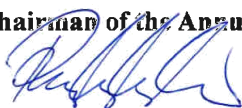


**Welltec Oilfield Services
(Continental Europe) A/S
Central Business Registration No 36 05 95 75**

Annual Report for 1 January – 31 December 2019

The Annual Report was presented and adopted at the Annual General Meeting on 11 June 2020.

Chairman of the Annual General Meeting



Name: Peter Schnettler Kristensen

Contents

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Income statement for 2019	5
Balance sheet at 31 December 2019	6
Statement of changes in equity for 2019	7
Notes	8

Company details

The Company

Welltec Oilfield Services (Continental Europe) A/S
Gydevang 25
DK-3450 Allerød
Denmark

Central Business Registration No: 36 05 95 75
Municipality of reg. office: Allerød
Financial period: 1 January – 31 December 2019

Board of Directors

Jørgen Hallundbæk, Chairman
Peter Schnettler Kristensen
Søren Søgaard Suhr

Executive Board

Peter Schnettler Kristensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Statement by Management on the annual report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Welltec Oilfield Services (Continental Europe) A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company's operations for 2019.

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

Allerød 11 June 2020

Executive Board



Peter Schnettler Kristensen
Chief Executive Officer

Board of Directors



Jørgen Hallundbæk
Chairman



Søren Søgaard Suhr



Peter Schnettler Kristensen

Independent auditor's reports

To the shareholder of Welltec Oilfield Services (Continental Europe) A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Welltec Oilfield Services (Continental Europe) A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 pre-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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.


Independent auditor's reports

- 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.

Hellerup, 11 June 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31


Tue Stensgård Sørensen
State Authorized
Public Accountant
MNE 32200


Simon Vinberg Andersen
State Authorized
Public Accountant
MNE 35458

Income statement 1 January – 31 December

	<u>Note</u>	2019 USD	2018 USD
Other external expenses		<u>(784)</u>	<u>(767)</u>
Gross (loss)		(784)	(767)
Financial income	2	1,444	1,540
Financial expenses	3	<u>(1,732)</u>	<u>(3,625)</u>
Profit/(loss) before tax		(1,072)	(2,852)
Tax on profit/loss for the year	4	<u>(1,048)</u>	<u>966</u>
Net profit/(loss) for the year		<u>(2,120)</u>	<u>(1,886)</u>

Distribution of profit/loss**Proposed distribution of profit/loss**

Retained earnings		<u>(2,120)</u>	<u>(1,886)</u>
		<u>(2,120)</u>	<u>(1,886)</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> <u>USD</u>	<u>2018</u> <u>USD</u>
Assets			
Receivables from group enterprises		72,382	77,198
Corporation tax		236	2,250
Total receivables		<u>72,618</u>	<u>79,448</u>
Current assets		<u>72,618</u>	<u>79,448</u>
Assets		<u>72,618</u>	<u>79,448</u>
Liabilities and equity			
Share capital		86,462	86,462
Retained earnings		(14,623)	(12,503)
Equity		<u>71,839</u>	<u>73,959</u>
Payables to group enterprises		-	4,722
Other payables		779	767
Short-term debt		<u>779</u>	<u>5,489</u>
Debt		<u>779</u>	<u>5,489</u>
Liabilities and equity		<u>72,618</u>	<u>79,448</u>
Key activities	1		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Micro-enterprises	7		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Equity at 1 January	86,462	(12,503)	73,959
Net profit/loss for the year	-	(2,120)	(2,120)
Equity at 31 December	86,462	(14,623)	71,839

Notes to the Financial Statements

1 Key activities

There is no activity in the company.

	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
2 Financial income		
Interest income	<u>1,444</u>	<u>1,540</u>
	<u>1,444</u>	<u>1,540</u>
3 Financial expenses		
Exchange adjustments, expenses	<u>1,732</u>	<u>3,625</u>
	<u>1,732</u>	<u>3,625</u>
4 Tax on profit/loss for the year		
Current tax for the year	(236)	966
Adjustment for tax previous years	<u>1,284</u>	<u>-</u>
	<u>1,048</u>	<u>966</u>

5 Contingent assets, liabilities and other financial obligations

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

6 Related parties

Consolidated Financial Statements

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

Name	Place of registered office
Welltec A/S	Allerød

Notes to the Financial Statements

7 Micro-enterprises

The Annual Report of Welltec Oilfield Services (Continental Europe) A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to micro-enterprises of reporting class B. The Company has therefore opted not to prepare:

- Description of the accounting policies applied

8 Events after the balance sheet date

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event for Welltec Oilfield Services (Continental Europe) A/S. To date, the COVID-19 outbreak has resulted in decreased demand for oil which together with a disagreement between OPEC and Russia on adjusting the supply for oil has led to significantly lower oil prices.

The impact from COVID-19 is not considered to have a material impact on the company given the limited activity.