

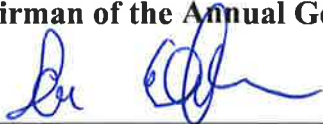
**Welltec Africa ApS**

**Central Business Registration No 28 50 52 64**

**Annual report for 1 January – 31 December 2021**

The Annual Report was presented and adopted at the Annual General Meeting on 16 May 2022.

**Chairman of the Annual General Meeting**

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

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Name: Lea Wølk Gøtske

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## Company details

### The Company

Welltec Africa ApS  
Gydevang 25  
DK-3450 Allerød  
Denmark

Central Business Registration No: 28 50 52 64

Municipality of reg. office: Allerød

Financial period: 1 January – 31 December 2021

### Executive Board

Peter Schnettler Kristensen  
Søren Søgaard Suhr

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Statement by Management on the annual report

The Executive Board has today considered and adopted the Annual Report of Welltec Africa ApS for the financial year 1 January to 31 December 2021.

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 financial position at 31 December 2021 of the Company and of the results of the Company's operations for 2021.

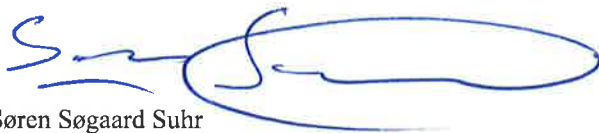
We recommend that the Annual Report shall be adopted at the Annual General Meeting.

Allerød, 16 May 2022

### Executive Board



Peter Schnettler Kristensen  
Chief Executive Officer



Søren Søgaard Suhr  
Chief Executive Officer

## **Independent auditor's reports**

To the Shareholder of Welltec Africa ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Welltec Africa ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

### **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 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.

### **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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

### **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 financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's reports

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 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 reports

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.

Hellerup, 16 May 2022

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



Tue Stensgård Sørensen  
State Authorised  
Public Accountant  
mne32200



Henrik Kyhnau  
State Authorised  
Public Accountant  
mne40028

## Management review

### Key activities

The Company's primary activity is to provide customers in Africa with Well Tractor Services. In addition the Company owns a number of subsidiaries and has branches in Africa (Welltec Africa ApS Equatorial Guinea, Welltec Africa ApS Ivory Coast and Welltec Africa ApS Cameroun). From 2020 the Company has served as a holding company for the African subsidiaries.

The Company had no employees in 2021 (2020: nil).

### Financial results and outlook

The result for 2021 was a net loss of USD 149,020 and the equity 31 December 2021 was negative USD 4,419,953. The result for the year was slightly better than expected by Management, since the COVID-19 out-break affected the Company to a lesser degree than expected. The Management expects a positive result for 2022 in the range of USD 5,000 to USD 10,000.

### Capital resources

The Company has lost more than 50% of its share capital and is thus subject to the provisions regarding capital loss according to section 119 of the Danish Companies Act. Management expects to re-establish the equity via positive results in the coming years. The Company has received a letter of financial support from its parent company. Based on this, Management assess that the capital resources of the Company are sufficient for planned activities until 31 December 2022 so the company is to be regarded as going concern. Please refer to note 1.

### Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.



## Accounting policies

The Annual Report of Welltec Africa ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2021 are presented in US dollar (USD), which also is the functional currency. The applied currency rate to Danish Kroner at 31 December 2021 is 6.56 (2020: 6.06).

The accounting policies applied remain unchanged from last year.

The Company has applied IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases as allowed according to the Danish Financial Statement Act.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

### Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized 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 recognized 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 recognized 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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## **Accounting policies** (continued)

### **Income Statement**

#### **Gross profit**

The Company has applied the Danish Financial Statement Act art. 32, whereas other income, cost of sales and other external expenses are summarized in gross loss.

#### **Other Income**

Other Income includes income of a secondary nature in relation to the companies' activities and includes remuneration from other group companies for cost related to operations in Africa.

#### **Cost of sales**

Cost of sales comprise cost incurred to achieve revenue for the year.

#### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

#### **Amortisation, depreciation and impairment losses**

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

#### **Financial income and expenses**

Financial income and expenses are recognized 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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

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

### **Balance Sheet**

#### **Right-of-use assets and lease liabilities**

For contracts which are, or contain, a lease, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease period. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is measured using the effective interest method. It is remeasured when there is a change in future lease payments, typically due to a change in index or rate (e.g. inflation) on property leases, or if there is a reassessment of whether an extension or termination option will be exercised. A corresponding adjustment is made to the right-of-use asset, or in the income statement when the right-of-use asset

## **Accounting policies (continued)**

has been fully depreciated.

The right-of-use assets are presented in tangible assets and the lease liabilities in non-current and current liabilities. Lease contracts that have a lease term of 12 months or less and low value assets are not recognized on the balance sheet. These lease payments are expensed on a straight-line basis over the lease term.

### **Impairment of fixed assets**

The carrying amounts of right-of-use assets 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.

### **Investments in subsidiaries**

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value. In the event of indicators of impairment, an impairment is performed of investments in subsidiaries. Dividends from subsidiaries are recognized as income in the income statement when adopted at the Annual General Meeting of the subsidiary. The result of investments in subsidiaries is recognized less any write-downs on the investments.

### **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.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **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 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 recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognized 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 recognized in the income statement in financial income and expenses.

### **Financial liabilities**

On initial recognition liabilities, including trade payables, are measured at fair value. Subsequently, these liabilities are measured at amortized cost.

**Income statement 1 January – 31 December**

	<u>Note</u>	<u>2021 USD</u>	<u>2020 USD</u>
<b>Gross (loss)</b>		<b>(154,618)</b>	<b>(21,064)</b>
Depreciation, amortization and impairment		(8,298)	(8,251)
<b>Loss before financial income and expenses</b>		<b>(162,916)</b>	<b>(29,315)</b>
Result from investments in subsidiaries		9,670	15,659
Other financial income	2	4,017,694	2,665,446
Other financial expenses	3	(4,112,964)	(4,595,991)
<b>Loss before tax</b>		<b>(248,516)</b>	<b>(1,944,201)</b>
Tax on profit/loss for the year	4	99,496	(98,823)
<b>Net loss for the year</b>		<b>(149,020)</b>	<b>(2,043,024)</b>
<b>Proposed distribution of loss</b>			
Retained earnings		(149,020)	(2,043,024)

**Balance sheet 31 December**

<b>Assets</b>	<u>Note</u>	<u>2021 USD</u>	<u>2020 USD</u>
Right-of-use assets		-	8,298
<b>Property, plant and equipment</b>		-	<b>8,298</b>
Loan to group enterprises		-	1,220,541
Investments in subsidiaries	5	1,859,576	506,341
<b>Financial assets</b>		<b>1,859,576</b>	<b>1,726,882</b>
<b>Fixed assets</b>		<b>1,859,576</b>	<b>1,735,180</b>
Receivables from group enterprises		17,045,512	10,572,130
Other receivables		22,029	271,372
Corporation tax		347,503	42,273
Prepayments		-	1,004
<b>Receivables</b>		<b>17,415,044</b>	<b>10,886,779</b>
<b>Cash at bank and in hand</b>		-	<b>17,920</b>
<b>Current assets</b>		<b>17,415,044</b>	<b>10,904,699</b>
<b>Assets</b>		<b>19,274,620</b>	<b>12,639,879</b>

## Balance sheet 31 December

Liabilities and equity	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Share capital		21,756	21,756
Retained earnings		(4,441,709)	(4,292,689)
<b>Equity</b>		<b>(4,419,953)</b>	<b>(4,270,933)</b>
Current part of non-current leasing debt		-	8,736
Trade payables		4,864	15,658
Payable to group enterprises		23,521,444	16,689,208
Other payables		168,265	197,210
<b>Short term debt</b>		<b>23,694,573</b>	<b>16,910,812</b>
<b>Debt</b>		<b>23,694,573</b>	<b>16,910,812</b>
<b>Equity and liabilities</b>		<b>19,274,620</b>	<b>12,639,879</b>
Key activities and capital resources	1		
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**Statement of changes in equity**

	<b>Share capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Equity 1 January	21,756	(4,292,689)	(4,270,933)
Net loss for the year	-	(149,020)	(149,020)
<b>Equity 31 December</b>	<b>21,756</b>	<b>(4,441,709)</b>	<b>(4,419,953)</b>

## Notes

### 1 Capital resources

The Company has lost more than 50% of its share capital and is thus subject to the provisions regarding capital loss according to section 119 of the Danish Companies Act. Management expects to re-establish the equity via positive results in the coming years. The Company has received a letter of financial support from its parent company. Based on this, Management assess that the capital resources of the Company are sufficient for planned activities until 31 December 2022 so the company is to be regarded as going concern.

	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
<b>2 Financial income</b>		
Interest received from Group enterprises	-	257,668
Group payable written off	-	224,630
Reversal of impairment on group receivable	3,778,979	-
Exchange adjustments	238,715	2,183,148
<b>Financial income</b>	<b>4,017,694</b>	<b>2,665,446</b>
<b>3 Financial expenses</b>		
Impairment Group receivables	-	3,796,167
Impairment investments in subsidiaries	2,750,838	-
Interest paid to Group enterprises	21,550	-
Other financial expenses	10,208	12,499
Financial lease interest	-	736
Exchange adjustments, expenses	1,330,368	786,589
<b>Financial expenses</b>	<b>4,112,964</b>	<b>4,595,991</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	303,752	(2,883)
Deferred tax for the year	-	(4,318)
Adjustment of tax concerning previous years	(204,256)	467,779
Other taxes	-	(559,401)
<b>Tax on profit/loss for the year</b>	<b>99,496</b>	<b>(98,823)</b>



	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
<b>5 Investments in subsidiaries</b>		
Cost 1 January	867,254	867,254
Addition	4,104,073	-
Cost 31 December	<b>4,971,327</b>	<b>867,254</b>
Value adjustments 1 January	(360,913)	(210,913)
Impairment adjustment for the year	(2,750,838)	(150,000)
Value adjustments 31 December	<b>(3,111,751)</b>	<b>(360,913)</b>
<b>Carrying amount 31 December</b>	<b>1,859,576</b>	<b>506,341</b>

#### **6 Contingent assets, liabilities and other financial obligations**

The Group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Welltec International ApS, which is the management company of the joint taxation purposes. Moreover, the Group companies are jointly and severally liable for the Danish withholding taxes by way of dividend tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the Company's liability.

#### **7 Related parties**

##### **Consolidated Financial Statements**

Name and registered office of the Parent preparing consolidated financial statements for the smallest Group:

<u>Name</u>	<u>Place of registered office</u>
Welltec A/S	Allerød

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

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.