

# **Weatherford Danmark A/S**

**Høgevej 12 - 14, 6705 Esbjerg Ø**

**Company reg. no. 32 83 26 01**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 20 July 2023.

---

**Richard Khalil Strachan**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2022</b>	
Accounting policies	7
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes	16

## **Management's statement**

---

Today, the board of directors and the managing director have presented the annual report of Weatherford Danmark A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Esbjerg Ø, 20 July 2023

### **Managing Director**

Bjarne Christopher Petersen  
Sanne  
CEO

### **Board of directors**

Richard Khalil Strachan  
Chairman of the Board

Bjarne Christopher Petersen  
Sanne

Lise H. Storgaard-Lautrup

## **Independent auditor's report**

---

### **To the Shareholder of Weatherford Danmark A/S**

#### **Opinion**

We have audited the financial statements of Weatherford Danmark A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's 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.

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.

## **Independent auditor's report**

---

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

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.

## **Independent auditor's report**

---

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 20 July 2023

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

**Jacob Helly Juell-Hansen**

State Authorised Public Accountant  
mne36169

## **Company information**

---

### **The company**

Weatherford Danmark A/S  
Høgevej 12 - 14  
6705 Esbjerg Ø

Company reg. no. 32 83 26 01  
Financial year: 1 January - 31 December

### **Board of directors**

Richard Khalil Strachan, Chairman of the Board  
Bjarne Christopher Petersen Sanne  
Lise H. Storgaard-Lautrup

### **Managing Director**

Bjarne Christopher Petersen Sanne, CEO

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

## **Management's review**

---

### **The principal activities of the company**

Weatherford Danmark A/S provides products and services to the energy sector. The activities are primarily directed towards operators within the Oil and Gas industry.

The main activities fall within Casing running Services, Completions and Well Services.

Weatherford Danmark A/S is proud to have supported the business for 13 years without LTI (Lost-Time-Incidents). Safety and Environment continue to be key factors in the daily operations along with service quality.

### **Development in activities and financial matters**

The gross profit for the year totals 4.710 TDKK against 1.234 TDKK last year. Management considers the net profit or loss for the year satisfactory.

### **Outlook**

The Oil and Gas Market in Denmark is limited to a few operators and the expectations for 2023 is as always highly influenced by the scope of the customers. Result for 2023 is expected to improve with the latest government plan to increase the gas production in the North Sea.



## **Accounting policies**

---

The annual report for Weatherford Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

## Accounting policies

---

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to transactions in foreign currency, amortisation of financial assets and liabilities.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	2-10 years	0-19 %
Other fixtures and fittings, tools and equipment	2-12 years	0-1 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

## **Accounting policies**

---

As regards self-constructed assets, the cost comprises direct and indirect costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### **Leases**

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Impairment loss relating to non-current assets**

The carrying amount of property, plant, and equipment are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Investments**

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

## Accounting policies

---

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash

Cash comprise cash at bank.

### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

## **Accounting policies**

---

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.

## Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross profit</b>	<b>16.620.975</b>	<b>12.127.971</b>
1 Staff costs	-11.048.974	-8.466.769
Depreciation and impairment of property, land, and equipment	-1.235.075	-2.180.340
<b>Operating profit</b>	<b>4.336.926</b>	<b>1.480.862</b>
2 Other financial income	420.641	452
3 Other financial costs	-47.498	-247.167
<b>Pre-tax net profit or loss</b>	<b>4.710.069</b>	<b>1.234.147</b>
4 Tax on net profit or loss for the year	4.814.612	0
<b>Net profit or loss for the year</b>	<b>9.524.681</b>	<b>1.234.147</b>
<b>Proposed distribution of net profit:</b>		
Transferred to retained earnings	9.524.681	1.234.147
<b>Total allocations and transfers</b>	<b>9.524.681</b>	<b>1.234.147</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
6	Other fixtures and fittings, tools and equipment	3.694.258	3.991.024
	Total property, plant, and equipment	3.694.258	3.991.024
7	Deposits	255.000	255.000
	Total investments	255.000	255.000
	<b>Total non-current assets</b>	<b>3.949.258</b>	<b>4.246.024</b>
<b>Current assets</b>			
	Manufactured goods and goods for resale	5.999.759	2.537.366
	Total inventories	5.999.759	2.537.366
	Trade receivables	43.659.125	4.070.813
	Receivables from group enterprises	20.014.386	8.393.232
8	Deferred tax assets	4.814.612	0
	Prepayments and accrued income	88.458	199.393
	Total receivables	68.576.581	12.663.438
	Cash on hand and demand deposits	602.883	2.453.799
	<b>Total current assets</b>	<b>75.179.223</b>	<b>17.654.603</b>
	<b>Total assets</b>	<b>79.128.481</b>	<b>21.900.627</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	7.682.100	7.682.100
Retained earnings	8.076.781	-1.447.900
<b>Total equity</b>	<b><u>15.758.881</u></b>	<b><u>6.234.200</u></b>
<b>Liabilities other than provisions</b>		
Trade payables	1.298.229	357.315
Payables to group enterprises	31.966.521	12.863.331
Other payables	8.701.350	1.570.101
Accruals and deferred income	21.403.500	875.680
Total short term liabilities other than provisions	<u>63.369.600</u>	<u>15.666.427</u>
<b>Total liabilities other than provisions</b>	<b><u>63.369.600</u></b>	<b><u>15.666.427</u></b>
<b>Total equity and liabilities</b>	<b><u>79.128.481</u></b>	<b><u>21.900.627</u></b>

**9 Contingencies****10 Related parties**



## Statement of changes in equity

---

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	7.682.100	-2.682.047	5.000.053
Retained earnings for the year	<u>0</u>	<u>1.234.147</u>	<u>1.234.147</u>
Equity 1 January 2022	7.682.100	-1.447.900	6.234.200
Retained earnings for the year	<u>0</u>	<u>9.524.681</u>	<u>9.524.681</u>
	<b><u>7.682.100</u></b>	<b><u>8.076.781</u></b>	<b><u>15.758.881</u></b>

## Notes

---

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Staff costs</b>		
Salaries and wages	10.405.624	7.946.021
Pension costs	527.018	381.775
Other costs for social security	116.332	138.973
	<u><b>11.048.974</b></u>	<u><b>8.466.769</b></u>
Average number of employees	<u>15</u>	<u>11</u>
<b>2. Other financial income</b>		
Other financial income	286.663	452
Financial income, group entities	133.978	0
	<u><b>420.641</b></u>	<u><b>452</b></u>
<b>3. Other financial costs</b>		
Financial costs, group entities	10.012	77.003
Other financial costs	37.486	170.164
	<u><b>47.498</b></u>	<u><b>247.167</b></u>
<b>4. Tax on net profit or loss for the year</b>		
Adjustment of deferred tax for the year	-4.814.612	0
	<u><b>-4.814.612</b></u>	<u><b>0</b></u>

## Notes

---

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>5. Plant and machinery</b>		
Cost 1 January 2022	1.456.975	1.456.975
<b>Cost 31 December 2022</b>	<b><u>1.456.975</u></b>	<b><u>1.456.975</u></b>
Depreciation and writedown 1 January 2022	-1.456.975	-1.422.187
Amortisation and depreciation for the year	<u>0</u>	<u>-34.788</u>
<b>Depreciation and writedown 31 December 2022</b>	<b><u>-1.456.975</u></b>	<b><u>-1.456.975</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>6. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2022	40.045.746	41.994.303
Additions during the year	939.844	533.923
Disposals during the year	<u>-18.768</u>	<u>-2.482.480</u>
<b>Cost 31 December 2022</b>	<b><u>40.966.822</u></b>	<b><u>40.045.746</u></b>
Depreciation and writedown 1 January 2022	-36.054.722	-33.914.367
Amortisation and depreciation for the year	<u>-1.217.842</u>	<u>-2.140.355</u>
<b>Depreciation and writedown 31 December 2022</b>	<b><u>-37.272.564</u></b>	<b><u>-36.054.722</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>3.694.258</u></b>	<b><u>3.991.024</u></b>
<b>7. Deposits</b>		
Cost 1 January 2022	<u>255.000</u>	<u>255.000</u>
<b>Cost 31 December 2022</b>	<b><u>255.000</u></b>	<b><u>255.000</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>255.000</u></b>	<b><u>255.000</u></b>
<b>8. Deferred tax assets</b>		
Deferred tax of the net profit or loss for the year	<u>4.814.612</u>	<u>0</u>
	<b><u>4.814.612</u></b>	<b><u>0</u></b>

## Notes

---

All amounts in DKK.

### 9. Contingencies

#### Contingent liabilities

The company has signed a rental agreement of office facilities. The liability is DKK 856 thousand with 6 months to maturity.

The company has entered into operational leases with total outstanding lease payments of total DKK 206 thousand.

The company is jointly liable with other group companies for the Weatherford group cash pool scheme. The total group balance at 31 December 2022 was DKK 14.111 thousand.

### 10. Related parties

#### Controlling interest

Weatherford Irish Holdings Limited, Ireland	Parent
Weatherford International PLC, Dublin, Ireland	Ultimate parent

#### Consolidated financial statements

The company is part of the group financial statements of Weatherford International PLC, Dublin, Ireland, which is the smallest group. Requisition of the parent company's consolidated financial statement can be obtained at [www.weatherford.com](http://www.weatherford.com).