

**National Oilwell Varco Denmark
I/S**

**Prioparken 480
2605 Brøndby**

CVR no. 24 25 52 98

**Annual report for the period
1 January to 31 December 2022**

Adopted at the annual general
meeting on 15 June 2023



Alexandra Salgado Besse
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Financial highlights	6
Management's review	7
Financial statements	
Income statement 1 January - 31 December	17
Balance sheet 31 December	18
Statement of changes in equity	20
Accounting policies	21
Notes	21

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of National Oilwell Varco Denmark I/S for the financial year 1 January - 31 December 2022.

The annual report is 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 financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Brøndby, 15 June 2023

Executive board



Alexandra Salgado Besse
President, Subsea Production
System



Martha Maria Smorenborg de
Haas
Finance Director



Michael Halberg
VP Operations

Supervisory board



Trevor Brian Martin
Chairman



Christopher Paul O'Neil
Deputy chairman

Independent auditor's report

To the shareholder of National Oilwell Varco Denmark I/S

Opinion

We have audited the financial statements of National Oilwell Varco Denmark I/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 as management determines is necessary to enable the preparation of the 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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:

- Identify and assess the risks of material misstatement of the 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.

Independent auditor's report

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.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 15 June 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 20 28



Hans B. Vistisen
state authorised public accountant
MNE no. 23254



Mads Obel Knøsgaard
state authorised public accountant
MNE no. 49041

Company details

The company

National Oilwell Varco Denmark I/S
Prioparken 480
2605 Brøndby

Telephone: +45 4349 3000

Website: www.nov.com/flexibles

CVR no.: 24 25 52 98

Reporting period: 1 January - 31 December 2022

Incorporated: 1 July 1999

Domicile: Brøndby

Supervisory board

Trevor Brian Martin, chairman
Christopher Paul O'Neal, deputy chairman

Executive board

Alexandra Salgado Besse
Martha Maria Smorenborg de Haas
Michael Halberg

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Bankers

DNB Bank AS

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2022	2021	2020	2019	2018
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	1.360	1.120	1.246	1.146	1.057
Profit/loss before amortisation/depreciation and impairment losses	50	-146	-67	-97	121
Profit/loss before net financials	1	-188	-417	-190	21
Net financials	669	23	19	36	37
Profit/loss for the year	670	-165	-398	-154	58
Balance sheet					
Non-current assets	1.045	1.885	1.900	2.324	2.477
Current assets	693	595	779	700	1.021
Investment in property, plant and equipment	225	218	203	482	514
Investments in intangible assets	61	79	76	90	99
Balance sheet total	1.738	2.481	2.679	3.024	3.484
Equity	1.147	1.967	2.133	2.552	3.220
Short-term liabilities other than provision	539	470	546	472	265
Financial ratios					
EBIT margin	0,0%	-16,8%	-33,5%	-16,6%	2,0%
ROIC	11,6%	-8,6%	-1,4%	-5,8%	0,6%
Gross margin	39,7%	27,4%	31,8%	43,5%	47,1%
Current ratio	128,4%	126,5%	154,1%	153,1%	385,3%
Equity ratio	66,0%	79,3%	79,6%	84,4%	92,4%
Return on equity	43,0%	-8,0%	-17,0%	-5,3%	1,8%
Average number of employees	693	694	693	694	594

For terms and definitions, please see the section on Accounting Policies.

Management's review

Business review

National Oilwell Varco Denmark I/S engineers, manufactures and delivers flexible pipe systems for the purpose of recovering hydrocarbon oil and gas from offshore fields as well as solutions for the purpose of transporting chemicals and water to in-shore installations based on the use of flexible pipe products. The company is ultimately owned by NOV Inc.

The existing product range consists of flexible pipe solutions ranging from 2” – 16” (approx. 50 – 406 mm inside diameter) and designed to operate under very demanding offshore conditions in all parts of the world. The products are unique, because they remain flexible even under very high working pressure, up to 1,000 bars, and at the same time they are able to withstand working temperatures up to 130 Celsius. Flexible pipe systems are superior to other pipe solutions in respect of flexibility, ability to withstand different design conditions and capability to convey challenging mixtures of liquid and gaseous fluids.

Today, flexible pipe systems are used to recover oil and gas at water depths down to 2,500 meters, and National Oilwell Varco Denmark I/S' products are qualified for use in these water depths.

National Oilwell Varco Denmark I/S also offers a unique condition monitoring solution for its flexible pipe systems based on the use of optical fibers embedded in the pipes' steel armor wires.

Apart from the flexible pipe products manufactured at the Kalundborg factory, National Oilwell Varco Denmark I/S also supplies a wide range of additional equipment to the market, such as accessories and steel structures required in a given system configuration. The ability to correctly design and to procure such elements is an important part of being a solution provider to the offshore oil and gas market.

By the end of December 2022 National Oilwell Varco Denmark I/S counted approx. 710 employees. 50% of the employees work at the Danish factory primarily concerned with the production of flexible pipe products. The remaining 50% of the employees work in the headquarters in Denmark and are engaged in research and development, project management, engineering work, general management and administration. In addition, National Oilwell Varco Denmark I/S has a small department in Aalborg primarily focused on research and development.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Management's review

Unusual matters

On February 2, 2022 the Company sold its shares in NOV Flexibles Holding ApS with a profit of 488 million DKK.

Other than the event mentioned above, the Company's financial position at 31. December 2022 and the results of its operation for the financial year ended 31. December 2022 are not affected by unusual matters.

Financial review

The company's income statement for the year ended 31 December 2022 shows a net profit of 669.9 million DKK, and the balance sheet at 31. December 2022 shows an equity of 1,147.4 million DKK.

In 2022, National Oilwell Varco Denmark I/S realized revenue of 1,360 million DKK compared to revenue of 1,119 million DKK in 2021, equivalent to a increase of 21.5%.

The profit for the year before amortization and depreciation amounts to 50,2 million DKK compared to a loss of 146 million DKK in 2021.

The net profit for 2022 amounts to 669.9 million DKK compared to a net loss of 165 million DKK in 2021.

The net profit for 2022 has been affected by the non-recurrent event of the sale of its shares in NOV Flexibles Holding ApS, which generated a profit of 488 million DKK. Additionally the Company has distributed extraordinary dividends for 1,123 million DKK which were paid out by offsetting intercompany receivables, which has lowered the balance sheet total.

The revenue for 2022 was 2.6% above the expectations compared to the highest part of the expected range, and EBITDA was 243% above expectations compared to the highest part of the expected range. The earnings were positively impacted by certain events such as: 1) bad-debt release due to customer resuming long overdue payments, 2) non-refundable payment from a customer to secure a production slot. This additional income is in line with a growing market demand resulting in an increased willingness from our customers to accelerate payments. Further, we saw higher reel rental revenue than expected, as well as strong execution of projects resulting in margin improvements. In relation to what had been forecasted, Management considers 2022 EBITDA result to be satisfactory.

The company has launched new initiatives to improve the profitability in the future. Management believes these will materialize in the coming years and help the company improve its profits.

Management's review

Project related risks

On a current basis the company evaluates the need for provisions for technical risks on the individual projects.

Customer contracts typically contain a late-delivery clause enabling day fines of up to 10% of the contract value. If the production schedules indicate delays, the need to make provision is evaluated on a case-by-case basis.

Contracts entered into by the company typically include a provision that the company will be indemnified for consequential losses caused by the use of the company's products.

In the event of a breach of the contract obligations, the overall and cumulative liability of the company is normally limited to the contract amount or lower.

Currency related risks

Activities abroad result in earnings and equity to be affected by exchange rate and interest rate developments for a number of currencies. According to the company's policy the company may hedge commercial currency risks. Hedging takes place primarily through forward exchange hedge to hedge expected sales and purchases. The company does not engage in speculative currency positions.

Management's review

Business related risks

National Oilwell Varco Denmark I/S is dependent upon the level of activity in the oil and gas industry, which is volatile and has caused, and may cause future fluctuations in our operating results.

The oil and gas industry historically has experienced significant volatility. The demand for National Oilwell Varco Denmark I/S products is dependent on the number of oil rigs in operation, the number of oil wells being drilled, and the debt ratio, and drilling characteristics/conditions of these wells' reservoirs. The last of which ultimately drives the operating companies' decision to not only produce but how the field will be produced, driving subsea infrastructure and architecture decisions.

The willingness of the oil operators to make capital expenditures to explore for and produce oil and the willingness of oilfield service companies to invest in capital equipment will continue to be influenced by numerous factors over which we have no control, the two most critical are capex spend (discipline) and one of these factors are the volatility of the oil prices. Expectations for future oil prices may will cause shifts in the strategies and expenditure levels of oil companies, drilling contractors, service companies, and subsea equipment companies. Particularly with respect to decisions when and how to purchase major capital equipment of the type National Oilwell Varco Denmark I/S manufactures. Oil prices, which are determined by the marketplace, may remain below a range that is acceptable to certain of our customers, which could continue the reduced demand for our products and have a material adverse effect on our financial condition, results of operations and cash flows. Consequently, sustained higher commodity pricing could enable a growth period that has a positive effect on these same business drivers.

Expected development of the company, including specific prerequisites and uncertainties

Since the steep decline in oil prices during 2020 Q1, oil commodities pricing has been steadily rising, with a peak mid 2022 (related to the war in Ukraine) and now trailing at fairly stable level. We have seen gradually normalizing supply chains, yet we still see longer lead times than historically seen, resulting in higher inventory levels.

The outlook for 2023 is to see a continued strong demand and increasing pricing levels, due to both higher costs of materials, as well as higher margins. Based on the visibility of projects, revenue is expected to increase and end 2023 in the range from 1,400 million DKK to 1,500 million DKK.

Management expects a profit before financial items, depreciation, and amortization (EBITDA) to be recorded in 2023 in the range from 30 million DKK to 60 million DKK. 2023 is still carrying some low margin projects, but this effect is offset by an increase in royalties.

Management's review

The Company's knowledge resources are of particular importance to its future earnings

It is imperative for National Oilwell Varco Denmark I/S' continued development to attract and maintain highly skilled and specialized employees, including engineers possessing knowledge within the offshore business.

R&D activities are focused on value creating activities meeting the existing or expected future demands in the market. The R&D strategy is organized in line with the corporate strategy as follows:

Corporate social responsibilities

Corporate social responsibility is an integrated part of the NOV group's strategy. The group will always focus on acting responsibly in terms of clients, employees, business partners as well as surroundings and environment.

Description of the company's business model

National Oilwell Varco Denmark I/S engineers, manufactures and delivers flexible pipe systems for the purpose of recovering hydrocarbon oil and gas from offshore fields as well as solutions for the purpose of transporting chemicals and water to in-shore installations based on the use of flexible pipe products. We have businesses world-wide and in almost all continents.

Management's review

Description of the company's corporate social responsibility policies

Policies on the environment

Description of the company's corporate social responsibility standards, guidelines and principles:

National Oilwell Varco Denmark I/S is dedicated to being environmentally responsible and compliant with all applicable environmental laws and regulations in the countries where we operate. Our corporate Environmental Group is committed to serving NOV by identifying and eliminating environmental liabilities, reducing energy consumption, spending, and maintaining compliance with environmental regulations worldwide.

As a large manufacturing company, we recognize the potential risks associated with our manufacturing activities and testing procedures. At National Oilwell Varco Denmark I/S, we are committed to minimizing any unintentional negative impact on the environment and identifying opportunities for positive environmental impact. We focus on optimizing our energy use, procedures, and recycling practices and operate in compliance with legal requirements and ISO standard certifications such as 14001 – Environmental Management System and ISO 50001 – Energy Management System. We have, throughout the year, regularly reviewed and updated these policies to ensure that they align with the latest industry best practices.

In the financial year 2022 we saved 264,412 kWh on our identified SEU Heating, reducing the temperature in the production facilities and office areas reaching the target for 2022 of 1% reduction. For the next 3 years the goal has been established as an additional 1% reduction per year. Specifically for 2023 the goal for saving on identified SEU Heating is 118,344 kWh. This is supported with the HSE and Sustainability department's work on establishing carbon footprint and implementing circular economy in value chain

Management's review

Policies on social conditions and labour practices

Description of the company's corporate social responsibility standards, guidelines and principles:

At National Oilwell Varco Denmark I/S, we take corporate social responsibility seriously. As a manufacturing company, we recognize that one of the most material risks we face is related to the health and safety of our employees. That is why we are committed to providing safe and healthy working conditions for all our employees, contractors, customers, and vendors. Our goal is to achieve zero serious injuries and work-related illnesses, both physical and mental.

To ensure that we are meeting this commitment, we have established rigorous standards, guidelines, and principles for workplace health and safety, such as ISO 45001 Working Environment Management System. We regularly review and update these policies to ensure that they align with the latest industry best practices.

In addition to providing safe and healthy working conditions, we also place a strong emphasis on consultation and engagement. We work closely with our employees, their representatives, customers, and suppliers to ensure that we are maintaining strong partnerships and high levels of satisfaction. By doing so, we can build long-term sustainability and create a positive impact on the communities in which we operate.

In 2022, we have been consulting, visiting and engaging with our suppliers and employees, to ensure that there is a high employee satisfaction while making sure that our suppliers uphold social and employee conditions.

We perform consultancy with our employees on a yearly basis, to ensure feedback on how the employees are doing. Response rate to the survey was 87%, compared to a benchmark of 75%. Our score on employee engagement was 63 out of 100. Due to a change in survey, comparison to prior year cannot be performed. Based on the feedback we have received, all managers are required to follow-up on response provided and ensure proper action is taken.

For the future, we expect to further improve our work with social and employee condition, through extended consultations (e.g., surveys, training, auditing of suppliers etc.).

Management's review

Policies on human rights

Description of the company's corporate social responsibility standards, guidelines and principles:

For National Oilwell Varco Denmark I/S, the most material risk of violating human rights will exist within our supply chain. As an international company, we value the varied backgrounds and perspectives of each of our employees and we are committed to providing a work environment free of unlawful discrimination and harassment based on any status or activity protected by applicable law. We uphold human rights in all of our facilities and throughout all our commercial (supply chain and client base) and employment (pre-, during and post-) activities.

The company performs annual conduct & ethics training for all employees who have a company email address to ensure everyone has a clear understanding of their obligations in this area. This training was maintained throughout 2022 and no known violations recorded.

In the future, we will continue to perform annual conduct and ethics training for all employees with a company email.

Anti-corruption and bribery policies

Description of the company's corporate social responsibility standards, guidelines and principles:

The most material risks in this area relate to the risk of unethical behavior amongst our commercial agents who operate on our behalf in certain jurisdictions. It is the policy of National Oilwell Varco Denmark I/S that the company, its subsidiaries and affiliates and all directors, officers, employees, agents, representatives and joint venture partners of the company shall comply fully with all anti-corruption and anti-bribery laws that are applicable to them.

The company performs annual conduct & ethics training for all employees who have a company email address to ensure everyone has a clear understanding of their obligations in this area. There have been no known breaches of this policy.

In the future, we will continue to perform annual conduct and ethics training for all employees with a company email.

Management's review

Description of policies for the underrepresented gender in Management cf. §99b

Description of how the company translates its policies on the underrepresented gender into action

National Oilwell Varco Denmark I/S is obliged to set target figures and policies for the gender composition in Management cf. §99b of the Act on Gender Equality. The objective of the company is to be a workplace with equal opportunities and rights for women and men.

The company continuously strives for all employees to experience equal opportunities for development, internal career advancement and promotions. All positions are posted internally, and the company encourages all relevant candidates to apply, regardless of gender. Any promotion is based on the job's required criteria – competence, value creation and attitude – but the company also has a strong focus on promoting diversity at all levels, placing emphasis on identifying and promoting all talents for specialist positions as well as management positions. When employing and promoting managers, we strive to have both genders represented among the final candidates.

The company policy regarding the underrepresented gender in management levels is based on well-established principles with a focus on equal rights. Qualitative and quantitative goals have been set across all three levels of management.

The company has the following management levels: 1) Board of Director and 2) Executive Board

Board of Directors

Our Board of Directors consists of 2 persons, both are male. Our goal is to have at least 33% of the underrepresented gender in the Board of Directors before 2026. Our goal has not yet been reached as there has been no relevant female candidates for the Board of Directors in the financial year.

Executive Board

The company has set a 33% goal for the underrepresented gender corresponding to one out of three members of the board. As per December two out of three members of the board are women, fulfilling the target.

Management's review

Statement of policy for data ethics

The corporate data protection policy sets out how we take responsibility for and work with data ethics and data use. Computer ethics will, like other business considerations, be part of the consideration of major strategic business decisions and will support our business model, values, and vision.

Our work with data ethics is based on our values and general guidelines and has a special focus on data ethics principles, including responsibility and propriety.

The policy deals with the customer data we collect and process as well as all other data that we may process. The policy also covers data ethics considerations of our suppliers and partners.

Our goal for ethical behavior with regards to data is to always use data responsibly and properly as well as to create transparency in our data collection and management. Our data ethics behavior must make a positive contribution to our customers' security based on the assumption that the data that the customer submits to us is the customer's own and is processed within the applicable legal framework.

We safeguard the security of personal data and other data processing and ensure that this data is not stored for a longer period of time than is necessary for the purposes for which the data is processed.

The company has prepared policies for GDPR, which the company and its employees follow. NOV is committed to protecting the privacy of its employees and supports a general policy of lawfulness in how it collects, processes, uses, transfers, discloses, stores or deletes Personal Data. All NOV employees shall collect, process, use, transfer, disclose, store or delete Personal Data in the normal course of conducting business on behalf of NOV in accordance with applicable laws.

The policies are available for all employees at the corporate intranet.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Revenue	3	1.359.929.663	1.119.668.270
Raw materials and consumables		-551.506.718	-550.327.439
Other external expenses		-267.867.731	-261.983.133
Gross profit		540.555.214	307.357.698
Staff costs	4	-490.377.458	-453.497.148
Profit/loss before amortisation/depreciation and impairment losses		50.177.756	-146.139.450
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-49.586.144	-41.627.741
Profit/loss on activities before fair value adjustments		591.612	-187.767.191
Profit/loss before net financials		591.612	-187.767.191
Gain on disposal of investments in subsidiaries		487.745.461	0
Financial income	6	195.718.155	43.919.491
Financial costs	7	-14.148.144	-21.559.511
Profit/loss for the year		669.907.084	-165.407.211
Distribution of profit	8		

Balance sheet 31 December

	Note	2022 DKK	2021 DKK
Assets			
Completed development projects		61.603.904	18.745.282
Development projects in progress		0	60.509.789
Intangible assets	9	61.603.904	79.255.071
Land and buildings		81.634.071	94.034.326
Plant and machinery		116.713.208	96.460.935
Other fixtures and fittings, tools and equipment		100.104	120.344
Property, plant and equipment in progress		26.912.747	27.221.102
Tangible assets	10	225.360.130	217.836.707
Investments in subsidiaries	11	0	500.000
Receivables from group entities	12	753.447.130	1.583.798.476
Deposits	12	4.642.948	3.956.562
Fixed asset investments		758.090.078	1.588.255.038
Total non-current assets		1.045.054.112	1.885.346.816
Raw materials and consumables		121.915.456	187.126.351
Work in progress		3.072.668	2.967.915
Inventory	13	124.988.124	190.094.266
Trade receivables		138.247.135	166.053.712
Contract work in progress	14	67.841.247	79.638.345
Receivables from group entities	15	346.222.067	137.965.809
Other receivables	16	11.995.321	18.657.762
Prepayments	16	3.507.520	2.780.757
Receivables		567.813.290	405.096.385
Total current assets		692.801.414	595.190.651
Total assets		1.737.855.526	2.480.537.467

Balance sheet 31 December

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Contributed capital		779.808.000	779.808.000
Reserve for development costs		61.603.903	79.255.071
Retained earnings		188.948.337	749.257.867
Proposed dividends		124.367.777	358.939.077
Hedging reserve	17	-7.332.516	0
Equity		<u>1.147.395.501</u>	<u>1.967.260.015</u>
Other payables	18	43.326.338	42.918.471
Derivative financial instruments, liabilities	17	7.436.629	0
Total non-current liabilities		<u>50.762.967</u>	<u>42.918.471</u>
Prepayments received from customers		218.535	6.513.629
Trade payables		138.094.245	147.484.011
Payments work in progress	14	296.024.319	233.147.542
Payable to group entities		45.339.987	31.111.405
Other payables		60.019.972	52.102.394
Total current liabilities		<u>539.697.058</u>	<u>470.358.981</u>
Total liabilities		<u>590.460.025</u>	<u>513.277.452</u>
Total equity and liabilities		<u>1.737.855.526</u>	<u>2.480.537.467</u>
Derivative financial instruments and disclosure of fair values	17		
Subsequent events	19		
Rent and lease liabilities	20		
Contingent liabilities	21		
Related parties and ownership structure	22		
Fee to auditors appointed at the general meeting	23		

Statement of changes in equity

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividends	Hedging reserve	Total
Equity at 1 January 2022	779.808.000	79.255.071	749.257.862	358.939.077	0	1.967.260.010
Payment of ordinary dividends	0	0	0	-358.939.077	0	-358.939.077
Payment of extraordinary dividends	0	0	-1.123.500.000	0	0	-1.123.500.000
Financial instruments entered for the year	0	0	0	0	-7.332.516	-7.332.516
Net profit/loss for the year	0	-17.651.168	563.190.475	124.367.777	0	669.907.084
Equity at 31 December 2022	779.808.000	61.603.903	188.948.337	124.367.777	-7.332.516	1.147.395.501

The company's equity is divided between the shareholders. Dividend is paid out according to the Articles of Association. The profit of the partnership is kept in the operating entity until otherwise decided, after which the profit is distributed to the partners in proportion to their respective ownership interest. Dividend is distributed if unanimously agreed by the Board each year, considering the company's cash requirements the next fiscal years.

The company's contributed capital is DKK 779,808,000. The split as of 31 December 2022 of the contributed capital is SubseaFlex Holding ApS DKK 779,730,019 and NOV Holding Danmark ApS DKK 77,980. None of the partners are obligated to contribute further.

Notes

1 Accounting policies

The annual report of National Oilwell Varco Denmark I/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Notes

1 Accounting policies

Income statement

Revenue

The Company has adopted IFRS 15 as interpretation for recognition of revenue.

The Company uses the percentage-of-completion method to account for certain long-term construction contracts in the completion and productions for special productions of flexible pipes. These long-term construction contracts include the following characteristics:

- The contract include custom designs for customer specific applications
- The structural design is unique and requires significant engineering efforts, and
- Constructions have progress payments.

The Company makes estimates regarding the total costs of the project, progress against the project schedule and the estimated completion date, all of which impact the amount of revenue and gross margin the Company. The Company prepares detailed cost to complete estimates at the beginning of each project, taking into account all factors considered likely to affect gross margin. Factors that may affect future project costs and margins include shipyard access, weather, production efficiencies, availability and costs of labor, materials and subcomponents and other factors as mentioned in "Risk Factors." These factors can significantly impact the accuracy of the Company's estimates and materially impact the Company's future reported earnings.

Revenue from royalty is recognized in the income statement if the general criterial are met, e.g. that the service concerned has been provided, that the amounts can be made up reliably, and that the amounts can expected to be received.

Revenue recognition from rental or services of the equipment is recognized in the income statement provided that the delivery and transfer risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received.

Revenue is measured excluding VAT, taxes and discounts in relation to the sale.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in production.

Notes

1 Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, intercompany charges, as well as research and development costs that do not qualify for capitalization.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees including remuneration to the Board of Directors and the Board of Management.

Amortisation, depreciation and impairment losses

The item includes amortisation, depreciation and impairment of non-current assets. Amortisation/depreciation is provided using the straight-line method on the basis of the cost and the assessments of the useful life and residual value of the assets as described in section intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses include interest income and expense, gains and losses on securities, gains and losses on contracts in foreign currency, payables and transactions denominated in foreign currencies.

Tax on profit/loss for the year

National Oilwell Varco Denmark I/S is not a separate taxable entity, and therefore taxes are recognized by the partners. For that reason, no taxes of the profit for the year have been recognized in the income statement, just like no deferred taxes or current/receivable taxes have been recognized in the balance sheet.

Notes

1 Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities. Development projects that are clearly defined and identifiable, where the technical utilization degree, sufficient resources and a potential future market or development opportunities in the company are evidenced, and where the company intends to produce, market or use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover operating costs and development costs. Other development costs are recognized in the income statement when incurred.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Following the completion of a development project, the capitalized development project is allocated and reclassified to completed development projects and amortized on a straight-line basis over the estimated useful life. The amortization period is usually five years.

The residual value of intangible assets is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortization charges are recognized. In case of changes in the residual value, the effect on the amortization charges is recognized prospectively as a change in accounting estimates.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Notes

1 Accounting policies

The cost is supplemented by the present value of estimated liabilities related to dismantling and removing the asset and restoring the site on which the asset was utilized. The cost of a total asset is divided into separate elements, which are depreciated separately if the useful lives of the separate elements are different.

Subsequent costs, e.g. relating to replacement of parts of an item of property, plant and equipment, are recognized in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the group. The carrying amount of the replaced parts is derecognized in the balance sheet and recognized in the income statement. All costs incurred for ordinary repair and maintenance are recognized in the income statement as incurred.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	25 years
Plant and machinery	8-15 years
Fixtures and fittings, tools and equipment	3-8 years
Computer hardware	4 years
Cars	3-5 years

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Payments relating to operating leases are recognised in the income statement over the term of the lease. The company's total obligation relating to operating leases is disclosed in contingent liabilities, etc.

Notes

1 Accounting policies

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. Dividend from investments in subsidiaries are always to be recognised in the income statement. If the carrying amount of the net assets of subsidiaries exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be indicators of impairment, meaning that an impairment test must be conducted.

Gains or losses on disposal of investments in subsidiaries are made up as the difference between the net selling price and the carrying amount of the investment at the date of disposal. The gains and losses are recognised in the income statement as gain or loss on disposal of investments in subsidiaries.

Impairment of non-current assets

The carrying amount of intangible assets, tangible assets, and investments in subsidiaries is tested annually for evidence of impairment other than the decrease in value reflected by amortisation and depreciation.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventory

Inventory are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of raw materials and consumables comprises the purchase price plus delivery costs.

Work in progress is 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 maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not recognized.

Notes

1 Accounting policies

The net realisable value of inventory is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Receivables are measured at amortised cost.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Payments on account are set off against contract work in progress. Progress billings received in excess of the contract work performed are calculated separately for each contract and recognized as prepayments from customers under short-term liabilities other than provisions.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Other receivables and Prepayments

Prepayments recognized under 'Current assets' comprise expenses incurred concerning subsequent financial years. Other receivables consist of VAT receivable balances and revenue generated in the year and not yet invoiced.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Cash-pool deposits are, based on the characteristics of the cash-pool, not considered a part of the cash balance, but as part of receivables from group enterprises.

Notes

1 Accounting policies

Equity

Reserve for development costs

The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Proposed dividends are recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the year are presented as a separate line item in equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Prepayments received from customers

Prepayments received from customers recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and 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.

Notes

1 Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the hedging reserve under equity.

If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Fair Value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Notes

1 Accounting policies

Segment information

Information is provided on geographical markets. The segment information is provided in consideration of the company's accounting policies, risks and internal financial management.

Financial Highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
ROIC	$\frac{\text{EBITA} \times 100}{\text{Average invested capital excluding goodwill}}$
Invested capital	Intangible assets and items of property, plant and equipment and net working capital
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Short-term liabilities}}$

Notes

	2022	2021
	DKK	DKK
2 Special items		
Sale of shares in NOV Flexibles Holding Aps. Recognised in the income statement as gains on disposal of investments in subsidiaries.	487.745.461	0
	487.745.461	0

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. Special items may comprise expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's primary operating activities and that are deemed not to be recurring.

As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.

Special items for the year are specified above, including the line items in which they are recognised in the income statement.

	2022	2021
	DKK	DKK
3 Revenue		
The production value of completed and ongoing construction contracts	1.264.393.272	1.038.105.760
Other revenue	65.318.849	37.432.833
Royalty	30.217.542	44.129.677
Total revenue	1.359.929.663	1.119.668.270
Revenue allocated to geographical segments:		
Scandinavia	310.505.750	529.917.082
Other European countries	32.104.450	51.147.020
Other countries in rest of the world	1.017.319.463	538.604.168
Total revenue	1.359.929.663	1.119.668.270

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4 Staff costs		
Wages and salaries	443.333.794	407.607.516
Pensions	39.587.212	38.861.094
Other social security costs	7.456.452	7.028.538
	<u>490.377.458</u>	<u>453.497.148</u>
Including remuneration to the executive board: Supervisory Board and Executive Board	<u>12.204.547</u>	<u>10.320.767</u>
	<u>12.204.547</u>	<u>10.320.767</u>
Average number of employees	<u>693</u>	<u>694</u>

Notes

	2022 DKK	2021 DKK
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	18.592.123	11.377.010
Depreciation tangible assets	30.994.021	24.933.537
Impairment tangible assets	0	5.317.194
	49.586.144	41.627.741
	2022 DKK	2021 DKK
6 Financial income		
Interest from group enterprises	67.577.506	34.189.423
Exchange adjustments	128.045.853	9.730.068
Financial income from hedge instruments	94.796	0
	195.718.155	43.919.491
	2022 DKK	2021 DKK
7 Financial costs		
Other financial costs	113.763	625.701
Exchange adjustments costs	4.300.971	20.933.810
Realized financial costs from hedge instruments	9.733.410	0
	14.148.144	21.559.511
	2022 DKK	2021 DKK
8 Distribution of profit		
Proposed dividend for the year	124.367.777	358.939.077
Transfer for the year for development costs	-17.651.168	2.901.664
Retained earnings	563.190.475	-527.247.952
	669.907.084	-165.407.211

Notes

9 Intangible assets

	Completed development projects	Patents	Development projects in progress
Cost at 1 January 2022	202.480.386	12.859.399	60.509.789
Additions for the year	0	0	940.954
Disposals for the year	-86.833	-10.077.123	0
Transfers for the year	61.450.743	0	-61.450.743
Cost at 31 December 2022	<u>263.844.296</u>	<u>2.782.276</u>	<u>0</u>
Impairment losses and amortisation at 1 January 2022	183.735.102	12.859.399	0
Amortisation for the year	18.592.123	-10.077.123	0
Reversal of impairment and amortisation of disposed assets	-86.833	0	0
Impairment losses and amortisation at 31 December 2022	<u>202.240.392</u>	<u>2.782.276</u>	<u>0</u>
Carrying amount at 31 December 2022	<u>61.603.904</u>	<u>0</u>	<u>0</u>

Completed development projects include development and test of special pipe and molding technologies. Management has high expectations to the use of the technology, and these are all still in use. Management has not identified any indication of impairment in relation to the carrying amount of the development projects.

Notes

10 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2022	329.607.384	1.329.801.158	5.264.047	27.221.102
Adjustment from previous year	0	0	0	56.724
Additions for the year	0	3.228.449	0	36.620.050
Disposals for the year	0	-2.742.026	0	0
Transfers for the year	841.733	36.143.396	0	-36.985.129
Cost at 31 December 2022	<u>330.449.117</u>	<u>1.366.430.977</u>	<u>5.264.047</u>	<u>26.912.747</u>
Impairment losses and depreciation at 1 January 2022	235.573.058	1.233.340.223	5.143.703	0
Depreciation for the year	13.241.988	17.718.125	20.240	0
Disposal for the year	0	-1.340.579	0	0
Impairment losses and depreciation at 31 December 2022	<u>248.815.046</u>	<u>1.249.717.769</u>	<u>5.163.943</u>	<u>0</u>
Carrying amount at 31 December 2022	<u><u>81.634.071</u></u>	<u><u>116.713.208</u></u>	<u><u>100.104</u></u>	<u><u>26.912.747</u></u>

In 2022, management carried out an impairment test of the carrying amount of tangible assets. The recoverable amount in form of the value in use is deemed to exceed the carrying amount. The value in use is calculated based on the expected net cash flows, which are based on budgets for the period 2023 - 2027 as approved by management, and a discount factor before tax of 12,3%.

Notes

	2022	2021
	DKK	DKK
11 Investments in subsidiaries		
Cost at 1 January 2022	500.000	500.000
Disposals for the year	-500.000	0
Cost at 31 December 2022	0	500.000
Carrying amount at 31 December 2022	0	500.000

On 2 February, 2022 the company sold its shares in NOV Flexibles Holding ApS.

12 Fixed asset investments

	Receivables from group entities	Deposits
Cost at 1 January 2022	1.583.798.476	4.642.948
Converted to investments in subsidiaries	-1.438.386.244	0
New loans for the year	2.278.752.664	0
Transferred as dividends to shareholders	-1.482.439.077	0
Payments received in the year	-388.115.966	0
Interests for the year	74.141.640	0
Cost at 31 December 2022	627.751.493	4.642.948
Revaluations for the year	125.695.637	0
Revaluations at 31 December 2022	125.695.637	0
Carrying amount at 31 December 2022	753.447.130	4.642.948

Loans/Receivables falling due between 1 and 5 years amount to 753,447,130 DKK and loans/receivables falling due after 5 years amount to 0 DKK.

Notes

	2022	2021
	DKK	DKK
13 Inventory		
Raw materials and consumables	121.915.456	187.126.351
Work in progress	3.072.668	2.967.915
	124.988.124	190.094.266

	2022	2021
	DKK	DKK
14 Contract work in progress		
Work in progress, selling price	3.238.737.593	3.142.530.158
Work in progress, payments received on account	-3.466.920.665	-3.296.039.355
	-228.183.072	-153.509.197

Recognised in the balance sheet as follows:

Contract work in progress under assets	67.841.247	79.638.345
Prepayments received under liabilities	-296.024.319	-233.147.542
	-228.183.072	-153.509.197

15 Receivables from group entities - Current

The Company is part of a cash-pool corporate scheme. Consequently the cash position of 323,849,698 DKK held by the Company by 31 december 2022 is presented as a receivable from group entities in the balance sheet.

16 Other receivables and Prepayments

Other receivables comprise VAT receivable amounts from the TAX authorities and reel rental revenue not yet invoiced.

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

Notes

17 Derivative financial instruments and disclosure of fair values

The company uses forward exchange contracts to hedge expected foreign currency risks related to the sale and purchase of goods in the coming year. Currencies which are part of the EMU-cooperation are not hedged. The company determines the fair value of the asset/liability using level 2 inputs (inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability) in the fair value hierarchy as the fair value is based on publicly available foreign exchange and interest rates at each financial reporting date. The Company entered a forward exchange contract on the 2 August 2022 which will be settled on the 30 September 2024. At 31 December, 2022, the Company has determined that the fair value and carrying amount of its derivative financial instruments (currency related derivatives) represents a liability of 7,436,629 DKK, and the losses recognized in equity and expected to be realised after the balance sheet date amount to 7,332,516 DKK. This contract value at 31 December, 2022 amounts to 323,136,838 DKK originated in the sale of 291,410,695 BRL (Brazilian reals) and purchase of 43,495,432 EUR at an exchange rate of 6.6998 BRL to 1 EUR.

Overview of currency exposure:

Currency	Payment/ Maturity	Receivables	Payables	Hedged using	Net position
				forward contracts	
		DKK	DKK	DKK	DKK
USD	< 1 Year	14.131.652	527.491	62.083.800	-48.479.639
GBP	< 1 Year	26.424.937	6.957.429	0	19.467.508
Other	< 1 Year	90.737	2.888.846	0	-2.798.108
		40.647.326	10.373.766	62.083.800	-31.810.239

Notes

18 Other payables

	2022	2021
	DKK	DKK
Other payables		
After 5 years	40.850.675	40.614.393
Between 1 and 5 years	2.475.663	2.304.078
Non-current portion	<u>43.326.338</u>	<u>42.918.471</u>
Within 1 year	642.299	325.418
Other short-term other debt	59.377.673	51.776.976
Current portion	<u>60.019.972</u>	<u>52.102.394</u>
	<u>103.346.310</u>	<u>95.020.865</u>

Long term other payables concern the Company's obligation regarding the frozen holiday fund. The debt will be paid continuously concurrently with employees retiring.

19 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

20 Rent and lease liabilities

	2022	2021
	DKK	DKK
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	11.320.302	11.464.756
Between 1 and 5 years	31.934.410	32.515.322
After 5 years	<u>27.130.125</u>	<u>33.530.317</u>
	<u>70.384.837</u>	<u>77.510.395</u>

Total nominal residual rent and lease payments.

Notes

21 Contingent liabilities

Recourse and non-recourse guarantee commitments

The company has entered into a number of contracts for delivery in 2023 - 2026 committing the company to deliver flexible pipe systems to customers.

The company has granted usual bank guaranties for projects amounting to a total of 213,787 TDKK.

The Company is part of cashpool with other companies in the National Oilwell Varco group and is jointly and severally liable with other group companies for the Company's individual contribution to the cashpool.

22 Related parties and ownership structure

Controlling interest

SubSeaFlex Holding ApS
NOV Holding Danmark ApS

Transactions

<u>Transactions</u>	<u>Parent company</u>	<u>Subsidiary</u>	<u>Group Enterprises</u>
Royalty, revenue			30,217,541.50
Sales projects, Goods and service revenue		4,017,715	29,051,682
Management fee, recharge and other costs	233,295		63,789,250
Goods and service, costs			68,824,228
Interest, income	1,983,030.26	2,098,701	65,478,805
Dividend to partners	1,482,439,077		
Selling of shares in NOV Flexibles Holding ApS			1,926,631,706
Balance per 31, December 2022			
Loan, Receivables	753,447,130		
Cash pool, receivables			323,849,698
Other receivables	8,361,306		14,011,063
Other liabilities			45,340,246

For information on remuneration to Management, please refer to note 4.

Notes

22 Related parties and ownership structure (continued)

Consolidated financial statements

The ultimate parent company preparing consolidated financial statements is NOV Inc., 7909 Parkwood Circle Drive, Houston, Texas 77036-6565, USA

The consolidated financial statements for NOV Inc. can be obtained from National Oilwell Varco Denmark I/S on request at the company's address:

Priorparken 480
2605 Brøndby
Denmark
<https://investors.nov.com/annual-results>

23 Fee to auditors appointed at the general meeting

EY Godkendt Revisionspartnerselskab:

	2022	2021
	DKK	DKK
Audit fee	1.556.575	1.264.000
Other assurance engagements	0	12.000
Tax advisory services	1.006.968	1.946.336
	<u>2.563.543</u>	<u>3.222.336</u>