

# Halliburton Denmark ApS

D Lauritzens Vej 14  
DK-6700 Esbjerg

CVR no. 19 60 60 74

## Annual report 2021

The annual report was presented and approved at  
the Company's annual general meeting on

8 July 2022 DocuSigned by:  
  
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Chairman of the annual general meeting

**Halliburton Denmark ApS**  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Halliburton Denmark ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.


Esbjerg 8 July 2022  
Executive Board:

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Torben Lass Johansen

Board of Directors:

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Christopher Albert Birnie  
Chairman

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Steven Charles Nowe

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Torben Lass Johansen



## Independent auditor's report

### To the shareholder of Halliburton Denmark ApS

#### Opinion

We have audited the financial statements of Halliburton Denmark ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also



## Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 8 July 2022

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant  
mne34459

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## Management's review

### Company details

Halliburton Denmark ApS  
D Lauritzens Vej 14  
6700 Esbjerg  
Denmark

Telephone: +45 79 14 54 00  
Fax: +45 79 14 54 10  
Website: Halliburton.com

CVR no.: 19 60 60 74  
Financial year: 1 January – 31 December

### Board of Directors

Christopher Albert Birnie, Chairman  
Steven Charles Nowe  
Torben Lass Johansen

### Executive Board

Torben Lass Johansen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
8000 Aarhus  
Denmark  
CVR no. 25 57 81 98

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## Management's review

### Financial highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Gross profit/loss	32,608	-47,330	10,677	-24,319	-28,283
Operating profit/loss	14,843	-69,314	-22,360	-56,078	42,568
Profit/loss from financial income and expenses	-4,768	-1,097	-9,305	11,070	4,148
Profit/loss for the year	16,697	-52,594	-20,655	-61,037	-20,853
Fixed assets	33,165	32,519	163,309	100,518	55,721
Current assets	57,274	85,439	86,886	63,179	35,470
Total assets	90,439	117,958	250,195	163,697	91,191
Equity	-6,477	-23,174	29,417	-50,067	10,970
Current liabilities other than provisions	91,613	133,924	167,761	213,152	77,391
Investment in property, plant and equipment	40,834	107,157	57,704	104,349	31,649
<b>Ratios</b>					
Current ratio	63.01%	61.25%	51.18%	29.64%	45.83%
Solvency ratio	-7.16%	-19.65%	11.76%	-30.59%	12.02%
Average number of full-time employees	40	53	81	44	34

The financial ratios have been calculated as follows:

The entity implemented IFRS16 in 2019, with effect from that year only. The comparative figures for 2015 – 2018 have not been restated. The comparative figures for these years have been stated in accordance with IAS 17.

Current ratio

$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$



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## Management's review

### Operating review

#### Principal activities

Halliburton Denmark ApS' principal activities comprise establishment and stimulation of oil and gas wells in the Danish North Sea sector.

#### Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 16,697 thousand as against a loss of DKK 52,594 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at a negative of DKK 6,477 thousand as against a negative of DKK 23,174 at 31 December 2020.

Operating results are lower than expected as a result of declining customer activity due to the COVID-19 pandemic.

#### Investments

No major investments were made in 2021 other than investments related to intra-group transfers of production equipment.

#### Capital resources

The solvency ratio of the Company accounted for a negative of 7.16% (2020: a negative of 19.65%). Contributed capital has been re-established in 2022 by a capital injection from Halliburton Company, GmbH at DKK 40 million.

The Parent Company has confirmed not to require the repayment of any outstanding account within a 12-month period unless other creditors have been paid.

The Company lost its share capital in 2020 and was therefore covered by section 119 of the Danish Companies Act regarding loss of capital, stating that when Management becomes aware that the Company has lost more 50% of its share capital, they need to discuss this issue at an annual General Meeting and pass a resolution on how to reestablish the share capital. This equity was reestablished by a capital injection in January 2022, noted as a significant subsequent event in the 2021 financial statements.

#### Outlook

The main activities of Halliburton Denmark ApS include the construction and production of oil and gas wells in the Danish North Sea sector.

Although the sales expectations for 2021 were not met due to the COVID-19 pandemic and the resulting decline in customer activity, Halliburton Denmark ApS still achieved a profit of DKK 16,697 thousand.

In order to adapt to the situation, continuous cost reduction efforts are being made, with the restructuring measures being completed in 2021.

2022 sales are expected to account for DKK 141,301 thousand and profit to represent DKK 20,394 thousand. To date, sales of DKK 78,662 thousand have been generated, representing a profit of DKK 16,752 thousand, so forecast figures will presumably also be achieved.

A significant improvement in sales is not to be expected in the short term. The Halliburton Tender Support Group has submitted bids totaling DKK 78,662 thousand to customers EnergiNet, TOTAL and INEOS. The decision of the customers is still pending. However, 2022 results can still be positively affected by winning one or more of the bids submitted.

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## **Management's review**

### **Operating review**

We are currently assuming that a significant increase in activities can be expected in the long term. It is expected that the impact of the COVID-19 pandemic in general, but in particular the impact on customer activities, will continue to decrease and increase again. It can also be assumed that the reorientation of energy supply in Europe as a result of the war in Ukraine will mean that natural gas and oil production in Western Europe will be profitable again, and this will lead to increased drilling activities.

### **Environmental matters**

Our objective is that the Company should not have any negative impact on the environment. This is embodied in the Company's HSE policy.

Chemicals are used in production, which can be hazardous to the environment if not handled properly. Necessary safety precautions have been taken, and the Company has an ongoing dialogue with local environmental authorities. Any incidents are immediately reported and followed up on.

### **Research and development activities**

The Company does not have its own research and development activity. Such activities are handled by other companies in the organisation.

### **Intellectual capital**

Competent and trained employees are crucial to the Company's operations. Employees therefore attend relevant training programs (instructor led and / or online) and are supported by group functions.

### **Events after the balance sheet date**

No events have occurred from the balance sheet date that will change the assessment of the financial statements, though refer to section "Capital resources".

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## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2021	2020
<b>Gross profit/loss</b>	2	32,608	-47,330
Distribution costs	3	-4,159	-3,986
Administrative expenses	3	<u>-13,606</u>	<u>-17,998</u>
<b>Operating profit/loss</b>		14,843	-69,314
Other operating income	4	<u>10,430</u>	<u>17,874</u>
<b>Profit/loss before financial income and expenses</b>		25,273	-51,440
Other financial expenses	5	<u>-4,768</u>	<u>-1,097</u>
<b>Profit/loss before tax</b>		20,505	-52,537
Tax on profit/loss for the year	6	<u>-3,808</u>	<u>-57</u>
<b>Profit/loss for the year</b>		<u><u>16,697</u></u>	<u><u>-52,594</u></u>

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## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	8		
Land and buildings		7,311	7,024
Property, plant and equipment under construction		177	3
Plant and machinery		25,238	24,882
Fixtures and fittings, tools and equipment		54	157
		<u>32,780</u>	<u>32,066</u>
<b>Investments</b>	9		
Deposits		385	453
<b>Total fixed assets</b>		<u>33,165</u>	<u>32,519</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		3,703	3,127
<b>Receivables</b>			
Trade receivables		18,335	40,311
Receivables from group entities		34,465	41,414
Other receivables		309	175
Prepayments	10	462	412
		<u>53,571</u>	<u>82,312</u>
<b>Total current assets</b>		<u>57,274</u>	<u>85,439</u>
<b>TOTAL ASSETS</b>		<u>90,439</u>	<u>117,958</u>

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### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	11	1,000	1,000
Retained earnings		<u>-7,477</u>	<u>-24,174</u>
<b>Total equity</b>		<u>-6,477</u>	<u>-23,174</u>
<b>Provisions</b>			
Other provisions	12	<u>0</u>	<u>1,645</u>
<b>Total provisions</b>		<u>0</u>	<u>1,645</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	13	<u>5,303</u>	<u>5,563</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities	13	897	3,184
Banks, current liabilities		0	1,446
Trade payables		9,158	16,531
Payables to group entities		72,480	102,024
Other payables		<u>9,078</u>	<u>10,739</u>
		<u>91,613</u>	<u>133,924</u>
<b>Total liabilities other than provisions</b>		<u>96,916</u>	<u>139,487</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>90,439</u>	<u>117,958</u>
<b>Contractual obligations, contingencies, etc.</b>	14		
<b>Related party disclosures</b>	15		
<b>Disclosure of events after the balance sheet date</b>	16		

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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	1,000	-24,174	-23,174
Transferred over the distribution of loss	<u>0</u>	<u>16,697</u>	<u>16,697</u>
<b>Equity at 31 December 2021</b>	<u><u>1,000</u></u>	<u><u>-7,477</u></u>	<u><u>-6,477</u></u>

#### Capital loss

The Company lost its share capital in 2020 and was therefore covered by section 119 of the Danish Companies Act regarding loss of capital, stating that when Management becomes aware that the Company has lost more 50% of its share capital, they need to discuss this issue at an annual General Meeting and pass a resolution on how to reestablish the share capital. This equity was reestablished by a capital injection in January 2022, noted as a significant subsequent event in the 2021 financial statements.

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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Halliburton Denmark ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Halliburton Company GmbH, Germany.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Income from the sale of goods, comprising the sale of goods for resale, finished goods and services to the offshore industry, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

The Company has chosen to rely on IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognising revenue

IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognise revenue so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services.

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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#### 1 Accounting policies (continued)

##### Production costs

Production costs comprise costs incurred in generating revenue for the year. Such costs include direct and indirect costs of raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Distribution costs

Costs incurred in distributing goods sold and in conducting sales campaigns as well as travelling expenses, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff are recognised as distribution costs.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises and office expenses and depreciation.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to profit/loss for the year is recognised in the income statement, and the tax expense relating to equity is recognised directly in equity.

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish tax subjects. The subjects are included in the joint taxation from the date on which they are included in the consolidated financial statements at group level and up to the date when they are excluded from the consolidation.

The Company is the administrative company under the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.



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#### 1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable profit.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Land and buildings	25 - 40 years
Plant and machinery	3 -15 years
Fixture and fittings, tools and equipment	3 -12 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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#### 1 Accounting policies (continued)

##### Leased assets and lease liabilities

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

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## Financial statements 1 January – 31 December

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#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flow from the use of the asset or the group of assets including expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Inventories

Inventories are measured at weighted average cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### Equity

###### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Provisions

Provisions comprise anticipated costs of restoration. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

When it is probable that total costs will exceed total income from a construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

##### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

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#### 2 Special items

Special items comprise significant income and costs of a special nature in relation to the Company's usual income-generating operating activities. This includes restructuring costs, write-down of current assets exceeding usual write-down and write-down of other fixed assets following COVID-19 and income from the COVID-19 government aid packages.

As accounted for in the Management's review, results for the year, were among other things, affected by COVID-19. Furthermore, the Company applied for and received compensation under the government aid packages in 2020, including temporary compensation for fixed cost.

Specification of special items, including the line items in which they are recognised in the income statement:

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>Gross profit</b>		
Impairment of fixed assets	0	50,880
<b>Other operating income</b>		
Compensation under government aid packages	0	2,952

#### 3 Staff costs

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Wages and salaries	35,146	45,062
Pensions	2,600	3,466
Other staff costs	<u>943</u>	<u>513</u>
	<u>38,689</u>	<u>49,041</u>

**Wages and salaries, pensions and other social security costs are recognised as follows:**

Production costs	34,704	45,258
Distribution costs	1,818	1,940
Administrative expenses	<u>2,167</u>	<u>1,843</u>
	<u>38,689</u>	<u>49,041</u>

Average number of full-time employees	<u>40</u>	<u>53</u>
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According to Section 98 b of the Danish Financial Statements Act, remuneration etc., of the Board of Directors has not been disclosed. The Board of Directors does not receive any remuneration.

#### 4 Other operating income

Other operating income for 2021 is represented by gains on disposal of fixed assets amounting to DKK 10,430 thousand.

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DKK'000	2021	2020			
<b>5 Financial expenses</b>					
Interest expense to group entities	84	142			
Other financial costs	1,998	6,528			
Exchange losses	<u>2,686</u>	<u>-5,573</u>			
	<u>4,768</u>	<u>1,097</u>			
<b>6 Tax on profit/loss for the year</b>					
Adjustment of tax concerning previous years	<u>3,808</u>	<u>57</u>			
	<u>3,808</u>	<u>57</u>			
<b>7 Proposed profit appropriation/distribution of loss</b>					
Retained earnings	<u>16,697</u>	<u>-52,594</u>			
<b>8 Property, plant and equipment</b>					
DKK'000	Land and buildings	Property, plant and equipment under construction	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	22,647	3	126,944	3,616	153,210
Additions for the year	899	174	39,698	63	40,834
Disposals for the year	<u>-1,121</u>	<u>0</u>	<u>-59,971</u>	<u>-420</u>	<u>-61,512</u>
Cost at 31 December 2021	<u>22,425</u>	<u>177</u>	<u>106,671</u>	<u>3,259</u>	<u>132,532</u>
Depreciation and impairment losses at 1 January 2021	-15,623	0	-102,062	-3,459	-121,144
Depreciation for the year	-717	0	-16,545	-166	-17,428
Reversed depreciation and impairment losses on assets sold	<u>1,226</u>	<u>0</u>	<u>37,174</u>	<u>420</u>	<u>38,820</u>
Depreciation and impairment losses at 31 December 2021	<u>-15,114</u>	<u>0</u>	<u>-81,433</u>	<u>-3,205</u>	<u>-99,752</u>
<b>Carrying amount at 31 December 2021</b>	<u>7,311</u>	<u>177</u>	<u>25,238</u>	<u>54</u>	<u>32,780</u>

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DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Depreciation and impairment losses can be specified as follows:		
Production costs	<u>17,428</u>	<u>71,142</u>

### 9 Investments

DKK'000	<u>Deposits</u>
Cost at 1 January 2021	453
Disposals for the year	<u>-68</u>
Cost at 31 December 2021	<u>385</u>
<b>Carrying amount at 31 December 2021</b>	<u><b>385</b></u>

### 10 Prepayments

Prepaid include prepaid expenses such as insurance, IT expenses, rentals, etc.

### 11 Equity

Contributed capital consists of 10,000 shares of DKK 100 each. All shares carry the same voting rights.

### 12 Provisions

Provisions consists of reserve for asset retirement obligation.

### 13 Non-current liabilities other than provisions

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Liabilities other than provisions can be specified as follows:		
0-1 years	897	3,184
1-5 years	2,379	1,257
>5 years	<u>2,924</u>	<u>4,306</u>
	<u>6,200</u>	<u>8,747</u>

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#### 14 Contractual obligations, contingencies, etc.

##### Contingent liabilities

Halliburton Denmark ApS is jointly taxed with the Danish activities of Halliburton Manufacturing and Services Limited and Halliburton AS Norge. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability.

The Company has a tax contingency related to an ongoing transfer pricing case with Danish tax authorities, with a ruling expected in 2023. This ongoing case represents a potential tax charge of DKK 34,294,064 to the Company related to corporate taxes. The Company has appealed on the basis that the position taken in the tax return is correct, which is supported by external legal opinion.

Associated with the ongoing case is accrued interest charges of DKK 10,391,037 at 31 December 2021. The Company will not have to pay these interest expenses should the appeal be successful.

#### 15 Related party disclosures

Halliburton Denmark ApS' related parties comprise the following:

##### Control

Halliburton Company Germany GmbH, Hens Heinrich Warnke Str 12, Germany.

Halliburton Company Germany GmbH holds the majority of the contributed capital in the Company.

Halliburton Denmark ApS is part of the consolidated financial statements of Halliburton Company, Houston, USA, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements are available on the Company's website, [www.halliburton.com](http://www.halliburton.com).

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

#### 16 Disclosure of events after the balance sheet date

A capital increase of DKK 40,000 thousand was enacted in January 2022 through the issue of an additional 240 shares at a nominal value of DKK 100 each.