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Weatherford Danmark A/S

Høgevej 12 - 14, 6705 Esbjerg Ø**Company reg. no. 32 83 26 01**

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 11 July 2024.

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 2023	
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 2023.

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 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

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, 11 July 2024

Managing Director

Bjarne Christopher Petersen
Sanne
CEO

Board of directors

Richard Khalil Strachan
Chairman of the Board

Lise H. Storgaard-Lautrup

Bjarne Christopher Petersen
Sanne

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 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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, 11 July 2024

Grant Thornton

Certified 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
Lise H. Storgaard-Lautrup
Bjarne Christopher Petersen Sanne

Managing Director

Bjarne Christopher Petersen Sanne, CEO

Auditors

Grant Thornton, Godkendt 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.

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 19.901 TDKK against 4.710 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 2024 is as always highly influenced by the scope of the customers.

We see a shift in market from offshore production to more New Energy onshore for Geothermal projects and Gas Storage. Result for 2024 expected to drop slightly

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 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>2023</u>	<u>2022</u>
Gross profit	29.231.103	16.620.975
1 Staff costs	-11.766.394	-11.048.974
Depreciation and impairment of property, land, and equipment	-1.172.019	-1.235.075
Operating profit	16.292.690	4.336.926
2 Other financial income	3.730.751	420.641
3 Other financial costs	-122.332	-47.498
Pre-tax net profit or loss	19.901.109	4.710.069
4 Tax on net profit or loss for the year	-4.378.517	4.814.612
Net profit or loss for the year	15.522.592	9.524.681
Proposed distribution of net profit:		
Transferred to retained earnings	15.522.592	9.524.681
Total allocations and transfers	15.522.592	9.524.681

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Non-current assets			
6	Other fixtures and fittings, tools and equipment	4.339.619	3.694.258
	Total property, plant, and equipment	<u>4.339.619</u>	<u>3.694.258</u>
7	Deposits	255.000	255.000
	Total investments	<u>255.000</u>	<u>255.000</u>
	Total non-current assets	<u>4.594.619</u>	<u>3.949.258</u>
Current assets			
	Manufactured goods and goods for resale	2.142.289	5.999.759
	Total inventories	<u>2.142.289</u>	<u>5.999.759</u>
	Trade receivables	16.224.484	43.659.125
	Receivables from group enterprises	55.202.084	20.014.386
8	Deferred tax assets	1.405.239	4.814.612
	Prepayments and accrued income	97.291	88.458
	Total receivables	<u>72.929.098</u>	<u>68.576.581</u>
	Cash on hand and demand deposits	<u>2.819.842</u>	<u>602.883</u>
	Total current assets	<u>77.891.229</u>	<u>75.179.223</u>
	Total assets	<u>82.485.848</u>	<u>79.128.481</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	7.682.100	7.682.100
Retained earnings	23.599.373	8.076.781
Total equity	<u>31.281.473</u>	<u>15.758.881</u>
Liabilities other than provisions		
Trade payables	995.774	1.298.229
Payables to group enterprises	43.373.800	31.966.521
Income tax payable	969.144	0
Other payables	5.865.657	8.701.350
Accruals and deferred income	0	21.403.500
Total short term liabilities other than provisions	<u>51.204.375</u>	<u>63.369.600</u>
Total liabilities other than provisions	<u>51.204.375</u>	<u>63.369.600</u>
Total equity and liabilities	<u>82.485.848</u>	<u>79.128.481</u>

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 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>
Equity 1 January 2023	7.682.100	8.076.781	15.758.881
Retained earnings for the year	<u>0</u>	<u>15.522.592</u>	<u>15.522.592</u>
	<u>7.682.100</u>	<u>23.599.373</u>	<u>31.281.473</u>

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	11.122.768	10.405.624
Pension costs	583.589	527.018
Other costs for social security	60.037	116.332
	<u>11.766.394</u>	<u>11.048.974</u>
Average number of employees	<u>16</u>	<u>15</u>
2. Other financial income		
Other financial income	1.541.538	286.663
Financial income, group entities	2.189.213	133.978
	<u>3.730.751</u>	<u>420.641</u>
3. Other financial costs		
Financial costs, group entities	57.056	10.012
Other financial costs	65.276	37.486
	<u>122.332</u>	<u>47.498</u>
4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	969.144	0
Adjustment of deferred tax for the year	3.409.373	-4.814.612
	<u>4.378.517</u>	<u>-4.814.612</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Plant and machinery		
Cost 1 January 2023	1.456.975	1.456.975
Disposals during the year	<u>-15.312</u>	<u>0</u>
Cost 31 December 2023	<u>1.441.663</u>	<u>1.456.975</u>
Depreciation and writedown 1 January 2023	-1.456.975	-1.456.975
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>15.312</u>	<u>0</u>
Depreciation and writedown 31 December 2023	<u>-1.441.663</u>	<u>-1.456.975</u>
Carrying amount, 31 December 2023	<u>0</u>	<u>0</u>
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2023	40.966.822	40.045.746
Additions during the year	2.343.181	939.844
Disposals during the year	<u>-5.552.996</u>	<u>-18.768</u>
Cost 31 December 2023	<u>37.757.007</u>	<u>40.966.822</u>
Depreciation and writedown 1 January 2023	-37.272.564	-36.054.722
Amortisation and depreciation for the year	-1.172.021	-1.217.842
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>5.027.197</u>	<u>0</u>
Depreciation and writedown 31 December 2023	<u>-33.417.388</u>	<u>-37.272.564</u>
Carrying amount, 31 December 2023	<u>4.339.619</u>	<u>3.694.258</u>
7. Deposits		
Cost 1 January 2023	<u>255.000</u>	<u>255.000</u>
Cost 31 December 2023	<u>255.000</u>	<u>255.000</u>
Carrying amount, 31 December 2023	<u>255.000</u>	<u>255.000</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
8. Deferred tax assets		
Deferred tax assets 1 January 2023	4.814.612	0
Deferred tax of the net profit or loss for the year	<u>-3.409.373</u>	<u>4.814.612</u>
	<u>1.405.239</u>	<u>4.814.612</u>

9. Contingencies

Contingent liabilities

The company has signed a rental agreement of office facilities. The liability is DKK 890 thousand with 6 months to maturity.

The company has entered into operational leases with total outstanding lease payments of total DKK 23 thousand.

The company is jointly liable with other group companies for the Weatherford group cash pool scheme. The total group balance at 31 December 2023 was DKK 3.249 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.