

Weatherford Danmark A/S

Høgevej 12 - 14, 6705 Esbjerg Ø

Company reg. no. 32 83 26 01

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 1 June 2022.

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>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2021	
Accounting policies	7
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

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 2021.

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 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

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, 1 June 2022

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 2021, which comprise a summary of significant accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that Management's Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management's Review.

Copenhagen, 1 June 2022

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 12 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 income statement for 2021 shows a profit of DKK 1.234 thousand against a loss of DKK 16.861 thousand last year. The balance sheet at 31 December 2021 shows equity of DKK 6.234 thousand and a solvency Ratio of 28,4%.

The result is in line with expectations considering the current activity level in market.

Outlook

The Oil and Gas Market in Denmark is limited to a few operators and the expectations for 2022 is as always highly influenced by the scope of the customers. Result for 2022 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.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Gross profit

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

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

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. Staff costs are less government reimbursements.

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.

Accounting policies

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.

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.

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.

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.

Accounting policies

The net realisable value for inventories is recognised as the market 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.

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.

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.

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>2021</u>	<u>2020</u>
Gross profit	12.127.971	-590.460
3 Staff costs	-8.466.769	-11.201.427
Depreciation and impairment of property, land, and equipment	-2.180.340	-5.037.483
Operating profit	1.480.862	-16.829.370
4 Other financial income	452	77.984
5 Other financial costs	-247.167	-42.035
Pre-tax net profit or loss	1.234.147	-16.793.421
6 Tax on net profit or loss for the year	0	-67.407
Net profit or loss for the year	1.234.147	-16.860.828
Proposed appropriation of net loss:		
Transferred to retained earnings	1.234.147	0
Allocated from retained earnings	0	-16.860.828
Total allocations and transfers	1.234.147	-16.860.828

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
7 Plant and machinery	0	34.789
8 Other fixtures and fittings, tools and equipment	3.991.024	8.079.936
Total property, plant, and equipment	<u>3.991.024</u>	<u>8.114.725</u>
Total non-current assets	<u>3.991.024</u>	<u>8.114.725</u>
Current assets		
Manufactured goods and goods for resale	2.537.366	1.267.376
Total inventories	<u>2.537.366</u>	<u>1.267.376</u>
Trade receivables	4.070.813	166.316
Receivables from group enterprises	8.393.232	6.713.125
Other receivables	255.000	359.632
Prepayments and accrued income	199.393	120.123
Total receivables	<u>12.918.438</u>	<u>7.359.196</u>
Cash on hand and demand deposits	2.453.799	426.327
Total current assets	<u>17.909.603</u>	<u>9.052.899</u>
Total assets	<u>21.900.627</u>	<u>17.167.624</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	7.682.100	7.682.100
Retained earnings	-1.447.900	-2.682.047
Total equity	<u>6.234.200</u>	<u>5.000.053</u>
Liabilities other than provisions		
Trade payables	357.315	288.833
Payables to group enterprises	12.863.331	9.297.007
Other payables	1.570.101	2.581.731
Accruals and deferred income	875.680	0
Total short term liabilities other than provisions	<u>15.666.427</u>	<u>12.167.571</u>
Total liabilities other than provisions	<u>15.666.427</u>	<u>12.167.571</u>
Total equity and liabilities	<u>21.900.627</u>	<u>17.167.624</u>

- 1** Uncertainties concerning the enterprise's ability to continue as a going concern
- 2** Special items
- 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 2020	7.682.100	14.178.781	21.860.881
Retained earnings for the year	<u>0</u>	<u>-16.860.828</u>	<u>-16.860.828</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>
	<u>7.682.100</u>	<u>-1.447.900</u>	<u>6.234.200</u>

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

Due to significant losses in prior years, management has identified uncertainties regarding the ability to continue as going concern. Due to this uncertainty, management has obtained a letter of support from the parent company Weatherford Irish Holdings Limited, whereas they provide financial support for the company as requested to meet its liabilities as the fall due.

On this basis the financial statements have been prepared under the assumption of going concern.

2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Income:		
Public payroll compensation	0	829.938
	<u>0</u>	<u>829.938</u>
Special items are recognised in the following items in the financial statements:		
Other operating income	0	829.938
Profit of special items, net	0	829.938

3. Staff costs

	2021	2020
Salaries and wages	7.946.021	10.571.509
Pension costs	381.775	522.265
Other costs for social security	138.973	107.653
	<u>8.466.769</u>	<u>11.201.427</u>
Average number of employees	<u>11</u>	<u>19</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
4. Other financial income		
Other financial income	452	77.984
	<u>452</u>	<u>77.984</u>
5. Other financial costs		
Financial costs, group entities	77.003	14.145
Other financial costs	170.164	27.890
	<u>247.167</u>	<u>42.035</u>
6. Tax on net profit or loss for the year		
Adjustment of tax for previous years	0	67.407
	<u>0</u>	<u>67.407</u>
7. Plant and machinery		
Cost 1 January 2021	1.456.975	1.564.441
Disposals during the year	0	-107.466
Cost 31 December 2021	<u>1.456.975</u>	<u>1.456.975</u>
Depreciation and writedown 1 January 2021	-1.422.187	-1.405.094
Amortisation and depreciation for the year	-34.788	-118.042
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	100.950
Depreciation and writedown 31 December 2021	<u>-1.456.975</u>	<u>-1.422.186</u>
Carrying amount, 31 December 2021	<u>0</u>	<u>34.789</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	41.994.303	45.831.363
Additions during the year	533.923	704.712
Disposals during the year	<u>-2.482.480</u>	<u>-4.541.772</u>
Cost 31 December 2021	<u>40.045.746</u>	<u>41.994.303</u>
Depreciation and writedown 1 January 2021	-33.914.367	-32.292.344
Amortisation and depreciation for the year	-2.140.355	-4.918.323
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>0</u>	<u>3.296.300</u>
Depreciation and writedown 31 December 2021	<u>-36.054.722</u>	<u>-33.914.367</u>
Carrying amount, 31 December 2021	<u>3.991.024</u>	<u>8.079.936</u>

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

The company has signed a rental agreement of office facilities. The liability is DKK 815 thousand with 6 months to maturity.

The company has entered into operational leases with 6 months to maturity and 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 2021 was DKK 1.082 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.

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Lise Horsbøl Storgaard-Lautrup

Bestyrelsesmedlem

Serial number: PID:9208-2002-2-127050499671

IP: 170.133.xxx.xxx

2022-06-01 19:30:16 UTC

NEM ID 

Christopher Sanne

Adm. direktør

Serial number: 9578-5997-4-576479

IP: 213.239.xxx.xxx

2022-06-02 05:38:47 UTC

bankID 

Christopher Sanne

Bestyrelsesmedlem

Serial number: 9578-5997-4-576479

IP: 213.239.xxx.xxx

2022-06-02 05:38:47 UTC

bankID 

Richard Khalil Strachan

Bestyrelsesformand

Serial number: richard.strachan3@weatherford.com

IP: 194.72.xxx.xxx

2022-06-02 08:52:22 UTC



Jacob Helly Juell-Hansen

Statsautoriseret revisor

Serial number: CVR:34209936-RID:50904197

IP: 62.243.xxx.xxx

2022-06-02 13:52:40 UTC

NEM ID 

Richard Khalil Strachan

Dirigent

Serial number: richard.strachan3@weatherford.com

IP: 31.49.xxx.xxx

2022-06-02 15:31:03 UTC



Penneo document key: UAONH-AEW35-Y0KQD-NNDD1-ED6QE-T8FZE

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validate>