements of Oslo Stock Exchange Continuing Obligations section 3.4.

### Description of Bronco

Bronco was established in 1980 and designs, manufactures, and supplies replacement parts for oil and gas drilling rigs worldwide. It offers a broad product portfolio including hooks, blocks, swivels, rotary tables, brake systems, draw works, mud pumps, mobile rigs, and pipe handlers. Its core business focuses on repair and replacement parts for workover and drilling rigs both for the offshore and onshore E&P market. The company has a team of 41 employees focusing on supporting customers operating rig equipment in the oil and gas producing regions of the world, including the Norwegian Continental Shelf. Max Mantooth, CEO and co-founder of Bronco, will continue as president of Bronco reporting to Eirik Bergsvik, CEO of MHWirth.

The company has manufacturing facilities and offices in Tulsa, Oklahoma and Houston, Texas, with its headquarters in Tulsa.

### Description of MHWirth

MHWirth is a leading provider of oil and gas drilling equipment and solutions throughout the world. The portfolio company has employees and operations around the world designing, manufacturing and servicing oil and gas drilling equipment. MHWirth Inc., located in Houston, Texas, is a wholly owned subsidiary of MHWirth AS, located in Kristiansand, Norway.

### The Transaction

The Transaction entails the purchase of 100% ownership interests of Bronco, a wholly owned subsidiary of Bronco Holdings LLC, for a total consideration of USD 31.5 million on a cash-free, debt-free basis. Bronco will operate as a division of MHWirth.

A purchase agreement has been entered into between MHWirth and Bronco Holdings LLC on market terms, including customary representations and warranties which are secured under a warranty and indemnity insurance policy. The Transaction agreements are based on the following main terms:

- **Ownership:** MHWirth, through MHWirth Inc., will hold 100% ownership interests of Bronco.
- **Insurance:** MHWirth has purchased a Representation and Warranty insurance for this Transaction.
- **Financing/Debt:** Akastor has drawn on its credit facility to finance the transaction.

Closing of the Transaction was performed jointly with the signing and release of the Transaction agreements.

## Strategic effects of the Transaction

Bronco provides MHWirth with an established worldwide provider of repair and replacement parts for workover and drilling rigs, with an onshore market presence. Bronco has a scalable production with a broad product portfolio which will not only contribute in MHWirth's service offering but also provide an in-house parts manufacturer in the US that helps avoid capacity constraints in production of service/replacement parts. Combined with Bronco's strong and long-standing customer relationships, this will better position MHWirth to grow organically and help MHWirth in seeking strategic opportunities in the onshore drilling market. Lastly, the Transaction provides MHWirth with a stronger presence in the US, which is an important part of MHWirth's growth strategy.

## Key financials

(\$US in millions)	Q1 2019	Q1 2018	2016	2017	2018
Revenue	\$7.0	\$5.7	\$20.3	\$18.9	\$23.4
EBITDA	1.2	0.8	2.9	2.2	3.6
EBITDA Margin %	16%	15%	14%	12%	15%
EBIT	1.0	0.7	2.1	1.6	3.0

*\*NB: EBITDA and EBIT figures are adjusted for non-recurring expenses.*