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# *Archer Offshore Denmark A/S*

Esbjerg Brygge 28, DK-6700 Esbjerg

## Annual Report for 2022

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CVR No. 27 96 33 15

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 1/6 2023

Espen Joranger  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's statement	1
Practitioner's Statement on Compilation of Financial Statements	2
<b>Management's Review</b>	
Company information	3
Management's review	4
<b>Financial Statements</b>	
Income statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Archer Offshore Denmark A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Esbjerg, 1 June 2023

## Executive Board

Jone Kartevold  
Manager

## Board of Directors

Hugo Idsøe  
Chairman

Espen Joranger

Bjørn Bærheim

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Archer Offshore Denmark A/S

We have compiled the Financial Statements of Archer Offshore Denmark A/S for the financial year 1 January - 31 December 2022 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Esbjerg, 1 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Palle H. Jensen

State Authorised Public Accountant

mne32115

## Company information

<b>The Company</b>	Archer Offshore Denmark A/S Esbjerg Brygge 28 DK-6700 Esbjerg  CVR No: 27 96 33 15 Financial period: 1 January - 31 December Municipality of reg. office: Esbjerg
<b>Board of Directors</b>	Hugo Idsøe, chairman Espen Joranger Bjørn Bærheim
<b>Executive board</b>	Jone Kartevold
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. 6700 Esbjerg

# Management's review

## Key activities

The Company's primary activity is to perform service tasks and trades within the oil industry and related activities, including wireline services to the oil and gas industry in the Danish offshore sector.

## Development in the year

The income statement of the Company for 2022 shows a profit of DKK 356,099, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 53,222.

Management considers the Company's financial performance in the year satisfactory.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
<b>Gross profit</b>		<b>3,935,827</b>	<b>3,240,533</b>
Staff expenses	2	-2,882,987	-2,154,179
Depreciation and impairment losses of property, plant and equipment	3	-633,204	-633,204
<b>Profit/loss before financial income and expenses</b>		<b>419,636</b>	<b>453,150</b>
Financial income	4	301,078	274,144
Financial expenses	5	-364,615	-491,092
<b>Profit/loss before tax</b>		<b>356,099</b>	<b>236,202</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>356,099</b>	<b>236,202</b>

## Distribution of profit

	2022	2021
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	356,099	236,202
	<b>356,099</b>	<b>236,202</b>

## Balance sheet 31 December

### Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		580,436	1,213,641
<b>Property, plant and equipment</b>		<b>580,436</b>	<b>1,213,641</b>
Deposits		71,800	71,800
<b>Fixed asset investments</b>		<b>71,800</b>	<b>71,800</b>
<b>Fixed assets</b>		<b>652,236</b>	<b>1,285,441</b>
Receivables from group enterprises		1,904,119	3,325,802
Other receivables		0	10,988
<b>Receivables</b>		<b>1,904,119</b>	<b>3,336,790</b>
<b>Cash at bank and in hand</b>	6	<b>107,904</b>	<b>0</b>
<b>Current assets</b>		<b>2,012,023</b>	<b>3,336,790</b>
<b>Assets</b>		<b>2,664,259</b>	<b>4,622,231</b>



# Balance sheet 31 December

## Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		-553,222	-909,321
<b>Equity</b>		<b>-53,222</b>	<b>-409,321</b>
Trade payables		718	749
Payables to group enterprises		2,474,572	4,735,818
Other payables		242,191	294,985
<b>Short-term debt</b>		<b>2,717,481</b>	<b>5,031,552</b>
<b>Debt</b>		<b>2,717,481</b>	<b>5,031,552</b>
<b>Liabilities and equity</b>		<b>2,664,259</b>	<b>4,622,231</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	-909,321	-409,321
Net profit/loss for the year	0	356,099	356,099
<b>Equity at 31 December</b>	<b>500,000</b>	<b>-553,222</b>	<b>-53,222</b>

# Notes to the Financial Statements

## 1. Going concern

The company has lost its share capital due to losses in the previous years. The parent company has issued a letter of support. Consequently management has presented the annual report according to the going concern principle.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	2,876,618	2,141,898
Other social security expenses	6,369	12,281
	<u>2,882,987</u>	<u>2,154,179</u>
 Average number of employees	<u>2</u>	<u>2</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>3. Depreciation and impairment losses of property, plant and equipment</b>		
Depreciation of property, plant and equipment	633,204	633,204
	<u>633,204</u>	<u>633,204</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>4. Financial income</b>		
Interest received from group enterprises	159	285
Other financial income	677	2
Exchange adjustments	300,242	273,857
	<u>301,078</u>	<u>274,144</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	14,636	99,399
Other financial expenses	2,058	2,478
Exchange adjustments, expenses	<u>347,921</u>	<u>389,215</u>
	<u><b>364,615</b></u>	<u><b>491,092</b></u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>6. Cash at bank and in hand</b>		
Other cash at bank and in hand	<u>107,904</u>	<u>0</u>
	<u><b>107,904</b></u>	<u><b>0</b></u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>7. Contingent assets, liabilities and other financial obligations</b>		
<b>Guarantee obligations</b>		
The Company is included in the cash-pool scheme with other group companies, where the Company is jointly and severally liable with other group companies for claims from the bank, with the Company's receivables in the cash-pool scheme. At 31 December the Company has a balance of	1,080,014	2,981,698

# Notes to the Financial Statements

## 8. Accounting policies

The Annual Report of Archer Offshore Denmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## Income statement

### Net sales

Net revenue, which includes maintenance tasks with a high degree of customization and sale of commodities to the offshore industry is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

# Notes to the Financial Statements

## Staff expenses

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. The item is net of refunds made by public authorities.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

### Other fixed asset investments

Other fixed asset investments consist of

# Notes to the Financial Statements

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.