

NOV Holding Danmark ApS

**Priorparken 480
2605 Brøndby**

CVR no. 34 46 68 58

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general
meeting on 1 July 2022

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Robbert Oudendijk
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of NOV Holding Danmark ApS for the financial year 1 January - 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2022 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 1 July 2022

Executive board


Robbert Oudendijk


Trevor Brian Martin

Independent auditor's report

To the shareholder of NOV Holding Danmark ApS

Opinion

We have audited the financial statements of NOV Holding Danmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are 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 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note 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 report

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.

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 1 July 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 20 28



Hans B. Vistisen
state authorised public accountant
MNE no. 23254



Anders Roe Eriksen
state authorised public accountant
MNE no. 46667

Company details

The company

NOV Holding Danmark ApS
Priorparken 480
2605 Brøndby

Telephone: +45 43 48 30 00

CVR no.: 34 46 68 58

Reporting period: 1 January - 31 December 2021

Incorporated: 26 March 2012

Domicile: Brøndby

Executive board

Robbert Oudendijk
Trevor Brian Martin

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Bankers

DNB ASA

General meeting

The annual general meeting is held at the company's address on 1 July 2022.

Management's review

Business review

The company's significant activity is its 0.01% stake in National Oilwell Varco Denmark I/S. National Oilwell Varco Denmark I/S engineers, manufactures, and delivers flexible pipe systems for the purpose of recovering hydrocarbon oil and gas from offshore fields as well as solutions for the purpose of transporting chemicals and water to in-shore installations based on the use of flexible pipe products. The company is ultimately owed by NOV Inc.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 55,514, and the balance sheet at 31 December 2021 shows negative equity of DKK 61,736.

The company has lost more than 50% of its share capital. At the Annual General Meeting in 2022 management will suggest to re-establish the share capital with a capital injection of DKK 130,000 which will be approved at the Annual General Meeting in 2022.

The company has obtained a letter for financial support from National Oilwell Varco Norway AS, wherein National Oilwell Varco Norway AS guaranteed to support the company financially at least through 31 December 2022. On this basis the financial statements are prepared on a going concern assumption.

In 2021 the company entered the partnership of National Oilwell Varco Denmark I/S with the purchase of 0.01% of the company at a transacted price of DKK 241,004. At the end of the year, an impairment of DKK 43,619 was recorded due to a new impairment assessment. For further details refer to note 3.

Significant events occurring after the end of the financial year

No events have been occurred after the end of the financial year that could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Other external expenses		-11,675	-14,524
Gross profit		-11,675	-14,524
Impairment losses on financial assets		-43,619	0
Loss before tax		-55,294	-14,524
Tax on profit/loss for the year	2	-220	-3,078
Profit/loss for the year		-55,514	-17,602
Retained earnings		-55,514	-17,602
		-55,514	-17,602

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Participating interests	3	<u>197,385</u>	<u>0</u>
Fixed asset investments		<u>197,385</u>	<u>0</u>
Total non-current assets		<u>197,385</u>	<u>0</u>
Corporation tax		<u>0</u>	<u>362</u>
Receivables		<u>0</u>	<u>362</u>
Cash at bank		<u>3,491</u>	<u>4,291</u>
Total current assets		<u>3,491</u>	<u>4,653</u>
Total assets		<u><u>200,876</u></u>	<u><u>4,653</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		80,000	80,000
Retained earnings		<u>-141,736</u>	<u>-86,222</u>
Equity	4	<u>-61,736</u>	<u>-6,222</u>
Payables to group entities		<u>241,004</u>	<u>0</u>
Total non-current liabilities	5	<u>241,004</u>	<u>0</u>
Trade payables		10,875	10,875
Payables to group entities		<u>10,733</u>	<u>0</u>
Total current liabilities		<u>21,608</u>	<u>10,875</u>
Total liabilities		<u>262,612</u>	<u>10,875</u>
Total equity and liabilities		<u><u>200,876</u></u>	<u><u>4,653</u></u>
Contingent assets	6		
Contingent liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	80,000	-86,222	-6,222
Net profit/loss for the year	0	-55,514	-55,514
Equity at 31 December 2021	<u>80,000</u>	<u>-141,736</u>	<u>-61,736</u>

For further details see note 4.

Notes

1 Accounting policies

The annual report of NOV Holding Danmark 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 accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Income statement

Other external expenses

Other external expenses include expenses related to administration, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in participating interests

Investment in participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. Dividend from investments in participating interests are always to be recognised in the income statement going forward. If the carrying amount of the net assets of participating interests exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be evidence of impairment, meaning that an impairment test must be conducted.

Impairment of non-current assets

The carrying amount of investments in participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Notes

1 Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life. Impairment losses on investments in participating interests are recognised in the income statement as Impairment losses on financial assets.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Notes

1 Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

2 Tax on profit/loss for the year

Adjustment of tax concerning previous years

Foreign paid tax

	<u>2021</u>	<u>2020</u>
	DKK	DKK
	-458	3,078
	<u>678</u>	<u>0</u>
	<u>220</u>	<u>3,078</u>

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
3 Participating interests		
Cost at 1 January 2021	0	0
Additions for the year	<u>241,004</u>	<u>0</u>
Cost at 31 December 2021	<u>241,004</u>	<u>0</u>
Revaluations	<u>-43,619</u>	<u>0</u>
Revaluations at 31 December 2021	<u>-43,619</u>	<u>0</u>
Carrying amount at 31 December 2021	<u><u>197,385</u></u>	<u><u>0</u></u>

Management has identified indicators of impairment of equity investments in participating interests. Consequently, management has prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2021. The calculation of the recoverable amount is based on the value in use of the investments applying a discounted cash flow model (DCF). Expected net future cash flows are determined on basis for budgets for the period 2022-2025 followed by a terminal period. The applied discount factor and inflation rates are estimated by management. Annual revenue and profitability in the model are based on management's visibility of future projects. Annual revenue growth varies from 2% to 3% and a growth rate of 3% has been applied for the terminal period. A WACC after tax of 14,7% has been applied as a discount factor. As a result of the impairment test, the investments in participating interest have been affected by an impairment of 43,619 DKK.

Participating interests are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
National Oilwell Varco Denmark I/S	Brøndby, Denmark	0,01%

Notes

4 Equity

There have been no changes in the share capital during the last 5 years.

The share capital consists of 80,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The company has lost more than 50% of its share capital. At the Annual General Meeting in 2022 management will suggest to re-establish the share capital with a capital injection of DKK 130,000, which will be approved at the Annual General Meeting in 2022.

The company has obtained a letter for financial support from National Oilwell Varco Norway AS, wherein National Oilwell Varco Norway AS guarantees to support the company financially at least through 31 December 2022. On this basis the financial statements are prepared on a going concern assumption.

5 Long term debt

	<u>2021</u> DKK	<u>2020</u> DKK
Payables to group entities		
Between 1 and 5 years	241,004	0
Non-current portion	241,004	0
Within 1 year	0	0
Current portion	0	0
	<u>241,004</u>	<u>0</u>

6 Contingent assets

The company has tax loss carry-forwards totalling 163,778 DKK. The nominal value thereof is 22%, totalling 36,031 DKK. 0 DKK of the amount has been recognised in the balance sheet under deferred tax/deferred tax asset, due to uncertainty as to application of the tax loss.

7 Contingent liabilities

The company has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2013 onwards as well as for payment of withholding taxes.

Notes

8 Related parties and ownership structure

National Oilwell Varco Norway AS
Dvergnesbakken 25
4639 Kristiansand S
Norway
Equity interest: 100%

Consolidated financial statements

The ultimate parent company preparing the consolidated financial statements is NOV Inc., 7909 Parkwood Circle Drive, Houston, Texas 77036-6565, USA.

The consolidated financial statements for NOV Inc. can be obtained from National Oilwell Varco Denmark I/S on request at the company's address:

Priorparken 480
2605 Brøndby
Denmark
<https://investors.nov.com/annual-results>

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of NOV Holding Danmark ApS for the financial year 1 January - 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2022 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 1 July 2022

Executive board



Robbert Oudendijk



Trevor Brian Martin

Independent auditor's report

To the shareholder of NOV Holding Danmark ApS

Opinion

We have audited the financial statements of NOV Holding Danmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are 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 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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As part of an audit conducted in accordance with ISAs and 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.
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Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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Copenhagen, 1 July 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 20 28

Hans B. Vistisen
state authorised public accountant
MNE no. 23254

Anders Roe Eriksen
state authorised public accountant
MNE no. 46667

Company details

The company

NOV Holding Danmark ApS
Priorparken 480
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Telephone: +45 43 48 30 00

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Executive board

Robbert Oudendijk
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Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Bankers

DNB ASA

General meeting

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	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
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Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Participating interests	3	<u>197,385</u>	<u>0</u>
Fixed asset investments		<u>197,385</u>	<u>0</u>
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Receivables		<u>0</u>	<u>362</u>
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Total assets		<u><u>200,876</u></u>	<u><u>4,653</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		80,000	80,000
Retained earnings		<u>-141,736</u>	<u>-86,222</u>
Equity	4	<u>-61,736</u>	<u>-6,222</u>
Payables to group entities		<u>241,004</u>	<u>0</u>
Total non-current liabilities	5	<u>241,004</u>	<u>0</u>
Trade payables		10,875	10,875
Payables to group entities		<u>10,733</u>	<u>0</u>
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Total liabilities		<u>262,612</u>	<u>10,875</u>
Total equity and liabilities		<u><u>200,876</u></u>	<u><u>4,653</u></u>
Contingent assets	6		
Contingent liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	80,000	-86,222	-6,222
Net profit/loss for the year	0	-55,514	-55,514
Equity at 31 December 2021	<u>80,000</u>	<u>-141,736</u>	<u>-61,736</u>

For further details see note 4.

Notes

1 Accounting policies

The annual report of NOV Holding Danmark 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 accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Income statement

Other external expenses

Other external expenses include expenses related to administration, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in participating interests

Investment in participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. Dividend from investments in participating interests are always to be recognised in the income statement going forward. If the carrying amount of the net assets of participating interests exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be evidence of impairment, meaning that an impairment test must be conducted.

Impairment of non-current assets

The carrying amount of investments in participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Notes

1 Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life. Impairment losses on investments in participating interests are recognised in the income statement as Impairment losses on financial assets.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Notes

1 Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

2 Tax on profit/loss for the year

Adjustment of tax concerning previous years

Foreign paid tax

	<u>2021</u>	<u>2020</u>
	DKK	DKK
	-458	3,078
	<u>678</u>	<u>0</u>
	<u>220</u>	<u>3,078</u>

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
3 Participating interests		
Cost at 1 January 2021	0	0
Additions for the year	<u>241,004</u>	<u>0</u>
Cost at 31 December 2021	<u>241,004</u>	<u>0</u>
Revaluations	<u>-43,619</u>	<u>0</u>
Revaluations at 31 December 2021	<u>-43,619</u>	<u>0</u>
Carrying amount at 31 December 2021	<u><u>197,385</u></u>	<u><u>0</u></u>

Management has identified indicators of impairment of equity investments in participating interests. Consequently, management has prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2021. The calculation of the recoverable amount is based on the value in use of the investments applying a discounted cash flow model (DCF). Expected net future cash flows are determined on basis for budgets for the period 2022-2025 followed by a terminal period. The applied discount factor and inflation rates are estimated by management. Annual revenue and profitability in the model are based on management's visibility of future projects. Annual revenue growth varies from 2% to 3% and a growth rate of 3% has been applied for the terminal period. A WACC after tax of 14,7% has been applied as a discount factor. As a result of the impairment test, the investments in participating interest have been affected by an impairment of 43,619 DKK.

Participating interests are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
National Oilwell Varco Denmark I/S	Brøndby, Denmark	0,01%

Notes

4 Equity

There have been no changes in the share capital during the last 5 years.

The share capital consists of 80,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The company has lost more than 50% of its share capital. At the Annual General Meeting in 2022 management will suggest to re-establish the share capital with a capital injection of DKK 130,000, which will be approved at the Annual General Meeting in 2022.

The company has obtained a letter for financial support from National Oilwell Varco Norway AS, wherein National Oilwell Varco Norway AS guarantees to support the company financially at least through 31 December 2022. On this basis the financial statements are prepared on a going concern assumption.

5 Long term debt

	2021 DKK	2020 DKK
Payables to group entities		
Between 1 and 5 years	241,004	0
Non-current portion	241,004	0
Within 1 year	0	0
Current portion	0	0
	241,004	0

6 Contingent assets

The company has tax loss carry-forwards totalling 163,778 DKK. The nominal value thereof is 22%, totalling 36,031 DKK. 0 DKK of the amount has been recognised in the balance sheet under deferred tax/deferred tax asset, due to uncertainty as to application of the tax loss.

7 Contingent liabilities

The company has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2013 onwards as well as for payment of withholding taxes.

Notes

8 Related parties and ownership structure

National Oilwell Varco Norway AS
Dvergnesbakken 25
4639 Kristiansand S
Norway
Equity interest: 100%

Consolidated financial statements

The ultimate parent company preparing the consolidated financial statements is NOV Inc., 7909 Parkwood Circle Drive, Houston, Texas 77036-6565, USA.

The consolidated financial statements for NOV Inc. can be obtained from National Oilwell Varco Denmark I/S on request at the company's address:

Priorparken 480
2605 Brøndby
Denmark
<https://investors.nov.com/annual-results>