UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2020
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________________________________to ________________________________
Commission file number 001-36504

Weatherford International plc

(Exact name of registrant as specified in its charter)

Ireland	**98-0606750**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2000 St. James Place, Houston, Texas	**77056**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 713.836.4000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	Name of each exchange on which registered

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☑ No ☐

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☑

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑Yes ☐ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☑ No ☐

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2020 was approximately $87 million based upon the closing price on the New York Stock Exchange as of such date. The registrant had 70,017,356 ordinary shares outstanding as of February 12, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Weatherford International plc

Form 10-K for the Year Ended December 31, 2020

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PART I

Item 1. *Business*

Weatherford International plc, an Irish public limited company, together with its subsidiaries ("Weatherford," the "Company," "we," "us" and "our"), is a multinational oilfield service company. We are a leading wellbore and production solution company providing equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We were originally incorporated in Delaware in 1972, and are currently incorporated in Ireland. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

We conduct operations in over 75 countries, answering the challenges of the energy industry with approximately 390 operating locations including manufacturing, research and development, service, and training facilities. Our operational performance is reviewed on a geographic basis and we report our Western Hemisphere and Eastern Hemisphere as separate and distinct reporting segments.

Our principal executive offices are located at 2000 St. James Place, Houston, Texas 77056 and our telephone number at that location is +1.713.836.4000. Our internet address is www.weatherford.com. General information about us, including our corporate governance policies, code of business conduct and charters for the committees of our Board of Directors, can be found on our website. On our website we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished as soon as reasonably practicable after we electronically file or furnish them to the Securities and Exchange Commission ("SEC"). The SEC maintains a website that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov.

On April 17, 2020, the New York Stock Exchange (the "NYSE") filed a Form 25 with the SEC. The delisting of our ordinary shares from the NYSE became effective on April 27, 2020, and our ordinary shares were subsequently deregistered under Section 12(b) of the Exchange Act on July 16, 2020. We continue to evaluate listing options and intend to relist our ordinary shares when our Board of Directors determines market conditions are appropriate. Until such time as our ordinary shares are relisted, the Company intends to continue filing periodic reports with the SEC on a voluntary basis. Our ordinary shares trade on the OTC Pink Marketplace under the ticker symbol "WFTLF".

COVID-19 Pandemic

The COVID-19 pandemic, travel constraints and access restrictions to customer work locations continue to cause significant uncertainty for the global economy, resulting in the continued significant decline in the global demand for oil and gas and related customer activity shutdowns. This continues to cause an imbalance in the supply and demand for oil and gas. The impacts of the COVID-19 pandemic together with uncertainty around the extent and timing for an economic recovery, have caused significant market volatility of commodity prices in the first half of 2020 and resulted in significant reductions to the capital spending during 2020 of our primary customer base which consists of exploration and production companies, with lowering expectations of oil and gas related spending into 2021 and beyond. In addition, the risk of additional COVID-19 related restrictions or lockdowns remains, which creates further uncertainty in the global economic outlook and impact on oil and gas markets.

We continue to closely monitor the global impacts surrounding the COVID-19 pandemic, including operational and manufacturing disruptions, logistical constraints and travel restrictions. These factors have negatively impacted our ability to operate and we expect these negative impacts to continue. We have experienced and expect to continue to experience delays or a lack of availability of key components from our suppliers, shipping and other logistical delays and disruptions, customer restrictions that prevent access to their sites, community measures to contain the spread of the virus, and changes to Weatherford's policies that have both restricted and changed the way our employees work. We expect most, if not all, of these disruptions and constraints to have lasting effects on how we and our customers and suppliers work in the future.

Faced with these challenges, we have evolved our digital portfolio and enhanced our applications to offer fully-integrated digital oilfield solutions. We have also increased our offerings of automated well construction and remote monitoring and predictive analytics related to our production offerings. Finally, we continuously improve crew rotations and management practices to minimize our employees' exposure to COVID-19. Our identification and management of COVID-19 cases continues to improve, through updated protocols, advanced testing and response procedures.

Reorganization and Emergence from Bankruptcy Proceedings

On July 1, 2019 (the “Petition Date”), Weatherford and two of our subsidiaries (collectively, the “Weatherford Parties”) commenced voluntary reorganization proceedings (the “Cases”), including under Chapter 11 of Title 11 (“Chapter 11”) of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”), with ancillary proceedings filed in Ireland and Bermuda. The plan of reorganization (as amended, the “Plan”), together with the schemes of arrangement in Ireland and Bermuda, became effective on December 13, 2019 (the “Effective Date”) and the Weatherford Parties emerged from Chapter 11.

On the Effective Date, the Weatherford Parties’ then-existing unsecured senior and exchangeable senior notes totaling $7.6 billion were cancelled pursuant to the terms of the Plan. Upon emergence from Chapter 11, on the Effective Date, we adopted and applied the relevant guidance with respect to the accounting and financial reporting for entities that have emerged from bankruptcy proceedings (“Fresh Start Accounting”). For additional details regarding the Chapter 11, see “Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings” and for Fresh Start Accounting see “Note 3 – Fresh Start Accounting”.

Under Fresh Start Accounting, our balance sheet on the Effective Date reflected all our assets and liabilities at fair value. As described in “Note 1 – Summary of Significant Accounting Policies” references to “Predecessor” relate to the Consolidated Statements of Operations for the period from January 1, 2019 through and including the adjustments from the application of Fresh Start Accounting on December 13, 2019 and for the year ended December 31, 2018 and (“Predecessor Periods”). References to “Successor” relate to the Consolidated Statements of Operations for the year ended December 31, 2020 and the period from December 14, 2019 through December 31, 2019 (“Successor Periods”).

References and comparisons to results for the year ended December 31, 2019 relate to the combined Successor and Predecessor Periods for the year ended December 31, 2019 (“2019 Combined Period”) as the 18 days of the Successor Period is not a significant period of time impacting the combined 2019 results.

Strategy

Our primary objective is to build value through profitable growth in our core product lines with disciplined use of capital and a strong customer focus.

Our customers’ objectives are continually evolving and are currently focused on lowering capital and operational expenditures, generating positive cash flow, reducing emissions, and enhancing safety. Weatherford has aligned its technology development and operations around these trends and expanding its role as a market leading solutions provider that assists our customers in addressing their key operational challenges related to four domains:

- *Mature Fields*: rejuvenating aging assets from the reservoir to the point of sale through optimizing lift efficiency, restoring wellbore efficiency and integrity, accelerating reservoir recovery, and permanently abandoning wells when they are no longer economic to produce;
- *Unconventionals*: enabling customers to solve reservoir challenges and maximize production by drilling faster, deeper, safer and cheaper and combating production declines through accurate reservoir evaluation, efficient well construction, effective stimulation, and optimizing production;
- *Offshore*: supporting customers sustain high-margin, long-term production with a focus on reducing rig time, enhancing safety and reliability, and increasing well integrity through the optimization of well placement and construction;
- *Digitalization and Automation*: leveraging our core competencies and significant presence at well sites to capture, analyze and present information for our customers by leveraging the internet of things, data analytics, and cloud computing across our many solutions.

We have enabled this solution-based focus across our organization through a commitment to improving safety and service quality, embedding a returns-focused mindset in our organization, and developing and commercializing new technologies.

Markets

We are a leading global wellbore and production solutions company providing equipment and services to the oil and natural gas exploration and production industry. Demand for our industry's services and products depends in part upon commodity prices for oil and gas, the number of oil and natural gas wells drilled, the depth and drilling conditions of wells, the number of well completions, the depletion and age of existing wells and the level of workover activity worldwide.

Technology is critical to the oil and natural gas marketplace as a result of the maturity of the world's oil and natural gas reservoirs, the acceleration of production decline rates and the focus on complex well designs, including deepwater prospects. Customers continue to seek, test and use production-enabling technologies at an increasing rate. We invested substantial resources into building our technology offerings, which helps us to provide our customers with more efficient tools to find and produce oil and natural gas. Our products and services enable our customers to reduce their costs of drilling and production, increase production rates, or both. Furthermore, these technology offerings afford us additional opportunities to sell our core products and services to our customers.

Reporting Segments

The Company's chief operating decision maker (the Chief Executive Officer) regularly reviews the information of our two reportable segments which are our Western Hemisphere and Eastern Hemisphere. These reportable segments are based on management's organization and view of Weatherford's business when making operating decisions, allocating resources and assessing performance. Research and development expenses are included in the results of both our Western and Eastern Hemisphere segments. Our corporate and other expenses that do not individually meet the criteria for segment reporting are reported separately under the caption Corporate General and Administrative in our Segment Information disclosures.

Products and Services

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both onshore and offshore. During the second quarter of 2020, in order to support the streamlining and realignment of the business, we combined our prior reported four product lines into two product lines. Our two product lines are: (1) Completion and Production and (2) Drilling, Evaluation and Intervention. Our new combined Completion and Production product line was previously reported as two separate product lines. Our new Drilling, Evaluation and Intervention product line was previously reported as two separate product lines of (i) Drilling and Evaluation, and (ii) Well Construction.

Completion and Production offers production optimization services and a complete production ecosystem, featuring our artificial-lift portfolio, testing and flow-measurement solutions, and optimization software to boost productivity and profitability. In addition, we have a suite of modern completion products, reservoir stimulation designs, and engineering capabilities that isolate zones and unlock reserves in deepwater, unconventional, and aging reservoirs. The following is a detailed description of our product and service offerings under our Completion and Production product line.

Artificial Lift Systems provides a mechanical method to produce oil or gas from a well lacking sufficient reservoir pressure for natural flow. We provide most forms of lift, including reciprocating rod lift systems, progressing cavity pumping, gas-lift systems, hydraulic-lift systems, plunger-lift systems and hybrid lift systems for special applications. We also offer related automation and control systems.

Pressure Pumping offers customers advanced chemical technology and services for safe and effective production enhancements. In selected international markets, we provide pressure pumping and reservoir stimulation services, including acidizing, fracturing and fluid systems, cementing and coiled-tubing intervention.

Testing and Production Services provides well test data and slickline and intervention services. The service line includes drillstem test tools, surface well testing services, and multiphase flow measurement.

Completion Systems offers customers a comprehensive line of completion tools-such as safety systems, production packers, downhole reservoir monitoring, flow control, isolation packers, multistage fracturing systems and sand-control technologies that set the stage for maximum production with minimal cost per barrel.

Liner Systems includes liner hangers to suspend a casing string within a previous casing string rather than from the top of the wellbore. The service line offers a comprehensive liner-hanger portfolio, along with engineering and executional experience, for a wide range of applications that include high-temperature and high-pressure wells.

Cementing Products enables operators to centralize the casing throughout the wellbore and control the displacement of cement and other fluids for proper zonal isolation. Specialized equipment includes plugs, float and stage equipment and torque-and-drag reduction technology. Our cementing engineers analyze complex wells and provide all job requirements from pre-job planning to installation.

Drilling, Evaluation and Intervention comprises a suite of services ranging from early well planning to reservoir management. The drilling services offer innovative tools and expert engineering to increase efficiency and maximize reservoir exposure. The evaluation services merge wellsite capabilities including wireline and managed pressure drilling. We also build or rebuild well integrity for the full life cycle of the well. Using conventional to advanced equipment, we offer safe and efficient tubular running services in any environment. Our skilled fishing and re-entry teams execute under any contingency from drilling to abandonment, and our drilling tools provide reliable pressure control even in extreme wellbores. The following is a detailed description of our product and service offerings currently provided by our Drilling, Evaluation and Intervention product line.

Drilling Services includes directional drilling, logging while drilling, measurement while drilling and rotary-steerable systems. This service line also includes our full range of downhole equipment, including high-temperature and high-pressure sensors, drilling reamers and circulation subs.

Managed Pressure Drilling helps to manage wellbore pressures to optimize drilling performance. The services incorporate various technologies, including rotating control devices and advanced automated control systems, as well as, several drilling techniques, such as closed-loop drilling, air drilling, managed-pressure drilling and underbalanced drilling.

Wireline Services includes open-hole and cased-hole logging services that measure the physical properties of underground formations to determine production potential, locate resources and detect cement and casing integrity issues. The service line also executes well intervention and remediation operations by conveying equipment via cable into oil and natural gas wells.

Tubular Running Services provides equipment, tubular handling, tubular management and tubular connection services for the drilling, completions and workover of oil or natural gas wells. The services include conventional rig services, automated rig systems, real-time torque-monitoring and remote viewing of the makeup and breakout verification process. In addition, they include drilling-with-casing services.

Intervention Services provides re-entry, fishing, wellbore cleaning and well abandonment services, as well as, advanced multilateral well systems.

Drilling Tools and Rental Equipment delivers our patented tools and equipment, including drillpipe and collars, bottom hole assembly tools, tubular-handling equipment, pressure-control equipment, and machine-shop services, for drilling oil and natural gas wells.

Other Business Data

Competition

We provide our products and services worldwide and compete in a variety of distinct segments with a number of competitors. Our principal competitors include Schlumberger, Halliburton, Baker Hughes, National Oilwell Varco, Nabors Industries, ChampionX Corporation and Frank’s International. We also compete with various other regional suppliers that provide a limited range of equipment and services tailored for local markets. Competition is based on a number of factors, including performance, safety, quality, reliability, service, price, response time and, in some cases, depth and breadth of products. The oilfield services business is highly competitive, which may adversely affect our ability to succeed. Additionally, the impact of consolidation and acquisitions of our competitors is difficult to predict and may harm our business as a result.

Raw Materials

We purchase a wide variety of raw materials, as well as, parts and components made by other manufacturers and suppliers for use in our manufacturing facilities. Many of the products or components of products sold by us are manufactured by other parties. We are not dependent in any material respect on any single supplier for our raw materials or purchased components.

Customers

Substantially all of our customers are engaged in the energy industry. Most of our international sales are to large international or national oil companies and North America sales are to independent oil companies. As of December 31, 2020, the Eastern and Western Hemisphere accounted for 54% and 46%, respectively, of our total net outstanding accounts receivable from customers balance. As of December 31, 2020, customer receivables in Mexico and the U.S. accounted for 23% and 12%, respectively, of our total net outstanding accounts receivables from customers. No other country accounted for more than 10% of our net outstanding accounts receivables balance. For the years ended December 31, 2020, 2019 and 2018, no individual customer accounted for more than 10% of our consolidated revenues.

Backlog

Our services are usually short-term, day-rate based and cancellable should our customers wish to alter the scope of work. Consequently, our backlog of firm orders is not material to our business.

Research, Development and Patents

We maintain world-class technology and training centers throughout the world. Additionally, we have research, development and engineering facilities that are focused on improving existing products and services and developing new technologies to meet customer demands for improved drilling performance and enhanced reservoir productivity. Weatherford has significant expertise, trade secrets, intellectual property and know-how with respect to manufacturing equipment and providing services. As many areas of our business rely on patents and proprietary technology, we seek and ensure patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. Although in the aggregate our patents are important to the manufacturing and marketing of many of our products and services, we do not believe that the expiration of any one of our patents would have a materially adverse effect on our business.

With respect to the Successor, we amortize developed technology over 5 years. With respect to the Predecessor, we amortized patents over the years that we expected to benefit from their existence, which typically extended from the grant of the patent through and until 20 years after the filing date of the patent application.

Seasonality

The widespread geographical locations of our operations serve to mitigate the overall impact of the seasonal nature of our business in certain geographic regions. Weather and natural phenomena can temporarily affect the level of demand for our products and services. Spring months in Canada and winter months in the North Sea and Russia can affect our operations negatively. Additionally, heavy rains, hurricanes or an exceedingly cold winter in a given region or other climate changes may impact our results. Unpredictable or unusually harsh weather conditions could lengthen the periods of reduced activity and have a detrimental impact to our results of operations. In addition, customer spending patterns for our products and services may result in higher activity in the fourth quarter of each year as our customers seek to fully utilize their annual budgets. Conversely, customer budget constraints may lead to lower demand for our services and products in the fourth quarter of each year.

Federal Regulation and Environmental Matters

Our operations are subject to federal, state and local laws and regulations in the U.S. and globally relating to the energy industry in general and the environment in particular. Our 2020 expenditures to comply with environmental laws and regulations were not material, and we currently do not expect the cost of compliance with environmental laws and regulations for 2021 to be material.

We have obligations and expect to incur capital, operating and maintenance, and remediation expenditures, as a result of compliance with environmental laws and regulations. Among those obligations, are the current requirements imposed by the Texas Commission on Environmental Quality ("TCEQ") at the former Universal Compression facility in Midland, Texas. At this location we are performing a TCEQ-approved Remedial Action Plan ("RAP") to address contaminated ground water. The performance of the RAP and related expenses are scheduled to be performed over a ten to twenty-year period and, may cost as much as $6 million, all of which is recorded as an undiscounted obligation on the Consolidated Balance Sheets as of December 31, 2020. We continuously monitor and strive to maintain compliance with changes in laws and regulations that impact our business.

Human Capital Management

Focus on People and Culture

At Weatherford, our people are our most critical asset, vital to our sustained, long-term success. We believe we have a dedicated and capable workforce and our employees have expertise in a variety of disciplines ranging from engineering to oilfield services support to multiple corporate functions.

We strive daily to provide a culture that focuses on delivering results through attracting, developing and retaining the talent we need to build, sustain and operate effectively and efficiently across our organization and within the oilfield equipment and services industry. We understand the value that each individual brings to the table and we celebrate diversity in all its forms and are immensely proud of our workforce.

We are focused on building a high-performance culture through objective setting, ongoing and regular career discussions and individual development plans and regular coaching and feedback. During this process, we are grounded by our core values: ethics and integrity, discipline and accountability, flawless execution, collaboration and partnership, innovation and technology leadership and commitment to sustainability.

Focus on Safety

The safety of our employees remains the primary focus of our management. Our vision is to be a company that is incident free, delivers on our promises to our customers, and leaves the environments and communities in which we operate better than we found them. Our Eight GEMS (Getting Everyone Managing Safety) program is designed to educate employees and empower them to intervene when they see unsafe situations. Each GEM focuses on a specific opportunity for risk prevention, including driver and vehicle safety, commitment and intervention, facility safety, induction and training, risk management, lifting equipment and operations, hazardous substances, hazardous environments, and occupational health.

Throughout the COVID-19 crisis, we have remained focused on protecting the health and safety of our customers and employees. Shortly after the outset of COVID-19, we adopted enhanced safety measures and practices across our organization to protect employee health and safety and ensure that we would continue to be able to play a critical role in providing energy. We monitor and track the impact of the pandemic on our employees and within our operations, and proactively modify or adopt new practices to promote their health and safety.

Compensation

Our goal in our compensation programs is to provide competitive compensation opportunities to each of our employees that are well-balanced between our short- and long-term strategic priorities, that discourage excessive or unnecessary risk taking and that reward our employees appropriately for their efforts. We are committed to maintaining and fostering a culture grounded in the principles inherent in pay-for-performance over the short and long-term for our employees eligible to receive a bonus. Through this culture, we strive to attract, motivate, retain and reward our employees for their work that contributes to building our brand and to sustaining our success in the marketplace. We believe our culture of aligning our strategic priorities with our compensation programs supports a cohesive drive towards value creation for all our stakeholders.

Diversity & Inclusion

We are committed to fostering a diverse and inclusive environment where everyone feels comfortable bringing their true selves to work. It is important that we operate in a collaborative and inclusive manner across all levels of our organization, embracing gender, racial and ethnic diversity among our employees and recognizing the strength and competitive advantages that our differences afford us as an individual and a company. Our Diversity and Inclusion (“D&I”) Program promotes partnerships, engagement, and collaboration across our organization.

Our D&I Executive Council, which includes our executive leadership team and other senior leaders, provides strategic direction and oversight of the D&I Program. In addition, we have a Global D&I Advisory Board with global employee representation. Employee Resource Groups (“ERGs”) based on the needs and requests of our employees seek to align activities to enrich our culture and drive D&I initiatives at the local level that engage, educate and empower our workforce while having a positive impact on our business.

In the fourth quarter of 2020, we rolled out “Avoiding Unconscious Bias eLearning” as a global training course for employees and managers, and we conducted an interactive virtual session on Inclusive Leadership.

Employee Statistics

As of December 31, 2020, Weatherford had approximately 17,200 employees globally, located in 75 different countries. In response to the price of crude oil and a lower level of exploration and production spending, in addition to other overall cost reductions, we reduced our workforce by 28% and 35% from our workforce totals at December 31, 2019 and 2018, respectively. Certain of our operations are subject to union contracts and these contracts cover approximately 17% of our employees.

Information about our Executive Officers

The following table sets forth, as of February 19, 2021, the names and ages of the executive officers of Weatherford, including all offices and positions held by each for at least the past five years. There are no family relationships between the executive officers of the Company or between any director and any executive officer of the Company.

Name	Age	Current Position and Five-Year Business Experience
Girishchandra K. Saligram	49	President and Chief Executive Officer of Weatherford International plc, since October 2020
		Senior Vice President and Chief Operating Officer of Exterran Corporation from August 2018 to September 2020
		Senior Vice President Global Services of Exterran Corporation from August 2016 to August 2018
		Positions of increasing responsibilities at GE Oil & Gas ending with General Manager, Downstream Products & Services, in August 2016
Karl Blanchard [(a)]	61	Executive Vice President and Chief Operating Officer of Weatherford International plc, from August 2017 to present; Interim Chief Executive Officer of Weatherford International plc, from June 2020 to October 2020; Principal Financial Officer of Weatherford International plc from August 2020 to September 2020
		Chief Operating Officer of Seventy Seven Energy, Inc., June 2014 to April 2017
H. Keith Jennings	51	Executive Vice President and Chief Financial Officer of Weatherford International plc, since September 2020
		Executive Vice President and Chief Financial Officer of Calumet Specialty Products Partners, L.P. from November 2019 to September 2020
		Vice President, Finance of Eastman Chemical Company, May 2018 to October 2019
		Vice President and Treasurer of Eastman Chemical Company from August 2016 to May 2018
		Vice President and Treasurer of Cameron International Corporation from June 2009 to April 2016
Scott C. Weatherholt [(b)]	43	Executive Vice President, General Counsel, and Chief Compliance Officer of Weatherford International plc, since July 2020
		Senior Vice President and General Counsel of Arena Energy, L.P., from September 2019 to July 2020
		Executive Vice President, General Counsel, and Corporate Secretary at Midstates Petroleum Company, Inc., from February 2015 to August 2019

(a) On July 1, 2019, the Weatherford Parties, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. Weatherford continued to operate their business as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. On September 11, 2019 the Plan, as amended, was confirmed by the Bankruptcy Court and on December 13, 2019 we emerged from bankruptcy after successfully completing the reorganization pursuant to the Plan.

Prior to joining the Weatherford, Karl Blanchard served as the Chief Operating Officer of Seventy Seven Energy, Inc. (“SSE”), a position he started in June of 2014. SSE and its subsidiaries voluntarily filed for relief under Chapter 11 in the United States Bankruptcy Court for the District of Delaware on June 7, 2016. SSE continued to operate their business as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. On July 14, 2016, the Bankruptcy Court issued an order confirming the Joint Pre-packaged Plan of Reorganization (the “SSE Reorganization Plan”). The SSE Reorganization Plan became effective on August 1, 2016, pursuant to its terms and SSE emerged from its Chapter 11 case.

(b) Prior to joining Weatherford, Mr. Weatherholt was the General Counsel at Midstates Petroleum Company, Inc. when the company filed for bankruptcy protection on May 1, 2016 in the Federal Bankruptcy Court for the Southern District of Texas (Houston Division) and served the company before, during and after its bankruptcy. In addition, he was the Senior Vice President & General Counsel of Arena Energy, LP, which filed for bankruptcy protection on August 20, 2020 in the Federal Bankruptcy Court for the Southern District of Texas (Houston Division) approximately 4 weeks after his departure from the company.

Item 1A. *Risk Factors*

An investment in our securities involves various risks. You should consider carefully all the risk factors described below, the matters discussed herein under “Forward-Looking Statements” and other information included and incorporated by reference in this Form 10-K, as well as in other reports and materials that we file with the SEC. If any of the risks described below, or elsewhere in this Form 10-K, were to materialize, our business, financial condition, results of operations, cash flows and or prospects could be materially adversely affected. In such case, the trading price of our ordinary shares could decline and investors could lose part or all of their investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our financial condition, results of operations and cash flows.

Oilfield Services Industry Risks

Our business is dependent on capital spending by our customers which is greatly affected by fluctuations in oil and natural gas prices and the availability and cost of capital; reductions in capital spending by our customers has had, and could continue to have, an adverse effect on our business, financial condition and results of operations.

Demand for our services and products is tied to the level of exploration, development and production activity and the corresponding capital and operating spending by oil and natural gas exploration and production companies, including national oil companies. The level of exploration, development and production activity is directly affected by fluctuations in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future, especially given current geopolitical and economic conditions. Sustained low oil and natural gas prices and declining global demand for oil and natural gas, including reduced demand as a result of the COVID-19 pandemic, have led to our customers, including large oil and gas exploration and production companies, to greatly reduce planned future capital expenditures. Factors affecting the prices of oil and natural gas include, but are not limited to: (1) the level of supply and demand for oil and natural gas; (2) the ability or willingness of the Organization of Petroleum Exporting Countries and the expanded alliance collectively known as OPEC+ to set and maintain oil production levels; (3) the level of oil and natural gas production in the U.S. and by other non-OPEC+ countries; (4) oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas; (5) the cost of, and constraints associated with, producing and delivering oil and natural gas; (6) governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves; (7) weather conditions, natural disasters, and health or similar issues, such as pandemics or epidemics; (8) worldwide political, military, and economic conditions; and (9) increased demand for alternative energy and electric vehicles, including government initiatives to promote the use of renewable energy sources and public sentiment around alternatives to oil and gas.

In addition, low commodity prices, the short-term tenor of most of our contracts and the financial stress experienced by some of our customers have combined to increase the demands by many of our customers for reductions in the prices we receive for our products and services. Further reductions in capital spending or requests for further cost reductions by our customers could directly impact our business by reducing demand and pricing for our services and products which would have a material adverse effect on our business, financial condition, results of operations and prospects. Spending by exploration and production companies can also be impacted by conditions in the capital markets, which have been volatile in recent years. Limitations on the availability of capital or higher costs of capital may cause exploration and production companies to make additional reductions to capital budgets even if oil and natural gas prices increase from current levels. Any such cuts in spending would curtail drilling programs, as well as discretionary spending on well services, which may result in a reduction in the demand for our services, the rates we can charge and the utilization of our assets which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Climate change, environmental, social and governance (“ESG”) and “sustainability” initiatives may result in significant operational changes and expenditures, reduced demand for our products and adversely affect our business, results of operations, stock price or access to capital markets.

Climate change, ESG and sustainability are a growing global movement. Continuing political and social attention to these issues has resulted in both existing and pending international agreements and national, regional or local legislation and regulatory measures, as well as society pressure in some areas, to limit greenhouse gas emissions and has been stated in the U.S. to be a priority of the new Biden Administration, as well as other initiatives. These agreements and measures, including the Paris Climate Accord, may require, or could result in future legislation and regulatory measures that require, significant equipment modifications, operational changes, taxes, or purchase of emission credits to reduce emission of greenhouse gases from our operations, which may result in substantial capital expenditures and compliance, operating, maintenance and remediation costs. As a result of heightened public awareness and attention to these issues as well as continued regulatory initiatives to reduce the use of oil and gas, demand hydrocarbons may be reduced, which would have an adverse effect on our business and results of operations. The imposition and enforcement of stringent greenhouse gas emissions reduction requirements could severely and adversely impact the oil and gas industry and therefore significantly reduce the value of our business.

Certain financial institutions, institutional investors and other sources of capital have begun to limit or eliminate their investment in oil and gas activities due to concerns about climate change, which could make it more difficult to finance our business. Increasing attention to climate change, ESG and sustainability has resulted in governmental investigations, and public and private litigation, which could increase our costs or otherwise adversely affect our business or results of operations.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital.

Severe weather, including extreme weather conditions associated with global climate change, has in the past and could in the future adversely affect our business and results of operations.

Our business has been, and in the future will be, affected by severe weather in areas where we operate, which could materially affect our operations and financial results. In addition, impacts of climate change could increase the frequency and severity of extreme weather conditions. Any such extreme weather-related events could have a material adverse effect on our business, financial condition and results of operations.

Liability claims resulting from catastrophic incidents could have a material adverse effect on our business, financial condition and results of operations

Drilling for and producing hydrocarbons, and the associated products and services that we provide, include inherent dangers that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside our control. Typically, we provide products and services at a well site where our personnel and equipment are located together with personnel and equipment of our customer and third parties, such as other service providers. At many sites, we depend on other companies and personnel to conduct drilling and other operations in accordance with appropriate safety standards. From time to time, personnel are injured or equipment or property is damaged or destroyed, as a result of accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures or other dangers inherent in drilling for oil and natural gas. Any of these events can be the result of human error. With increasing frequency, our products and services are deployed on more challenging prospects both onshore and offshore, where the occurrence of the types of events mentioned above can have an even more catastrophic impact on people, equipment and the environment. Such events may expose us to significant potential losses which could have a material adverse effect on our business, financial condition and results of operations.

Business and Operational Risks

The COVID-19 pandemic has significantly weakened demand for our products and services, and has had a substantial negative impact on our financial condition, results of operations and cash flows.

The effects of the COVID-19 pandemic, including actions taken by businesses and governments to contain the spread of the virus, have resulted in a significant and swift reduction in international and U.S. economic activity. These effects materially adversely affected the demand for oil and natural gas, as well as for our services and products. The collapse in the demand for oil in March 2020 caused in large part by this unprecedented global health and economic crisis, and the corresponding decline in our customers' demand for our services and products has had a substantial negative impact on our financial condition, results of operations and cash flows in 2020.

The COVID-19 pandemic impacts severely impacted our business and our industry. These effects included, and may continue to include, adverse revenue and net income effects; disruptions to our operations; customer shutdowns of oil and gas exploration and production; employee impacts from illness, school closures and other community response measures; and temporary closures of our facilities or the facilities of our customers and suppliers.

The extent to which our operating and financial results are affected by the COVID-19 pandemic will depend on various factors and consequences beyond our control, such as the duration and scope of the pandemic; additional actions by businesses and governments in response to the pandemic; and the speed and effectiveness of responses to combat the virus, including vaccine development and distribution. The COVID-19 pandemic, and the volatile regional and global economic conditions stemming from the pandemic, exacerbated, and could continue to exacerbate, the potential negative impact from many of our risk factors. The COVID-19 pandemic may also have a considerable and detrimental effect on our operating and financial results in a manner that is not currently known to us or that we do not currently consider as significant risks to our operations.

Given the nature and significance of the events described above, we are not able to enumerate all potential risks to our business; however, we believe that in addition to the impacts described above, other current and potential impacts of these recent events include, but are not limited to:

- Structural shift in the global economy and its demand for oil and natural gas as a result of changes in the way people work, travel and interact, or in connection with a global recession or depression;
- Reduction of our global workforce to adjust to market conditions, including severance payments, retention issues, and an inability to hire employees when market conditions improve;
- Infections and quarantining of our employees and the personnel of our customers, suppliers and other third parties in areas in which we operate;
- Our insurance policies may not cover losses associated with pandemics like COVID-19 or similar global health threats;
- Litigation risk and possible loss contingencies related to COVID-19 and its impact, including with respect to commercial contracts, employment matters, personal injury and insurance arrangements; and
- Cybersecurity issues, as digital technologies may become more vulnerable and experience a higher rate of cyberattacks in the current environment of remote connectivity due to stay-at-home orders.

Given the dynamic nature of these events, we cannot reasonably estimate the period of time that the COVID-19 pandemic and related market conditions will persist, the full extent of the impact they will have on our business, financial condition, results of operations or cash flows or the pace or extent of any subsequent recovery.

Our operational and financial growth is dependent on our liquidity requirements and the adequacy of our capital resources.

Our liquidity, including our ability to meet our ongoing operational obligations, is dependent upon, among other things: (i) our ability to maintain adequate cash on hand; (ii) our ability to generate cash flow from operations; (iii) and changes in market conditions that negatively impact our revenue.

The energy industry faces negative sentiment in the capital markets which has impacted the ability of participants to access appropriate amounts of capital under suitable terms. This negative sentiment in the energy industry has not only impacted our customers in North America, it is also affecting the availability and the pricing for most credit lines extended to participants in the industry.

We utilize letters of credit and performance and bid bonds to provide credit support to our customers. If the beneficiaries were to call the letters of credit issued under our committed and or uncommitted facilities, our available cash balance may be reduced by the amount called and it could have an adverse impact on our business, operations, and financial condition.

As of December 31, 2020, we had $338 million of letters of credit outstanding, consisting of $167 million under the LC Credit Agreement and $171 million under various uncommitted facilities (of which there was $164 million in cash collateral held and recorded in “Restricted Cash” on the Consolidated Balance Sheets). In Latin America we utilize surety bonds as part of our customary business practice. As of December 31, 2020, we had surety bonds outstanding of $326 million, primarily in Latin America. Any of our outstanding letters of credit or surety bonds could be called by the beneficiaries should we breach certain contractual or performance obligations. If the beneficiaries were to call the letters of credit under the LC Credit Agreement or the surety bonds, our available liquidity would be reduced by the amount called.

We may not be fully indemnified against financial losses in all circumstances where damage to or loss of property, personal injury, death or environmental harm occur.

As is customary in our industry, our contracts typically require that our customers indemnify us for claims arising from the injury or death of their employees (and those of their other contractors), the loss or damage of their equipment (and that of their other contractors), damage to the well or reservoir and pollution originating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir) and claims arising from catastrophic events, such as a well blowout, fire, explosion and from pollution below the surface. Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment (other than equipment lost in the hole) or pollution originating from our equipment above the surface of the earth or water.

Our indemnification arrangements may not protect us in every case. For example, our indemnity arrangements may be held to be overly broad in some courts and/or contrary to public policy in some jurisdictions, and to that extent may be unenforceable. Additionally, some jurisdictions which permit indemnification nonetheless limit its scope by applicable law, rule, order or statute. We may be subject to claims brought by third parties or government agencies with respect to which we are not indemnified. Furthermore, the parties from which we seek indemnity may not be solvent, may become bankrupt, may lack resources or insurance to honor their indemnities or may not otherwise be able to satisfy their indemnity obligations to us. The lack of enforceable indemnification could expose us to significant potential losses.

Further, our assets generally are not insured against loss from political violence such as war, terrorism or civil unrest. If any of our assets are damaged or destroyed as a result of an uninsured cause, we could recognize a loss of those assets.

Our indebtedness and liabilities could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our financial obligations.

As of December 31, 2020, we had approximately $2.6 billion of long-term debt with $2.1 billion in aggregate principal amount of our 11.0% Senior Notes maturing on December 1, 2024 ("Exit Notes") and $500 million in aggregate principal amount of our 8.75% Senior Secured Notes maturing on September 1, 2024 ("Senior Secured Notes"). Pursuant to the terms of our Exit Notes and Senior Secured Notes, we expect to have interest payments of approximately $275 million annually until maturity. Our level of indebtedness has negative consequences for our business, financial condition and results of operations, including:

- limiting our ability to obtain additional financing on terms that are commercially acceptable;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing our free cash flow and the amount of our cash flow available for other purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business;
- placing us at a possible competitive disadvantage with less leveraged competitors or competitors that may have better access to capital resources; and
- increasing our vulnerability to adverse economic and industry conditions;

Our ability to make scheduled payments on or to refinance if desired before maturity, our debt obligations will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. Lower commodity prices and in turn lower demand for our products and services have negatively impacted our revenues, earnings and cash flows, and sustained low oil and natural gas prices could have an adverse effect on our liquidity position. Any harm to our business and operations resulting from our current or future level of indebtedness could adversely affect our ability to pay amounts due to our lenders and noteholders.

Our business may be exposed to uninsured claims and, as a result, litigation might result in significant potential losses. The cost of our insured risk management program may increase.

In the ordinary course of business, we become the subject of various claims and litigation. We maintain liability insurance, which includes insurance against damage to people, property and the environment, up to maximum limits of $350 million, subject to self-insured retentions and deductibles.

Our insurance policies are subject to exclusions, limitations and other conditions and may not apply in all cases, for example where willful wrongdoing on our part is alleged. It is possible an unexpected judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts we currently have reserved or anticipate incurring, and in some cases those potential losses could be material.

Our insurance may not be sufficient to cover any particular loss or our insurance may not cover all losses. For example, although we maintain product liability insurance, this type of insurance is limited in coverage and it is possible an adverse claim could arise in excess of our coverage. Additionally, insurance rates have in the past been subject to wide fluctuation and may be unavailable on terms that we or our customers believe are economically acceptable. Reductions in coverage, changes in the insurance markets and accidents affecting our industry may result in further increases in our cost and higher deductibles and retentions in future years and may also result in reduced activity levels in certain markets. As a result, we may not be able to continue to obtain insurance on commercially reasonable terms. Any of these events could have an adverse impact on our business, financial condition and results of operations.

A significant portion of our revenue is derived from our operations outside the United States, which exposes us to risks inherent in doing business in each of the over 75 countries in which we operate.

Our non-United States operations accounted for 80% of our consolidated revenue in 2020. Operations in countries other than the United States are subject to various risks, including:

- volatility in political, social and economic conditions including currency exchange controls, inflation, and currency exchange rate fluctuations and devaluations;
- exposure to expropriation of our assets, deprivation of contract rights or other governmental actions;
- social unrest, acts of terrorism, war or other armed conflict;
- varying international laws and regulations;
- confiscatory taxation or other adverse tax policies;
- trade and economic sanctions or other restrictions imposed by the European Union, the United States or other countries;
- exposure under the United States Foreign Corrupt Practices Act ("FCPA") or similar legislation; and
- restrictions on the repatriation of income or capital.

Our actual financial results after emergence from bankruptcy are not comparable to our historical financial information as a result of the implementation of the Plan and the transactions contemplated thereby and the implementation of fresh start accounting.

Upon our emergence from bankruptcy, we adopted fresh start accounting and adjusted our assets and liabilities to fair values and our accumulated deficit was restated to zero as of December 13, 2019, which resulted in the Company becoming a new entity for financial reporting purposes. Accordingly, our financial condition and results of operations following our emergence from bankruptcy will not be comparable to the financial condition and results of operations reflected in our pre-December 13, 2019 historical financial statements. Implementation of the Plan and the transactions contemplated thereby materially changed the amounts and classifications reported in our consolidated historical financial statements. The lack of recent comparable historical financial information may discourage investors from purchasing our ordinary shares.

There may be circumstances in which the interests of our significant shareholders could be in conflict with the interests of our other shareholders.

In the aggregate, certain funds associated with our largest eight shareholders currently own in excess of 80% of our outstanding ordinary shares. Circumstances may arise in which these shareholders may have an interest in pursuing or preventing acquisitions, divestitures or other transactions, including the issuance of additional equity or debt, that, in their judgment, could enhance their investment in us or another company in which they invest. Such transactions might adversely affect us or other holders of our ordinary shares. In addition, our significant concentration of share ownership may adversely affect the trading price of our ordinary shares because investors may perceive disadvantages in owning shares in companies with significant shareholders.

An active trading market for our ordinary shares may not develop and the price and trading volume of our ordinary shares may fluctuate significantly.

Our ordinary shares are listed for quotation on the OTC Pink Marketplace. We cannot predict the extent to which investor interest in us will lead to the development of an active trading market or how liquid that market might become. In addition, no assurances can be given regarding when, and if, we will resume our listing on a national exchange, including whether or not we will be able to meet applicable listing standards for any such exchange. If an active trading market does not develop, holders of our shares may have difficulty selling any of our ordinary shares that may now be owned or may be purchased later. In addition, until we are able resume our listing on a national exchange, the number of investors willing to hold or acquire our ordinary shares may be reduced, we may receive decreased news and analyst coverage and we may be limited in our ability to issue additional securities or obtain additional financing in the future on terms acceptable to us, or at all.

Even if an active trading market develops for our ordinary shares, the market price of our ordinary shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of our ordinary shares may fluctuate and cause significant price variations to occur. Volatility in the market price of our ordinary shares may prevent one from being able to sell shares at or above the ordinary share issuance price or above the price one paid to acquire the ordinary shares.

The terms of our indebtedness restrict our current and future operations, particularly our ability to respond to changes or to pursue our business strategies.

The LC Credit Agreement and the indentures governing our Exit Notes and Senior Secured Notes contain restrictive covenants that could impose significant operating and financial restrictions on us and may limit our ability to engage in acts that we may believe to be in our long-term best interest, including restrictions on our ability to:

- incur additional indebtedness;
- pay dividends and make other distributions;
- prepay, redeem or repurchase certain debt;
- make loans and investments; and
- sell assets and incur liens.

These covenants and other restrictions may limit our ability to effectively operate our business, and to execute our growth strategy or take advantage of new business opportunities. These covenants and restrictions include minimum liquidity covenants, certain financial ratios, which may apply in certain circumstances, and other restrictions. Our ability to meet the liquidity thresholds and those financial ratios can be affected by events beyond our control.

A breach of the covenants and other restrictions under the LC Credit Agreement, the indentures governing our Senior Secured Notes and Exit Notes or our other indebtedness could result in an event of default thereunder. Such a default may allow the lenders, holders or the trustee, as applicable, to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies. In addition, an event of default under LC Credit Agreements would permit the lenders thereunder to terminate all commitments.

Legal, Tax and Regulatory Risks

Our operations are subject to numerous laws and regulations, including environmental laws and regulations, treaties and international agreements related to greenhouse gases, climate change and alternate energy sources that may expose us to significant liabilities, result in additional compliance costs and could reduce our business opportunities and revenues.

We are subject to various laws and regulations related to the energy industry specifically, and the environment in particular. In the case of environmental regulations, an environmental claim could arise with respect to one or more of our current businesses, products or services, or a business or property that one of our predecessors owned or used, and such claims could involve material expenditures. Generally, environmental laws have in recent years become more stringent and have sought to impose greater liability on a larger number of potentially responsible parties and have increased the costs associated with complying with the more stringent laws and regulations. The scope of regulation of our industry and our products and services may increase further, including possible increases in liabilities or funding requirements imposed by governmental agencies. Additional regulations on deepwater drilling in the Gulf of Mexico and elsewhere in the world could be imposed, and those regulations could limit our business where they are imposed.

In addition, members of the U.S. Congress, the U.S. Environmental Protection Agency and various agencies of several states within the U.S. frequently review, consider and propose more stringent regulation of hydraulic fracturing, a stimulation treatment routinely performed on oil and gas wells in low-permeability reservoirs. We previously provided (and may, in the future, resume providing) fracturing services to customers. Regulators are investigating whether any chemicals used in the hydraulic fracturing process might adversely affect groundwater or whether the fracturing processes could lead to other unintended effects or damages. In recent years, local and national governments (including several cities and states within the U.S.) passed new laws and regulations concerning or banning hydraulic fracturing. A significant portion of North American service activity today is directed at prospects that require hydraulic fracturing in order to produce hydrocarbons. Therefore, additional regulation could increase the costs of conducting our business by subjecting fracturing to more stringent regulation. Regulation of hydraulic fracturing could increase our cost of providing services or materially reduce our business opportunities and revenues if customers decrease their levels of activity or we cannot pass along cost to customers. We are unable to predict whether changes in laws or regulations or any other governmental proposals or responses will ultimately occur, and accordingly, we are unable to assess the potential financial or operational impact they may have on our business.

Adverse changes in tax laws both in the United States and abroad, changes in tax rates or exposure to additional income tax liabilities could have a material adverse effect on our results of operations.

Changes in tax laws could significantly increase our tax expense and require us to take actions, at potential significant expense, to seek to preserve our current level of tax expense.

In 2002, we reorganized from the United States to a foreign jurisdiction. There are frequent legislative proposals in the United States that attempt to treat companies that have undertaken similar transactions as U.S. corporations subject to U.S. taxes or to limit the tax deductions or tax credits available to United States subsidiaries of these corporations. Our tax expense could be impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof or differing interpretation or enforcement of applicable law by the U.S. Internal Revenue Service and other taxing jurisdictions, acting in unison or separately. The inability to reduce our tax expense could have a material impact on our consolidated financial statements.

The Organization of Economic Cooperation and Development ("OECD"), which represents a coalition of member countries, issued various white papers addressing Tax Base Erosion and Jurisdictional Profit Shifting. The recommendations in these white papers are generally aimed at combating what they believe is tax avoidance. Numerous jurisdictions in which we operate have been influenced by these white papers as well as other factors and are increasingly active in evaluating changes to their tax laws.

Our effective tax rate has fluctuated in the past and may fluctuate in the future. Future effective tax rates could be affected by changes in the composition of earnings in countries in which we operate with differing tax rates, non-income-based taxes, changes in tax laws, or changes in deferred tax assets and liabilities. We assess our deferred tax assets on a quarterly basis to determine whether a valuation allowance may be required. We have recorded a valuation allowance on substantially all of our deferred tax assets.

If a United States person is treated as owning at least 10% of our shares, such holder may be subject to adverse U.S. federal income tax consequences.

As a result of the Tax Cuts and Jobs Act of 2017 ("TCJA"), many of our non-U.S. subsidiaries are now classified as "controlled foreign corporations" for U.S. federal income tax purposes due to the expanded application of certain ownership attribution rules within a multinational corporate group. If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our shares, such person may be treated as a "United States shareholder" with respect to one or more of our controlled foreign corporation subsidiaries. In addition, if our shares are treated as owned more than 50% by United States shareholders, we would be treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income, as ordinary income, its pro rata share of "Subpart F income," "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, whether or not we make any distributions to such United States shareholder. An individual United States shareholder generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a corporate United States shareholder with respect to a controlled foreign corporation. A failure by a United States shareholder to comply with its reporting obligations may subject the United States shareholder to significant monetary penalties and may extend the statute of limitations with respect to the United States shareholder's U.S. federal income tax return for the year for which such reporting was due. We cannot provide any assurances that we will assist investors in determining whether we or any of our non-U.S. subsidiaries are controlled foreign corporations or whether any investor is a United States shareholder with respect to any such controlled foreign corporations. We also cannot guarantee that we will furnish to United States shareholders information that may be necessary for them to comply with the aforementioned obligations. United States investors should consult their own advisors regarding the potential application of these rules to their investments in us. The risk of being subject to increased taxation may deter our current shareholders from increasing their investment in us and others from investing in us, which could impact the demand for, and value of, our shares.

The United States could treat Weatherford International PLC (parent corporation) as a US taxpayer under IRC Section 7874.

Following the emergence from bankruptcy on December 13, 2019, Weatherford continues to operate under Weatherford International PLC (PLC), an Irish tax resident. The IRS may, however, assert that PLC should be treated as a U.S. corporation for U.S. federal income tax purposes pursuant to IRC Section 7874. For U.S. federal income tax purposes, a corporation generally is classified as either a U.S. corporation or a foreign corporation by reference to the jurisdiction of its organization or incorporation. Because PLC is an Irish incorporated entity, it would generally be classified as a foreign corporation under these rules. IRC Section 7874 provides an exception to this general rule under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. Under IRC Section 7874, a corporation created or organized outside the United States (i.e., a foreign corporation) will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes when (i) the foreign corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation (including the indirect acquisition of assets of the U.S. corporation by acquiring the outstanding shares of the U.S. corporation), (ii) the shareholders of the acquired U.S. corporation hold, by vote or value, at least 80% (or 60% in certain circumstances if the Third Country Rule applies) of the shares of the foreign acquiring corporation after the acquisition by reason of holding shares in the U.S. acquired corporation (the “Section 7874 Percentage”), and (iii) the foreign corporation’s “expanded affiliated group” does not have substantial business activities in the foreign corporation’s country of organization or incorporation relative to such expanded affiliated group’s worldwide activities. Although it is not free from doubt, we believe that as a result of the implementation of the plan of reorganization in 2019, PLC should not be treated as acquiring directly or indirectly substantially all of the properties of a U.S. corporation and, as a result, PLC is not expected to be treated as a U.S. corporation or otherwise subject to the adverse tax consequences of IRC Section 7874. The law and the Treasury Regulations promulgated under IRC Section 7874 are, however, unclear and there can be no assurance that the IRS will agree with this conclusion. If it is determined that IRC Section 7874 is applicable, PLC would be a U.S. corporation for U.S. federal income tax purposes, the taxable year of Weatherford US consolidated group could end on or prior to the emergence from bankruptcy, which could result in additional adverse tax consequences. In addition, although PLC would be treated as a U.S. corporation for U.S. federal income tax purposes, it would generally also be considered an Irish tax resident for Irish tax and other non-U.S. tax purposes.

The rights of our shareholders are governed by Irish law; Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

As an Irish company, we are governed by the Irish Companies Act, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the United States.

We are incorporated in Ireland and a significant portion of our assets are located outside the United States. As a result, it might not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

We are organized under the laws of Ireland, and a significant portion of our assets are located outside the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, a shareholder who obtains a court judgment based on the civil liability provisions of U.S. federal or state securities laws may be unable to enforce the judgment against us in Ireland. In addition, there is some doubt as to whether the courts of Ireland and other countries would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. The laws of Ireland do, however, as a general rule, provide that the judgments of the courts of the United States have the same validity in Ireland as if rendered by Irish Courts. Certain important requirements must be satisfied before the Irish Courts will recognize the U.S. judgment. The originating court must have been a court of competent jurisdiction, the judgment must be final and conclusive, and the judgment may not be recognized if it was obtained by fraud or its recognition would be contrary to Irish public policy. Any judgment obtained in contravention of the rules of natural justice or that is irreconcilable with an earlier foreign judgment would not be enforced in Ireland.

Similarly, judgments might not be enforceable in countries other than the United States where we have assets.

General Risks

If our long-lived assets and other assets are impaired, we may be required to record significant non-cash charges to our earnings.

We recognize impairments of long-lived assets when we determine the carrying amount of certain long-lived asset groups exceed their respective fair values. Our impairment assessment includes analysis of the undiscounted cash flow of our asset groups, which include property, plant and equipment, definite-lived intangible assets, and right of use assets. Based on the uncertainty of forecasted revenue, forecasted operating margins, and discount rate assumptions used to estimate our asset groups' fair value, future reductions in our expected cash flows could cause a material non-cash impairment charge of long-lived assets, which could have a material adverse effect on our results of operations and financial condition.

Our business could be negatively affected by cybersecurity incidents and other technology disruptions.

We rely heavily on information systems to conduct and protect our business. These information systems are increasingly subject to sophisticated cybersecurity incidents such as unauthorized access to data and systems, loss or destruction of data (including confidential customer, supplier and employee information), computer viruses, or other malicious code, phishing and cyberattacks, and other similar events. These incidents arise from numerous sources, not all of which are within our control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, human error, complications encountered as existing systems are maintained, repaired, replaced, or upgraded or outbreaks of hostilities or terrorist acts.

Given the rapidly evolving nature of cybersecurity incidents, there can be no assurance that the systems we have designed and implemented to prevent or limit the effects of cybersecurity incidents or attacks will be sufficient in preventing all such incidents or attacks, or be able to avoid a material impact to our systems should such incidents or attacks occur. A cybersecurity incident or attack, could result in the disclosure of confidential or proprietary customer, supplier or employee information, theft or loss of intellectual property, damage to our reputation with our customers, suppliers and the market, failure to meet customer requirements or customer dissatisfaction, theft or exposure to litigation, damage to equipment (which could cause environmental or safety issues) and other financial costs and losses. Moreover, although Weatherford implements stringent controls on third party connectivity to our systems, we have limited control in ensuring their systems consistently enforce strong cybersecurity controls. As a result, the occurrence of a cybersecurity incident or attack could go unnoticed for a period time. As cybersecurity incidents and attacks continue to evolve, we may also be required to devote additional resources to continue to enhance our protective measures or to investigate or remediate any cybersecurity vulnerabilities. Beginning in 2021, we maintain insurance coverage to protect against certain cybersecurity risks. However, we cannot ensure that it will be sufficient to cover any particular losses we may experience as a result of such cybersecurity incident or attack. Any cybersecurity incident or attack could have a material adverse effect on our business, financial condition and results of operations.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. ***Properties***

Our operations are conducted in over 75 countries and we have manufacturing facilities, research and technology centers, fluids and processing centers and sales, service and distribution locations throughout the world. The following sets forth the locations of our principal owned or leased facilities for our commercial operations by geographic segment as of December 31, 2020:

Region	Specific Location
Western Hemisphere:	Houston, Huntsville, Longview, Odessa and San Antonio, Texas; Broussard, Louisiana; Williston, North Dakota; Colorado Springs, Colorado; Bakersfield, California; Edmonton and Nisku, Canada; Neuquén, Argentina; Macae, Brazil; Venustiano Carranza and Villahermosa, Mexico; and Villavicencio, Colombia.
Eastern Hemisphere:	Aberdeen, UK; Stavanger, Norway; Baku, Azerbaijan; Ploiesti, Romania; Luanda, Angola; Port Harcourt, Nigeria; Langenhagen, Germany; Aktobe, Kazakhstan; Nizhnevartovsk and Noyabrsk, Russia; Hassi Messaoud, Algeria; Cairo, Egypt; North Rumaila and Erbil, Iraq; Mina Abdulla, Kuwait; Nimr, Oman; Karachi, Pakistan; Dhahran, Saudi Arabia; Abu Dhabi and Dubai, United Arab Emirates; Malaga, Australia; Jiangsu, China; and Barmer, India.

Our principal executive offices are in Houston, Texas. We own or lease numerous other facilities such as service centers, shops and sales and administrative offices throughout the geographic regions in which we operate. All of our material U.S. properties are mortgaged to the lenders under our Senior Secured Notes and LC Credit Agreement. All of our remaining owned properties are unencumbered, however the lenders could require we mortgage them as well. We believe the facilities that we currently occupy are suitable for their intended use.

Item 3. ***Legal Proceedings***

In the ordinary course of business, we are the subject of various claims and litigation. We maintain insurance to cover many of our potential losses, and we are subject to various self-retention limits and deductibles with respect to our insurance. Please see the following:

- For information on the Company’s Chapter 11 Cases, see “Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings,” “Note 3 – Fresh Start Accounting” and “Item 1. Business – Recent Developments – Reorganization and Emergence from Bankruptcy Proceedings” which is incorporated by reference into this item.
- If we are the subject of governmental and internal investigations related to alleged misconduct and violations of U.S. or International laws in the future, it could have a material adverse effect on our business, financial condition and results of operations, which is incorporated by reference into this item.”
- “Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19 – Disputes, Litigation and Legal Contingencies.”

Although we are subject to various on-going litigation, we do not believe it is probable that any of our litigation to which we are currently subject will result in any material uninsured losses to us. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases that would result in a liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

On April 17, 2020, the NYSE filed a Form 25 with the SEC. The delisting of our ordinary shares from the New York Stock Exchange became effective on April 27, 2020. Our ordinary shares were deregistered under Section 12(b) of the Exchange Act on

July 16, 2020. We continue to evaluate listing options and intend to relist our ordinary shares when our Board of Directors determines market conditions are appropriate. The Company intends to continue filing periodic reports with the SEC on a voluntary basis. Our ordinary shares continue to trade on the OTC Pink Marketplace under the ticker symbol “WFTLF”. As of February 12, 2021, there were 74 shareholders of record. The actual number of shareholders is considerably greater than the number of shareholders of record and includes shareholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

Item 6. ***Selected Financial Data***

Our historical consolidated financial data for our Successor and Predecessor Periods are provided within “Item 7. – Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8. – Financial Statements and Supplementary Data.” Discussion of material uncertainties is included in “Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 19 – Disputes, Litigation and Legal Contingencies.” We have not declared dividends to shareholders’ in the years presented in this report.

Item 7. ***Management’s Discussion and Analysis of Financial Condition and Results of Operations***

As used in this item, the “Company,” “we,” “us” and “our” refer to Weatherford International plc, a public limited company organized under the laws of Ireland, and its subsidiaries on a consolidated basis.

The following discussion should be read in conjunction with our Consolidated Financial Statements and Notes thereto included in “Item 8. – Financial Statements and Supplementary Data.” Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements include certain risks and uncertainties. For information about these risks and uncertainties, refer to the section entitled “Forward-Looking Statements” and the section entitled “Item 1A. – Risk Factors.” As described in “Note 1 – Summary of Significant Accounting Policies” references to “Predecessor” relate to the Consolidated Statements of Operations for the period from January 1, 2019 through and including the adjustments from the application of Fresh Start Accounting on December 13, 2019 and for the year ended December 31, 2018 (“Predecessor Periods”). References to “Successor” relate to the Consolidated Statements of Operations for the year ended December 31, 2020 and for the period from December 14, 2019 through December 31, 2019 (“2020 Successor Period and 2019 Successor Period”, respectively) and are not comparable to the Consolidated Financial Statements of the Predecessor Periods as indicated by the “Black line” division in the financials and footnote tables, which emphasizes the lack of comparability between amounts presented.

References and comparisons to results for the year ended December 31, 2019 relate to the combined Successor and Predecessor Period (“2019 Combined Period”) as the 18 days of the Successor Period is not a significant period of time impacting the combined results.

Overview

We conduct operations in over 75 countries and have service and sales locations in oil and natural gas producing regions globally. Our operational performance is reviewed on a geographic basis, and we report the Western Hemisphere and Eastern Hemisphere as separate, distinct reporting segments.

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both onshore and offshore. Our two product lines are as follows: (1) Completion and Production and (2) Drilling, Evaluation and Intervention.

- ***Completion and Production*** offers production optimization services and a complete production ecosystem, featuring our artificial-lift portfolio, testing and flow-measurement solutions, and optimization software, to boost productivity and profitability. In addition, we have a suite of modern completion products, reservoir stimulation designs, and engineering capabilities that isolate zones and unlock reserves in deepwater, unconventional, and aging reservoirs.

- ***Drilling, Evaluation and Intervention*** comprises a suite of services ranging from early well planning to reservoir management. The drilling services offer innovative tools and expert engineering to increase efficiency and maximize reservoir exposure. The evaluation services merge wellsite capabilities including wireline and managed pressure drilling. We also build or rebuild well integrity for the full life cycle of the well. Using conventional to advanced equipment, we offer safe and efficient tubular running services in any environment. Our skilled fishing and re-entry teams execute under any contingency from drilling to abandonment, and our drilling tools provide reliable pressure control even in extreme wellbores.

Financial Results Overview

Successor revenues totaled $3.7 billion in 2020, a decrease of $1.5 billion, or 29%, compared to the 2019 Combined Period revenues, as the unprecedented global health and economic crisis sparked by the COVID-19 pandemic negatively impacted industry activity. Our revenue decline was predominantly driven by lower activity levels in North America as a result of lower demand for our products and services in the United States, but was also impacted by declines in activity internationally, primarily in Latin America, the Middle East, North Africa and Russia.

Successor consolidated operating loss of $1.5 billion worsened $305 million, or 26%, in 2020 compared to the 2019 Combined Period consolidated operating loss of $1.2 billion. The higher operating loss in 2020 primarily reflects the decline in business demand due to the COVID-19 pandemic, long-lived asset impairment charges, goodwill impairment, and inventory charges, partially offset by the lower retention expenses and cost savings from our various restructuring activities.

Successor segment operating income was $55 million in 2020, a decrease of $139 million, compared to the 2019 Combined Period. The decrease was driven primarily by the decline in demand for our products and services as a result of the COVID-19 pandemic and additional expense of COVID-19 protocols, partially offset by our lower cost structure.

Revenues in the 2019 Combined Period compared to 2018 decreased $529 million, or 9%, which was predominantly driven by lower activity levels in Canada, lower demand for our products and services in the United States, uncertainty related to economic conditions and customer budget reductions in Argentina, as well as decreased revenues associated with the divested land drilling rigs, laboratory services and surface logging businesses. This decline was partially offset by increased activity in the Middle East and higher service activity in Russia and the North Sea. Excluding the impact of revenues from the portion of the divested businesses, consolidated revenues were down $166 million, or 3% in 2019 Combined Period compared to 2018.

Consolidated operating results improved $903 million, or 43% in the 2019 Combined Period compared to 2018 while segment operating income declined $133 million, or 41% in the 2019 Combined Period compared to 2018. The improvement in the 2019 Combined Period consolidated operating results was primarily due to lower goodwill impairment charges and the net gain on sale of businesses.

The segment operating income in the 2019 Combined Period declined due to the reduced activity in North America and an unfavorable product mix in Canada and the United States. Lower demand for our products and services coupled with an unfavorable product mix and lack of supply chain savings caused the expected benefits from our cost reduction initiatives to slow and consequently resulted in significantly lower actual results compared to our expectations during 2019. These declines were partially offset by higher integrated service project activity in Latin America and operational improvements in the Eastern Hemisphere as a result of a more favorable geographic and product mix.

Summary of Significant Charges and Credits

For the Successor year ended December 31, 2020, significant charges incurred totaled $1.2 billion and included $814 million of long-lived asset impairments, $239 million of goodwill impairments, $138 million of inventory charges and $45 million in other charges. In addition, we had $206 million of restructuring charges.

Reorganization items in the 2019 Predecessor Period directly related to bankruptcy include the $4.3 billion gain on settlement of liabilities subject to compromise, $1.4 billion gain on revaluation of the Company’s assets and liabilities, and $346 million of charges for debt issuance write-offs, debt discount write-offs, backstop commitment fees, DIP financing fees and professional fees related to bankruptcy matters. In addition, we incurred $86 million of prepetition charges for professional and other fees related to the Cases incurred before the petition date.

For the 2019 Predecessor Period, significant charges incurred totaled $1.1 billion and included $730 million of goodwill impairment, $237 million in asset write-downs and rigs related and other charges, $117 million of inventory charges and $20 million of long-lived asset impairments. In addition, we had $189 million of restructuring charges.

For the year ended December 31, 2018, significant charges incurred totaled $2.2 billion and included $1.9 billion of goodwill impairment, $151 million of long-lived asset impairments and $87 million in other charges. In addition, we had $126 million of restructuring charges.

Please refer to more details as discussed in “Note 3 – Fresh Start Accounting” and “Note 4 – Impairments and Other Charges.”

Goodwill and Long-lived Asset Impairments

The unprecedented global economic and industry conditions resulting from the decline in demand and impact from the COVID-19 pandemic were identified as goodwill and long-lived asset impairment indicators. As a result, we performed impairment assessments quarterly in 2020 through analysis of the undiscounted cash flow of our asset groups, which include property, plant and equipment, definite-lived intangible assets, goodwill and right of use assets. As of March 31, 2020, and as of June 30, 2020, we identified that impairment occurred in certain asset groups and with the assistance of third-party valuation advisors we determined the fair value of those asset groups. Based on our impairment tests, we determined the carrying amount of certain long-lived asset groups and reporting units exceeded their respective fair values and we recognized $814 million of long-lived asset impairments and $239 million of goodwill impairment in our Middle East & North Africa (“MENA”) and Russia, Turkmenistan and Kazakhstan (“Russia”) reporting units in “Impairments and Other Charges” on the accompanying Consolidated Statements of Operations during the year ended December 31, 2020.

The $239 million of goodwill in our MENA and Russia reporting units was established in the 2019 Successor Period upon emergence from bankruptcy as part of Fresh Start. However in the 2019 Predecessor period, we determined that goodwill for all our reporting units in the Western Hemisphere and Eastern Hemisphere was fully impaired and we incurred a goodwill impairment charge of $730 million. The 2019 Predecessor Period impairment indicators were a result of lower activity levels and lower exploration and production capital spending in our reporting units. Our lower forecasted financial results were due to the continued weakness within the energy market which impacted our ability to meet the original timeline of our revenue and profitability improvement efforts under our restructuring over the past two years, defined in “Note 12 – Restructuring Charges”.

During the 2019 Predecessor Period, we recognized long-lived asset impairments of $20 million to write-down our assets to the lower of carrying amount or fair value less cost to sell for our land drilling rigs.

During 2018, we recorded a goodwill impairment of $1.9 billion which was based upon our annual fair value assessment of our business and assets. The rapid and steep decline in oil prices and consequentially lower expectations for future exploration and production capital spending, resulted in a sharp reduction in share prices in the oilfield services sector, including our share price, which triggered the goodwill impairment. During 2018, we also recognized long-lived asset impairments of $151 million to write-down our land drilling rigs assets. The 2018 impairments were due to the sustained downturn in the oil and gas industry that resulted in a reassessment of our disposal groups. The change in our expectations of the market’s recovery, in addition to successive negative operating cash flows in certain disposal asset groups represented an indicator that those assets will no longer be recoverable over their remaining useful lives.

See “Note 10 – Long-Lived Asset Impairments,” “Note 11 – Goodwill and Intangible Assets” and “Note 15 – Fair Value of Financial Instruments, Assets and Other Assets” for additional information regarding goodwill and long-lived asset impairments.

Business Outlook

The COVID-19 pandemic, customer activity shutdowns, travel constraints and access restrictions to customer work locations caused significant uncertainty for the global economy, resulting in the significant decline in the global demand for oil and gas. The impacts of the COVID-19 pandemic together with uncertainty around the extent and timing for an economic recovery, caused extreme market volatility for commodity prices and resulted in significant reductions to the capital spending during 2020 of our primary customer base, with lowering expectations of oil and gas related spending into 2021 and beyond.

We continue to closely monitor the global impacts surrounding the COVID-19 pandemic, including operational and manufacturing disruptions, logistical constraints and travel restrictions. We have experienced and expect to continue to experience delays or a lack of availability of key components from our suppliers, shipping and other logistical delays and disruptions, customer restrictions that prevent access to their sites, community measures to contain the spread of the virus, and changes to Weatherford’s policies that have both restricted and changed the way our employees work. We expect most, if not all, of these disruptions and constraints will continue to effect how we and our customers and suppliers work in the future.

We continuously improve crew rotations and management practices to minimize our employees' exposure to COVID-19 while at client facilities. Our identification and management of COVID-19 cases evolve with the latest guidance through the development of updated protocols, advanced testing and response procedures. Faced with these challenges, we evolved our digital portfolio and enhanced our applications to offer fully-integrated digital oilfield solutions. We also increased our offerings of automated well construction and remote monitoring and predictive analytics related to our production offerings.

Oil prices have risen recently, buoyed by recent supply-led Organization of Petroleum Exporting Countries ("OPEC") and other high oil exporting non-OPEC nations ("OPEC+") policy, the ongoing COVID-19 vaccine rollout, and multinational economic stimulus actions which is providing a runway for a meaningful oil demand recovery throughout 2021. We continue to anticipate multi-year dislocation across the industry, particularly in North America, Europe, Latin America and Sub Saharan Africa. We continue to anticipate constraints on our ability to generate and grow our revenues, profits and cash flows given the global economic uncertainty.

We implemented, and will continue to implement, aggressive actions to right-size our business to address current market conditions, including:

- Cost reductions across all our operations, as well as our global support structure to match our reduced size; and
- Consolidation of geographic and product line structures to better align with market conditions.

The oilfield services industry growth is highly dependent on many external factors, such as the global response to the COVID-19 pandemic, our customers' capital expenditures, world economic and political conditions, the price of oil and natural gas, member-country quota compliance within the OPEC and weather conditions and other factors, including those described in the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. – Risk Factors."

Industry Trends

The level of spending in the energy industry is heavily influenced by the current and expected future prices of oil and natural gas. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves. The following charts set forth certain statistics that reflect historical market conditions.

The table below shows the average oil and natural gas prices for West Texas Intermediate ("WTI") and Henry Hub natural gas during years ended December 31, 2020, 2019 and 2018. Commodity prices decreased during 2020 following the dual impact of the COVID-19 pandemic and the inability of OPEC and OPEC+ nations to agree on production cuts.

	Years Ended		
	12/31/2020	12/31/2019	12/31/2018
Oil price - WTI [1]	$39.23	$56.98	$64.94
Natural Gas price - Henry Hub [2]	$2.04	$2.57	$3.17

[1] Oil price measured in dollars per barrel (rounded to the nearest dollar)

[2] Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical average rig counts based on the weekly Baker Hughes Company rig count information were as follows:

	Years Ended		
	12/31/2020	12/31/2019	12/31/2018
North America	522	1,077	1,223
International	825	1,098	988
Worldwide	1,347	2,175	2,211

As of December 31, 2020, the North America and International Rig Count totaled 410 and 665, respectively.

Global demand for oil dropped precipitously from January through April of 2020 due to numerous different factors, but primarily including the expansion of the COVID-19 coronavirus outbreak, as governments around the world responded with lockdowns, resulting in significantly reduced travel. Global stocks of crude and refined products increased as oil supply could not respond quickly enough to balance the market. These factors contributed to the resulting precipitous decline in commodity prices, rising oil and gas inventory levels, decreased realized and expected levels of oil and gas demand, decreased level of production capacity and geopolitical uncertainty. During the second half of 2020, the OPEC-led supply alliance agreed to production limits, which stabilized and improved oil prices.

Opportunities and Challenges

As production decline rates persist and reservoir productivity complexities increase, our customers continue to face challenges in balancing the cost of extraction activities with securing desired rates of production while achieving acceptable rates of return on investment. These challenges increase our customers' requirements for technologies that improve productivity and efficiency, which in turn puts pressure on us to deliver our products and services at competitive rates. In addition, as consolidation of the oil and gas services industry continues due to market conditions, there has been an increased demand for companies with specialized products, services and technologies. We believe we are well positioned to satisfy our customers' needs, but the level of improvement in our businesses in the future will depend heavily on pricing, volume of work, and our ability to offer solutions to more efficiently extract oil and gas, control costs, and penetrate new and existing markets with our newly developed technologies. Over the long-term, we expect the world's demand for energy will rise from current levels requiring increased oil field services and more advanced technology from the oilfield service industry. We remain focused on delivering innovative and cost-efficient solutions for customers to assist them in achieving their operational, safety and environmental objectives.

Our challenges also include adverse market conditions that could make our targeted cost reduction benefits more difficult to recruit new and retain existing employees. Oil prices have risen recently, buoyed by recent supply-led OPEC+ policy, the ongoing COVID-19 vaccine rollout, and multinational economic stimulus actions which is providing a runway for a meaningful oil demand recovery throughout 2021. We continue to anticipate a multi-year dislocation across the industry, particularly in North America, Europe, Latin America and Sub Saharan Africa. In addition, continued negative sentiment for the energy industry in the capital markets has impacted, and may continue to impact, demand for our products and services, as our customers, particularly those in North America, have experienced and likely will continue to experience challenges securing appropriate amounts of capital under suitable terms to finance their operations. The cyclicality of the energy industry and the COVID-19 pandemic continues to impact the demand for our products and services which strongly depend on the level of exploration and development activity and the completion phase of the well life cycle or on the number of wells and the type of production systems used. We are following our long-term strategy aimed at achieving profitability in our businesses, servicing our customers and creating value for our shareholders. Our long-term success will be determined by our ability to manage effectively the cyclicality of our industry, including the ongoing and prolonged industry downturn, our ability to respond to industry demands and periods of over-supply or uncertain oil prices, and ultimately to generate consistent positive cash flow and positive returns on the invested capital.

Exchange Listing

The delisting of our ordinary shares from the New York Stock Exchange ("NYSE") became effective on April 27, 2020. Our ordinary shares were deregistered under Section 12(b) of the Exchange Act on July 16, 2020. We continue to evaluate listing options and intend to relist our ordinary shares when our Board of Directors determines market conditions are appropriate. The Company intends to continue filing periodic reports with the Securities and Exchange Commission ("SEC") on a voluntary basis. Our ordinary shares continue to trade on the OTC Pink Marketplace under the ticker symbol "WFTLF".

2019 Emergence from Bankruptcy Proceedings and Fresh Start Accounting

On July 1, 2019 (the "Petition Date"), Weatherford and two of our subsidiaries (collectively, the "Weatherford Parties") commenced voluntary reorganization proceedings (the "Cases"), including under Chapter 11 of Title 11 ("Chapter 11") of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), with ancillary proceedings filed in Ireland and Bermuda. The plan of reorganization (as amended, the "Plan"), together with the schemes of arrangement in Ireland and Bermuda, became effective on December 13, 2019 (the "Effective Date") and the Weatherford Parties emerged from Chapter 11. Upon emergence from Chapter 11, we adopted fresh start accounting ("Fresh Start Accounting"). For additional details regarding the Chapter 11, see "Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings" and "Note 3 – Fresh Start Accounting".

Upon adoption of Fresh Start Accounting, the reorganization value derived from the range of enterprise value as disclosed in the Disclosure Statement associated with the Plan, as adjusted for the revised projections filed with the SEC on a Form 8-K on October 7 and October 16, 2019, was allocated to the Company's assets and liabilities based on their fair values (except for deferred income taxes) in accordance with ASC 805 – Business Combinations. The amount of deferred income taxes to be recorded was determined in accordance with ASC 740 – Income Taxes. The Effective Date fair values of the Company's assets and liabilities differ materially from their recorded values as reflected on the historical balance sheet. Under Fresh Start Accounting, our balance sheet on the Effective Date reflected all our assets and liabilities at fair value.

Our emergence from bankruptcy and the adoption of Fresh Start Accounting resulted in a new reporting entity, referred to herein as the "Successor," for financial reporting purposes. To facilitate discussion and analysis of our financial condition and results of operations, we refer to the reorganized Weatherford Parties as the Successor for periods subsequent to December 13, 2019 and as the "Predecessor" for periods on or prior to December 13, 2019. As a result of the adoption of Fresh Start Accounting and the effects of the implementation of the Plan, our consolidated financial statements subsequent to December 13, 2019 are not comparable to our consolidated financial statements on or prior to December 13, 2019, and as such, "Black-line" financial statements are presented to distinguish between the Predecessor and Successor companies. References to "Successor" relate to the Consolidated Statements of Operations for the year ended December 31, 2020 and from December 14, 2019 through December 31, 2019 ("Successor Periods").

References to the year ended December 31, 2019 relate to the combined Successor and Predecessor Periods for the year ended December 31, 2019.

Debt Transactions and Equity Issuances

On August 28, 2020, we completed a series of financing transactions that meaningfully enhanced our liquidity, including issuing $500 million of 8.75% Senior Secured Notes ("Senior Secured Notes"), terminating our ABL Credit Agreement, and amending and increasing the size of our senior secured letter of credit agreement (the "LC Credit Agreement") to $215 million. See "Note 14 – Borrowings and Other Debt Obligations" for additional details.

On July 3, 2019, the Weatherford Parties borrowed approximately $1.4 billion under the DIP Credit Agreement and the proceeds were used to repay certain prepetition indebtedness, cash collateralize certain obligations with respect to letters of credit and similar instruments and finance the working capital needs and general corporate purposes of the Weatherford Parties and certain of their subsidiaries. On July 3, 2019, the Company repaid all outstanding amounts due under the secured Term Loan Agreement and 364-Day Credit Agreement totaling approximately $616 million with borrowings from our DIP Credit Agreement. In addition, we cash collateralized approximately $271 million of letters of credit and similar instruments with borrowings from the DIP Credit Agreement. See "Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings" for additional details. The DIP Credit Agreement was repaid in full upon emergence from Bankruptcy on December 13, 2019.

As of the Petition Date, the Predecessor's senior notes and exchangeable senior notes and related unpaid accrued interest totaling $7.6 billion were placed into liabilities subject to compromise during the bankruptcy period with respect to the Predecessor as shown in "Note 3 – Fresh Start Accounting". Upon emergence from bankruptcy on December 13, 2019, the Predecessor's senior and exchangeable senior notes were cancelled pursuant to the terms of the Plan, resulting in a gain on extinguishment of debt of $4.3 billion recorded in "Reorganization Items" on the Consolidated Statements of Operations.

On the Effective Date, we issued Senior Notes maturing on December 1, 2024 ("Exit Notes") for an aggregate principal amount of $2.1 billion (of which $500 million was in the form of Exit Takeback Notes to existing creditors on the senior notes being cancelled). Interest on the Exit Notes accrue at the rate of 11.00% per annum and is payable semiannually in arrears on June 1 and December 1. We commenced interest payments on June 1, 2020.

For the 2019 Predecessor Period, we had net short-term repayments of $347 million primarily from our borrowings and repayments of the DIP Credit Agreement and our Predecessor Revolving Credit Agreements, including the repayment of our 364-Day Credit Agreement. Our long-term debt repayments of $318 million on our Term Loan Agreement and financed leases.

On December 13, 2019, all previously issued and outstanding equity interests in the Predecessor were cancelled and the Company issued 69,999,954 new ordinary shares ("New Ordinary Shares") to the holders of the Company's existing senior notes and holders of old ordinary shares ("Old Ordinary Shares"). The amount in excess of par value of $2.9 billion is reported in "Capital in Excess of Par Value" on the accompanying Consolidated Balance Sheets.

On the Effective Date, the Company issued warrants (“New Warrants”) to holders of the Company’s Old Ordinary Shares, to purchase up to an aggregate of 7,777,779 New Ordinary Shares in the Company, par value $0.001 (the “New Ordinary Shares”), at an exercise price of $99.96 per ordinary share. The New Warrants are equity classified and, upon issuance, have a value of $31 million, which was recorded in “Capital in Excess of Par Value.”

In February of 2018, we repaid in full our 6.00% senior notes due March 2018. On February 28, 2018, we issued $600 million in aggregate principal amount of our 9.875% senior notes due 2025.

The February 2018 debt offering partially funded a concurrent tender offer to purchase for cash any and all of our 9.625% senior notes due 2019. We settled the tender offer in cash for the amount of $475 million, retiring an aggregate face value of $425 million and accrued interest of $20 million. In April 2018, we repaid the remaining principal outstanding on an early redemption of the bond. We recognized a cumulative bond tender loss of $34 million on these transactions in “Other Expense, Net” on the accompanying Consolidated Statements of Operations.

See “Note 14 – Borrowings and Other Debt Obligations” for additional details of our financing activities.

Divestitures

We did not have any significant divestitures of businesses during the Successor year ended December 31, 2020. See “Note 8 – Business Combinations and Divestitures” for further details related to divestitures of businesses completed during 2019 and 2018.

Results of Operations

The following table sets forth consolidated results of operations and financial information by operating segment and other selected information for the periods indicated. The 2020 and 2019 Successor Periods and the 2019 and 2018 Predecessor Periods are distinct reporting periods as a result of our emergence from bankruptcy on December 13, 2019. References in these results of operations to the change and the percentage change combine the 2019 Successor Period and 2019 Predecessor Period results for the year ended December 31, 2019 in order to provide some comparability of such information to the years ended December 31, 2020 and December 31, 2018. While this combined presentation is not presented according to generally accepted accounting principles in the United States ("GAAP") and no comparable GAAP measure are presented, management believes that providing this financial information is the most relevant and useful method for making comparisons to the years ended December 31, 2020 and December 31, 2018 as the eighteen days of the Successor Period is not a significant period of time impacting the combined results.

(Dollars in millions, except per share data)	Successor Year Ended 12/31/20	Successor From 12/14/19 through 12/31/19	Predecessor From 01/01/19 through 12/13/19	Predecessor Year Ended 12/31/18	Combined Change Favorable (Unfavorable) $ 2020 vs 2019	Combined Change Favorable (Unfavorable) % 2020 vs 2019	Combined Change Favorable (Unfavorable) $ 2019 vs 2018	Combined Change Favorable (Unfavorable) % 2019 vs 2018
Revenues:								
Western Hemisphere	$ 1,586	$ 121	$ 2,620	$ 3,063	$ (1,155)	(42)%	$ (322)	(11)%
Eastern Hemisphere	2,099	140	2,334	2,681	(375)	(15)%	(207)	(8)%
Total Revenues	3,685	261	4,954	5,744	(1,530)	(29)%	(529)	(9)%
Operating Income (Loss):								
Western Hemisphere	18	(4)	54	208	(32)	(64)%	(158)	(76)%
Eastern Hemisphere	37	10	134	119	(107)	(74)%	25	21 %
Total Segment Operating Income	55	6	188	327	(139)	(72)%	(133)	(41)%
Corporate	(111)	(5)	(118)	(130)	12	10 %	7	5 %
Impairments and Other Charges	(1,236)	—	(1,104)	(2,155)	(132)	(12)%	1,051	49 %
Restructuring Charges	(206)	—	(189)	(126)	(17)	(9)%	(63)	(50)%
Prepetition Charges	—	—	(86)	—	86	100 %	(86)	NA
Gain on Operational Assets Sale	12	—	15	—	(3)	(20)%	15	NA
Gain on Sale of Businesses, Net	—	—	112	—	(112)	(100)%	112	NA
Total Operating Income (Loss)	(1,486)	1	(1,182)	(2,084)	(305)	(26)%	903	43 %
Reorganization Items	(9)	(4)	5,389	—	(5,394)	(100)%	5,385	NA
Interest Expense, Net	(266)	(12)	(362)	(614)	108	29 %	240	39 %
Total Other Expense, Net	(53)	—	(26)	(59)	(27)	(104)%	33	56 %
Income (Loss) before Income Taxes	(1,814)	(15)	3,819	(2,757)	(5,618)	(148)%	6,561	238 %
Income Tax Provision	(85)	(9)	(135)	(34)	59	41 %	(110)	(324)%
Net Income (Loss)	$ (1,899)	$ (24)	$ 3,684	$ (2,791)	$ (5,559)	(152)%	$ 6,451	231 %

Revenues Percentage by Product Lines

	Successor Year Ended 12/31/2020	Successor Period From 12/14/19 through 12/31/2019	Predecessor Period From 01/01/19 through 12/13/2019	Predecessor Year Ended 12/31/2018
Completion and Production	51 %	52 %	47 %	47 %
Drilling, Evaluation and Intervention	49	48	53	53
Total	100 %	100 %	100 %	100 %

Consolidated and Segment Revenues

2020 *vs* 2019 Revenues

Consolidated 2020 revenues of $3.7 billion decreased $1.5 billion, or 29%, compared to the 2019 Combined Period. The unprecedented global health and economic crisis sparked by the COVID-19 pandemic negatively impacted industry activity. The lower demand for oil and gas created by the impact of the COVID-19 pandemic, together with uncertainty around the extent and timing for an economic recovery, have caused significant reductions to the capital spending plans of exploration and production companies.

- Western Hemisphere revenues decreased $1.2 billion, or 42%, in 2020 compared to the 2019 Combined Period due to the decline in activity and demand due to the COVID-19 pandemic. This resulted in lower activity levels in the U.S. and Canada as a result of a decline in rig related activity and exploration spending, which has reduced demand for completion, production drilling, evaluation and intervention products and services. We also experienced declines in Latin America with significant activity reductions in Argentina and Colombia due to the COVID-19 pandemic and lower demand for oil and gas.

- Eastern Hemisphere revenues decreased $375 million, or 15%, in 2020 compared to the 2019 Combined Period, also due to the decline in activity in the Middle East, North Africa, Asia and Russia due to the COVID-19 pandemic.

2019 *vs* 2018 Revenues

Consolidated revenues for the 2019 Combined Period decreased $529 million, or 9% compared to 2018. Excluding the impact of revenues from the divested portion of the land drilling rigs, laboratory services and surface logging businesses, consolidated revenues were down $166 million, or 3%, in 2019 compared to 2018.

- Western Hemisphere revenues decreased $322 million, or 11%, in the 2019 Combined Period compared to 2018, due to lower activity levels in the U.S. and Canada as a result of a decline in rig related activity and exploration spending, which has reduced demand for completion, production, drilling, evaluation and intervention products and services. The decline in Canada was partially offset by higher activity in integrated service projects and product sales in Mexico.

- Eastern Hemisphere revenues decreased $207 million, or 8%, in the 2019 Combined Period compared to 2018. The decline in revenues was primarily due to lower revenues from our divested land drilling rigs businesses in the Middle East and North Africa, as well as our divested laboratories and surface logging businesses. Increased revenues in the completions product line partially offset this decline. Excluding the impact of revenues from the divested portion of the land drilling rigs, laboratory services and surface logging businesses, revenues in 2019 increased $105 million, or 5% in 2019 compared to 2018.

Consolidated and Segment Operating Results

2020 *vs* 2019 Segment Operating Results

Successor segment operating income in 2020 was $55 million , a decrease of $139 million, compared to the 2019 Combined Period. The result was principally driven by the impact of the COVID-19 pandemic resulting in lower activity levels in North America as well as declines in activity internationally, primarily in Latin America, Middle East, North Africa and Russia.

Western Hemisphere Successor segment reported operating income of $18 million in the year ended December 31, 2020 declined $32 million, compared to the 2019 Combined Period. The segment income decline was impacted by lower activity levels in North America, Argentina and Colombia, the deterioration in demand for services due to the COVID-19 pandemic and weakening demand for oil and gas.

Eastern Hemisphere Successor segment reported operating income of $37 million for the year ended December 31, 2020 was down by $107 million compared to the 2019 Combined Period. The segment income decline was impacted by slowing activity levels, deterioration in demand for services due to the COVID-19 pandemic and weakening demand for oil and gas.

2019 *vs* 2018 Segment Operating Results

Segment operating income decreased $133 million in the 2019 Combined Period compared 2018. The decrease was driven by lower activity levels, an unfavorable product mix in Canada and the United States, and start-up costs for projects in Latin America. These declines were partially offset by improved operating results from higher integrated service project activity in Latin America and operational improvements in the Eastern Hemisphere. Excluding the impact of operating results from the divested portion of the land drilling rigs, laboratory services and surface logging businesses, segment operating results in 2019 declined $55 million compared to 2018.

- Western Hemisphere segment operating income declined $158 million, or 76%, in the 2019 Combined Period compared to 2018. The segment income decline was driven by lower activity levels, lower operating margin product sales in Canada, start-up costs for projects in Argentina and employee retention expenses. These declines were partially offset by improved operating results from higher integrated service project activity in Mexico.

- Eastern Hemisphere segment operating income improved $25 million, or 21%, in the 2019 Combined Period compared to 2018. The improvement in segment operating income was due to the lower direct expenses, cost improvements, partially offset by the impact of the divestitures. Excluding the impact of operating results from the divested portion of the land drilling rigs, laboratory services and surface logging businesses, segment operating results in 2019 improved $94 million compared to 2018.

Interest Expense, Net

Consolidated net interest expense of $266 million for year ended December 31, 2020 represents interest on our 11.0% Exit Notes, our 8.75% Senior Secured Notes and the write-off of unamortized deferred debt issuance costs of $15 million associated with the termination of our senior secured lending agreement ("ABL Credit Agreement"). See "Note 14 – Borrowings and Other Debt Obligations" to the Consolidated Financial Statements for further details on the refinancing.

Net interest expense was $12 million for the Successor Period 2019 representing interest expense on our Exit Notes and $362 million for the 2019 Predecessor Period, as compared to $614 million for the Predecessor in 2018. The decrease in interest expense for 2019 was primarily due to unrecognized contractual interest (no longer accruing interest) on our unsecured senior notes as well as the elimination of the amortization of deferred financing costs and debt discounts during the Chapter 11 proceedings, which began July 1, 2019, partially offset by interest on debtor-in-possession financing and default interest on our A&R Credit Agreement.

Other Income (Expense), Net

Successor other expense was $53 million for the year ended December 31, 2020 compared to Predecessor other expense of $26 million in 2019 and $59 million in 2018. Other expense was primarily driven by foreign currency exchange losses of $34 million for the year ended December 31, 2020 compared to $14 million for the 2019 Combined Period. The unfavorable change primarily relates to the weakening of foreign currencies following the onset of the COVID-19 pandemic. Other expense also includes letter of credit fees and other financing fees.

In 2019 and 2018, other expense was primarily driven by foreign currency exchange losses, letter of credit fees, other financing fees and non-service periodic pension and other post-retirement benefit expenses. Foreign exchange losses are typically due to the strengthening U.S. dollar compared to our foreign denominated operations. Included in other expense on the accompanying Consolidated Statements of Operations for the year ended December 31, 2018, was currency devaluation expense of $49 million primarily related to the devaluation of the Angolan kwanza due to a change in Angolan central bank policy in 2018.

Warrant fair value income was $70 million in 2018 related to the fair value adjustment to the Predecessor warrant liability. We did not have any warrant fair value income in 2020 or 2019. On May 21, 2019, the option period to exercise the warrants lapsed and the warrants expired unexercised with a fair value of zero. The change in fair value of the warrant during 2018 was primarily driven by eliminating the warrant share value associated with any future equity issuance and a decrease in the Predecessor's stock price.

In the year ended December 31, 2018 other expense included a cumulative bond tender loss of $34 million in “Other Expense, Net” on the accompanying Consolidated Statements of Operations. We did not have any bond tender loss in 2020 or 2019.

Income Taxes

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. The relationship between our pre-tax income or loss from continuing operations and our income tax benefit or provision varies from period to period as a result of various factors, which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions, the impacts of tax planning activities and the resolution of tax audits. On September 26, 2019, our parent company ceased to be a Swiss tax resident and became an Irish tax resident subject to tax under the Irish tax regime. As a result, our effective rate differs from the Irish statutory tax rate as the majority of our operations are taxed in jurisdictions with different tax rates. In addition, we are unable to recognize tax benefit on our losses.

We record deferred tax assets for net operating losses and temporary differences between the book and tax basis of assets and liabilities that are expected to produce tax deductions in future periods. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets would be deductible. The Company assesses the realizability of its deferred tax assets each period by considering whether it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company considers all available evidence (both positive and negative) when determining whether a valuation allowance is required. The Company evaluates possible sources of taxable income that may be available to realize the benefit of deferred tax assets, including projected future taxable income, the reversal of existing temporary differences, taxable income in carryback years and available tax planning strategies, and the impact of fresh start accounting in making this assessment. The realizability of the deferred tax assets is dependent upon judgments and assumptions inherent in the determination of future taxable income, including factors such as future operation conditions (particularly as related to prevailing oil prices and market demand for our products and services). The Company concluded it was not able to realize the benefit of its deferred tax assets and has established a valuation allowance.

The income tax provision for the Successor year 2020 was $85 million as compared to a tax provision of $9 million for the Successor Period and $135 million for the Predecessor Period of 2019, and $34 million in 2018, which resulted in an effective tax rate of (5)%, (60)%, 3% and (1)%, respectively. Our tax expense is primarily driven by profits in certain jurisdictions, deemed profit countries and withholding taxes on intercompany and third-party transactions that do not directly correlate to ordinary income or loss. Impairments and other charges are subject to tax rules in our various jurisdiction as to their deductibility, but generally do not result in significant tax benefits to us due to our inability to forecast realization of such benefits.

Our results for the 2019 Predecessor period include $32 million of tax expense related to the Fresh Start accounting impacts and $14 million of tax benefit primarily related to goodwill and other asset impairments and write-downs. We also recognized $4.3 billion gain on Settlement of Liabilities Subject to Compromise as a result of the bankruptcy (See “Note 3 – Fresh Start Accounting”) with no tax impact due to it being attributed to Bermuda, which has no income tax regime, and the U.S., which resulted in the reduction of our U.S. unbenefited net operating losses carryforward under the operative tax statute and applicable regulations offset by the release of a similar amount of valuation allowance. Prepetition charges (charges prior to Petition Date) and reorganization items (charges after Petition Date) had no significant tax impact.

Our results for the 2018 Predecessor period include charges with $70 million tax benefit principally related to the $1.9 billion goodwill impairment. Other significant 2018 charges did not result in significant tax benefit.

We are continuously under tax examination in various jurisdictions. We cannot predict the timing or outcome regarding resolution of these tax examinations or if they will have a material impact on our consolidated financial statements. As of December 31, 2020, we anticipate that it is reasonably possible that the amount of our uncertain tax positions of $222 million may decrease by up to $4 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

In response to the COVID-19 pandemic, many countries have enacted tax relief measures to provide aid and economic stimulus to companies impacted by the COVID-19 pandemic. For the Successor year ended December 31, 2020, there were no material tax impacts to our financial statements as it relates to COVID-19 tax relief measures.

Restructuring Charges

In response to the impact of our business from the COVID-19 pandemic and the significant and sudden changes in oil and gas prices, we have continued to develop and execute on plans to rationalize and restructure our business and right-size our operations and personnel. Additional charges with respect to our ongoing cost reduction actions may be recognized in subsequent periods.

During the Successor year ended December 31, 2020, we incurred restructuring charges of $206 million. During the 2019 and 2018 Predecessor Periods, we recognized restructuring charges of $189 million and $126 million. Please see “Note 12 – Restructuring Charges” to our Consolidated Financial Statements for additional details of our charges by type and by segment.

Liquidity and Capital Resources

At December 31, 2020, we had total cash and cash equivalents and restricted cash of $1.3 billion of which $167 million was restricted cash, compared to total cash and cash equivalents and restricted cash of $800 million of which $182 million was restricted cash at December 31, 2019. The following table summarizes cash provided by (used in) each type of business activity, for the years ended December 31, 2020, 2019 and 2018:

	Successor		Predecessor	
(Dollars in millions)	**Year Ended 12/31/2020**	**From 12/14/2019 through 12/31/2019**	**From 1/1/2019 through 12/13/2019**	**Year Ended 12/31/2018**
Net Cash Provided by (Used in) Operating Activities	$ 210	$ 61	$ (747)	(242)
Net Cash Provided by (Used in) Investing Activities	(75)	(14)	149	122
Net Cash Provided by (Used in) Financing Activities	348	(2)	749	168

Operating Activities

Cash provided by operating activities was $210 million and $61 million during the 2020 and 2019 Successor Periods. Cash provided by Successor operating activities during 2020 was driven by collections on our accounts receivables, partially offset by payments for interest and severance.

Cash used in operating activities was $747 million in the 2019 Predecessor Period compared to $242 million in 2018. Cash used in operating activities in 2019 and 2018 were driven by working capital needs, payments for debt interest, and severance and other restructuring and transformation costs. In 2019, cash used in operating activities also included payments for reorganization items and prepetition charges primarily for professional and other fees related to the Cases and retention and performance bonuses.

Investing Activities

Cash used in investing activities for the Successor was $75 million for the year ended December 31, 2020. The primary use of cash in investing activities were capital expenditures of $154 million for property, plant and equipment. The primary sources of cash from investing activities included $22 million from asset dispositions and $50 million from the maturity of our Angolan government bonds. The amount we spend for capital expenditures varies each year and is based on the types of contracts into which we enter, our asset availability and our expectations with respect to activity levels.

Cash used in investing activities was $14 million during the 2019 Successor Period primarily for capital expenditures, which was partially offset by adjustments to proceeds from a prior divestiture of a business. Our investing activities provided cash of $149 million during the 2019 Predecessor Period and $122 million during 2018.

During the 2019 Successor Period, the primary use of cash from investing activities was $20 million capital expenditures for property, plant and equipment. During the 2019 Predecessor Period, the primary uses of cash in investing activities were (i) capital expenditures of $250 million for property, plant and equipment and (ii) cash paid of $13 million to acquire intellectual property and other intangibles, offset by the primary sources of cash that were (i) proceeds from the divestitures of businesses of $328 million (primarily from the divestitures of our rigs, laboratory services and surface data logging businesses) and (ii) proceeds of $84 million from the asset dispositions. See “Note 8 – Business Combinations and Divestitures” for additional information.

During 2018, the primary uses of cash in investing activities were (i) capital expenditures of $217 million for property, plant and equipment and the acquisition of assets held for sale and (ii) cash paid of $28 million to acquire intellectual property and other intangibles. During 2018, the primary sources of cash were (i) cash proceeds from the divestiture of business and investments of $257 million (primarily from the divestitures of our land drilling rigs businesses in Kuwait and Saudi Arabia, the continuous sucker rod service business in Canada and the sale of an equity investment) and (ii) cash proceeds of $106 million from the disposition of other assets.

Financing Activities

Cash provided by financing activities for the Successor was $348 million for the year ended December 31, 2020, sourced primarily from net proceeds of $453 million from the issuance of our Senior Secured Notes and offset by the repayment of debt, cash paid of $24 million related to a deferred consideration for our 2018 acquisition of our Qatari joint venture and other financing activities of $81 million.

On August 28, 2020, we completed a series of financing transactions that meaningfully enhanced our liquidity, including issuing $500 million of Senior Secured Notes, terminating our ABL Credit Agreement, and amending and increasing the size of our LC Credit Agreement to $215 million. See “Note 14 – Borrowings and Other Debt Obligations” to the Consolidated Financial Statements for further details.

Cash provided by financing activities was $749 million during the 2019 Predecessor Period.

On July 3, 2019, the Weatherford Parties borrowed approximately $1.4 billion under the DIP Credit Agreement and the proceeds were used to repay certain prepetition indebtedness, cash collateralize certain obligations with respect to letters of credit and similar instruments and finance the working capital needs and general corporate purposes of the Weatherford Parties and certain of their subsidiaries. On July 3, 2019, the Company repaid all outstanding amounts due under the secured Term Loan Agreement and 364-Day Credit Agreement totaling approximately $616 million with borrowings from our DIP Credit Agreement. In addition, we cash collateralized approximately $271 million of letters of credit and similar instruments with borrowings from the DIP Credit Agreement. See “Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings” for additional details. The DIP Credit Agreement was repaid in full upon emergence from Bankruptcy on December 13, 2019.

As of the Petition Date, the Predecessor’s senior and exchangeable senior notes and related unpaid accrued interest totaling $7.6 billion were placed into liabilities subject to compromise during the bankruptcy period with respect to the Predecessor as shown in “Note 3 – Fresh Start Accounting”. Upon emergence from bankruptcy on December 13, 2019, the Predecessor’s senior and exchangeable senior notes were cancelled pursuant to the terms of the Plan, resulting in a gain on extinguishment of debt of $4.3 billion recognized in “Reorganization Items” on the Consolidated Statements of Operations.

On December 13, 2019, the Effective Date, we issued unsecured 11.00% Exit Notes due in 2024 for an aggregate principal amount of $2.1 billion (of which $500 million was in the form of Exit Takeback Notes to existing creditors on the senior notes being cancelled). Interest on the Exit Notes accrues at the rate of 11.00% per annum and is payable semiannually in arrears on June 1 and December 1. We commenced interest payments thereunder on June 1, 2020.

In the 2019 Predecessor Period, we had net short-term debt repayments of $347 million primarily from our borrowings and repayments of the DIP Credit Agreement and our Predecessor Revolving Credit Agreements, including the repayment of our 364-Day Credit Agreement. Our long-term debt repayments of $318 million on our Term Loan Agreement and financed leases.

Cash provided by financing activities was $168 million during the Predecessor year ended December 31, 2018. In February of 2018, we issued $600 million of our 9.875% senior notes due 2025 for net proceeds of $586 million. We used part of the proceeds from our debt offering to repay in full our 6.00% senior notes due March 2018 and to fund a concurrent tender offer to purchase all of our 9.625% senior notes due 2019.

Net long- and short-term debt repayments, including the tender offer and borrowings under our revolving credit facilities, in 2018 totaled $378 million. We settled the tender offer for $475 million, retiring an aggregate face value of $425 million and accrued interest of $20 million. In April 2018, we repaid the remaining principal outstanding on an early redemption of the bond. We recognized a cumulative bond tender loss of $34 million on these transactions in “Other Income (Expense)” on the accompanying Consolidated Statements of Operations. The debt repayments and bond tender premium payments were partially offset by net borrowings primarily under our revolving credit facilities of $158 million. Other financing activities in 2018 primarily included the costs incurred for the amended Credit Agreements and payments of non-controlling interest dividends.

See “Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings” and “Note 14 – Borrowings and Other Debt Obligations” and “for additional details of our financing activities.

Non-GAAP Free Cash Flow

Non-GAAP Free Cash Flow (“Free Cash Flow”) represents cash flow from operations less capital expenditures (including the acquisition of assets held for sale) plus proceeds from the disposition of assets. Free cash flow was a positive $78 million and positive $41 million during the 2020 and 2019 Successor Periods and a negative $913 million and negative $353 million during the 2019 and 2018 Predecessor Periods. Management believes that Free Cash Flow is useful to investors and management as an important liquidity measure of our ability to generate cash, pay obligations and grow the business and shareholder value. It is a non-GAAP financial measure that should be considered in addition to, not as substitute for or superior to, cash flow from operations.

Sources of Liquidity

Our sources of available liquidity going forward include cash generated by our operations, cash and cash equivalent balances, accounts receivable factoring, dispositions, and availability under our LC Credit Agreement. We have aggregate commitments of $215 million under the LC Credit Agreement for the issuance of letters of credit. At December 31, 2020, we had approximately $167 million in outstanding letters of credit under the LC Credit Agreement and availability of $48 million.

We historically have accessed banks for short-term loans and have accessed the capital markets with debt and equity offerings. However, the energy industry continues to have negative sentiment in the market which has impacted the ability of energy sector participants to access appropriate amounts of capital and under suitable terms. Although we may have access to capital markets, it may not be on terms that are commercially acceptable to the Company. From time to time we may enter into transactions to dispose of businesses or capital assets that no longer fit our long-term strategy.

Exit and Senior Secured Notes and LC Credit Agreement

On December 13, 2019, the date of bankruptcy emergence, we issued unsecured 11.00% Exit Notes due in 2024 for an aggregate principal amount of $2.1 billion (of which $500 million was in the form of a Exit Takeback Notes to existing creditors on the senior notes being cancelled). Interest on the Exit Notes accrues at the rate of 11.00% per annum and is payable semiannually in arrears on June 1 and December 1. We commenced interest payments thereunder on June 1, 2020.

On August 28, 2020, we completed a series of financing transactions that meaningfully enhanced our liquidity, including issuing $500 million of Senior Secured Notes, terminating our ABL Credit Agreement, and amending and increasing the size of our LC Credit Agreement to $215 million. Interest of the Senior Secured Notes in 8.75% per annum and is payable semiannually on arrears on March 1 and September 1. See “Note 14 – Borrowings and Other Debt Obligations” to the Consolidated Financial Statements for further details.

The Company is subject to a $175 million minimum liquidity covenant under our amended LC Credit Agreement and Senior Secured notes and, as defined in the applicable documents, Weatherford had available liquidity of $928 million as of December 31, 2020. Under our amended LC Credit Agreement, the Company is also subject to a minimum secured liquidity (or cash in controlled accounts) covenant of $125 million. Our secured liquidity was $779 million at December 31, 2020. As of December 31, 2020, we were in compliance with the covenants of the indentures governing the Exit Notes and Senior Secured Notes and the LC Credit Agreement.

Ratings Services' Credit Ratings

As of December 31, 2020, our Moody's Investor Services credit rating on the Senior Secured Notes and our senior secured LC Credit Agreement was Ba3, with a negative outlook. Our Exit Notes have a credit rating of B3 with a negative outlook. At December 31, 2020, our S&P credit rating on our Senior Secured Notes and our LC Agreement was B-, with a negative outlook. The credit rating on our Exit Notes was CCC with a negative outlook. The ratings from both agencies have been downgraded during 2020 from the ratings assigned at the end of 2019.

While we may continue to have access to credit markets, our credit rating, restrictions under our Exit Notes, Senior Secured Notes and LC agreement, and the industry downturn, could limit our ability to raise capital, refinance our existing debt, or could cause us to refinance or issue debt with less favorable and more restrictive terms and conditions, and could increase certain fees and interest of our borrowings.

Customer Receivables

In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets as well as unsettled political conditions. Given the nature and significance of the COVID-19 pandemic and disruption in the oil and gas industry, we could experience delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies.

Cash Requirements

Our cash requirements will continue to include interest payments on our long-term debt, payments for capital expenditures, repayment of financed leases, payments for short-term working capital needs and costs associated with our revenue and cost improvement efforts under our restructuring plans, including severance payments. Our cash requirements may also include awards under our employee incentive programs and other amounts to settle litigation related matters. We anticipate funding these requirements from cash and cash equivalent balances, accounts receivable factoring and proceeds from disposals of businesses or capital assets that no longer fit our long-term strategy.

As of December 31, 2020, we had approximately $2.6 billion of long-term debt with $2.1 billion in aggregate principal amount maturing on December 1, 2024 and $500 million in aggregate principal amount maturing on September 1, 2024. We expect to have interest payments of approximately $275 million annually until the maturity of our senior notes. Please see "Note 14 – Borrowings and Other Debt Obligations" for additional details. Our payments on operating leases and purchase obligations, including capital expenditures in the upcoming year are expected to be approximately $91 million and $364 million, respectively. See "Note 13 – Leases" for details of our lease obligations by year.

Our capital spending for 2021 is projected to be approximately $140 million. Capital expenditures are expected to be used primarily to support the ongoing activities and commitments in our core business.

Cash and cash equivalents (including restricted cash of $167 million primarily related to cash collateral on our letters of credit) totaled $1.3 billion at December 31, 2020, and are held by subsidiaries outside of Ireland, our taxing jurisdiction. At December 31, 2020 we had approximately $160 million of our cash and cash equivalents that cannot be immediately repatriated from various countries due to country central bank controls or other regulations. Based on the nature of our structure, other than the restrictions noted above, we are generally able to redeploy cash with minimal or no incremental tax.

Accounts Receivable Factoring

From time to time, we participate in factoring arrangements to sell accounts receivable to third-party financial institutions for cash proceeds net of discount and hold-back. The programs we factor under are uncommitted and thus we cannot assure they will be available as a source of liquidity. During the 2020 Successor Period, we sold accounts receivable balances of $90 million and received cash proceeds of $79 million. During the 2019 Combined Period, we sold accounts receivable of $206 million and received cash proceeds of $193 million. In 2018, we sold accounts receivables of $382 million and received cash proceeds of $373 million. Our factoring transactions were recognized as sales, and the proceeds are included as operating cash flows in our Consolidated Statements of Cash Flows.

Derivative Instruments

We enter into contracts to hedge our exposure to currency fluctuations in various foreign currencies. At December 31, 2020 and December 31, 2019, we had outstanding foreign currency forward contracts with notional amounts aggregating to $337 million and $389 million, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged at maturity are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates. Our foreign currency derivatives are not designated as hedges under ASC 815, and the changes in fair value of the contracts are recorded in each period in "Other Income (Expense), Net" on the accompanying Consolidated Statements of Operations. See "Note 16 – Derivative Instruments" for additional information.

Off-Balance Sheet Arrangements

Guarantees

Weatherford International plc, a public limited company organized under the laws of Ireland, and as the ultimate parent of the Weatherford group, guarantees the obligations of its subsidiaries – Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and Weatherford International, LLC, a Delaware limited liability company ("Weatherford Delaware"), including the notes and credit facilities listed below.

On August 28, 2020, Weatherford International Ltd., as issuer, Weatherford International plc and Weatherford International, LLC, as guarantors, and the other subsidiary guarantors party thereto, entered into an indenture with Wilmington Trust, National Association, as trustee and collateral agent, and issued the 8.75% Senior Secured Notes due September 1, 2024 in an aggregate principal amount of $500 million.

On December 13, 2019, the date of bankruptcy emergence, or the effective date pursuant to the terms of the Plan, we issued unsecured 11.00% Exit Notes due December 1, 2024 of Weatherford Bermuda guaranteed by Weatherford Delaware for an aggregate principal amount of $2.1 billion.

Upon emergence from bankruptcy on December 13, 2019, the Predecessor's senior notes, exchangeable senior notes, and guarantees under these instruments, were cancelled pursuant to the terms of the Plan. In addition, we repaid in full the Predecessor's Amended and Restated Credit Agreement and Term Loan pursuant to the terms of the Plan. See "Note 3 – Fresh Start Accounting" for additional details related to our financial restructuring.

Letters of Credit and Surety Bonds

As of December 31, 2020, we had $338 million of letters of credit outstanding, consisting of $167 million under the LC Credit Agreement and $171 million under various uncommitted facilities (of which there was $164 million in cash collateral held and recorded in "Restricted Cash" on the Consolidated Balance Sheets).

In Latin America we utilize surety bonds as part of our customary business practice. As of December 31, 2020, we had surety bonds outstanding of $326 million, primarily in Latin America. Any of our outstanding letters of credit or surety bonds could be called by the beneficiaries should we breach certain contractual or performance obligations. If the beneficiaries were to call the letters of credit under our LC Credit Agreement or surety bonds, our available liquidity would be reduced by the amount called.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operation is based upon our Consolidated Financial Statements. We prepare these consolidated financial statements in conformity with U.S. GAAP. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience and available information and various other assumptions we believe to be reasonable under the circumstances. On an on-going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. The accounting policies we believe require management's most difficult, subjective or complex judgments and are the most critical to our reporting of results of operations and financial position are as follows:

Fresh Start Accounting

On the Effective Date in 2019, we adopted and applied the relevant guidance with respect to the accounting and financial reporting for entities that have emerged from bankruptcy proceedings, or "Fresh Start Accounting." Under Fresh Start Accounting, our balance sheet on the Effective Date reflects all of our assets and liabilities at fair value. Our emergence from bankruptcy and the adoption of Fresh Start Accounting resulted in a new reporting entity, referred to herein as the "Successor," for financial reporting purposes. To facilitate discussion and analysis of our financial condition and results of operations herein, we refer to the reorganized Weatherford Parties as the Successor for periods subsequent to December 13, 2019 and as the "Predecessor" for periods on or prior to December 13, 2019. As a result of the adoption of Fresh Start Accounting and the effects of the implementation of the Plan, our consolidated financial statements subsequent to December 13, 2019 are not comparable to our consolidated financial statements on or prior to December 13, 2019, and as such, "black-line" financial statements are presented to distinguish between the Predecessor and Successor Periods.

Allocation of Reorganization Value under Fresh Start Accounting

Upon emergence on December 13, 2019, we allocated the reorganization value under Fresh Start Accounting to the Company's identifiable tangible and intangible assets and liabilities based on estimated fair values. The excess of the reorganization value over the amount allocated to the assets and liabilities was recorded as goodwill. We used all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engaged third-party appraisal firms to assist in fair value determination of PP&E, inventories, leases, identifiable intangible assets and any other significant assets or liabilities when appropriate. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations.

Goodwill

As a result of Fresh Start Accounting on December 13, 2019, we recognized and allocated $239 million of goodwill to our MENA and Russia reporting units and have presented that amount as of December 31, 2019 as Successor goodwill, which represents the excess of reorganization value over the fair value of our identifiable tangible and intangible assets and liabilities.

During the first and second quarters of 2020, the unprecedented global economic and industry conditions resulting from the decline in demand and impact from the COVID-19 pandemic were identified as goodwill and long-lived asset impairment indicators or triggering events. We identified lower exploration and production capital spending that resulted in lower drilling and forecasted activity. We performed interim quantitative goodwill assessment as of March 31, 2020 and June 30, 2020 as described in "Note 11 – Goodwill and Intangible Assets" to our Consolidated Financial Statements. The fair values of these two reporting units were determined using a combination of the income approach and the market approach for comparable companies in our industry, a Level 3 fair value analysis. Determining the fair value of the reporting units requires management to exercise significant judgments, including estimating the discounted future cash flows by reporting unit, specifically the forecasted revenue, forecasted operating margins and discount rates. Goodwill impairment occurs when the carrying amount of a reporting unit exceeds the fair value. We determined that the fair value of these reporting units were less than their carrying values, as a result of our impairment tests, we fully impaired our goodwill in the MENA and Russia reporting units as presented in "Impairments and Other Charges" on the accompanying Consolidated Statements of Operations.

Long-Lived Assets

Long-lived assets, which include PP&E, definite-lived intangibles and right of use assets, comprise a significant amount of our assets. We make estimates about their expected useful lives. The cost of the long-lived assets is then amortized over its expected useful life. A change in the estimated useful lives of our long-lived assets would have an impact on our results of operations. We estimate the useful lives of our long-lived asset groups as follows:

Asset Category	Estimated Useful Lives
Buildings and Leasehold Improvements	10 – 40 years or lease term
Rental and Service Equipment	3 – 10 years
Machinery and Other	2 – 12 years
Intangible Assets	5 – 10 years

In estimating the useful lives of our property, plant and equipment, we rely primarily on our actual experience with the same or similar assets. The useful lives of our intangible assets are determined by the years over which we expect the assets to generate a benefit based on legal, contractual or regulatory terms.

Long-lived assets to be held and used by us are reviewed to determine whether any events or changes in circumstances indicate that we may not be able to recover the carrying amount of the asset or asset group. Factors that might indicate a long-lived asset or asset group may not be recoverable may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, the introduction of competing technologies, legal challenges, a reduction in the utilization rate of the assets, a change in industry conditions, or a reduction in cash flows driven by pricing pressure as a result of oversupply associated with the use of the long-lived asset. The Company groups individual assets at the lowest level of identifiable cash flows and performs an undiscounted cash flow analysis to identify assets or asset groups that may not be recoverable. If the undiscounted cash flows do not exceed the carrying value of the long-lived asset group, the asset group is not recoverable and impairment is recognized to the extent the carrying amount exceeds the estimated fair value of the asset group. A fair value assessment is performed on assets or asset groups identified as not being recoverable using a discounted cash flow analysis to determine if an impairment has occurred. If an impairment has occurred, the Company recognizes a loss for the difference between the carrying amount and the fair value of the asset or asset group. The discounted cash flow analysis consists of estimating the future cash flows that are directly associated with, and are expected to arise from, the use and eventual disposition of the asset over its remaining useful life. These estimated discounted cash flows are inherently subjective and includes significant assumptions, specifically the forecasted revenue, forecasted operating margins, and the discount rate assumptions and require estimates based upon historical experience and future expectations. The fair value of the asset or asset group is measured using market prices, or in the absence of market prices, is based on an estimate of discounted cash flows. Cash flows are discounted at an interest rate commensurate with our weighted average cost of capital for a similar asset.

We generally group operating assets by product line of the respective region. We have long-lived assets, such as facilities, utilized by multiple operating divisions that do not have identifiable cash flows and impairment testing for these long-lived assets is based on the consolidated entity.

The unprecedented global economic and industry conditions resulting from the decline in demand and impact from the COVID-19 pandemic were identified as impairment indicators. As a result, we performed impairment assessments quarterly in 2020 through analysis of the undiscounted cash flow of our asset groups, which include property, plant and equipment, definite-lived intangible assets, goodwill and right of use assets. As of March 31, 2020, and as of June 30, 2020, we identified that impairment occurred in certain asset groups and with the assistance of third-party valuation advisors we determined the fair value of those asset groups. Based on our impairment tests, we determined the carrying amount of certain long-lived asset groups exceeded their respective fair values and we recognized of long-lived asset impairments in "Impairments and Other Charges" on the accompanying Consolidated Statements of Operations during the year ended December 31, 2020. See "Note 10 – Long-Lived Asset Impairments", "Note 11 – Goodwill and Intangible Assets" and "Note 15 – Fair Value of Financial Instruments, Assets and Other Assets" for additional information regarding the impairment and the fair value determination used in the impairment calculation.

The fair values of our long-lived assets were determined using discounted cash flow or Level 3 fair value analyses. The unobservable inputs to the income approach included the estimated discounted future cash flows by asset group and significant assumptions, specifically the forecasted revenue, forecasted operating margins, and discount rate assumptions used to determine the fair value of certain asset groups.

The 2019 impairments were due to the sustained downturn in the oil and gas industry that resulted in us having to reassess our disposal groups for our land drilling rigs. The change in our expectations of the market's recovery, in addition to successive negative operating cash flows in certain disposal asset groups represented an indicator that those assets will no longer be recoverable over their remaining useful lives. The Level 3 fair values of the long-lived assets were determined using a combination of the market approach and the income approach. The market approach considered market sales values for similar assets. The unobservable inputs to the income approach included the assets' estimated future cash flows and estimates of discount rates commensurate with the assets' risks. See "Note 15 – Fair Value of Financial Instruments, Assets and Other Assets" for additional information regarding the fair value determination used in the impairment calculation.

The 2018 impairments were due to the sustained downturn in the oil and gas industry that resulted a reassessment of our disposal groups for our land drilling rigs. The change in our expectations of the market's recovery, in addition to successive negative operating cash flows in certain disposal asset groups represented an indicator that those assets will no longer be recoverable over their remaining useful lives. See "Note 15 – Fair Value of Financial Instruments, Assets and Other Assets" for additional information regarding the fair value determination used in the impairment calculation.

The decline and its impact on demand represent a significant adverse change in the business climate and an indication that some of our long-lived assets may not be recoverable. Based on the impairment indicators noted we performed an analysis of our long-lived assets in 2020, 2019 and 2018 and recorded long-lived and other asset impairment charges to adjust to fair value. See "Note 10 – Long-Lived Asset Impairments" for additional information regarding the long-lived assets impairment.

Management cannot predict the occurrence of future impairment-triggering events, so we continue to assess whether indicators of impairment to long-lived assets exist due to the current business conditions in the oilfield services industry.

Income Taxes

We take into account the differences between the financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date. See "Note 18 – Income Taxes" for detailed discussion of results.

We recognize the impact of an uncertain tax position taken or expected to be taken on an income tax return in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

We operate in over 75 countries through hundreds of legal entities. As a result, we are subject to numerous tax laws in the jurisdictions, and tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions in which we operate are taxed on various bases: income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), withholding taxes based on revenue, and other alternative minimum taxes. The calculation of our tax liabilities involves consideration of uncertainties in the application and interpretation of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. The tax liabilities are reflected net of realized tax loss carryforwards. We adjust these reserves upon specific events; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from our current estimate of the tax liabilities.

If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the contingency has been resolved and the liabilities are no longer necessary. Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations or profitability in each taxing jurisdiction could have an impact upon the amount of income taxes that we provide during any given year.

Valuation Allowance for Deferred Tax Assets

We record a valuation allowance to reduce the carrying value of our deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will expire before realization of the benefit. The ultimate realization of the deferred tax assets depends on the ability to generate sufficient taxable income of the appropriate character and in the related jurisdiction in the future. In evaluating our ability to recover our deferred tax assets, we consider the available positive and negative evidence, including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions, including the amount of future pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment.

We have considered various tax planning strategies that we would implement, if necessary, to enable the realization of our deferred tax assets; however, when the likelihood of the realization of existing deferred tax assets changes, adjustments to the valuation allowance are charged to our income tax provision in the period in which the determination is made. The Company concluded it was not able to realize the benefits of its deferred tax assets and has established a valuation allowance. Our valuation allowance on our deferred tax assets was $1.5 billion at December 31, 2020.

Allowance for Credit Losses

On January 1, 2020, we adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss impairment methodology in previous U.S. GAAP with a methodology (Current Expected Credit Losses model, or CECL) that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. We estimate expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Our customer base has generally similar collectability risk characteristics, although risk profiles can vary between larger independent customers and state-owned customers, which may have a lower risk than smaller independent customers.

We maintain an allowance for credit losses in order to record accounts receivable at their net realizable value. Significant judgment is involved in recognizing this allowance. The determination of the collectability requires us to use estimates and make judgments regarding future events and trends, including monitoring our customers' payment history and current creditworthiness, as well as consideration of the overall business and political climate in which our customers operate. The allowance for credit losses in "Accounts Receivable, Net of Allowance for Credit Losses" was $32 million, or 4%, over total gross accounts receivable as of December 31, 2020 and was zero as of December 31, 2019 due to Fresh Start Accounting.

We believe that our allowance for credit loss is adequate to cover bad debt losses under current conditions. However, uncertainties regarding changes in the financial condition of our customers, either adverse or positive, could impact the amount and timing of any additional provisions for doubtful accounts that may be required. A 5% change in the current allowance for doubtful accounts would have had an immaterial impact on loss before income taxes in 2020.

Inventory Reserves

Inventory represents a significant component of current assets and is stated at the lower of cost or net realizable value using either the first-in, first-out ("FIFO") or average cost method. To maintain a book value that is the lower of cost or net realizable value, we maintain reserves for excess, slow moving and obsolete inventory. To determine these reserve amounts, we review inventory quantities on hand, future product demand, market conditions, production requirements and technological obsolescence. This review requires us to make judgments regarding potential future outcomes. Our estimates in 2020 included assessing the impact of the COVID-19 pandemic and the resulting impact to our business forecast. Our assessment of our inventory specifically identified inventory in which we could not forecast demand and excess and obsolete inventory. At December 31, 2020, inventory reserves of $119 million represented 14% of gross inventory and we had no reserves at December 31, 2019 as a result of fresh start accounting. We believe that our inventory reserves as of December 31, 2020 are adequate to properly state inventory at the lower of cost or net realizable value. See "Note 7 – Inventories, Net" for further details.

New Accounting Pronouncements

See “Note 5 – New Accounting Pronouncements” to our Consolidated Financial Statements for additional information.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

Not Applicable.

Forward-Looking Statements

This report contains various statements relating to future financial performance and results, business strategy, plans, goals and objectives, including certain projections, business trends and other statements that are not historical facts. These statements constitute forward-looking statements. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "budget," "strategy," "plan," "guidance," "outlook," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

Forward-looking statements reflect our beliefs and expectations based on current estimates and projections. While we believe these expectations, and the estimates and projections on which they are based, are reasonable and were made in good faith, these statements are subject to numerous risks and uncertainties. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. We undertake no obligation to correct, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws. The following, together with disclosures under "Part I – Item 1A. – Risk Factors", sets forth certain risks and uncertainties relating to our forward-looking statements that may cause actual results to be materially different from our present expectations or projections:

- risks associated with disease outbreaks and other public health issues, including COVID-19, their impact on the global economy and the business of our company, customers, suppliers and other partners, changes in, and the administration of, treaties, laws, and regulations, including in response to such issues and the potential for such issues to exacerbate other risks we face, including those related to the factors listed or referenced below;
- further spread and potential for a resurgence of COVID-19 in a given geographic region and related disruptions to our business, customers, suppliers and other partners and additional regulatory measures or voluntary actions that may be put in place to limit the spread of COVID-19, including vaccination requirements and the associated availability of vaccines, restrictions on business operations or social distancing requirements, and the duration and efficacy of such restrictions;
- the price and price volatility of, and demand for, oil, natural gas and natural gas liquids;
- member-country quota compliance within the Organization of Petroleum Exporting Countries ("OPEC");
- our ability to realize expected revenues and profitability levels from current and future contracts;
- our ability to generate cash flow from operations to fund our operations;
- global political, economic and market conditions, political disturbances, war, terrorist attacks, changes in global trade policies, weak local economic conditions and international currency fluctuations;
- increases in the prices and lack of availability of our procured products and services;
- our ability to timely collect from customers;
- our ability to realize cost savings and business enhancements from our revenue and cost improvement efforts;
- our ability to attract, motivate and retain employees, including key personnel;
- our ability to access to capital markets on terms that are commercially acceptable to the Company;
- our ability to manage our workforce, supply chain and business processes, information technology systems and technological innovation and commercialization, including the impact of our organization restructure, business enhancements, improvement efforts and the cost and support reduction plans;
- potential non-cash asset impairment charges for long-lived assets, intangible assets or other assets;
- adverse weather conditions in certain regions of our operations; and
- failure to ensure on-going compliance with current and future laws and government regulations, including but not limited to environmental and tax and accounting laws, rules and regulations.

Many of these factors are macro-economic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, affect us in ways or to an extent that we currently do not expect or consider to be significant, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this quarterly report as anticipated, believed, estimated, expected, intended, planned or projected.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC under the Securities Exchange Act of 1934 (as amended, the "Exchange Act") and the Securities Act of 1933 (as amended, the "Securities Act"). For additional information regarding risks and uncertainties, see our other filings with the SEC.

Item 8. *Financial Statements and Supplementary Data*

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Weatherford International plc:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Weatherford International plc and subsidiaries (the Company) as of December 31, 2020 and December 31, 2019, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity (deficiency), and cash flows for the year ended December 31, 2020 and for the period from December 14, 2019 to December 31, 2019 (Successor periods), and for the period from January 1, 2019 to December 13, 2019 and for the year ended December 31, 2018 (Predecessor periods), and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the Successor and Predecessor periods, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

New Basis of Accounting

As discussed in Notes 2 and 3 to the consolidated financial statements, on September 11, 2019, the United States Bankruptcy Court for the Southern District of Texas entered an order confirming the Company's plan for reorganization under Chapter 11, which became effective on December 13, 2019. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with Accounting Standards Codification Subtopic 852-10, *Reorganizations*, for the Successor as a new entity with assets, liabilities, and a capital structure having carrying amounts not comparable with prior periods as described in Note 3.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Update No. 2016-02, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Long-Lived Assets

As discussed in Notes 1 and 10 to the consolidated financial statements, the Company records long-lived assets at cost and reviews such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. The Company groups individual assets at the lowest level of identifiable cash flows and performs an undiscounted cash flow analysis to identify assets or asset groups that may not be recoverable. A fair value assessment is performed on assets or asset groups identified as not being recoverable using a discounted cash flow analysis to determine if an impairment has occurred. If an impairment has occurred, the Company recognizes a loss for the difference between the carrying amount and the fair value of the asset or asset group. The carrying value of long-lived assets as of December 31, 2020 included property, plant and equipment, net of $1,236 million, definite-lived intangible assets of $810 million, and operating lease right-of-use assets of $138 million. The Company recognized an impairment charge of $814 million for the year ended December 31, 2020.

We identified the valuation of certain long-lived assets to be a critical audit matter. The significant assumptions used to determine the fair value of certain asset groups, specifically the forecasted revenues, forecasted operating margins, and the discount rate used in the estimated discounted future cash flows by asset group, were challenging to test. A high degree of subjective auditor judgment was required as changes to the significant assumptions could have a significant effect on the Company’s determination of the fair value of those asset groups. Additionally, specialized skills and knowledge were required in the assessment of the discount rate used in the valuation.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls within the Company’s long-lived asset impairment process. This included controls related to the Company’s development of the significant assumptions listed above and the determination of fair value of certain asset groups. We evaluated the reasonableness of the significant assumptions by evaluating the Company’s development of the forecasted revenues and forecasted operating margins assumptions for certain asset groups. We evaluated the forecasted revenues and forecasted operating margins by asset group by comparing to relevant historical results, changes in the business, and external industry data. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in (1) evaluating the selected discount rate by comparing it against a discount rate range that was independently developed using publicly available market data for comparable companies and (2) developing an estimate of those asset groups’ fair values by using the Company’s cash flow assumptions and the independently developed discount rate, and comparing the results to the Company’s fair value estimate.

Valuation of Goodwill

As discussed in Notes 1 and 11 to the consolidated financial statements, the Company performs an impairment test for goodwill annually as of October 1 or more frequently whenever events and changes in circumstances indicate that the carrying value of a reporting unit might exceed its fair value. The fair values of reporting units are determined using a combination of the income approach and the market approach. If the carrying value of a reporting unit were to exceed its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The Company recognized an impairment loss of $239 million during the year ended December 31, 2020 reducing the carrying value of goodwill as of December 31, 2020 to $0.

We identified the valuation of goodwill to be a critical audit matter. The significant assumptions used to determine the fair value of the Middle East and North Africa and the Russia, Turkmenistan and Kazakhstan reporting units, specifically the forecasted revenues, forecasted operating margins, and the discount rate used in the discounted future cash flows, were challenging to test. A high degree of subjective auditor judgment was required as changes to the significant assumptions could have a significant effect on the Company’s determination of the fair value of those reporting units. Additionally, specialized skills and knowledge were required in the assessment of the discount rate used in the valuation.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls within the Company’s goodwill impairment process. This included controls related to the Company’s development of the significant assumptions listed above and the determination of fair value of the Middle East and North Africa and the Russia, Turkmenistan and Kazakhstan reporting units. We evaluated the reasonableness of the significant assumptions by evaluating the Company’s development of the forecasted revenues and forecasted operating margins assumptions for these reporting units. We evaluated the forecasted revenues and forecasted operating margins by reporting unit by comparing to relevant historical results, changes in the business, and external industry data. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in (1) evaluating the selected discount rate by comparing it against a discount rate range that was independently developed using publicly available market data for comparable companies and (2) developing an estimate of those reporting units’ fair values by using the Company’s cash flow assumptions and the independently developed discount rate, and comparing the results to the Company’s fair value estimate.

/s/ KPMG LLP

We have served as the Company’s auditor since 2013.

Houston, Texas
February 19, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Weatherford International plc:

Opinion on Internal Control Over Financial Reporting

We have audited Weatherford International plc and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and December 31, 2019, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity (deficiency), and cash flows for the year ended December 31, 2020 and for the period from December 14, 2019 to December 31, 2019 (Successor periods) and for the period from January 1, 2019 to December 13, 2019 and for the year ended December 31, 2018 (Predecessor periods), and the related notes and financial statement schedule II (collectively, the consolidated financial statements), and our report dated February 19, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 19, 2021

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars and shares in millions, except per share amounts)	Successor: Year Ended 12/31/2020	Successor: Period From 12/14/2019 through 12/31/2019	Predecessor: Period From 1/1/2019 through 12/13/2019	Predecessor: Year Ended 12/31/2018
Revenues:				
Products	$ 1,435	$ 111	$ 1,819	$ 2,051
Services	2,250	150	3,135	3,693
Total Revenues	3,685	261	4,954	5,744
Costs and Expenses:				
Cost of Products	1,257	100	1,685	1,887
Cost of Services	1,550	108	2,168	2,627
Research and Development	97	7	136	139
Selling, General and Administrative	837	45	895	894
Impairments and Other Charges	1,236	—	1,104	2,155
Restructuring Charges	206	—	189	126
Prepetition Charges	—	—	86	—
Gain on Sale of Operational Assets	(12)	—	(15)	—
Gain on Sale of Businesses, Net	—	—	(112)	—
Total Costs and Expenses	5,171	260	6,136	7,828
Operating Income (Loss)	(1,486)	1	(1,182)	(2,084)
Other Income (Expense):				
Reorganization Items	(9)	(4)	5,389	—
Interest Expense, Net	(266)	(12)	(362)	(614)
Other Expense, Net	(53)	—	(26)	(59)
Income (Loss) Before Income Taxes	(1,814)	(15)	3,819	(2,757)
Income Tax Provision	(85)	(9)	(135)	(34)
Net Income (Loss)	(1,899)	(24)	3,684	(2,791)
Net Income Attributable to Noncontrolling Interests	22	2	23	20
Net Income (Loss) Attributable to Weatherford	$ (1,921)	$ (26)	$ 3,661	$ (2,811)
Basic and Diluted Loss Per Share Attributable to Weatherford	$ (27.44)	$ (0.37)	$ 3.65	$ (2.82)
Basic and Diluted Weighted Average Shares Outstanding	70	70	1,004	997

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Net Income (Loss)	$ (1,899)	$ (24)	$ 3,684	$ (2,791)
Foreign Currency Translation	(38)	7	52	(240)
Defined Benefit Pension Activity	(14)	2	(11)	12
Interest Rate Derivative Loss	—	—	8	—
Other	—	—	—	1
Other Comprehensive Income (Loss)	(52)	9	49	(227)
Comprehensive Income (Loss)	(1,951)	(15)	3,733	(3,018)
Comprehensive Income Attributable to Noncontrolling Interests	22	2	23	20
Comprehensive Income (Loss) Attributable to Weatherford	$ (1,973)	$ (17)	$ 3,710	$ (3,038)

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Dollars and shares in millions, except par value)	December 31, 2020	December 31, 2019
Assets:		
Cash and Cash Equivalents	$ 1,118	$ 618
Restricted Cash	167	182
Accounts Receivable, Net of Allowance for Credit Losses of $32 at December 31, 2020 and $0 at December 31, 2019	826	1,241
Inventories, Net	717	972
Other Current Assets	349	440
Total Current Assets	3,177	3,453
Property, Plant and Equipment, Net of Accumulated Depreciation of $367 at December 31, 2020 and $25 at December 31, 2019	1,236	2,122
Goodwill	—	239
Intangible Assets, Net of Accumulated Amortization of $173 at December 31, 2020 and $9 at December 31, 2019	810	1,114
Operating Lease Right-of-Use Assets	138	256
Other Non-current Assets	73	109
Total Assets	$ 5,434	$ 7,293
Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 13	$ 13
Accounts Payable	325	585
Accrued Salaries and Benefits	297	270
Income Taxes Payable	185	205
Current Portion of Operating Lease Liabilities	71	79
Other Current Liabilities	471	520
Total Current Liabilities	1,362	1,672
Long-term Debt	2,601	2,151
Operating Lease Liabilities	177	213
Other Non-current Liabilities	357	341
Total Liabilities	4,497	4,377
Shareholders' Equity:		
Ordinary Shares - Par value $0.001; Authorized 1,356, Issued and Outstanding 70 at December 31, 2020 and 2019	—	—
Capital in Excess of Par Value	2,897	2,897
Retained Deficit	(1,947)	(26)
Accumulated Other Comprehensive Income (Loss)	(43)	9
Weatherford Shareholders' Equity	907	2,880
Noncontrolling Interests ("NCI")	30	36
Total Shareholders' Equity	937	2,916
Total Liabilities and Shareholders' Equity	$ 5,434	$ 7,293

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)

(Dollars in millions)	Par Value of Issued Shares	Capital In Excess of Par Value	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Shareholders' (Deficiency) Equity
Balance at December 31, 2017 (Predecessor)	$ 1	$ 6,655	$ (5,763)	$ (1,519)	$ 55	$ (571)
Net Income (Loss)	—	—	(2,811)	—	20	(2,791)
Other Comprehensive Loss	—	—	—	(227)	—	(227)
Dividends Paid to NCI	—	—	—	—	(16)	(16)
Adoption of Accounting Standard	—	—	(97)	—	—	(97)
Equity Awards Granted, Vested and Exercised	—	52	—	—	—	52
Other	—	4	—	—	(20)	(16)
Balance at December 31, 2018 (Predecessor)	$ 1	$ 6,711	$ (8,671)	$ (1,746)	$ 39	$ (3,666)
Net Income (Loss)	—	—	3,661	—	23	3,684
Other Comprehensive Income	—	—	—	49	—	49
Dividends Paid to NCI	—	—	—	—	(22)	(22)
Equity Awards Granted, Vested and Exercised	—	22	—	—	—	22
Equity Awards Vested and Cancelled in Connection With the Plan	—	24	—	—	—	24
Other Activity	—	—	—	—	2	2
Elimination of Predecessor Equity Balances	(1)	(6,757)	5,010	1,697	—	(51)
Issuance of New Ordinary Shares to Creditors in Connection with the Plan	—	2,837	—	—	—	2,837
Issuance of New Ordinary Shares to Prior Shareholders	—	29	—	—	—	29
Equity Value of Warrants	—	31	—	—	—	31
Fresh Start Adjustment to NCI	—	—	—	—	(8)	(8)
Balance at December 13, 2019 (Successor)	$ —	$ 2,897	$ —	$ —	$ 34	$ 2,931
Net Income (Loss)	—	—	(26)	—	2	(24)
Other Comprehensive Income	—	—	—	9	—	9
Balance at December 31, 2019 (Successor)	$ —	$ 2,897	$ (26)	$ 9	$ 36	$ 2,916
Net Income (Loss)	—	—	(1,921)	—	22	(1,899)
Other Comprehensive Income	—	—	—	$ (52)	—	(52)
Dividends Paid to NCI	—	—	—	—	(28)	(28)
Balance at December 31, 2020 (Successor)	$ —	$ 2,897	$ (1,947)	$ (43)	$ 30	$ 937

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Cash Flows From Operating Activities:				
Net Income (Loss)	$ (1,899)	$ (24)	$ 3,684	$ (2,791)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	503	34	447	556
Gain on Settlement of Liabilities Subject to Compromise	—	—	(4,297)	—
Reorganization Items	—	—	(1,161)	—
Long-lived Asset Impairments	814	—	20	151
Goodwill Impairment	239	—	730	1,917
Inventory Charges	210	—	159	80
Asset Write-Downs and Other Charges	60	—	145	62
Employee Share-Based Compensation Expense	—	—	46	47
Gain on Sale Businesses, Net	—	—	(112)	—
Deferred Income Tax Provision (Benefit)	(5)	—	25	(79)
Change in Operating Assets and Liabilities, Net:				
Accounts Receivable	378	36	(135)	(70)
Inventories	64	18	(215)	86
Accounts Payable	(250)	(79)	(72)	(90)
Other Assets and Liabilities, Net	96	76	(11)	(111)
Net Cash Provided by (Used in) Operating Activities	$ 210	$ 61	$ (747)	$ (242)
Cash Flows From Investing Activities:				
Capital Expenditures for Property, Plant and Equipment	$ (154)	$ (20)	$ (250)	$ (186)
Acquisition of Assets Held for Sale	—	—	—	(31)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	4
Acquisition of Intangible Assets	(4)	(1)	(13)	(28)
Proceeds from Divestiture of Businesses and Investments	11	7	328	257
Proceeds from Disposition of Assets	22	—	84	106
Proceeds from Bond Maturities	50	—	—	—
Net Cash Provided by (Used in) Investing Activities	$ (75)	$ (14)	$ 149	$ 122
Cash Flows From Financing Activities:				
Borrowings of Long-term Debt	$ 453	$ —	$ 1,600	$ 586
Borrowings on Debtor in Possession (“DIP”) Credit Agreement	—	—	1,529	—
Repayment on DIP Credit Agreement upon Emergence	—	—	(1,529)	—
Repayments of Long-term Debt	(9)	(1)	(318)	(502)
Repayments of Short-term Debt, Net	(27)	(1)	(347)	158
DIP Financing Fees and Payments on Backstop Agreement	—	—	(137)	—
Deferred Consideration Payment	(24)	—	—	—
Other Financing Activities, Net	(45)	—	(49)	(74)
Net Cash Provided by (Used in) Financing Activities	$ 348	$ (2)	$ 749	$ 168
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2	1	1	(59)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	485	46	152	(11)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	800	754	602	613
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 1,285	$ 800	$ 754	$ 602
Supplemental Cash Flow Information				
Interest Paid	$ 232	$ —	$ 272	$ 584
Income Taxes Paid, Net of Refunds	$ 79	$ 2	$ 89	$ 99

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Nature of Operations

Weatherford International plc (“Weatherford Ireland”), an Irish public limited company, together with its subsidiaries (“Weatherford,” the “Company,” “we,” “us” and “our”), is a multinational oilfield service company. Weatherford is one of the world’s leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We operate in over 75 countries and have service and sales locations in oil and natural gas producing regions globally. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

The authorized share capital of Weatherford includes 1.356 billion ordinary shares with a par value of $0.001 per share. The delisting of our ordinary shares from the New York Stock Exchange (“NYSE”) became effective on April 27, 2020. Our ordinary shares were deregistered under Section 12(b) of the Exchange Act on July 16, 2020. We continue to evaluate listing options and intend to relist our ordinary shares when our Board of Directors determines market conditions are appropriate. The Company intends to continue filing periodic reports with the Securities and Exchange Commission (“SEC”) on a voluntary basis. Our ordinary shares trade on the OTC Pink Marketplace under the ticker symbol “WFTLF”.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and pursuant to the rules and regulations of the SEC for annual financial information. We consolidate all wholly owned subsidiaries and controlled joint ventures. All material intercompany accounts and transactions have been eliminated in consolidation.

Certain prior year amounts have been reclassified to conform to the current year presentation, including those related to the adoption of new accounting standards. Prior year net income (loss) and shareholders’ equity (deficiency) were not affected by these reclassifications.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates and assumptions, including those related to allowance for credit losses, inventory valuation reserves, recoverability of long-lived assets, valuation of goodwill, useful lives used in depreciation and amortization, income taxes and related valuation allowance, accruals for contingencies, actuarial assumptions to determine costs and liabilities related to employee benefit plans, and share-based compensation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

For information about our use of estimates relating to Fresh Start Accounting, refer to Note 3 – Fresh Start Accounting for further details.

Bankruptcy and Fresh Start Accounting

On July 1, 2019 (the “Petition Date”), Weatherford Ireland, Weatherford International Ltd. (“Weatherford Bermuda”), and Weatherford International, LLC (“Weatherford Delaware”) (collectively, “Weatherford Parties”), filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code (“Bankruptcy Code”) in the U.S. Bankruptcy Court for the Southern District of Texas (“Bankruptcy Court”). On December 13, 2019 (“Effective Date” or “Fresh Start Reporting Date”) after all conditions to effectiveness were satisfied, we emerged from bankruptcy after successfully completing the reorganization pursuant to the Plan.

During bankruptcy in 2019 we segregated liabilities and obligations whose treatment and satisfaction were dependent on the outcome of the Chapter 11 proceedings and classified these items as “Liabilities Subject to Compromise” with respect to the Predecessor (as defined below) as shown in “Note 3 – Fresh Start Accounting”. In addition, we classified all income, expenses, gains or losses that were incurred or realized as a result of the Chapter 11 proceedings as “Reorganization Items” in our 2019 Consolidated Statements of Operations through the Effective Date.

In accordance with ASC 852, we qualified for and adopted fresh start accounting (“Fresh Start Accounting”) on the Fresh Start Reporting Date, at which point we became a new entity for financial reporting because (i) the holders of the then existing ordinary shares of the Predecessor company received less than 50% of the new ordinary shares of the Successor company outstanding upon emergence and (ii) the reorganization value of the Company’s assets immediately prior to confirmation of the Plan was less than the total of all post-petition liabilities and allowed claims.

Upon adoption of Fresh Start Accounting as reflected in “Note 3 – Fresh Start Accounting,” the reorganization value derived from the enterprise value associated with the Plan was allocated to the Company’s identifiable tangible and intangible assets and liabilities based on their estimated fair values (except for deferred income taxes), with the remaining excess value allocated to Goodwill in accordance with ASC 805 – Business Combinations. Deferred income tax amounts were determined in accordance with ASC 740 – Income Taxes. The Effective Date fair values of the Company’s assets and liabilities differ materially from their recorded values as reflected on the Predecessor balance sheets.

References to “Predecessor” relate to the Consolidated Statements of Operations for the period from January 1, 2019 through and including the adjustments from the application of Fresh Start Accounting on December 13, 2019 and for the year ended December 31, 2018 (“Predecessor Periods”). References to “Successor” relate to the Consolidated Balance Sheets of the reorganized Company as of December 31, 2020 and 2019 and Consolidated Statements of Operations for the year ended December 31, 2020 and for the period from December 14, 2019 through December 31, 2019 (“Successor Periods”) and are not comparable to the Consolidated Financial Statements of the Predecessor as indicated by the “black line” division in the financials and footnote tables, which emphasizes the lack of comparability between amounts presented. In addition, “Note 3 – Fresh Start Accounting” provides a summary of the Predecessor Consolidated Balance Sheet as of December 13, 2019 in the first column, and then presents adjustments to reflect the Plan and fresh start impacts to derive the opening Successor Consolidated Balance Sheet as of December 13, 2019. The Company’s financial results for periods following the application of Fresh Start Accounting will be different from historical trends and the differences may be material.

Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash

Our restricted cash balance of $167 million at December 31, 2020 and $182 million at December 31, 2019 primarily includes cash collateral for certain of our letters of credit facilities. At December 31, 2019, restricted cash also included cash escrowed for the payment of bankruptcy professional fees.

Allowance for Credit Losses on Accounts Receivables

We establish an allowance for credit losses based on various factors to include historical experience, current conditions and environments in which our customers operate, the aging status and reasonable and supportable forecasts. Our customer base has generally similar collectability risk characteristics, although risk profiles can vary between larger independent customers and state-owned customers, which may have a lower risk than smaller independent customers. Provisions for credit losses are recorded based on estimated losses that customer accounts are uncollectible.

Major Customers and Credit Risk

Substantially all of our customers are engaged in the energy industry. This concentration of customers may impact our overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. We perform periodic credit evaluations of our customers and do not generally require collateral in support of our trade receivables. We maintain allowances for credit losses. International sales also present various risks, including risks of war, civil disturbances and governmental activities that may limit or disrupt markets, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property without fair consideration. Most of our international sales are to large international or national oil companies and these sales may result in a concentration of receivables from such companies.

As of December 31, 2020, the Eastern and Western Hemisphere accounted for 54% and 46%, respectively, of our total net outstanding accounts receivable on our Consolidated Balance Sheets. As of December 31, 2020, accounts receivable in Mexico and the U.S. accounted for 23% and 12%, respectively, of our total net outstanding account receivables. No other country accounted for more than 10% of our net outstanding accounts receivables balance. For the years ended December 31, 2020, 2019 and 2018, no individual customer accounted for more than 10% of our consolidated revenues.

Inventories

We state our inventories at the lower of cost or net realizable value using either the first-in, first-out ("FIFO") or average cost method. Cost represents third-party invoice or production cost. Production cost includes material, labor and manufacturing overhead. To maintain a carrying value that is the lower of cost or net realizable value, we regularly review inventory quantities on hand and compare to estimates of future product demand, market conditions, our production requirements, and technological developments. We maintain reserves for excess, slow moving and obsolete inventory and we may periodically recognize additional charges for inventory in which we determine there is no forecasted demand.

Inventory held as of our 2019 emergence date was remeasured to fair value. Refer to Note 3 – Fresh Start Accounting for further details.

Property, Plant and Equipment ("PP&E")

PP&E, both owned and under finance leases, is initially stated at cost and depreciated over its estimated life. Subsequently, PP&E is measured at cost less accumulated depreciation and impairment losses. The carrying values are based on our estimates and judgments relative to capitalized costs, useful lives and salvage value, where applicable.

We expense maintenance and repairs as incurred. We capitalize expenditures for improvements as well as renewals and replacements that extend the useful life of the asset. We depreciate our fixed assets on a straight-line basis over their estimated useful lives, allowing for salvage value where applicable.

The estimated useful lives of our major classes of PP&E are as follows:

Major Classes of Property, Plant and Equipment	PP&E Estimated Useful Lives
Buildings and leasehold improvements	10 – 40 years or lease term
Rental and service equipment	3 – 10 years
Machinery and other	2 – 12 years

PP&E held as of our 2019 emergence date was remeasured to fair value and new estimated useful lives were determined. Refer to Note 3 – Fresh Start Accounting for further details.

Goodwill and Intangible Assets

Goodwill represents the excess of consideration paid (or with respect to our 2019 Fresh Start Accounting, the excess of reorganization value) over the fair value of net tangible and identifiable intangible assets acquired. Goodwill is not amortized but is evaluated for impairment. When we have recognized goodwill on our consolidated balance sheet, we performed an impairment test for goodwill annually as of October 1 or more frequently whenever events and changes in the circumstances indicates that the carrying value of a reporting unit might exceed its fair value. The quantitative step of the goodwill impairment test involves a comparison of the fair value of each of our reporting units that have goodwill assigned with their carrying values. If the carrying value of a reporting unit's goodwill were to exceed its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

With respect to the Successor and as a result of Fresh Start Accounting, our newly established identifiable intangible assets included developed technologies and our trade name. Successor identifiable intangible assets are being amortized on a straight-line basis over their estimated economic lives generally ranging from five to 10 years. As many areas of our business rely on patents and proprietary technology, we seek patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. We capitalize patent defense costs when we determine that a successful defense is probable.

Long-Lived Assets

Long-lived assets consisting of PP&E, intangible assets, and operating lease right-of-use assets are initially recorded at cost and reviewed whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset or asset group, a significant change in the long-lived asset's physical condition, the introduction of competing technologies, legal challenges, a reduction in the utilization rate of the assets, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors are present, the Company performs an undiscounted cash flow analysis to identify if the asset or asset group may not be recoverable. A fair value assessment is performed on assets or asset groups identified as not being recoverable using a discounted cash flow analysis to determine if an impairment has occurred. If an impairment has occurred, we recognize a loss for the difference between the carrying amount and the fair value of the asset or asset group. We estimate the fair value of the asset or asset group using market prices when available or, in the absence of market prices, based on an estimate of discounted cash flows or replacement cost. Cash flows are generally discounted using an interest rate commensurate with a weighted average cost of capital for a similar asset.

Long-lived assets held as of our 2019 emergence date were remeasured to fair value. Refer to Note 3 – Fresh Start Accounting for further details.

Research and Development Expenditures

Research and development expenditures are expensed as incurred.

Derivative Financial Instruments

We record derivative instruments on the balance sheet at their fair value as either assets or liabilities. Changes in the fair value of derivatives are recorded each period in current earnings.

Foreign Currency

Results of operations for our foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, and the resulting translation adjustments are included in "Accumulated Other Comprehensive Income (Loss)", a component of Shareholders' Equity (Deficiency).

For our subsidiaries that have a functional currency that differs from the currency of their balances and transactions, inventories, PP&E and other non-monetary assets and liabilities, together with their related elements of expense or income, are remeasured into the functional currency using historical exchange rates. All monetary assets and liabilities are remeasured into the functional currency at current exchange rates. All revenues and expenses are translated into the functional currency at average exchange rates. Remeasurement gains and losses for these subsidiaries are recognized in our results of operations during the period incurred. We record net foreign currency gains and losses on foreign currency derivatives (see “Note 16 – Derivative Instruments”) and currency devaluation charges, when incurred, in “Other Income (Expense), Net” on the accompanying Consolidated Statements of Operations.

Share-Based Compensation

We account for all share-based payment awards, including shares issued under restricted shares, restricted share units and performance units by measuring these awards at the date of grant and recognizing the grant date fair value as an expense, net of expected forfeitures, over the service period, which is usually the vesting period.

Income Taxes

We account for taxes under the asset and liability method. Income taxes have been provided based upon the tax laws and rates in the countries in which our operations are conducted and income is earned. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized. The impact of an uncertain tax position taken or expected to be taken on an income tax return is recognized in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

Leases

We lease certain facilities, land, vehicles, and equipment. Leases with an initial term of 12 months or less (“short-term leases”) are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

Effective January 1, 2019, we adopted ASU No. 2016-02, Leases (Topic 842). Upon adoption, operating right of use (“ROU”) assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. We determine if an arrangement is classified as a lease at inception of the arrangement. As most of our leases do not provide an implicit rate of return, we use our incremental borrowing rate, together with the lease term information available at commencement date of the lease, in determining the present value of lease payments, which is updated on a quarterly basis. For certain equipment leases, such as copiers and vehicles, we account for the leases under a portfolio method. Operating lease payments include related options to extend or terminate lease terms that are reasonably certain of being exercised.

Upon emergence from bankruptcy on December 13, 2019, our lease liabilities were remeasured to fair value using the present value of the remaining lease payments as if we acquired new leases. The remeasurement was based on our incremental borrowing rate as of December 13, 2019. Additionally, the ROU assets were revalued based upon the present value of market-based rent. The remeasurement of our ROU assets was based on the market discount rate as of December 13, 2019.

Disputes, Litigation and Contingencies

We accrue an estimate of costs to resolve certain disputes, legal matters and contingencies when a loss on these matters is deemed probable and reasonably estimable. For matters not deemed probable or not reasonably estimable, we have not accrued any amounts. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of possible litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the associated issues.

Revenue Recognition

We account for revenue in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all of the related amendments, collectively referred to as “Topic 606”. Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. The majority of our revenue is derived from short term contracts. Our services and products are generally sold based upon purchase orders, contracts or other legally enforceable arrangements with our customers that included fixed or determinable prices but do not generally include right of return provisions or other significant post-delivery obligations.

The unmanned equipment that we lease to customers under operating leases consist primarily of drilling rental tools and artificial lift pumping equipment. These equipment rental revenues are generally provided based on call-out work orders that include fixed per unit prices and are derived from short-term contracts. We include revenue from these leases within “Services Revenue” on our Consolidated Statement of Operations.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, contract assets (including unbilled receivables), and customer advances and deposits (contract liabilities classified as deferred revenues). Receivables for products and services with customers are included in “Accounts Receivable, Net,” contract assets are included in “Other Current Assets” and contract liabilities are included in “Other Current Liabilities” on our Consolidated Balance Sheets.

Consideration under certain contracts such as turnkey or lump sum contracts may be classified as contract assets as the invoicing occurs once the performance obligations have been satisfied while the customer simultaneously receives and consumes the benefits provided. We also have receivables for work completed on service contracts but not billed in which the rights to consideration are conditional and would be classified as contract assets. We may also have contract liabilities and defer revenues for certain product sales that are not distinct from their installation.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Generally, our revenue is recognized for services over time as the services are rendered and we primarily utilize an output method such as time elapsed or footage drilled which coincides with how customers receive the benefit. Both contract drilling and pipeline service revenue is contractual by nature and generally governed by day-rate based contracts. Revenue is recognized on product sales at a point in time when control passes and is generally upon delivery but is dependent on the terms of the contract.

Our services and products are generally sold based upon purchase orders, contracts or call-out work orders that include fixed per unit prices or variable consideration but do not generally include right of return provisions or other significant post-delivery obligations. We generally bill our sales of services and products upon completion of the performance obligation. Product sales are billed and recognized when control passes to the customer. Our products are produced in a standard manufacturing operation, even if produced to our customer’s specifications. Revenues are recognized at the amount to which we have the right to invoice for services performed. Our payment terms vary by the type and location of our customer and the products or services offered. For certain products or services and customer types, we require payment before the products or services are delivered to the customer and record as a contract liability. We defer revenue recognition on such payments until the products or services are delivered to the customer.

From time to time, we may enter into bill and hold arrangements. When we enter into these arrangements, we determine if the customer has obtained control of the product by determining (a) the reason for the bill-and-hold arrangement; (b) whether the product is identified separately as belonging to the customer; (c) whether the product is ready for physical transfer to the customer; and (d) whether we are unable to utilize the product or direct it to another customer.

We account for individual products and services separately if they are distinct and the product or service is separately identifiable from other items in the contract and if a customer can benefit from it on its own or with other resources that are readily available to the customer. The consideration, including any discounts, is allocated between separate products and services based on their standalone selling prices. The standalone selling prices are determined based on the prices at which we separately sell our products and services. For items not sold separately (e.g. term software licenses in our Completion and Production product line), we estimate standalone selling prices using the adjusted market assessment approach. Costs of relocating equipment without contracts are expensed as incurred.

The nature of our contracts gives rise to several types of variable consideration, including claims and lost-in-hole charges. Our claims are not significant and lost-in-hole charges are constrained variable consideration. We do not estimate revenue associated with these types of variable consideration.

Under certain contracts, we may incur rebillable expenses including shipping and handling, third-party inspection and repairs, and customs costs and duties. If reimbursable by customers we recognize the revenue associated with these rebillable expenses as “Product Revenues” and all related costs as “Cost of Products” in the accompanying Consolidated Statements of Operations.

We provide certain assurance warranties on product sales which range from one to five years but do not offer extended warranties on any of our products or services. These assurance warranties are not separate performance obligations thus no portion of the transaction price is allocated to our obligations under these warranties.

Earnings (Loss) per Share

Basic earnings (loss) per share for all periods presented equals net income (loss) divided by the weighted average shares outstanding during the period including participating securities. Diluted earnings (loss) per share is computed by dividing net income (loss) by our weighted average shares outstanding during the period including participating securities and any potential dilutive shares, when applicable.

Unvested share-based payment awards and other instruments issued by the Company that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and are included in the computation of earnings per share following the two-class method.

2. Emergence from Chapter 11 Bankruptcy Proceedings

Restructuring Support Agreement; Voluntary Reorganization Under Chapter 11 of the U.S. Bankruptcy Code

On May 10, 2019, the Weatherford Parties entered into the Restructuring Support Agreement (“RSA”) with certain holders of our unsecured notes (“Consenting Creditors”), setting forth, subject to certain conditions, the terms of the proposed capital financial restructuring of the Company (“Transaction”). The RSA included certain milestones for the progress of the upcoming court proceedings, which included the dates by which the Weatherford Parties were required to, among other things, obtain certain court orders and complete the Transaction. On July 1, 2019, Weatherford Ireland, Weatherford Bermuda, and Weatherford Delaware, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (the “Cases”).

Payments Due on Certain Indebtedness

The Weatherford Parties’ 7.75% Senior Notes due 2021, 8.25% Senior Notes due 2023 and 6.80% Senior Notes due 2037 (together, “Certain Senior Notes”) provided for an aggregate $69 million interest payment that became due on June 15, 2019. The applicable indenture governing the Certain Senior Notes provided a 30-day grace period that extended the latest date for making this interest payment to July 16, 2019, before an event of default would occur under the applicable indenture. The Weatherford Parties elected to not make this interest payment on the due date and to utilize the 30-day grace period provided by the indentures. As a result of filing the Cases on July 1, 2019, an event of default occurred under each indenture governing these unsecured notes, which automatically accelerated maturity of the principal, plus any accrued and unpaid interest, on such series of unsecured notes and certain other obligations of the Weatherford Parties. Any efforts to enforce such payment obligations under the unsecured notes or other accelerated obligations of the Weatherford Parties were automatically stayed as a result of the Cases, and the creditors’ rights of enforcement in respect of the unsecured notes and other accelerated obligations of the Weatherford Parties were subject to the applicable provisions of the Bankruptcy Code. In addition, all of the Weatherford

Parties' prepetition unsecured senior notes and related unpaid interest were classified as "Liabilities Subject to Compromise" on our 2019 Consolidated Balance Sheets during bankruptcy as further defined herein and in subsequent disclosures throughout and with respect to the Predecessor as shown in "Note 3 – Fresh Start Accounting".

The Weatherford Parties' Term Loan Agreement required a quarterly payment of $12.5 million plus interest that became due on June 30, 2019. On July 1, 2019, the Weatherford Parties and the Term Loan Lenders entered into a Term Loan Forbearance Agreement where the lenders agreed to forbear from exercising their rights and remedies available to them, including the right to accelerate any indebtedness, for a specified period of time. On July 3, 2019, all unpaid principal and interest under the Term Loan Agreement were repaid in full. See discussion below.

Forbearance Agreements

On July 1, 2019, the Weatherford Parties and the Credit Agreement Lenders under the Amended and Restated Credit Agreement (the "A&R Credit Agreement"), dated as of May 9, 2016, among WOFS Assurance Limited and Weatherford Bermuda, as borrowers, the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto entered into a forbearance agreement (the "Credit Agreement Forbearance Agreement") with respect to certain defaults under the A&R Credit Agreement, including those arising from the Weatherford Parties' commencement of the Cases.

On July 1, 2019, the Weatherford Parties and the Term Loan Lenders under the Term Loan Agreement, dated as of May 4, 2016, among Weatherford Bermuda, as borrower, the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto (the "Term Loan Agreement") entered into a forbearance agreement (the "Term Loan Forbearance Agreement") with respect to certain defaults under the Term Loan Agreement. On July 3, 2019, the Company repaid in full its outstanding indebtedness under the Term Loan.

On July 1, 2019, the Weatherford Parties and the 364-Day Lenders under the 364-Day Revolving Credit Agreement, dated August 16, 2018, among Weatherford Bermuda, as borrower, the other borrowers party thereto, the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto ("364-Day Credit Agreement") entered into a forbearance agreement (the "364-Day Revolving Forbearance Agreement") with respect to certain defaults under the 364-Day Credit Agreement. On July 3, 2019, the Company repaid in full its outstanding indebtedness under the 364-Day Revolving Credit Agreement.

On July 1, 2019, the Weatherford Parties and three lenders under the DIP Credit Agreement (the "Swap Counterparties") each party to a hedging agreement with Weatherford Bermuda for the purpose of hedging foreign currency exposure incurred by the Weatherford Parties (each, a "Swap Agreement" and, collectively, the "Swap Agreements") entered into a consent to swap agreement termination forbearance (the "Swap Forbearance Agreement") with respect to certain defaults under the Swap Agreements. Specifically, under the Swap Forbearance Agreement, the Swap Counterparties agreed to forbear from exercising their rights and remedies available to them due to certain Events of Default and Termination Events defined in the agreements for a specified period of time. On July 3, 2019, the Weatherford Parties entered into amended and restated Swap Agreements with such Swap Counterparties to govern existing and future foreign currency transactions entered into with such Swap Counterparties.

Backstop Commitment Agreement

On July 1, 2019, the Weatherford Parties and the commitment parties thereto (the "Initial Commitment Parties") entered into a Backstop Commitment Agreement. Pursuant to the terms of the Plan, and subject to approval by the Bankruptcy Court in connection with confirmation of the Plan, the Company agreed to offer to holders of its existing unsecured notes, including the Commitment Parties, subscription rights to purchase the Exit Notes in aggregate principal amount of $1.25 billion, upon the Company's emergence from bankruptcy. On September 9, 2019, the Weatherford Parties, certain of the Initial Commitment Parties and certain additional commitment parties (the "Additional Commitment Parties" and, together with the Initial Commitment Parties, the "Commitment Parties") entered into an amendment to the Backstop Commitment Agreement. The Backstop Commitment Agreement Amendment provided for (i) the joinder of the Additional Commitment Parties to the Backstop Commitment Agreement, (ii) the increase in the backstop commitment by $350 million (the "Increased Commitment") from $1.25 billion to up to $1.6 billion, and (iii) an amendment to the Backstop Commitment Agreement to account for the changes reflected in the Third RSA Amendment.

Subject to the terms and conditions contained in the Backstop Commitment Agreement, the Consenting Creditors agreed to purchase any Exit Notes that were not duly subscribed for pursuant to the rights offering at a price equal to $1,000 per $1,000 in principal amount of the Exit Notes purchased by such Commitment Party. On July 1, 2019, as consideration for the commitment, the Weatherford Parties made an aggregate payment of $62.5 million in cash to the Commitment Parties. As consideration for the Increased Commitment agreed to on September 9, 2019, the Weatherford Parties made an aggregate payment of $18.7 million in cash to certain of the Commitment Parties upon our emergence date.

Debtor in Possession Credit Agreement

On July 3, 2019, the Weatherford Parties entered into a senior secured superpriority debtor in possession credit agreement (the “DIP Credit Agreement”). The DIP Credit Agreement had two debtor in possession (“DIP”) facilities to provide liquidity during the pendency of the Cases. The facilities consisted of (a) a DIP revolving credit facility in the principal amount of up to $750 million provided by banks or other lenders and (b) a DIP term loan facility in the amount of up to $1.0 billion, which was fully backstopped by the Consenting Creditors. The DIP Credit Agreement matured on the date of completion of the Transaction.

On July 3, 2019, the Weatherford Parties borrowed approximately $1.4 billion under the DIP Credit Agreement and the proceeds were used to repay certain prepetition indebtedness, cash collateralize certain obligations with respect to letters of credit and similar instruments and finance the working capital needs and general corporate purposes of the Weatherford Parties and certain of their subsidiaries. On July 3, 2019, the Company repaid all outstanding amounts due under the secured Term Loan Agreement and 364-Day Credit Agreement totaling approximately $616 million with borrowings from our DIP Credit Agreement. In addition, the Company cash collateralized approximately $271 million of letters of credit and similar instruments with borrowings from the DIP Credit Agreement. We repaid our DIP Credit Agreement borrowings in full on the Effective Date.

Amended RSA; Plan Confirmation

On August 23, 2019, the Weatherford Parties entered into the second amendment of the RSA (the “Second RSA Amendment”) with certain of the noteholders, and certain equity holders who collectively held approximately 208 million shares of the Weatherford’s outstanding ordinary shares (the “Consenting Equity Holders”) which joined the Consenting Equity Holders as parties to the RSA. In addition, it provided for the payment of $250 thousand to the Consenting Equity Holders’ counsel and amended the terms of the new warrants to be issued under the Plan to the holders of the Company’s existing ordinary shares. The amended new warrant terms include extending the maturity date of the warrants to four years after the effective date of the Plan and reduced the exercise price.

Pursuant to the terms of the Third RSA Amendment, the Weatherford Parties agreed to issue a single tranche of up to $2.1 billion aggregate principal amount of new unsecured notes (“Exit Notes”) upon emergence from bankruptcy, consisting of up to $1.6 billion of Exit Notes were issued for cash to holders of subscription rights issued in a rights offering (the “Exit Rights Offering Notes”) and to holders of Unsecured Notes Claims and $500 million of Exit Notes issued on a pro rata basis (the “Exit Takeback Notes”). The Exit Notes were issued in lieu of the two tranches of new unsecured notes in aggregate principal amount of $2.5 billion previously contemplated by the original RSA.

On September 11, 2019, the Transaction was approved through the confirmation of the Plan filed in the Cases.

The amended RSA and the confirmed Plan contemplated a comprehensive deleveraging of our balance sheet and provided, in pertinent part, and were executed as follows (as further described in later paragraphs):

- Our existing unsecured notes were cancelled and exchanged for 99% of the ordinary shares of the reorganized Company (“New Common Stock”) and the Weatherford Parties issued a single tranche of up to $2.1 billion aggregate principal amount of new Exit Notes upon emergence from bankruptcy, consisting of up to $1.6 billion of Exit Rights Offering Notes (fully backstopped by Commitment Parties in the Backstop Commitment Agreement) issued for cash to holders of subscription rights issued in a rights offering and $500 million of Exit Takeback Notes issued on a pro rata basis with a five-year maturity.

- All trade claims against the Company whether arising prior to or after the commencement of the Cases were paid in full in the ordinary course of business.

- Our existing equity was cancelled and exchanged for 1% of the New Common Stock and four-year warrants to purchase 10% of the New Common Stock, both subject to dilution on account of the equity issued pursuant to the management incentive plan. The strike price of the warrants was set at an equity value at which the noteholders received a recovery equal to par as of the date of the commencement of the Cases in respect of the existing unsecured notes and all other general unsecured claims that were *pari passu* with the existing unsecured notes.

Our affiliates entities that did not file voluntary petitions under the Bankruptcy Code continued operating their businesses and facilities without disruption to customers, vendors, partners or employees.

Weatherford Bermuda commenced provisional liquidation proceedings (“Bermuda Proceedings”) pursuant to the Bermuda Companies Act 1981 by presenting a winding up petition to the Supreme Court of Bermuda (“Bermuda Court”). The Bermuda Court appointed a provisional liquidator who acted as an officer of the Bermuda Court. The appointment of the provisional liquidator provided an automatic statutory stay of proceedings in Bermuda against Weatherford Bermuda and its assets. On the return date of September 6, 2019 for the Bermuda petition - similar to a second day hearing in a Chapter 11 proceeding - Weatherford Bermuda postponed its petition for a specified period, while the Cases were administered. Before the Weatherford Parties emerged from Chapter 11, Weatherford Bermuda, along with the provisional liquidator and subject to the direction of the Bermuda Court, convened meetings of the impaired creditors in order to consider and approve, if appropriate, a scheme of arrangement pursuant to the Bermuda Companies Act 1981. The terms of the approved Bermuda scheme mirrored the terms of the Plan and was a mechanism for ensuring that all of the impaired creditors of Weatherford Bermuda were bound by the terms of the Bermuda scheme. The Bermuda Scheme was effective as of November 25, 2019.

On September 23, 2019, Weatherford Ireland filed a petition under the Irish Companies Act 2014 in Ireland (“Irish Examinership Proceeding”) to seek approval for its scheme of arrangement following confirmation of the Plan in the U.S. The filing of the Irish Examinership Proceeding commenced a 100-calendar day protection period under Irish law, during which Weatherford Ireland had the benefit of protection against enforcement and other actions by its creditors. Weatherford Ireland continued operating its business in the ordinary course during the protection period. The approved terms of the Irish scheme mirrored the terms of the Plan. The Irish scheme was approved by the Irish High Court on December 12, 2019.

Subject to certain exceptions, under the Bankruptcy Code, the filing of the Cases automatically enjoined, or stayed, the continuation of most judicial or administrative proceedings or filing of other actions against the Weatherford Parties or their property to recover, collect or secure a claim arising prior to the date of the Cases. In addition, all of the Weatherford Parties’ prepetition unsecured senior notes and related unpaid interest were liabilities subject to compromise, further discussed below. Since the commencement of the Cases until emergence, the Weatherford Parties continued to operate their businesses as debtors-in-possession under the jurisdiction of and in accordance with the applicable provisions of the Bankruptcy Code, orders of the Bankruptcy Court, the Irish Examinership Proceeding and the Bermuda Proceeding.

Emergence

On the Effective Date of December 13, 2019, except as noted below:

(1) the Company amended and restated its certificate of incorporation and bylaws on December 10, 2019;

(2) the Company appointed new members to the Successor’s board of directors to replace the directors of the Predecessor;

(3) all outstanding obligations under our unsecured senior and exchangeable notes were cancelled and the applicable agreements governing such obligations were terminated;

(4) the senior secured superpriority debtor-in-possession credit agreement (the “DIP Credit Agreement”) the Company previously entered into was paid in full and terminated;

(5) the Company issued a $2.1 billion aggregate principal amount of unsecured 11.00% Exit Notes due 2024; for additional details see “Note 14 – Borrowings and Other Debt Obligations”;

(6) the Company entered into a senior secured asset-based revolving credit agreement in an aggregate amount of $450 million (the “ABL Credit Agreement”) with the lenders party thereto and Wells Fargo Bank, N.A. as administrative agent; for additional details see Note 14 – Borrowings and Other Debt Obligations;

(7) the Company entered into a senior secured letter of credit agreement in an aggregate amount of $195 million (the “LC Credit Agreement”) for issuance of bid and performance letters of credit; for additional details see Note 14 – Borrowings and Other Debt Obligations;

(8) the Company issued 69,999,954 shares of Successor new ordinary shares (“New Ordinary Shares”) to the holders of the Company’s existing senior notes and holders of the existing ordinary shares (“Old Ordinary Shares”); for additional details see “Note 20 – Shareholders’ Equity (Deficiency)”;

(9) the Company issued warrants (the “New Warrants”), to holders of the Company’s existing Old Ordinary Shares, to purchase up to an aggregate of 7,777,779 New Ordinary Shares in the Company at an exercise price of $99.96 per ordinary share. The New Warrants are exercisable until the earlier of December 13, 2023 and the date of consummation of any liquidity event as defined in the Warrant Agreement; for additional details see “Note 20 – Shareholders’ Equity (Deficiency)”.

Prepetition Charges

Expenses, gains and losses were realized or incurred before July 1, 2019 and in relation to the Cases are recorded under the caption “Prepetition Charges” on our 2019 Predecessor Consolidated Statements of Operations. The $86 million of prepetition charges primarily consisted of professional and other fees related to the Cases.

Reorganization Items

Any expenses, gains and losses that are realized or incurred as of or subsequent to the Petition Date and as a direct result of the Cases are recorded under “Reorganization Items” on our Consolidated Statements of Operations for the Predecessor and Successor Periods and consisted of the following:

	Successor		Predecessor
Reorganization Gain (Expense) (Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019
Gain on Settlement of Liabilities Subject to Compromise	$ —	$ —	$ 4,297
Fresh Start Valuation Adjustments	—	—	1,434
Reorganization Items for Plan Effects (Non-Cash)	—	—	5,731
Unamortized Debt Issuance and Discount	$ —	$ —	$ (128)
Unamortized Interest Rate Derivative Loss	—	—	(8)
Reorganization Items (Non-Cash)	—	—	(136)
Backstop Commitment Fees	$ —	$ —	$ (81)
DIP Financing Fees	—	—	(56)
Professional Fees	(9)	(4)	(69)
Reorganization Fees	(9)	(4)	(206)
Total Reorganization Items	$ (9)	$ (4)	$ 5,389
Reorganization Items (Fees) Unpaid	$ —	$ 30	$ 30
Reorganization Items (Fees) Paid	$ 39	$ 4	$ 176

Liabilities Subject to Compromise

The Weatherford Parties' prepetition principal balance on the Predecessor's unsecured Senior and Exchangeable Senior Notes and related unpaid accrued interest as of the Petition Date were reclassified from "Long-term Debt" and "Other Current Liabilities", respectively, to "Liabilities Subject to Compromise" on our Consolidated Balance Sheets on July 2, 2019 and during the bankruptcy proceedings at the amounts that were allowed as claims by the Bankruptcy Court. See also "Note 3 – Fresh Start Accounting" for further details. Upon emergence from bankruptcy, the liabilities subject to compromise of $7.6 billion were cancelled and the applicable agreements governing such obligations were terminated.

	Predecessor
(Dollars in millions)	**December 13, 2019**
5.125% Senior Notes due 2020	$ 365
5.875% Exchangeable Senior Notes due 2021	1,265
7.75% Senior Notes due 2021	750
4.50% Senior Notes due 2022	646
8.25% Senior Notes due 2023	750
9.875% Senior Notes due 2024	790
9.875% Senior Notes due 2025	600
6.50% Senior Notes due 2036	453
6.80% Senior Notes due 2037	259
7.00% Senior Notes due 2038	461
9.875% Senior Notes due 2039	250
6.75% Senior Notes due 2040	463
5.95% Senior Notes due 2042	375
Accrued Interest on Senior Notes and Exchangeable Senior Notes	207
Liabilities Subject to Compromise	$ 7,634

The contractual interest expense on our Senior and Exchangeable Senior Notes is in excess of recorded interest expense on these notes by $257 million during the bankruptcy proceeding from the Petition Date until the Effective Date and was not included as interest expense on the Consolidated Statements of Operations for the Predecessor Period because the Company discontinued accruing interest subsequent to the Petition Date in accordance with ASC 852. We did not make any interest payments on Predecessor Senior and Exchangeable Senior Notes subsequent to the commencement of the Cases.

3. Fresh Start Accounting

Fresh Start Accounting

Upon emergence from bankruptcy, we qualified for and adopted Fresh Start Accounting in accordance with ASC 852, which resulted in the Company becoming a new entity for financial reporting purposes because (1) the holders of the then existing common shares of the Predecessor received less than 50 percent of the new common shares of the Successor outstanding upon emergence and (2) the reorganization value of the Company's assets immediately prior to confirmation of the Plan was less than the total of all post-petition liabilities and allowed claims.

The reorganization value derived from the range of enterprise values associated with the Plan was allocated to the Company's identifiable tangible and intangible assets and liabilities based on their estimated fair values (except for deferred income taxes) with the remaining excess value allocated to goodwill in accordance with ASC 805 – Business Combinations. The amount of deferred income taxes recorded was determined in accordance with ASC 740 – Income Taxes. The Effective Date fair values of the Company's assets and liabilities differ materially from their recorded values as reflected on the historical balance sheets.

Reorganization Value

Under ASC 852, the Successor determined a value to be assigned to the equity of the emerging entity as of the date of adoption of Fresh Start Accounting. Based on the Company's revised projections filed with the SEC on a Form 8-K on October 7, 2019 and October 16, 2019, management and its investment bankers reassessed the value of the Company, resulting in an estimated range of enterprise value between $4.5 billion and $6.0 billion. The Company engaged third-party valuation advisors to assist in determining a point estimate of enterprise value within the range. Management concluded that the best point estimate of enterprise value was $4.5 billion. The Company engaged valuation experts to assist management in the allocation of such enterprise value to the assets and liabilities for financial reporting purposes based on management's latest outlook as of the effective date. Based on this reassessment, the Company deemed it appropriate to use a final enterprise value of $4.5 billion for financial reporting purposes.

The following table reconciles the enterprise value to the estimated fair value of our Successor common shares as of the Fresh Start Reporting Date:

(Dollars in millions)	Fresh Start Reporting Date
Enterprise Value	$ 4,516
Plus: Cash and Cash Equivalents (includes $25 million cash collateral released from restricted cash on 12/17/19)	518
Less: Fair Value of Debt	(2,103)
Fair Value of Successor Equity	$ 2,931

The following table reconciles the enterprise value to the reorganization value of the Successor's assets to be allocated to the Company's individual assets as of the Fresh Start Reporting Date:

(Dollars in millions)	Fresh Start Reporting Date
Enterprise Value	$ 4,516
Plus: Cash and Cash Equivalents (includes $25 million cash collateral released from restricted cash on 12/17/19)	518
Plus: Current Liabilities Excluding Short-term Borrowings and Current Portion of Long-term Debt	1,707
Plus: Non-current Liabilities Excluding Long-term Debt	627
Reorganization Value of Successor's Assets to be Allocated	$ 7,368

With the assistance of third-party valuation advisors, we determined the enterprise and corresponding equity value of the Successor using various valuation methods, including: (i) a calculation of the present value of future cash flows based on our financial projections, and (ii) a peer group trading analysis. The enterprise value and corresponding equity value were dependent upon achieving the future financial results set forth in our valuations, as well as the realization of certain other assumptions. All estimates, assumptions, valuations and financial projections, including the fair value adjustments, the financial projections, the enterprise value and equity value projections, are inherently subject to significant uncertainties and the resolution of contingencies beyond our control. Accordingly, upon emergence we could not assure that the estimates, assumptions, valuations or financial projections would be realized, and actual results could vary materially.

Valuation Process

The fair values of the Company’s principal assets, including inventory, rental and service equipment, real property, and intangible assets were estimated with the assistance of third-party valuation advisors. In addition, we also estimated the fair value of the Company’s lease liabilities, Exit Notes, and New Warrants.

Inventory

The fair value of the inventory was determined by using both a cost approach and income approach. Inventory was segregated into raw materials, spare parts, work in process (“WIP”), and finished goods. Fair value of raw materials and spare parts inventory were determined using the cost approach. Fair value of WIP and finished goods inventory were determined by estimating the net realizable value of the inventory, adjusted for holding period before an item is sold. Additional obsolescence assessment was performed on the estimated fair value of inventory to determine if further adjustments were necessary.

Property, Plant and Equipment

Land, Buildings and Leasehold Improvements

The fair value of real property locations were estimated using the sales comparison (market) approach and cost approach. As part of the valuation process, the third-party advisors obtained information on the Company’s current usage, building type, year built, and history of major capital expenditures made by the Company. Certain site inspections were conducted and review of market information such as comparable sales and current listings were obtained for the Company’s largest sites. In addition, an obsolescence assessment for real property locations at the reporting unit level was reviewed to determine if adjustments to fair value estimates were needed.

Rental and Service Equipment, Machinery and Other

The fair values of rental and service equipment and machinery were estimated using a direct and indirect cost approach depending upon the asset type. The cost approach estimates fair value by considering the amount required to construct or purchase a new asset of equal utility at current prices, with adjustments for asset function, age, physical deterioration, and obsolescence. For certain assets, such as trucks, trailers and metalworking equipment, where an active secondary market exists, fair value was estimated using the market approach.

Intangible Assets

We applied the income approach methodology to estimate the value of developed and acquired technology and trade name (the “Intangible Assets”). The value of the Company’s trade name and developed and acquired technology were estimated through the relief from royalty method based on the present value of the cost savings realized due to the Company’s ownership of the assets. For acquired and developed technology, the present values of the hypothetical royalty savings were applied to revenue attributable to technologies after obsolescence. The hypothetical royalty savings percentage ranged from 1% to 7% of revenue depending on the segment, reporting unit and market differentiation the technologies. For the Company’s trade name, the present value of hypothetical royalty savings applied to revenue attributable to trade name ranged from 1.5% to 2% depending on the reporting unit. The present value of the after tax cash flows for all Intangible Assets were estimated based on a discount rate between 12.8% and 16%.

Lease liabilities and right of use assets

The fair value of lease liabilities was measured as the present value of the remaining lease payments, as if the lease were a new lease as of the Effective Date. The Company used its incremental borrowing rate ("IBR") as the discount rate in determining the present value of the remaining lease payments, which is consistent with the market yield utilized in determining the fair value of the Company's Exit Notes, discussed below. Based upon the corresponding lease term, the IBR ranged from 8.45% to 10.35%.

Upon emergence from bankruptcy on December 13, 2019, the ROU assets were revalued based upon the present value of market-based rent. The remeasurement of our ROU assets was based on the real estate market discount rate as of December 13, 2019.

Exit Notes

The fair value of the Exit Notes was estimated to approximate par value based on third-party valuation advisors' analysis of the Company's collateral coverage, financial metrics, and interest rate for the Exit Notes relative to market rates.

New Warrants

The fair value of the new warrants was estimated by applying a Black-Scholes model. The Black-Scholes model is a pricing model used to estimate the theoretical price or fair value for a European-style call or put option/warrant based on current stock price, strike price, time to maturity, risk-free rate, volatility, and dividend yield.

Consolidated Balance Sheet

The adjustments included in the following fresh start consolidated balance sheet reflect the effects of the transactions contemplated by the Plan and executed by the Company on the Fresh Start Reporting Date (reflected in the column "Reorganization Adjustments"), and fair value and other required accounting adjustments resulting from the adoption of Fresh Start Accounting (reflected in the column "Fresh Start Accounting Adjustments"). The explanatory notes provide additional information and significant assumptions with regard to the adjustments recorded and the methods used to determine the fair values.

(Dollars in millions)	As of December 13, 2019 Predecessor	Reorganization Adjustments (1)		Fresh Start Accounting Adjustments		Successor
Assets:						
Cash and Cash Equivalents	$ 641	$ (148)	(2)	$ —		$ 493
Restricted Cash	398	(137)	(3)	—		261
Accounts Receivable, Net	1,274	—		—		1,274
Inventories, Net	1,071	—		(84)	(17)	987
Other Current Assets	494	(4)	(4)	(14)	(18)	476
Total Current Assets	3,878	(289)		(98)		3,491
Property, Plant and Equipment, Net	1,838	—		289	(19)	2,127
Goodwill	—	—		239	(20)	239
Intangible Assets, Net	166	—		957	(21)	1,123
Other Non-current Assets	336	25	(5)	27	(22)	388
Total Assets	$ 6,218	$ (264)		$ 1,414		$ 7,368
Liabilities:						
Debtor in Possession Financing	$ 1,528	$ (1,528)	(6)	$ —		$ —
Short-term Borrowings and Current Portion of Long-term Debt	319	(305)	(7)	(1)	(23)	13
Accounts Payable	667	(4)	(8)	—		663
Accrued Salaries and Benefits	263	—		—		263
Income Taxes Payable	214	—		—		214
Other Current Liabilities	618	(22)	(9)	(39)	(24)	557
Total Current Liabilities	3,609	(1,859)		(40)		1,710
Long-term Debt	60	2,097	(10)	(6)	(25)	2,151
Other Non-current Liabilities	518	—		58	(26)	576
Total Liabilities Not Subject to Compromise	4,187	238		12		4,437
Liabilities Subject to Compromise	7,634	(7,634)	(11)	—		—
Shareholders’ Equity (Deficiency):						
Predecessor Ordinary Shares	1	(1)	(12)	—		—
Successor Ordinary Shares	—	—	(13)	—		—
Predecessor Capital in Excess of Par Value	6,733	(35)	(14)	(6,698)	(27)	—
Successor Capital in Excess of Par Value	—	2,897	(15)	—	(28)	2,897
Retained Earnings (Deficit)	(10,682)	4,271	(16)	6,411	(27)	—
Accumulated Other Comprehensive Income (Loss)	(1,697)	—		1,697	(27)	—
Weatherford Shareholders’ Equity (Deficiency)	(5,645)	7,132		1,410		2,897
Noncontrolling Interests	42	—		(8)	(28)	34
Total Shareholders’ Equity (Deficiency)	(5,603)	7,132		1,402		2,931
Total Liabilities and Shareholders’ Equity (Deficiency)	$ 6,218	$ (264)		$ 1,414		$ 7,368

Reorganization Adjustments (Dollars in Millions)

Reorganization adjustments required in connection with the application of Fresh Start Accounting and the allocation of the enterprise value to our individual assets and liabilities by reporting unit resulted in the following Reorganization Adjustments.

(1) Represent amounts recorded as of the Effective Date for the implementation of the Plan, including, among other items, settlement of the Predecessor's liabilities subject to compromise, repayment of certain of the Predecessor's debt, issuances of the Successor's common shares, proceeds received from the Successor's debt offering and transfer of restricted cash for the issuance of the Successor's debt.

(2) Net change in Cash and Cash Equivalents:

Proceeds from Exit Notes	$	1,600
Cash Collateral Released		167
Payment in full on the DIP Credit Agreement and related unpaid interest		(1,531)
Payment in full on the A&R Credit Agreement and related unpaid interest		(306)
Payment to Escrow Remaining Professional Fees		(30)
Payment on Deferred Financing Fees for Exit Credit Agreements		(22)
Payments on Other Liabilities		(18)
Payment on Professional Fees not escrowed		(8)
Net Change in Cash and Cash Equivalents	$	(148)

(3) Net change in Restricted Cash:

Payment to Escrow Professional Fees	$	30
Cash Collateral Released		(167)
Net Change in Restricted Cash	$	(137)

(4) Represents the reclass of amounts to deferred financing fees on the Exit Credit Agreements.

(5) Net change in Other Non-current Assets include the following:

Payment on Deferred Financing Fees, Including Professional Fees, on the Exit Credit Agreements.	$	22
Reclass of amounts from Other Current Assets to deferred financing fees on the Exit Credit Agreements.		4
Accrual of Deferred Financing Fees on the Exit Credit Agreements		1
Write-off of Deferred Financing Fees on the A&R Credit Agreement		(2)
Net Change in Other Non-current Assets	$	25

(6) Represents the payment in full on the DIP Credit Agreement Principal.

(7) Represents the payment in full on the A&R Credit Agreement Principal.

(8) The decrease in Accounts Payable represents the payment on professional fees offset by the accrual of deferred financing fees.

(9) Net change in Other Current Liabilities include the following:

Payments of Other Liabilities	$	(18)
Payment of Interest on the DIP Credit Agreement		(3)
Payment of Interest on the A&R Credit Agreement		(1)
Net Change in Other Current Liabilities	$	(22)

(10) Changes in Long-term debt include the issuance of the unsecured 11.00% Exit Notes Due 2024 which is comprised of $1.6 billion of the Exit Rights Offering Notes and $500 million of the Exit Takeback Notes, offset by the accrual of deferred financing fees.

(11) Liabilities Subject to Compromise to be settled in accordance with the Plan and the resulting gain were determined as follows:

Liabilities Subject to Compromise	$	7,634
Distribution of equity to creditors		(2,837)
Issue Exit Takeback Notes to creditors		(500)
Gain on Settlement of Liabilities Subject to Compromise	$	4,297

(12) Represents the cancellation of Predecessor Ordinary Shares at Par Value.

(13) Represents the issuance of New Ordinary Shares to Creditors and Prior Ordinary Share Holders at Par Value.

(14) Net change in Predecessor Capital in Excess of Par Value include the following:

Acceleration of share-based compensation	$	24
Cancellation of Predecessor Ordinary Shares		1
Issuance of New Ordinary Shares to Prior Ordinary Share Holders		(29)
Issuance of New Warrant to Prior Ordinary Share Holders	$	(31)
Net Change in Predecessor Capital in Excess of Par Value	$	(35)

(15) Net change in Successor Capital in Excess of Par Value include the following:

Issuance of New Ordinary Shares to Creditors	$	2,837
Issuance of New Warrant to Prior Ordinary Share Holders		31
Issuance of New Ordinary Shares to Prior Ordinary Share Holders		29
Net Change in Successor Capital in Excess of Par Value	$	2,897

(16) Net Change in Retained Deficit include the following:

Gain on Settlement of Liabilities Subject to Compromise	$	4,297
Acceleration of share-based compensation		(24)
Write-off of deferred financing fees on the A&R Credit Agreement		(2)
Net Change in Retained Deficit	$	4,271

Fresh Start Adjustments (Dollars in Millions)

(17) Changes in Inventories, Net reflect the fair value adjustment of $84 million.

	Successor Fair Value		Predecessor Historical Value	
Raw Materials, Components and Supplies	78	$	78
Work in Process	51		55
Finished Goods	858		938
Totals	$ 987	$	1,071

(18) Reflects the elimination of current deferred costs associated with contracts with customers of $10 million and the elimination of certain prepaid taxes of $4 million due to the adoption of Fresh Start Accounting.

(19) Changes in Property, Plant and Equipment, Net reflect the fair value adjustment of $289 million.

	Successor Fair Value	Predecessor Historical Value
Land, Buildings and Leasehold Improvements	$ 569	$ 1,205
Rental and Service Equipment	1,280	4,697
Machinery and Other	278	1,543
	2,127	7,445
Less: Accumulated Depreciation	—	(5,607)
Property, Plant and Equipment, Net	$ 2,127	$ 1,838

(20) Reflects the recognition of Goodwill.

(21) Changes in Intangible Assets reflect the fair value adjustment of $957 million.

	Successor Fair Value	Predecessor Historical Value
Developed and Acquired Technology	$ 728	$ 74
Trade Name	395	—
Customer Relationships and Contracts	—	39
Other	—	53
Totals	$ 1,123	$ 166

(22) Reflects the fair value adjustment to the increase the Company's Right of Use Assets by $13 million and Non-current Deferred Tax Asset by $14 million.

(23) Reflects the fair value adjustment to the Company's current portion of financed lease obligations.

(24) Reflects the fair value adjustments to (i) increase the current portion of operating lease obligations by $5 million, (ii) decrease deferred revenues associated with contracts with customers by $29 million, and (iii) decrease intangible liability by $15 million.

(25) Reflects the fair value adjustment to the Company's long-term portion of financed lease obligations.

(26) Reflects the fair value adjustment to (i) increase the long-term portion of operating lease obligations by $22 million, (ii) decrease the intangible liability by $7 million, and (iii) record a Non-current Deferred Tax Liability of $43 million.

(27) Reflects the cumulative impact of Fresh Start Accounting adjustments discussed herein and the elimination of Predecessor accumulated other comprehensive loss and Predecessor accumulated deficit.

(28) Reflects the fair value adjustment to noncontrolling ownership interests in certain subsidiaries.

4. Impairments and Other Charges

We recorded the following in “Impairments and Other Charges” on the accompanying Consolidated Statements of Operations:

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Long-lived Asset Impairments	$ 814	$ —	$ 20	$ 151
Goodwill Impairment	239	—	730	1,917
Inventory Charges	138	—	117	—
Asset Write-downs and Rigs Related Charges	11	—	132	58
Other Charges, Net	34	—	105	29
Total Impairment and Other Charges	$ 1,236	$ —	$ 1,104	$ 2,155

We recognized long-lived asset and goodwill impairments as further described in “Note 10 – Long-Lived Asset Impairments” and “Note 11 – Goodwill and Intangible Assets”, respectively and inventory charges as further described in “Note 7 – Inventories, Net”. See also “Note 8 – Business Combinations and Divestitures.”

5. New Accounting Pronouncements

Accounting Standards Adopted

On January 1, 2020, we adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss impairment methodology in previous U.S. GAAP with a methodology (Current Expected Credit Losses model, or CECL) that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. We estimate expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Our customer base has generally similar collectability risk characteristics, although risk profiles can vary between larger independent customers and state-owned customers, which may have a lower risk than smaller independent customers. The updated guidance applies to (i) loans, accounts receivable, trade receivables, and other financial assets measured at amortized cost, and (ii) loan commitments and other off-balance sheet credit exposures. The adoption of this standard update did not have a material impact on our 2020 Consolidated Financial Statements.

Accounting Standards Issued Not Yet Adopted

Evaluations of all other new accounting pronouncements that have been issued, but not yet effective are on-going, and at this time are not expected to have a material impact on our Consolidated Financial Statements.

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6. Accounts Receivable Factoring

From time to time, we participate in factoring arrangements to sell accounts receivable to third-party financial institutions. Our factoring transactions were recognized as sales, and the proceeds are included as operating cash flows in our Consolidated Statements of Cash Flows. The loss on sale of accounts receivable was immaterial for all periods. The following table presents accounts receivable sold and the cash proceeds, net of discount and hold-back.

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Accounts Receivable Sold	$ 90	$ 7	$ 199	$ 382
Cash Proceeds from Sale of Accounts Receivable	$ 79	$ 7	$ 186	$ 373

7. Inventories, Net

Inventories, net of reserves of $119 million and $0 as of December 31, 2020 and December 31, 2019, respectively, by category were as follows:

	December 31,	
(Dollars in millions)	2020	2019
Finished Goods	$ 655	$ 830
Raw Materials, Components and Supplies	62	142
Total Inventory	$ 717	$ 972

During the 2020 and 2019 Successor Periods and the 2019 and 2018 Predecessor Periods, inventory charges were $210 million, $0, $159 million and $80 million, respectively. Inventory charges recognized included write-downs for excess and obsolete inventory considered commercially unviable or technologically obsolete considering current and future demand, as a result of the volatility in oil and gas commodity demand, the downturn in the oil and gas industry and in 2020, the impact of the COVID-19 pandemic. These charges were recognized in the following captions on our Consolidated Statements of Operations:

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Inventory Charges in “Impairments and Other Charges”	$ 138	$ —	$ 117	$ —
Inventory Charges in “Cost of Products”	57	—	18	80
Inventory Charges in “Restructuring Charges”	15	—	24	—
Total Inventory Charges	$ 210	$ —	$ 159	$ 80

8. Business Combinations and Divestitures

Acquisitions

We did not have any acquisitions of businesses during the years ended December 31, 2020 or 2019.

In the 2018 Predecessor Period we acquired the remaining 50% equity interest in our Qatari joint venture that we previously consolidated and accounted for as an equity method investment. The total consideration to purchase the remaining equity interest was $87 million, which is comprised of a cash consideration of $72 million ($48 million in the year of closing and $24 million deferred consideration to be paid two years from closing) and an estimated contingent consideration of $15 million related to services the Qatari entity will render under new contracts. As a result of this step acquisition transaction with a change in control, we remeasured our previously held equity investment to fair value and recognized a $12 million gain in the 2018 Predecessor Period. We paid the $24 million deferred consideration in the 2020 Successor Period.

Divestitures

We did not have any significant divestitures of businesses during the Successor year ended December 31, 2020.

On April 30, 2019, we completed the sale of our Reservoir Solutions business, also known as our laboratory services business to Oil & Gas Labs, LLC, an affiliate of CSL Capital Management, L.P., for an aggregate purchase price of $206 million in cash, subject to escrow release and customary post-closing working capital adjustments. The business disposition included our laboratory and geological analysis business, including the transfer of substantially all personnel and associated contracts related to the business. We recognized a gain of $117 million and divested a carrying amount of $61 million in net assets.

On April 30, 2019, we completed the sale of our surface data logging business to Excellence Logging for $50 million in total consideration, subject to customary post-closing working capital adjustments. The business disposition included our surface data logging equipment, technology and associated contracts related to the business. We recognized an insignificant loss and divested a carrying amount of $34 million in net assets.

In the 2019 Predecessor Period, we completed the final closings in a series of closings pursuant to the purchase and sale agreements entered into with ADES International Holding Ltd. in July of 2018 to sell our land drilling rig operations in Algeria, Kuwait and Saudi Arabia, as well as two idle land rigs in Iraq, for an aggregate purchase price of $288 million. In the 2018 Predecessor Period, we received gross proceeds of $216 million and recognized a loss of $9 million after recognizing asset write-down charges of $58 million for deferred mobilization costs and other rigs related assets as such costs were no longer recoverable. The carrying amount of the assets and liabilities sold in 2018 totaled $253 million and $36 million, respectively, to include PP&E, inventory, accounts receivable and other assets and liabilities. In the 2019 Predecessor Period we received the remaining gross proceeds of $72 million and recognized a loss of $6 million. The carrying amounts of net assets divested during the 2019 Predecessor Period was $66 million. We divested several of our remaining rig assets through separate asset sale agreements throughout 2019.

In the 2018 Predecessor Period, we completed the sale of our continuous sucker rod service business in Canada for a purchase price of $25 million and recognized a gain of $2 million. During 2018, we also completed the sale of an equity investment in a joint venture for $12.5 million and recognized a gain of $3 million.

See “Note 10 – Long-Lived Asset Impairments” for further details related to impairments and those specific to our land drilling rigs assets.

9. Property, Plant and Equipment, Net

Property, plant and equipment, net was composed of the following:

	December 31,	
(Dollars in millions)	2020	2019
Land, Buildings and Leasehold Improvements	$ 515	$ 571
Rental and Service Equipment	869	1,296
Machinery and Other	219	280
	1,603	2,147
Less: Accumulated Depreciation	367	25
Property, Plant and Equipment, Net	$ 1,236	$ 2,122

Depreciation expense was $340 million, $25 million, $386 million, and $493 million for the 2020 and 2019 Successor Periods and the 2019 and 2018 Predecessor Periods, respectively.

See "Note 10 – Long-Lived Asset Impairments" for additional information on property, plant and equipment impairments.

10. Long-Lived Asset Impairments

The unprecedented global economic and industry conditions attributable to the COVID-19 pandemic resulting in the significant volatility in the energy industry impacting the demand for our products and services were identified as long-lived asset impairment indicators. As a result, we performed impairment assessments quarterly in 2020 through analysis of the undiscounted cash flow of our asset groups, which include property, plant and equipment, definite-lived intangible assets, goodwill and right of use assets. As of March 31, 2020, and as of June 30, 2020, we identified that impairment occurred in certain asset groups and with the assistance of third-party valuation advisors we determined the fair value of those asset groups. Based on our impairment tests, we determined the carrying amount of certain long-lived asset groups exceeded their respective fair values and we recognized $814 million of long-lived asset impairments in "Impairments and Other Charges" on the accompanying Consolidated Statements of Operations.

The fair values of certain of our long-lived asset groups were determined using discounted cash flow or Level 3 fair value analyses. The income approach required significant assumptions to determine the fair value of an asset or asset group including the estimated discounted future cash flows, specifically the forecasted revenue, forecasted operating margins and the discount rate. The table below details the Successor long-lived asset impairments by asset and segment recognized for the year ended December 31, 2020.

(Dollars in millions)	Western Hemisphere	Eastern Hemisphere	Total
Property, Plant and Equipment	$ 316	$ 255	$ 571
Intangible Assets	43	112	155
Right of Use Assets	56	32	88
Total Impairment Charges	$ 415	$ 399	$ 814

We recognized long-lived asset impairments of $20 million for the 2019 Predecessor Period to write-down our land drilling rigs in our Western Hemisphere segment totaling $13 million and Eastern Hemisphere totaling $7 million.

During 2018, we recognized long-lived asset impairments of $151 million ($46 million in our Western Hemisphere and $105 million in our Eastern Hemisphere segments) to write-down our land drilling rigs assets. See "Note 8 – Business Combinations and Divestitures" and "Note 15 – Fair Value of Financial Instruments, Assets and Other Assets" for more details.

11. Goodwill and Intangible Assets

Successor Goodwill Recognition and Impairment

As a result of Fresh Start Accounting, we recognized $239 million of goodwill in our Middle East and North Africa (“MENA”) and Russia, Turkmenistan and Kazakhstan (“Russia”) reporting units. During the first half of 2020 we identified the impairment indicators as discussed in “Note 10 – Long-Lived Asset Impairments” that triggered interim quantitative goodwill assessments as of March 31, 2020 and June 30, 2020. The fair values of our reporting units were determined using a combination of the income approach and the market approach for comparable companies in our industry, a Level 3 fair value analysis. Determining the fair value of the reporting units requires management to develop significant judgments, including estimating discounted future cash flows by reporting unit, specifically forecasted revenue, forecasted operating margins and discount rates. We determined that the fair value of our reporting units were less than their carrying values and as a result of our impairment tests, we fully impaired our goodwill in the MENA and Russia reporting units as presented in “Impairments and Other Charges” on the accompanying Consolidated Statements of Operations.

The changes in the carrying amount of goodwill by reporting segment for the years ended December 31, 2020 and 2019, are presented in the following table.

(Dollars in millions)		**Western Hemisphere**		**Eastern Hemisphere**		**Total**
Balance at December 31, 2018 (Predecessor)	$	494	$	219	$	713
Impairment		(508)		(222)		(730)
Reclassification from assets held for sale		4		—		4
Foreign currency translation		10		3		13
Balance at December 13, 2019 (Predecessor)		—		—		—
Fresh Start Accounting Valuation		—		239		239
Balance at December 31, 2019 (Successor)	$	—	$	239	$	239
Impairment	$	—	$	(239)	$	(239)
Balance at December 31, 2020 (Successor)	$	—	$	—	$	—

Predecessor Period Goodwill Impairments and Assessment Factors

The Predecessor impairment indicators during 2019 and 2018 were a result of lower activity levels and lower exploration and production capital spending that resulted in a decline in drilling activity and forecasted growth in all our reporting units. Our lower than expected and forecasted financial results were due to the continued weakness within the energy market and consequently our inability to quickly and significantly reduce our cost structure under our restructuring plans savings.

In the 2019 Predecessor Period, our goodwill impairment tests indicated that goodwill for all our reporting units in the Western Hemisphere and Eastern Hemisphere were impaired and as a result we incurred a goodwill impairment charge of $730 million. In 2018, our annual and interim goodwill impairment tests indicated that our goodwill was impaired and as a result we incurred a goodwill impairment charge of $1.9 billion, of which $1.4 billion was related to our Western Hemisphere segment and $537 million was related to our Eastern Hemisphere segment.

The cumulative impairment loss for goodwill was $239 million for the Successor and $3.4 billion for Predecessor periods.

Intangible Assets

The components of intangible assets were as follows:

	December 31, 2020		
(Dollars in millions)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Intangible Assets**
Developed and Acquired Technology	$ 588	$ (132)	$ 456
Trade Names	395	(41)	354
Totals	$ 983	$ (173)	$ 810

	December 31, 2019		
(Dollars in millions)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Intangible Assets**
Developed and Acquired Technology	$ 728	$ (7)	$ 721
Trade Names	395	(2)	393
Totals	$ 1,123	$ (9)	$ 1,114

We recognized an impairment of $155 million of our developed and acquired technology in "Impairments and Other Charges" on the accompanying Consolidated Statements of Operations during the Successor year ended December 31, 2020.

Amortization expense was $163 million in the Successor year ended December 31, 2020, $9 million in the 2019 Successor Period, $61 million in the 2019 Predecessor Period and $63 million in the Predecessor year ended December 31, 2018. Based on the carrying value of intangible assets at December 31, 2020, amortization expense for the subsequent five years is estimated as follows (dollars in millions):

Period	**Amount**
2021	$ 157
2022	157
2023	157
2024	144
2025	40

12. Restructuring Charges

In response to the impact of our business from the COVID-19 pandemic and the significant and sudden changes in oil and gas prices, we have continued to develop and execute on plans to rationalize and restructure our business and right-size our operations and personnel. Additional charges with respect to our ongoing cost reduction actions may be recognized in subsequent periods.

The following table presents restructuring charges for the Successor and Predecessor Periods.

	Successor		Predecessor	
(Dollars in millions)	**Year Ended 12/31/2020**	**Period From 12/14/2019 through 12/31/2019**	**Period From 01/01/2019 through 12/13/2019**	**Year Ended 12/31/2018**
Severance Charges	$ 132	$ —	$ 53	$ 61
Facility Exit Charges	10	—	99	61
Inventory Charges	15	—	24	—
Property, Plant and Equipment	40	—	13	2
Right of Use and Other Assets	9	—	—	2
Total Restructuring Charges	$ 206	$ —	$ 189	$ 126

The following table presents total restructuring charges by reporting segment and Corporate for the Successor and Predecessor Periods.

	Successor		Predecessor	
(Dollars in millions)	**Year Ended 12/31/2020**	**Period From 12/14/2019 through 12/31/2019**	**Period From 01/01/2019 through 12/13/2019**	**Year Ended 12/31/2018**
Western Hemisphere	$ 101	$ —	$ 84	$ 27
Eastern Hemisphere	52	—	50	45
Corporate	53	—	55	54
Total Restructuring Charges	$ 206	$ —	$ 189	$ 126

The following table presents total restructuring accrual activity for the periods presented. Restructuring charges in the table below exclude restructuring related asset charges.

(Dollars in millions)	**Accrued Balance at Beginning of Period**	**Charges**	**Cash Payments**	**Other**	**Accrued Balance at End of Period**
Successor Year Ended December, 31, 2020	$ 66	$ 142	$ (137)	$ (18)	$ 53
Successor Period - 2019	$ 66	$ —	$ —	$ —	$ 66
Predecessor Period - 2019	$ 59	$ 152	$ (120)	$ (25)	$ 66
Predecessor Year Ended December 31, 2018	$ 61	$ 120	$ (109)	$ (13)	$ 59

13. Leases

We lease certain facilities, land, vehicles, and equipment. Leases with an initial term of 12 months or less ("short-term leases") are not recorded on the balance sheet (including short-term sale leaseback transactions); we recognize lease expense for these leases on a straight-line basis over the lease term.

We have data center lease agreements with lease and non-lease components which are accounted for separately, while for the remainder of our agreements we have elected the practical expedient to account for lease and non-lease components as a single lease component. For certain equipment leases, such as copiers and vehicles, we account for the leases under a portfolio method. Operating lease payments include related options to extend or terminate lease terms that are reasonably certain of being exercised.

The unmanned equipment that we lease to customers under operating leases consists primarily of drilling rental tools and artificial lift pumping equipment. These equipment rental revenues are generally provided based on call-out work orders that include fixed per unit prices and are derived from short-term contracts. See "Note 1 – Summary of Significant Accounting Policies" and "Note 23 – Revenues" for additional details on our equipment rental revenues.

	Successor		Predecessor
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019
Lease Expense Components:			
Operating Lease Expense	$ 76	$ 5	$ 109
Short-term and Variable Lease Expense	63	5	91
Subtotal of Operating Lease Expense	$ 139	$ 10	$ 200
Finance Lease Expense: Amortization of ROU Assets and Interest on Lease Liabilities	15	1	11
Sublease Income	(6)	(1)	(6)
Total Lease Expense	$ 148	$ 10	$ 205

Lease expense incurred under operating leases was $187 million for the Predecessor year ended December 31, 2018.

We are committed under various operating lease agreements primarily related to office space and equipment. Generally, these leases include renewal provisions and rental payments, which may be adjusted for taxes, insurance and maintenance related to the property. Future minimum commitments under operating and finance leases are as follows:

(Dollars in millions)	Operating Leases	Finance Leases
Maturity of Lease Liabilities as of December 31, 2020:		
2021	$ 91	$ 14
2022	69	12
2023	39	12
2024	28	11
2025	22	11
After 2025	131	14
Total Lease Payments	380	74
Less: Interest	132	17
Present Value of Lease Liabilities	$ 248	$ 57

(Dollars in millions except years and percentages)	Successor Year Ended 12/31/2020	Successor Period From 12/14/2019 through 12/31/2019	Predecessor Period From 1/1/2019 through 12/13/2019
Other Supplemental Information:			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	$ 101	$ 5	$ 131
Operating cash outflows from finance leases	$ 5	$ —	$ 4
Financing cash outflows from finance leases	$ 9	$ 1	$ 8
ROU assets obtained in exchange of new operating lease liabilities	$ 37	$ 2	$ 59
ROU assets obtained in exchange of new finance lease liabilities	$ 4	$ —	$ 6
Loss on sale leaseback transactions (short-term) [(a)]	$ —	$ —	$ 34
	December 31, 2020	**December 31, 2019**	
Weighted-average remaining lease term (years)			
Operating leases	8.1	7.8	
Finance leases	5.9	6.7	
Weighted-average discount rate (percentages)			
Operating leases	9.6 %	9.2 %	
Finance leases	9.1 %	9.1 %	

(a) Included in "Impairments and Other Charges" in our Consolidated Statements of Operations and "Other Assets and Liabilities, Net" in our Consolidated Statements of Cash Flows.

14. Borrowings and Other Debt Obligations

Total debt carrying values consisted of the following:

	December 31,	
(Dollars in millions)	2020	2019
Finance Lease Current Portion	$ 9	$ 10
Other Short-term Financing Arrangements	4	3
Short-term Borrowings	$ 13	$ 13
11.00% Exit Notes due 2024	$ 2,098	$ 2,097
8.75% Senior Secured Notes due 2024	455	$ —
Finance Lease Long-term Portion	48	$ 54
Long-term Debt	$ 2,601	$ 2,151

Exit Notes

On December 13, 2019, we issued unsecured 11.00% Exit Notes due in 2024 for an aggregate principal amount of $2.1 billion (of which $500 million was in the form of Exit Takeback Notes to existing creditors on the senior notes being cancelled). Interest on the Exit Notes accrues at the rate of 11.00% per annum and is payable semiannually in arrears on June 1 and December 1. We commenced interest payments thereunder on June 1, 2020.

At any time prior to December 1, 2021, the Company may redeem the Exit Notes, in whole or in part, at a redemption price equal to the sum of (i) the principal amount thereof, plus (ii) the “make-whole” premium at the redemption date, plus (iii) accrued and unpaid interest, if any, to the redemption date (subject to the right of the noteholders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date). On and after December 1, 2021, the Company may redeem all or part of the 11.00% Exit Notes at redemption prices (expressed as percentages of the principal amount) equal to (i) 105.5% for the twelve-month period beginning on December 1, 2021; (ii) 102.75% for the twelve-month period beginning on December 1, 2022; and (iii) 100% for the twelve-month period beginning December 1, 2023 and at any time thereafter, plus accrued and unpaid interest at the redemption date.

In addition, at any time prior to December 1, 2022, the Company may redeem up to $500 million in the aggregate principal amount of the 11.00% Exit Notes at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

If a change of control (as defined in the Indenture) occurs, holders of the Exit Notes will have the right to require the Company to repurchase all or any part of their Exit Notes at a purchase price equal to 101% of the aggregate principal amount of the 11.00% Exit Notes repurchased, plus accrued and unpaid interest, if any, to the repurchase date.

The Exit Notes are guaranteed on a senior basis by the Company’s existing domestic subsidiaries and certain foreign subsidiaries that guarantee its obligations under the Exit Credit Agreements on a full and unconditional basis.

Senior Secured Notes

On August 28, 2020, Weatherford International Ltd., as issuer, Weatherford International plc and Weatherford International, LLC, as guarantors, and the other subsidiary guarantors party thereto, entered into an indenture with Wilmington Trust, National Association, as trustee and collateral agent, and issued the Senior Secured Notes in an aggregate principal amount of $500 million. Interest on the Senior Secured Notes accrues at the rate of 8.75% per annum and is payable semiannually in arrears on March 1 and September 1, commencing on March 1, 2021. Proceeds from the issuance were reduced by a purchase commitment discount of $25 million and a commitment fee of $15 million. These debt issuance costs along with legal and other direct costs are presented as a contra-liability of the carrying amount of the debt liability and will be recognized using the effective interest rate method over the term of the debt in “Interest Expense, Net” on our Consolidated Financial Statements.

The Senior Secured Notes are fully and unconditionally guaranteed on a senior secured basis by the Company’s material domestic subsidiaries, certain material foreign subsidiaries, and in the future by other subsidiaries that guarantee its obligations under the LC Credit Agreement or other material indebtedness. The Senior Secured Notes are secured by substantially all of the assets of the Company and the guarantors (on an effectively first-priority basis with respect to the priority collateral for the Senior Secured Notes, and on an effectively second-priority basis with respect to the priority collateral for the LC Credit Agreement, in each case, subject to permitted liens).

LC Credit Agreement

On December 13, 2019, pursuant to the terms of the Plan, we entered into the LC Credit Agreement in an aggregate amount of $195 million maturing on June 13, 2024 with the lenders party thereto and Deutsche Bank Trust Company Americas as administrative agent. The LC Credit Agreement is used for the issuance of bid and performance letters of credit of the Company and certain of its subsidiaries. On August 28, 2020, we amended the LC Credit Agreement to, among other things, increase the aggregate commitments to $215 million, modify the maturity date to May 29, 2024 and reduce the minimum liquidity covenant from $200 million to $175 million. At December 31, 2020, we had approximately $167 million in outstanding letters of credit under the LC Credit Agreement and availability of $48 million. Our unamortized issuance costs at December 31, 2020 was $12 million and is recognized over the term of the agreement in “Other Expense, Net” on our Consolidated Financial Statements.

As of December 31, 2020, we had $338 million of letters of credit outstanding, consisting of the $167 million mentioned above under the LC Credit Agreement and another $171 million under various uncommitted facilities (of which there was $164 million in cash collateral held and recorded in “Restricted Cash” on the Consolidated Balance Sheets).

The outstanding amount of each letter of credit under the LC Credit Agreement bears interest at LIBOR plus an applicable margin of 350 basis points per annum. The LC Credit Agreement includes (i) a 12.5 basis point per annum fronting fee on the outstanding amount of each such letter of credit and (ii) an unused commitment fee in respect of the unutilized commitments at a rate of 50 basis point per annum on the average daily unused commitments under the LC Credit Agreement.

The LC Credit Agreement is secured by substantially all the personal assets and properties of the Company and certain of its subsidiaries (including a first lien on the priority collateral for the LC Credit Agreement and a second lien on the priority collateral for Senior Secured Notes, in each case, subject to permitted liens). The LC Credit Agreement is also guaranteed on an unsecured basis by certain other subsidiaries of the Company.

ABL Credit Agreement

On the Effective Date pursuant to the terms of the Plan, the Company entered into the ABL credit agreement in an aggregate amount of $450 million with the lenders party thereto and Wells Fargo Bank, N.A. as administrative agent. On August 28, 2020, we issued $500 million of 8.75% Senior Secured Notes due 2024 (“Senior Secured Notes”) and terminated the ABL Credit Agreement. At the time of termination, there were no loan amounts outstanding under the ABL Credit Agreement, and all outstanding letters of credit thereunder were either cash collateralized or transferred to issuing banks under the LC Credit Agreement, described above. Upon termination of the ABL Credit Agreement, we recorded $15 million of unamortized deferred debt issuance costs in “Interest Expense, Net” on our Consolidated Financial Statements. At December 31, 2019, the Company did not have any borrowings under the ABL Credit Agreement.

Covenants for the Exit and Senior Secured Notes and LC Credit Agreement

The indentures governing the Exit Notes and Senior Secured Notes contain covenants that limit, among other things, our ability and the ability of certain of our subsidiaries, to: incur, assume or guarantee additional indebtedness; pay dividends or distributions on capital stock or redeem or repurchase capital stock; make investments; sell stock of our subsidiaries; transfer or sell assets; create liens; enter into transactions with affiliates; and enter into mergers or consolidations. The Company is subject to a $175 million minimum liquidity covenant under our amended LC Credit Agreement and Senior Secured notes and, as defined in the applicable documents, Weatherford had available liquidity of $928 million as of December 31, 2020. Under our amended LC Credit Agreement, the Company is also subject to a minimum secured liquidity (or cash in controlled accounts) covenant of $125 million. Our secured liquidity was $779 million at December 31, 2020. As of December 31, 2020, we were in compliance with the covenants of the indentures governing the Exit Notes and Senior Secured Notes and the LC Credit Agreement.

At such time as (1) the Exit Notes have an investment grade rating from both of Moody’s Investors Service, Inc. and Standard and Poor’s Ratings Services and (2) no default has occurred and is continuing under the Indenture, certain of these and other covenants will be suspended and cease to be in effect so long as the rating assigned by either Moody's or S&P has not subsequently declined to below Baa3 or BBB- (or equivalent).

The Indentures also provides for certain customary events of default, including, among others, nonpayment of principal or interest, failure to pay final judgments in excess of a specified threshold, failure of a guarantee to remain in effect, bankruptcy and insolvency events, and cross acceleration, which would permit the principal, premium, if any, interest and other monetary obligations on all the then outstanding Senior Secured Notes and Exit Notes to be declared due and payable immediately.

The following is a summary of scheduled debt maturities by year:

(Dollars in millions)		
2021	$	13
2022		8
2023		8
2024		2,608
2025		8
Thereafter		16
Total Debt Maturities	$	2,661
Unamortized Debt Issuance and Discount	$	(47)
Total Debt Carrying Value	$	2,614

Predecessor Debt

Prior Credit Agreements

During our bankruptcy proceedings, we had an unsecured senior revolving credit agreement (the "A&R Credit Agreement"), a Secured Second Lien 364-Day Revolving Credit Agreement (the "364-Day Credit Agreement") and a Term Loan Agreement, collectively referred to as the "Prior Credit Agreements." See "Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings" and "Note 3 – Fresh Start Accounting" for further details.

Predecessor Senior and Exchangeable Senior Notes

Prior to the Petition Date, we issued various senior notes and an exchangeable senior note, all of which ranked equally with our existing and future senior unsecured indebtedness, which had semi-annual interest payments and no sinking fund requirements. See "Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings" and "Note 3 – Fresh Start Accounting" for further details.

Predecessor Tender Offers

Our February 2018 debt offering partially funded a concurrent tender offer to purchase for cash any and all of our 9.625% senior notes due 2019. We settled the tender offer in cash for the amount of $475 million, retiring an aggregate face value of $425 million and accrued interest of $20 million. In April 2018, we repaid the remaining principal outstanding on an early redemption of the bond. We recognized a cumulative bond tender loss of $34 million on these transactions in "Other Expense, Net" on the accompanying Consolidated Statements of Operations.

15. Fair Value of Financial Instruments, Assets and Other Assets

Financial Instruments and Other Assets Measured and Recognized at Fair Value

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Our valuation techniques require inputs that we categorize using a three level hierarchy, from highest to lowest level of observable inputs. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices or other market data for similar assets and liabilities in active markets, or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon our own judgment and assumptions used to measure assets and liabilities at fair value. Classification of a financial asset or liability within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement. Other than the derivative instruments discussed in "Note 16 – Derivative Instruments" we had no other material assets or liabilities measured and recognized at fair value on a recurring basis at December 31, 2020 and December 31, 2019.

Fair Value of Other Financial Instruments

Our other financial instruments include cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings and long-term debt. The carrying value of our cash and cash equivalents, accounts receivable, accounts payable, and short-term borrowings approximates their fair value due to their short maturities. These short-term borrowings are classified as Level 2 in the fair value hierarchy. As of December 31, 2019 we held $50 million of held-to-maturity Angolan government bonds which matured in 2020 and we collected the proceeds.

The fair value of our long-term debt fluctuates with changes in applicable interest rates among other factors. Fair value will exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued and will be less than the carrying value when the market rate is greater than the interest rate at which the debt was originally issued. The fair value of our long-term debt is classified as Level 2 in the fair value hierarchy and is established based on observable inputs in less active markets.

The fair value and carrying value of our senior notes were as follows:

(Dollars in millions)	December 31, 2020	December 31, 2019
11.00% Exit Notes due 2024	$ 1,628	$ 2,252
8.75% Senior Secured Notes due 2024	507	—
Total Fair Value of Senior Notes	$ 2,135	$ 2,252
Carrying Value of Senior Notes	$ 2,553	$ 2,097

Non-recurring Fair Value Measurements

In the 2019 Successor Period, our Fresh Start Accounting to determine the reorganization value derived from the enterprise value associated with the Plan was allocated to the Company's identifiable tangible and intangible assets and liabilities based on their fair values (except for deferred income taxes), with the remaining excess value allocated to Goodwill. They were determined to be Level 3 fair values. See further discussion at Note 3 – Fresh Start Accounting.

In the 2020 Successor Period and the 2019 Predecessor Period, our goodwill impairment tests indicated that our goodwill was impaired and as a result was written down to estimated fair value. The Level 3 fair values of our reporting units were determined using a combination of the income approach and the market approach. The unobservable inputs to the income approach requiring significant assumptions include each reporting unit's estimated discounted future cash flows, specifically the forecasted revenue, forecasted operating margins, and the discount rate. The market approach considered market multiples of comparable publicly traded companies to estimate fair value as a multiple of each reporting unit's actual and forecasted earnings.

During the 2020 Successor Period, we recognized long-lived asset impairments to write-down our assets or asset groups to the lower of carrying amount or fair value less cost to sell, triggered by the current and forecasted impacts of the COVID-19 pandemic on our operations. The Level 3 fair values of the long-lived assets or asset groups were determined using a combination of the income approach and the market approach. The unobservable inputs to the income approach requiring significant assumptions include each asset groups estimated discounted future cash flows, specifically the forecasted revenue, forecasted operating margins, and the discount rate.

During the 2019 Predecessor Period, we recognized long-lived asset impairments to write-down our assets to the lower of carrying amount or fair value less cost to sell. The change in our expectations of the market's recovery, in addition to successive negative operating cash flows in certain disposal asset groups represented an indicator that those assets will no longer be recoverable over their remaining useful lives. The Level 3 fair values of the long-lived assets were determined using a combination of the income approach and the market approach.

In 2018, our annual and interim goodwill impairment tests indicated that our goodwill was impaired and as a result three of our reporting units were written down to their estimated fair values. The Level 3 fair values of our reporting units were determined using a combination of the income approach and the market approach. The unobservable inputs to the income approach requiring significant assumptions include each reporting unit's estimated discounted future cash flows, specifically the forecasted revenue, forecasted operating margins, and the discount rate. The market approach considered market multiples of comparable publicly traded companies to estimate fair value as a multiple of each reporting unit's actual and forecasted earnings.

During 2018, long-lived assets were impaired and written down to their estimated fair values due to the sustained downturn in the oil and gas industry that resulted in a reassessment of our disposal groups for our land drilling rigs that were included in assets held for sale at December 31, 2018. The Level 3 fair values of the long-lived assets were determined using a combination of the income approach and the market approach. The market approach considered market sales values for similar assets. The unobservable inputs to the income approach included the assets' estimated future cash flows and estimates of discount rates commensurate with the assets' risks.

See further discussion at "Note 4 – Impairments and Other Charges," "Note 10 – Long-Lived Asset Impairments", and "Note 11 – Goodwill and Intangible Assets."

16. Derivative Instruments

From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. We manage our debt portfolio to achieve an overall desired position of fixed and floating rates. We enter into foreign currency forward contracts and cross-currency swap contracts to economically hedge our exposure to fluctuations in various foreign currencies. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates, changes in foreign exchange rates and the creditworthiness of the counterparties in such transactions.

We monitor the creditworthiness of our counterparties, which are multinational commercial banks. The fair values of all our outstanding derivative instruments are determined using a model with Level 2 inputs including quoted market prices for contracts with similar terms and maturity dates.

Warrants – Predecessor

During the fourth quarter of 2016, in conjunction with the issuance of 84.5 million ordinary shares, we issued one warrant ("Old Warrant") that gave the holder the option to acquire an additional 84.5 million ordinary shares. The exercise price on the Old Warrant was $6.43 per share and was exercisable prior to May 21, 2019. The option period lapsed and the warrants expired unexercised with a fair value of zero. The Old Warrant was carried at fair value on the Consolidated Balance Sheets and changes in the fair value were reported through earnings.

The Old Warrant fair value was a Level 2 valuation and was estimated using the Black Scholes valuation model. Inputs to the model included Weatherford's share price, volatility of our share price, and the risk-free interest rate. We recognized an insignificant gain in May 2019 related to the Old Warrant expiration. In 2018, we recognized a gain of $70 million with changes in fair value of the Old Warrant recorded each period in "Other Expense, Net" on the accompanying Consolidated Statements of Operations. The change in fair value of the Old Warrant during 2018 was primarily driven by eliminating the warrant share value associated with any future equity issuance and a decrease in Weatherford's stock price.

Derivatives

We enter into contracts to hedge our exposure to currency fluctuations in various foreign currencies. At December 31, 2020 and December 31, 2019, we had outstanding foreign currency forward contracts with notional amounts aggregating to $337 million and $389 million, respectively. These foreign currency forward contracts are not designated as hedges under ASU 2014-03, *Derivatives and Hedging (Topic 815)*. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged at maturity are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates.

Our foreign currency derivatives are not designated as hedges under ASC 815, and the changes in fair value of the contracts were not material to our consolidated results and are recorded in each period in “Other Expense, Net” on the accompanying Consolidated Statements of Operations.

17. Retirement and Employee Benefit Plans

We have defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $13 million, $31 million and $37 million for the Successor year ended December 31, 2020, the 2019 Predecessor Period and the year ended December 31, 2018, respectively. Contribution expense for the 2019 Successor Period was not material. The decrease in 2020 relates primarily to the suspension of employer matching contributions to our U.S. 401(k) savings plan and other contribution plans sponsored by the Company.

We have defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. Net periodic benefit cost related to these plans totaled $2 million, $5 million, and $8 million for the Successor year ended December 31, 2020, the 2019 Predecessor Period and the Predecessor year ended December 31, 2018, respectively. Net periodic benefit cost for the 2019 Successor Period was not material. The decrease in net periodic benefit cost in 2020 is due to curtailment gains related to headcount reduction. The decrease in net periodic benefit cost in the 2019 Predecessor Period was due primarily to the conversion of our Netherlands plan from defined benefit to defined contribution which led to no defined benefit expense for the year and a curtailment gain for that plan. The projected benefit obligations on a consolidated basis were $231 million and $198 million as of December 31, 2020 and December 31, 2019, respectively. The increase year over year is due primarily to actuarial losses as a result of lower discount rates along with fluctuations in foreign currency. The fair values of plan assets on a consolidated basis (determined primarily using Level 2 inputs) were $164 million and $144 million as of December 31, 2020 and December 31, 2019, respectively. The increase in plan assets year over year is due primarily to positive asset returns as well as foreign currency fluctuations. As of December 31, 2020 and December 31, 2019, the net underfunded obligation was substantially all recorded within Other Non-current Liabilities. Additionally, the consolidated pre-tax amount in accumulated other comprehensive income (loss) as of December 31, 2020 and 2019, that has not yet been recognized as a component of net periodic benefit cost was a net loss of $12 million and net gain of $2 million, respectively.

The weighted average assumption rates used for benefit obligations were as follows:

	Years Ended December 31,	
	2020	**2019**
Discount rate:		
United States Plans	1.50% - 2.50%	2.50% - 3.25%
International Plans	0.40% - 5.85%	0.80% - 6.25%
Rate of Compensation Increase:		
United States Plans	—	—
International Plans	2.00% - 3.48%	2.00% - 3.50%

During the year ended December 31, 2020 and the 2019 Predecessor Period, we made contributions and paid direct benefits of $5 million and $5 million, respectively, in connection with our defined benefit pension and other post-retirement benefit plans. Contributions in the 2019 Successor Period were immaterial. In 2021, we expect to fund approximately $5 million related to those plans.

18. Income Taxes

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. The relationship between our pre-tax income or loss and our income tax provision or benefit varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions and in our operating structure. On September 26, 2019, our parent company ceased to be a Swiss tax resident and became an Irish tax resident subject to tax under the Irish tax regime.

Our income tax provision from continuing operations consisted of the following:

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 2018
Total Current Provision	$ (90)	$ (9)	$ (110)	$ (113)
Total Deferred (Provision) Benefit	5	—	(25)	79
Provision for Income Taxes	$ (85)	$ (9)	$ (135)	$ (34)

The difference between the income tax provision at the Irish and/or Swiss income tax rate and the income tax (provision) benefit attributable to "Loss Before Income Taxes" for the 2020 Successor year, 2019 Successor and Predecessor Periods, and the Predecessor year ended December 31, 2018 is analyzed below:

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 2018
Irish or Swiss Income Tax rate at 25.0% and 7.83%, respectively	$ 454	$ 2	$ (299)	$ 216
Tax on Operating Earnings/Losses Subject to Rates Different than the Irish or Swiss Federal Income Tax Rate	(182)	(65)	197	(387)
Change in Valuation Allowance	(330)	56	17	166
Change in Uncertain Tax Positions	(27)	(2)	(18)	(29)
Estimated Tax on Settlement of Liabilities Subject to Compromise and Fresh Start Accounting	—	—	(495)	—
Change in Valuation Allowance Attributed to Estimated Tax on Settlement of Liabilities Subject to Compromise and Fresh Start Accounting	—	—	463	—
Provision for Income Taxes	$ (85)	$ (9)	$ (135)	$ (34)

Our income tax provisions generally do not correlate to our consolidated income (loss) before tax. Our income taxes provisions are primarily driven by profits in certain jurisdictions, deemed profit countries and withholding taxes on intercompany and third-party transactions that do not directly correlate to ordinary income or loss. Impairments and other charges recognized do not result in significant tax benefit as a result of our inability to forecast realization of the tax benefit of such losses. Tax expense for the year ended December 31, 2020 includes $10 million to recognize valuation allowance in jurisdictions where we are no longer able to forecast taxable income.

Our results for the 2019 Predecessor period include $32 million of tax expense related to the Fresh Start accounting impacts and $14 million of tax benefit primarily related to goodwill and other asset impairments and write downs. We also recognized $4.3 billion gain on Settlement of Liabilities Subject to Compromise as a result of the bankruptcy (See "Note 3 – Fresh Start Accounting") with no tax impact due to it being attributed to Bermuda, which has no income tax regime, and the U.S., which resulted in the reduction of our U.S. unbenefited net operating losses carryforward under the operative tax statute and applicable regulations offset by the release of the valuation allowance. Prepetition charges (charges prior to Petition Date) and reorganization items (charges after Petition Date) had no significant tax impact.

Our results for the 2018 Predecessor period include charges with $70 million tax benefit principally related to the$1.9 billion goodwill impairment. Other significant 2018 charges did not result in significant tax benefit.

Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the tax basis of an asset or liability and its reported amount in the Consolidated Financial Statements. The measurement of deferred tax assets and liabilities is based on enacted tax laws and rates currently in effect in each of the jurisdictions in which we have operations.

The components of the net deferred tax asset (liability) were as follows:

(Dollars in millions)	December 31, 2020	December 31, 2019
Deferred Tax Assets:		
Net Operating Losses Carryforwards	$ 881	$ 696
Unused Recognized Built in Losses	39	—
Accrued Liabilities and Reserves	175	155
Tax Credit Carryforwards	11	11
Employee Benefits	30	26
Property, Plant and Equipment	129	63
Inventory	52	67
U.S. Interest Deferral	55	56
State Deferred	84	87
Other Differences between Financial and Tax Basis	92	121
Valuation Allowance	(1,499)	(1,166)
Total Deferred Tax Assets	49	116
Deferred Tax Liabilities:		
Intangible Assets	(45)	(66)
Other Differences between Financial and Tax Basis	(4)	(55)
Total Deferred Tax Liabilities	(49)	(121)
Net Deferred Tax Asset (Liability)	$ —	$ (5)

We record deferred tax assets for net operating losses and temporary differences between the book and tax basis of assets and liabilities that are expected to produce tax deductions in future periods. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets would be deductible. The Company assesses the realizability of its deferred tax assets each period by considering whether it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company considers all available evidence (both positive and negative) when determining whether a valuation allowance is required. The Company evaluates possible sources of taxable income that may be available to realize the benefit of deferred tax assets, including projected future taxable income, the reversal of existing temporary differences, taxable income in carryback years and available tax planning strategies, and the impact of fresh start accounting in making this assessment. The realizability of the deferred tax assets is dependent upon judgments and assumptions inherent in the determination of future taxable income, including factors such as future operation conditions (particularly as related to prevailing oil prices and market demand for our products and services).

The increase in the valuation allowance in 2020 is primarily attributable to an increase of un-benefited net operating loss carryforwards, primarily attributed to jurisdictions where those losses are not expected to be realized.

Deferred income taxes generally have not been recognized on the cumulative undistributed earnings of our non-Irish subsidiaries because they are considered to be indefinitely reinvested. Distribution of these earnings in the form of dividends or otherwise may result in a combination of income and withholding taxes payable in various countries. As of December 31, 2020, the pool of positive undistributed earnings of our non-Irish subsidiaries that are considered indefinitely reinvested and may be subject to tax if distributed amounts to approximately $1.3 billion. Due to complexities in the tax laws and the manner of repatriation, it is not practicable to estimate the unrecognized amount of deferred income taxes and the related dividend withholding taxes associated with these undistributed earnings.

At December 31, 2020, we had approximately $5.6 billion of NOLs in various jurisdictions, $2.0 billion of which were generated by certain U.S. subsidiaries. We estimate that the maximum U.S. NOLs available for utilization in the future is $639 million as a result of the tax consequences of our emergence from bankruptcy as described below.

As a result of our emergence on December 13, 2019, in the U.S. approximately $480 million of cancellation of indebtedness (COD) income was realized for tax purposes. Under exceptions applying to COD income resulting from a bankruptcy reorganization, the U.S. subsidiaries were not required to recognize this COD income currently as taxable income. Instead, the company's US net operating losses were reduced under the operative tax statute and applicable regulations, affecting the balance of deferred taxes. The Company also realized COD income attributable to Bermuda, which does not have an income tax regime. As a result, there was no impact from the COD Income.

Additionally, upon emergence our U.S. subsidiaries experienced an ownership change as the Company's emergence was considered an "ownership change" for purposes of Internal Revenue Code section 382. The Internal Revenue Code sections 382 and 383 impose limitations on the ability of a company to utilize tax attributes after experiencing an "ownership change." As a result, we have estimated our annual limitation is approximately $23 million against the utilization of our U.S. loss carryforwards and other tax attributes, including unused recognized built-in losses and U.S. interest deferral. The annual limitation will result in approximately $1.2 billion of our U.S. loss carryforwards expiring unused. Upon emergence, we decreased our NOL deferred tax asset and also decreased our valuation allowance each by $257 million to remove these lost NOLs.

Our non-indefinite loss carryforwards, if not utilized, will mostly expire for U.S. subsidiaries from 2030 through 2037 and at various dates from 2020 through 2039 for non-U.S. subsidiaries. At December 31, 2020, we had $11 million of tax credit carryovers, all of which are related to our non-U.S. subsidiaries.

A tabular reconciliation of the total amounts of uncertain tax positions at the beginning and end of the period is as follows:

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 2018
Balance at Beginning of Year	$ 214	$ 213	$ 195	$ 217
Additions as a Result of Tax Positions Taken During a Prior Period	9	—	34	31
Reductions as a Result of Tax Positions Taken During a Prior Period	(4)	—	(1)	(9)
Additions as a Result of Tax Positions Taken During the Current Period	21	2	17	14
Reductions Relating to Settlements with Taxing Authorities	(2)	(1)	(20)	(18)
Reductions as a Result of a Lapse of the Applicable Statute of Limitations	(7)	—	(5)	(23)
Foreign Exchange Effects	(9)	—	(7)	(17)
Balance at End of Year	$ 222	$ 214	$ 213	$ 195

Substantially all of the uncertain tax positions, if recognized in future periods, would impact our effective tax rate. To the extent penalties and interest would be assessed on any underpayment of income tax, such amounts have been accrued and classified as a component of income tax expense and other non-current liabilities in the Consolidated Financial Statements in accordance with our accounting policy. We recorded an expense of $11 million, $1 million, $15 million, and $1 million in interest and penalty for Successor year ended December 31, 2020, the 2019 Successor and Predecessor Periods and the year ended December 31, 2018, respectively. The amounts in the table above exclude cumulative accrued interest and penalties of $89 million, $77 million and $60 million at December 31, 2020, 2019, and 2018, respectively, which are included in other liabilities.

We are subject to income tax in many of the over 75 countries where we operate. As of December 31, 2020, the following table summarizes the tax years that remain subject to examination for the major jurisdictions in which we operate:

Tax Jurisdiction	**Tax Years under Examination**
Canada	2012 - 2020
Mexico	2009 - 2020
Russia	2017 - 2020
Switzerland	2012 - 2020
United States	2017 - 2020

We are continuously under tax examination in various jurisdictions. We cannot predict the timing or outcome regarding resolution of these tax examinations or if they will have a material impact on our financial statements. As of December 31, 2020, we anticipate that it is reasonably possible that the amount of uncertain tax positions may decrease by up to $4 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

19. Disputes, Litigation and Legal Contingencies

We are subject to lawsuits and claims arising out of the nature of our business. We have certain claims, disputes and pending litigation for which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in a liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these cases, the aggregate impact to our financial condition could be material. Due to the COVID-19 pandemic, courts in many jurisdictions around the world have been temporarily closed for trials and hearings, which has resulted in delays in many of our litigation matters.

Accrued litigation and settlements recorded in “Other Current Liabilities” on the accompanying Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019 were $43 million and $44 million, respectively.

Shareholder Litigation

GAMCO Shareholder Litigation

On September 6, 2019, GAMCO Asset Management, Inc. (“GAMCO”), purportedly on behalf of itself and other similarly situated shareholders, filed a lawsuit asserting violations of the federal securities laws against certain then-current and former officers and directors of the Company. GAMCO alleges violations of Sections 10(b) and 20(b) of the Securities Exchange Act of 1934, and violations of Sections 11 and 15 of the Securities Act of 1933, as amended (the “Securities Act”) based on allegations that the Company and certain of its officers made false and/or misleading statements, and alleged non-disclosure of material facts, regarding our business, operations, prospects and performance. GAMCO seeks damages on behalf of purchasers of the Company’s ordinary shares from October 26, 2016 through May 10, 2019. GAMCO’s lawsuit was filed in the United States District Court for the Southern District of Texas, Houston Division, and it is captioned GAMCO Asset Management, Inc. v. McCollum, et al., Case No. 4:19-cv-03363. The District Court Judge appointed Utah Retirement Systems (“URS”) as Lead Plaintiff, and on March 16, 2020, URS filed its Amended Complaint. URS added the Company as a defendant but dropped the claims against non-officer board members and all the claims under the Securities Act. The defendants filed their motion to dismiss on May 18, 2020, and plaintiffs filed their response on July 3, 2020. The defendants filed a reply brief on August 3, 2020, and now the Court will rule on the motion to dismiss. We cannot reliably predict the outcome of the claims, including the amount of any possible loss.

Prior Shareholder Litigation

In 2010, three shareholder derivative actions were filed, and in 2014 a fourth shareholder derivative action was filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain then-current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, the Foreign Corrupt Practices Act of 1977 and trade sanctions related to the U.S. government investigations disclosed in our SEC filings since 2007. Those shareholder derivative cases were filed in Harris County, Texas state court and consolidated under the caption *Neff v. Brady, et al.*, No. 2010040764 (collectively referred to as the "*Neff Case*"). Other shareholder demand letters covering the same subject matter were received by the Company in early 2014, and a fourth shareholder derivative action was filed, purportedly on behalf of the Company, also asserting breach of duty and other claims against certain then current and former officers and directors of the Company related to the same subject matter as the *Neff Case*. That case, captioned *Erste-Sparinvest KAG v. Duroc-Danner, et al.*, No. 201420933 (Harris County, Texas) was consolidated into the *Neff Case* in September 2014. A motion to dismiss was granted May 15, 2015, and an appeal was filed on June 15, 2015. Following briefing and oral argument, on June 29, 2017, the Texas Court of Appeals denied in part and granted in part the shareholders' appeal. The Court ruled that the shareholders lacked standing to bring claims that arose prior to the Company's redomestication to Switzerland in 2009 and upheld the dismissal of those claims. The Court reversed as premature the trial court's dismissal of claims arising after the redomestication and remanded to the trial court for further proceedings. On February 1, 2018, the individual defendants and nominal defendant Weatherford filed a motion for summary judgment on the remaining claims in the case. On February 13, 2018, the trial court dismissed with prejudice certain directors for lack of jurisdiction. Although the plaintiffs appealed the jurisdictional ruling, on June 19, 2020, the plaintiffs filed a motion to dismiss the appeal with prejudice. This litigation has concluded.

Rapid Completions and Packers Plus Litigation

Several subsidiaries of the Company are defendants in a patent infringement lawsuit filed by Rapid Completions LLC ("RC") in U.S. District Court for the Eastern District of Texas on July 31, 2015. RC claims that we and other defendants are liable for infringement of seven U.S. patents related to specific downhole completion equipment and the methods of using such equipment. These patents have been assigned to Packers Plus Energy Services, Inc., a Canadian corporation ("Packers Plus"), and purportedly exclusively licensed to RC. RC is seeking a permanent injunction against further alleged infringement, unspecified damages for infringement, supplemental and enhanced damages, and additional relief such as attorneys' fees. The Company has filed a counterclaim against Packers Plus, seeking declarations of non-infringement, invalidity, and unenforceability of the four patents that remain asserted against the Company on the grounds of inequitable conduct. The Company is seeking attorneys' fees and costs incurred in the lawsuit. The litigation was stayed, pending resolution of inter partes reviews ("IPR") of each of the four patents before the Patent Trial and Appeal Board ("PTAB") of the U.S. Patent and Trademark Office ("USPTO"). The PTAB issued decisions during 2018 and 2019 finding that all the claims of the asserted patents challenged by the Company in the IPRs were invalid. RC appealed those decisions to the Federal Circuit, which issued a decision affirming the PTAB's decision that the patents are invalid on January 21, 2020. The litigation in the U.S. has concluded.

On October 14, 2015, Packers Plus and RC filed suit in Federal Court in Toronto, Canada against the Company and certain subsidiaries alleging infringement of a related Canadian patent and seeking unspecified damages and an accounting of the Company's profits. Trial on the validity of the Canadian patent was completed in March 2017. On November 3, 2017, the Federal Court issued its decision, wherein it concluded that the defendants proved that the patent-in-suit was invalid and dismissed Packers Plus and RC's claims of infringement. On January 5, 2018, Packers Plus and RC filed their Notice of Appeal. The appeal was dismissed in favor of Weatherford. Packers Plus and RC filed an Application for Leave to the Supreme Court of Canada requesting that the Supreme Court hear their appeal from the appellate court's decision, but the Supreme Court dismissed the Application, thus concluding the litigation.

Environmental Contingencies

We have obligations and expect to incur capital, operating and maintenance, and remediation expenditures, as a result of compliance with environmental laws and regulations. Among those obligations, are the current requirements imposed by the Texas Commission on Environmental Quality ("TCEQ") at the former Universal Compression facility in Midland, Texas. At this location we are performing a TCEQ-approved Remedial Action Plan ("RAP") to address contaminated ground water. The performance of the RAP and related expenses are scheduled to be performed over a ten to twenty-year period and, may cost as much as $6 million, which is recorded as undiscounted obligation on the Consolidated Balance Sheets as of December 31,

2020. We continuously monitor and strive to maintain compliance with changes in laws and regulations that impact our business.

20. Shareholders' Equity (Deficiency)

Changes in our ordinary shares issued were as follows:

(Shares in millions)	Issued
Balance at December 31, 2018 (Predecessor)	**1,002**
Equity Awards Granted, Vested and Exercised	7
Predecessor Shares Cancellation	(1,009)
Balance at December 13, 2019 (Predecessor)	**—**
Share Issuance	70
Balance at December 13, 2019 (Successor)	**70**
Share Issuance	—
Balance at December 31, 2019 (Successor)	**70**
Share Issuance	—
Balance at December 31, 2020 (Successor)	**70**

Upon the effectiveness of the Plan, all previously issued and outstanding equity interests in the Predecessor were cancelled and the Company issued 69,999,954 "New Ordinary Shares" to the holders of the Company's existing senior notes and holders of "Old Ordinary Shares". The amount in excess of par value of $2.9 billion is reported in "Capital in Excess of Par Value" on the accompanying Consolidated Balance Sheets.

On the Effective Date, the Company issued New Warrants to holders of the Company's Old Ordinary Shares, to purchase up to an aggregate of 7,777,779 New Ordinary Shares in the Company, par value $0.001, at an exercise price of $99.96 per ordinary share. The New Warrants are equity classified and, upon issuance, have a value of $31 million, which was recorded in "Capital in Excess of Par Value." The warrant fair value was a Level 2 valuation and is estimated using the Black Scholes valuation model. Inputs to the model include Weatherford's share price, volatility of our share price, and the risk-free interest rate.

The New Warrants are exercisable until "Expiration Date" of which is the earlier of (i) December 13, 2023 and (ii) the date of consummation of any liquidity event resulting in the sale or exchange of all or substantially all of the equity interests of the Company to one or more third parties (whether by merger, sale, recapitalization, consolidation, combination or otherwise) or the sale, directly or indirectly, by the Company of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole; or a liquidation, dissolution or winding up of the Company. All unexercised New Warrants will expire, and the rights of the warrant holders to purchase New Ordinary Shares will terminate, on the Expiration Date. During 2020, an immaterial number of warrants were exercised.

Accumulated Other Comprehensive Loss

The following table presents the changes in our accumulated other comprehensive loss by component:

(Dollars in millions)	Currency Translation Adjustment	Defined Benefit Pension	Deferred Loss on Derivatives	Total
Balance at December 31, 2018 (Predecessor)	**$ (1,724)**	**$ (14)**	**$ (8)**	**$ (1,746)**
Other Comprehensive Income (Loss) before Reclassifications	52	(12)	—	40
Reclassifications	—	1	8	9
Net Activity	52	(11)	8	49
Balance at December 13, 2019 (Predecessor)	**$ (1,672)**	**$ (25)**	**$ —**	**$ (1,697)**
Elimination of Predecessor Equity Balances	1,672	25	—	1,697
Balance at December 13, 2019 (Successor)	**$ —**	**$ —**	**$ —**	**$ —**
Other Comprehensive Income	7	2	—	9
Balance at December 31, 2019 (Successor)	**$ 7**	**$ 2**	**$ —**	**$ 9**
Other Comprehensive Income	(38)	(14)	—	(52)
Balance at December 31, 2020 (Successor)	**$ (31)**	**$ (12)**	**$ —**	**$ (43)**

21. Share-Based Compensation

As part of the emergence from bankruptcy, outstanding awards under all Predecessor equity incentive plans were cancelled, and the 2019 Plan was approved by the Successor. The 2019 Plan was amended and restated in 2020. The share-based compensation plan permits the grant of options, share appreciation rights, restricted share awards, restricted share units, and other share-based and performance-based awards to any employee, consultant or non-employee director. The provisions of each award vary based on the type of award granted and are determined by the Compensation and Human Resources Committee of our Board of Directors.

Restricted share units and performance-based share units granted and vested during 2020 were immaterial. As of December 31, 2020, we had 8 million shares available for grant under our Successor share-based compensation plan.

Share-based compensation expense was immaterial and zero in the 2020 and 2019 Successor Periods, respectively. During the 2019 and 2018 Predecessor periods, we recognized $46 million (which included the acceleration of share-based compensation described at "Note 3 – Fresh Start Accounting and recorded in "Impairments and Other Charges" on the accompanying Consolidated Statements of Operations) and $47 million, respectively, recorded in "Selling, General and Administrative" on the accompanying Consolidated Statements of Operations.

22. Earnings per Share

Basic earnings (loss) per share for all periods presented equals net income (loss) divided by our weighted average shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by our weighted average shares outstanding during the period including potential dilutive ordinary shares.

The following table presents our basic and diluted weighted average shares outstanding and loss per share:

	Successor		Predecessor	
(Shares in millions)	Year Ended 12/31/2020	Period From 12/14/19 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Net Income (Loss) Attributable to Weatherford	$ (1,921)	$ (26)	$ 3,661	$ (2,811)
Basic and Diluted Weighted Average Shares Outstanding	70	70	1,004	997
Basic and Diluted Income (Loss) Per Share Attributable to Weatherford	$ (27.44)	$ (0.37)	$ 3.65	$ (2.82)

Our basic and diluted weighted average shares outstanding for the 2020 and 2019 Successor Periods are equivalent due to the net loss attributable to shareholders. Diluted weighted average shares for the 2020 and 2019 Successor Periods exclude 8 million potential ordinary shares. Our basic and diluted weighted average shares outstanding for the 2019 Predecessor Period are equivalent as we believe including the dilutive impact of our Predecessor potential shares would not be meaningful as the potential shares were cancelled pursuant to the terms of the Plan. Our basic and diluted weighted average shares outstanding for the 2018 Predecessor Period are equivalent due to the net loss attributable to shareholders. Diluted weighted average shares outstanding for the 2019 and 2018 Predecessor Periods exclude 197 million and 251 million potential ordinary shares, respectively, for restricted share units, performance units, exchangeable senior notes and warrants outstanding.

23. Revenues

Disaggregated Revenue by Product Line and Geographic Region

Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. During the second quarter of 2020, in order to support the streamlining and realignment of the business, we combined our prior reported four product lines into two product lines, and all prior periods have been retrospectively recast to conform to this new presentation. Our two product lines are as follows: (1) Completion and Production and (2) Drilling, Evaluation and Intervention. The unmanned equipment that we lease to customers as operating leases consists primarily of drilling rental tools (in the Drilling, Evaluation and Intervention product line) and artificial lift pumping equipment (in the Completion and Production product line). These equipment rental revenues are generally provided based on call-out work orders that include fixed per unit prices and are derived from short-term contracts.

The following tables disaggregate our revenues from contracts with customers by major product line and geographic region and includes equipment rental revenues recognized under Accounting Standards Update No. 2016-02, Leases (Topic 842). Equipment revenues recognized was $150 million and $12 million in the 2020 and 2019 Successor Periods, respectively, and $284 million and $337 million in the 2019 and 2018 Predecessor Periods, respectively. Revenues in the U.S. were $720 million and $59 million in the 2020 and 2019 Successor Periods, respectively, and $1.3 billion and $1.6 billion in the 2019 and 2018 Predecessor Periods, respectively. We had no revenue in our country of domicile (Ireland) in the 2020 and 2019 Successor Periods, and the 2019 and 2018 Predecessor Periods.

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Product Line Revenue by Hemisphere:				
Completion and Production	$ 859	$ 69	$ 1,357	$ 1,709
Drilling, Evaluation and Intervention	727	52	1,263	1,354
Western Hemisphere	$ 1,586	$ 121	$ 2,620	$ 3,063
Completion and Production	$ 1,020	$ 67	$ 975	$ 965
Drilling, Evaluation and Intervention	1,079	73	1,359	1,716
Eastern Hemisphere	$ 2,099	$ 140	$ 2,334	$ 2,681
Total Revenues	$ 3,685	$ 261	$ 4,954	$ 5,744

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Revenue by Geographic Areas:				
North America	$ 889	$ 68	$ 1,548	$ 1,987
Latin America	697	53	1,072	1,076
Western Hemisphere	$ 1,586	$ 121	$ 2,620	$ 3,063
Middle East & North Africa and Asia	$ 1,352	$ 88	$ 1,427	$ 1,716
Europe/Sub-Sahara Africa/Russia	747	52	907	965
Eastern Hemisphere	$ 2,099	$ 140	$ 2,334	$ 2,681
Total Revenues	$ 3,685	$ 261	$ 4,954	$ 5,744

Contract Balances

The following table provides information about receivables for product and services included in “Accounts Receivable, Net,” “Contract Assets” and “Contract Liabilities” on our Consolidated Balance Sheets at December 31, 2020 and December 31, 2019.

(Dollars in millions)		**12/31/2020**		**12/31/2019**
Receivables for Product and Services in Accounts Receivable, Net	$	792	$	1,156
Receivables for Equipment Rentals in Account Receivable, Net	$	34	$	85
Contract Assets included in Other Current Assets	$	7	$	3
Contract Liabilities included in Other Current Liabilities	$	37	$	12

Revenue recognized for the year ended December 31, 2020 and 2019 that were included in the contract liabilities balance at the beginning of each year was $10 million and $61 million, respectively. The increase in contract liabilities was due to advance payments on new or amended contract awards. Included in the activity for 2019 was a fresh start adjustment of $29 million, which reduced contract liabilities.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Topic 606. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In the following table, estimated revenue expected to be recognized in the future related to performance obligations that are either unsatisfied or partially unsatisfied as of December 31, 2020 primarily relate to subsea services contracts. All consideration from contracts with customers is included in the amounts presented below.

(Dollars in millions)		**2021**		**2022**		**2023**		**2024**		**Thereafter**		**Total**
Service revenue	$	32	$	37	$	39	$	40	$	54	$	202

24. Segment Information

Reporting Segments

The Company's chief operating decision maker (its chief executive officer) regularly reviews information by our two reportable segments, which are our Western Hemisphere and Eastern Hemisphere segments. These reportable segments are based on management's organization and view of Weatherford's business when making operating decisions, allocating resources and assessing performance. Research and development expenses are included in the results of our Western and Eastern Hemisphere segments. Our corporate and other expenses that do not individually meet the criteria for segment reporting are reported separately on the caption Corporate.

Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services and was further described in "Note 23 – Revenues." The accounting policies of the segments are the same as those described in "Note 1 – Summary of Significant Accounting Policies."

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Revenue:				
Western Hemisphere	$ 1,586	$ 121	$ 2,620	$ 3,063
Eastern Hemisphere	2,099	140	$ 2,334	$ 2,681
Total Revenue	$ 3,685	$ 261	$ 4,954	$ 5,744
Operating Income (Loss):				
Western Hemisphere	$ 18	$ (4)	$ 54	$ 208
Eastern Hemisphere	37	10	134	119
Total Segment Operating Income	$ 55	$ 6	$ 188	$ 327
Corporate	(111)	(5)	(118)	(130)
Impairments and Other Charges (a)	(1,236)	—	(1,104)	(2,155)
Restructuring Charges (b)	(206)	—	(189)	(126)
Prepetition Charges (c)	—	—	(86)	—
Gain on Operational Assets Sale	12	—	15	—
Gain on Sale of Businesses, Net (d)	—	—	112	—
Total Operating Income (Loss)	$ (1,486)	$ 1	$ (1,182)	$ (2,084)
Interest Expense, Net	(266)	(12)	(362)	(614)
Reorganization Items (c)	(9)	(4)	5,389	—
Other Expense, Net	(53)	—	(26)	(59)
Income (Loss) Before Income Taxes	$ (1,814)	$ (15)	$ 3,819	$ (2,757)
Depreciation and Amortization:				
Western Hemisphere	$ 134	$ 14	$ 171	$ 216
Eastern Hemisphere	369	20	269	333
Corporate	—	—	7	7
Total	$ 503	$ 34	$ 447	$ 556

(a) See "Note 4 – Impairments and Other Charges", "Note 10 – Long-Lived Asset Impairments" and "Note 11 – Goodwill and Intangible Assets" for additional information.
(b) See "Note 12 – Restructuring Charges" for additional information.
(c) See "Note 2 – Emergence from Chapter 11 Bankruptcy Proceedings" for additional information.

(d) Primarily includes the gain on sale of our reservoir solutions business. See “Note 8 – Business Combinations and Divestitures” for additional information.

	Successor		Predecessor	
(Dollars in millions)	Year Ended 12/31/2020	Period From 12/14/2019 through 12/31/2019	Period From 1/1/2019 through 12/13/2019	Year Ended 12/31/2018
Capital Expenditures:				
Western Hemisphere	$ 79	$ 9	$ 113	$ 81
Eastern Hemisphere	59	7	115	87
Corporate	16	4	22	18
Total	$ 154	$ 20	$ 250	$ 186

The following table presents total assets by segment:

	December 31,	
(Dollars in millions)	2020	2019
Western Hemisphere	$ 1,636	$ 2,514
Eastern Hemisphere	3,089	4,392
Corporate	709	387
Total	$ 5,434	$ 7,293

Long-lived Assets by Geographic Areas

Long-lived assets by geographic area within the segments are summarized below and exclude goodwill and intangible assets (see “Note 11 – Goodwill and Intangible Assets” for additional details) as well as deferred tax assets of $15 million and $39 million at December 31, 2020 and December 31, 2019, respectively. Long-lived assets were zero in our country of domicile (Ireland) and in the U.S. were $306 million and $532 million as of December 31, 2020 and December 31, 2019, respectively.

	December 31,	
(Dollars in millions)	2020	2019
North America	$ 435	$ 753
Latin America	174	296
Western Hemisphere	$ 609	$ 1,049
Middle East & North Africa and Asia	$ 482	$ 715
Europe/Sub-Sahara Africa/Russia	344	684
Eastern Hemisphere	$ 826	$ 1,399
Total	$ 1,435	$ 2,448

Item 9. ***Changes in and Disagreement with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. This information is collected and communicated to management, including our Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Our management, under the supervision of and with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures at December 31, 2020. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2020.

Management's Annual Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) of the Exchange Act. The Company's internal controls are designed to provide reasonable, but not absolute, assurance as to the reliability of its financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Our management, including our CEO and CFO, does not expect that our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a system of internal control over financial reporting, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any control system is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – An Integrated Framework (2013). As a result of this assessment, management concluded that as of December 31, 2020, our internal control over financial reporting was effective based on these criteria.

KPMG LLP has issued an attestation report dated February 19, 2021, on our internal control over financial reporting, which is contained in this Annual Report on Form 10-K.

Remediation of Material Weakness

We identified a material weakness over the review of the net book values by long-lived asset group and reporting segment used in the long-lived assets impairment assessment as of June 30, 2020. Management's remediation involved enhancing the design of certain existing controls and designing and implementing new controls. These internal controls ensure the net book values by long-lived asset group and reporting segment used in our long-lived asset impairment assessment are reviewed and validated. We completed these remediation measures in the quarter ended December 31, 2020, including testing of the design, and concluding on the operating effectiveness of the related controls. Based on these procedures, the previously reported material weakness has been remediated.

Changes in Internal Controls

Other than described above in this Item 9A, our management identified no change in our internal control over financial reporting, that occurred during the fourth quarter ended December 31, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

Executive Officer Departures

Chief Operating Officer - Retirement of Mr. Karl Blanchard

On February 12, 2021 Mr. Karl Blanchard, Executive Vice President and Chief Operating Officer ("COO"), announced his retirement from the Company effective February 26, 2021. To create a more efficient operating structure, the Company, upon Mr. Blanchard's retirement, is eliminating the COO position. As part of the leadership transition, responsibilities currently under the COO role will be assumed by other employees.

There is no dispute or disagreement between Mr. Blanchard and the Company on any matter relating to the Company's accounting practices or financial condition.

Chief Accounting Officer - Separation of Mr. Stuart Fraser

On February 12, 2021 Mr. Stuart Fraser, Vice President and Chief Accounting Officer, advised he will be departing the Company effective March 31, 2021. In connection with Mr. Fraser's departure and in furtherance of Company policies, Mr. Fraser has executed a general release in favor of the Company and has also entered into an agreement with us setting forth agreed benefits and compensation to be paid to him upon his departure, including to the extent relevant under the Company's pre-existing compensation plans and applicable policies and related agreements.

There is no dispute or disagreement between Mr. Fraser and the Company on any matter relating to the Company's accounting practices or financial condition.

Appointment of Interim Chief Accounting Officer

While the Company is conducting a search for Mr. Fraser's replacement, on February 12, 2021 the Board determined that effective upon Mr. Fraser's departure, Mr. Keith Jennings, Executive Vice President and Chief Financial Officer, will assume the role of Chief Accounting Officer on an interim basis. There are no new compensatory arrangements or modifications to the existing arrangements between the Company and Mr. Jennings in connection with these interim responsibilities. Additional information regarding Mr. Jennings has been previously reported on Form 8-K filed with the SEC on August 10, 2020.

There are no arrangements or understandings between Mr. Jennings and any other persons pursuant to which Mr. Jennings was selected to act on an interim basis as the Chief Accounting Officer of the Company. Mr. Jennings does not have any family relationships subject to disclosure under Item 401(d) of Regulation S-K or any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

PSU Award Agreement Restatement

On February 12, 2021, the Board of Directors of the Company approved a clarification to the performance restricted share unit (PSU) award agreement for Mr. Saligram, which was granted on November 17, 2020 with respect to a target number of 169,491 ordinary shares of the Company, to conform the terms of the award agreement with the PSU grant terms in his offer letter with the Company, which provides that one-third of the PSUs would vest upon achievement of each of the $3.45, $3.95 and $4.45 Company ordinary share price levels for any 60 consecutive trading days during the three-year performance period, running from October 12, 2020 to October 12, 2023. Consistent with his offer letter, the restated PSU award agreement clarifies that the cliff vesting for the award is immediate upon the achievement of those levels and not on the completion of the three-year performance period, with no prorated vesting for achievement between those levels.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

See "Item 1. – Business – Executive Officers of Weatherford" of this report for Item 10 information regarding executive officers of Weatherford. Pursuant to General Instructions G(3), information on our directors and corporate governance matters will be filed in a Form 10-K/A within 120 days after the registrant's fiscal year ended December 31, 2020.

We have adopted a code of ethics entitled "Code of Business Conduct," which applies to all our employees, officers and directors and our board of directors has also adopted a separate "Supplemental Code of Business Conduct" for our senior officers. Copies of these codes can also be found at www.weatherford.com.

We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Business Conduct and any waiver from any provision of our Code of Business Conduct by posting such information on our web site at www.weatherford.com.

Item 11. *Executive Compensation*

Pursuant to General Instructions G(3), information on executive compensation will be filed in a Form 10-K/A within 120 days after the registrant's fiscal year ended December 31, 2020.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Pursuant to General Instructions G(3), information on security ownership of certain beneficial owners and management and related shareholder matters will be filed in a Form 10-K/A within 120 days after the registrant's fiscal year ended December 31, 2020.

Item 12(d). *Securities Authorized for Issuance under Equity Compensation Plan Information*

The following table provides information as of December 31, 2020, about the number of shares to be issued upon vesting or exercise of equity awards as well as the number of shares remaining available for issuance under our equity compensation plans.

Equity Compensation Plan Information

Plan Category *(Shares in thousands, except share prices)*	**Numbers of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Available for Future Issuance Under Equity Compensation Plans** [(a)]
Equity compensation plans approved by shareholders [(b)]	339	$ —	8,238

(a) Excluding shares reflected in the first column of this table.
(b) Includes our 2019 Plan, which was approved in connection with our emergence from bankruptcy in December 2019. The 2019 Plan was amended and restated in 2020.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Pursuant to General Instruction G(3), information on certain relationships and related transactions and director independence will be filed in a Form 10-K/A within 120 days after the registrant's fiscal year ended December 31, 2020.

Item 14. *Principal Accounting Fees and Services*

Pursuant to General Instruction G(3), information on principal accounting fees and services will be filed in a Form 10-K/A within 120 days after the registrant's fiscal year ended December 31, 2020.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules***

(a) The following documents are filed as part of this report or incorporated by reference:

1. The Consolidated Financial Statements of the Company listed on page 42 of this report.
2. The financial statement schedule on page 106 of this report.
3. The exhibits of the Company listed below under Item 15(b); all exhibits are incorporated herein by reference to a prior filing as indicated, unless designated by a dagger (†) or double dagger (††).

(b) Exhibits:

Exhibit Number	Description	Original Filed Exhibit	File Number
3.1	Amended and Restated Memorandum and Articles of Association of Weatherford International public limited company.	Exhibit 3.1 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
† 4.1	Description of the Securities.		
4.2	Indenture, dated December 13, 2019, by and among Weatherford International Ltd., as issuer, the guarantors thereto and Deutsche Bank Trust Company Americas, as trustee.	Exhibit 4.1 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
4.3	Form of Senior Note (included in Exhibit 4.2).	Included in Exhibit 4.1 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
4.4	Form of Warrant Certificate (included in Exhibit 10.34).	Included in Exhibit 10.4 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
4.5	Indenture, dated August 28, 2020, by and among Weatherford International Ltd., as issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent.	Exhibit 4.1 of the Company's Current Report on Form 8-K filed August 28, 2020	File No. 1-36504
4.6	Form of Senior Note (included in Exhibit 4.5).	Included in Exhibit 4.1 of the Company's Current Report on Form 8-K filed August 28, 2020	File No. 1-36504
*10.1	Employment Letter, dated March 3, 2017, between Weatherford International plc and Mark A. McCollum	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed April 28, 2017	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.2	Offer Letter between Weatherford International Ltd. and Christian A. Garcia.	Exhibit 10.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed March 16, 2020	File No. 1-36504
*10.3	Letter Agreement with Karl Blanchard dated June 10, 2020.	Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 filed August 14, 2020	File No. 1-36504
*10.4	Offer Letter to H. Keith Jennings dated August 6, 2020.	Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed November 4, 2020	File No. 1-36504
*10.5	Offer Letter to Girishchandra K. Saligram dated September 9, 2020.	Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the third quarter ended September 30, 2020 filed November 4, 2020	File No. 1-36504
*10.6	Form of Deed of Indemnity of Weatherford International plc entered into by each director of Weatherford International plc and each of the following executive officers of Weatherford International plc: Karl Blanchard (August 21, 2017), Scott C. Weatherholt (July 23, 2020), H. Keith Jennings (September 18, 2020) and Girish K. Saligram (October 12, 2020).	Exhibit 10.11 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.7	Form of Deed of Indemnity of Weatherford International Ltd entered into by each director of Weatherford International plc and each of the following executive officers of Weatherford International plc: Scott C. Weatherholt (July 23, 2020), H. Keith Jennings (September 18, 2020) and Girishchandra K. Saligram (October 12, 2020).	Exhibit 10.12 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.8	Deed of Indemnity of Weatherford International Ltd. entered into by Karl Blanchard (August 21, 2017)	Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017	File No. 1-36504
*10.9	Form of Change in Control Agreement entered into by each of the following executive officers of Weatherford International plc: Karl Blanchard (August 21, 2017) and Stuart Fraser (April 15, 2018)	Exhibit 10.1 of the Company's Current Report on Form 8-K filed December 15, 2016	File No. 1-36504
*10.10	Form of Amendment to Change in Control Agreement entered into by each of the following executive officers of Weatherford International plc: Karl Blanchard and Stuart Fraser, each such amendment effective as of December 13, 2019.	Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 filed filed August 14, 2020	File No. 1-36504
*10.11	Weatherford International Change in Control Severance Plan.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed November 20, 2020	File No. 1-36504
*10.12	2019 Executive Bonus Plan.	Exhibit 99.1 of the Company's Current Report on Form 8-K filed April 2, 2019	File No. 1-36504
*10.13	Form of Retention Award.	Exhibit 99.2 of the Company's Form 8-K filed April 2, 2019	File No. 1-36504
*10.14	Executive Non-Equity Incentive Compensation Plan (as Amended and Restated)	Exhibit 10.2 of the Company's Current Report on Form 8-K filed April 15, 2020	File No. 1-36504
*10.15	Weatherford International plc 2019 Equity Incentive Plan.	Exhibit 10.8 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.16	Weatherford International plc Amended and Restated 2019 Equity Incentive Plan.	Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 filed August 14, 2020	File No. 1-36504
*10.17	Weatherford International plc Second Amended and Restated 2019 Equity Incentive Plan.	Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed November 4, 2020	File No. 1-36504
*10.18	Form of Christian A. Garcia Award Agreement	Exhibit 10.3 of the Company's Current Report on Form 8-K filed April 15, 2020	File No. 1-36504
*10.19	Form of Restricted Share Unit Award Agreement.	Exhibit 10.3 of the Company's Current Report on Form 8-K filed November 20, 2020	File No. 1-36504
*10.20	Form of Performance Share Unit Award Agreement.	Exhibit 10.4 of the Company's Current Report on Form 8-K filed November 20, 2020	File No. 1-36504
*10.21	Form of Restricted Share Unit Award Agreement.	Exhibit 10.2 of the Company's Current Report on Form 8-K filed January 8, 2021	File No. 1-36504
*10.22	Form of Performance Share Unit Award Agreement.	Exhibit 10.3 of the Company's Current Report on Form 8-K filed January 8, 2021	File No. 1-36504
*10.23	Form of Phantom Share Unit Award Agreement.	Exhibit 10.4 of the Company's Current Report on Form 8-K filed January 8, 2021	File No. 1-36504
†*10.24	Amended and Restated Performance Share Unit Award Agreement - Girish K. Saligram (February 17, 2021)		

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.25	Weatherford International plc Short-Term Incentive Plan.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 8, 2021	File No. 1-36504
*10.26	Weatherford International plc 2020 Long-Term Cash Incentive Plan.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed April 24, 2020	File No. 1-36504
*10.27	Form of Long-Term Cash Incentive Plan Award Agreement.	Exhibit 10.2 of the Company's Current Report on Form 8-K filed April 24, 2020	File No. 1-36504
*10.28	Form of Long-Term Cash Incentive Plan Award Agreement.	Exhibit 10.2 of the Company's Current Report on Form 8-K filed November 20, 2020	File No. 1-36504
10.29	ABL Credit Agreement by and among Weatherford International Ltd., Weatherford International plc, Weatherford International LLC, Wells Fargo Bank, N.A. and the lenders party thereto from time to time, dated December 13, 2019.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
10.30	LC Credit Agreement, dated December 13, 2019 (as amended by Amendment No.1, dated August 28, 2020), by and among Weatherford International Ltd., Weatherford International plc, Weatherford International LLC, Deutsche Bank Trust Company Americas and the lenders party thereto from time to time (included in Exhibit 10.29).	Exhibit 10.2 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
10.31	Amendment No. 1 to LC Credit Agreement and Amendment No. 1. To U.S. Security Agreement, dated August 28, 2020, by and among Weatherford International Ltd., Weatherford International plc, Weatherford International LLC, the other guarantors of the LC Credit Agreement, Deutsche Bank Trust Company Americas and the lenders under the LC Credit Agreement.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed August 28, 2020	File No. 1-36504
10.32	Intercreditor Agreement by and between Wells Fargo Bank, N.A., Deutsche Bank Trust Company Americas, Weatherford International plc and the grantors party there to from time to time, dated December 13, 2019.	Exhibit 10.3 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
10.33	Intercreditor Agreement, dated August 28, 2020, by and among Deutsche Bank Trust Company Americas, Wilmington Trust National Association, BTA Institutional Services Australia Limited, Weatherford International plc and the grantors parties there to from time to time.	Exhibit 10.3 of the Company's Current Report on Form 8-K filed August 28, 2020	File No. 1-36504
10.34	Warrant Agreement by and between Weatherford International plc and American Stock Transfer & Trust Company, LLC, dated December 13, 2019.	Exhibit 10.4 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
10.35	Registration Rights Agreement by and among Weatherford International plc and certain stockholders thereto, dated December 13, 2019.	Exhibit 10.5 of the Company's Current Report on Form 8-K filed December 18, 2019	File No. 1-36504
†21.1	Subsidiaries of Weatherford International plc		
†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		
††32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		
††32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		
†101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document		
†101.SCH	XBRL Taxonomy Extension Schema Document		
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document		
†101.DEF	XBRL Taxonomy Extension Definition Linkbase Document		
†101.LAB	XBRL Taxonomy Extension Label Linkbase Document		
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document		
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)		

* Management contract or compensatory plan or arrangement.

** Submitted pursuant to Rule 405 and 406T of Regulation S-T.

† Filed herewith.

†† Furnished herewith.

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed with this Annual Report on Form 10-K certain instruments defining the rights of holders of long-term debt of the Company and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. We will furnish a copy of any of such instruments to the Securities and Exchange Commission upon request. We will furnish to any requesting shareholder a copy of any of the above named exhibits upon the payment of our reasonable expenses of obtaining, duplicating and mailing the requested exhibits. All requests for copies of exhibits should be made in writing to our U.S. Investor Relations Department at 2000 St James Place, Houston, TX 77056.

Financial Statement Schedules

1. Valuation and qualifying accounts and allowances.

**SCHEDULE II - WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND ALLOWANCES
FOR THE SUCCESSOR PERIOD ENDED DECEMBER 31, 2020 AND 2019
AND PREDECESSOR PERIOD ENDED DECEMBER 13, 2019, AND DECEMBER 31, 2018**

(Dollars in millions)	Balance at Beginning of Period	Expense	Recoveries	Other [c]	Balance at End of Period
Year Ended December 31, 2020 (Successor):					
Allowance for Credit Losses on Accounts Receivable	$ —	$ 32	$ —	$ —	32
Valuation Allowance on Deferred Tax Assets	$ 1,166	$ 330	$ —	$ 3	$ 1,499
Excess and Obsolete Inventory Reserve	$ —	$ 210	$ —	$ (91)	$ 119
Year Ended December 31, 2019 (Successor):					
Allowance for Credit Losses on Accounts Receivable	$ —	$ —	$ —	$ —	$ —
Valuation Allowance on Deferred Tax Assets	$ 1,222	$ (56)	$ —	$ —	$ 1,166
Excess and Obsolete Inventory Reserve	$ —	$ —	$ —	$ —	$ —
Year Ended December 13, 2019 (Predecessor):					
Current Allowance for Uncollectible Accounts Receivable	$ 123	$ 4	$ (3)	$ (124)	$ —
Long-term Allowance for Uncollectible Accounts Receivable [a]	171	—	(3)	(168)	—
Total Allowance for Uncollectible Accounts Receivable	$ 294	$ 4	$ (6)	$ (292)	$ —
Valuation Allowance on Deferred Tax Assets	$ 1,702	$ (480)	$ —	$ —	$ 1,222
Excess and Obsolete Inventory Reserve	$ 305	$ 163	$ (4)	$ (464)	$ —
Year Ended December 31, 2018 (Predecessor):					
Current Allowance for Uncollectible Accounts Receivable	$ 156	$ 5	$ (15)	$ (23)	$ 123
Long-term Allowance for Uncollectible Accounts Receivable [a]	173	—	(2)	—	171
Total Allowance for Uncollectible Accounts Receivable [b]	$ 329	$ 5	$ (17)	$ (23)	$ 294
Valuation Allowance on Deferred Tax Assets	$ 1,887	(166)	—	(19)	$ 1,702
Excess and Obsolete Inventory Reserve	$ 635	86	(6)	(410)	$ 305

(a) In 2017, we changed the accounting for revenue with substantially all of our customers in Venezuela due to the downgrade of the country’s bonds by certain credit agencies, continued economic turmoil and continued economic sanctions around certain financing transactions imposed by the U.S. government. The long-term allowance was related to our primary customer in Venezuela. Upon emergence from bankruptcy on December 13, 2019, the allowance for uncollectible accounts receivable related to our primary customer in Venezuela was nil.

(b) Of the total recoveries in 2018, we collected $16 million on previously fully reserved Venezuelan accounts receivable.

(c) Other in 2018 for valuation allowance on deferred taxes is primarily due to currency translation. Other in 2019 almost entirely represents our Fresh Start Accounting adjustments to record our reserves at fair value at December 31, 2019. Generally, other within the allowance for credit losses on accounts receivable includes reductions to allowance reserves for currency translation, reclassification to other accounts or the write-off of the related allowance. Other within the excess and obsolete inventory reserve also includes removal of scrapped inventory that had been previously reserved.

All other schedules are omitted because they are not required or because the information is included in the financial statements or the related notes.

Item 16. *Form 10-K Summary*

None.

SIGNATURES

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Girishchandra K. Saligram and H. Keith Jennings and each of them, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Weatherford International plc

/s/ Girishchandra K. Saligram
Girishchandra K. Saligram
President, Chief Executive Officer and Director
(Principal Executive Officer)
Date: February 19, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Girishchandra K. Saligram Girishchandra K. Saligram	President, Chief Executive Officer and Director (Principal Executive Officer)	February 19, 2021
/s/ H. Keith Jennings H. Keith Jennings	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 19, 2021
/s/ Stuart Fraser Stuart Fraser	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 19, 2021
/s/ Charles M. Sledge Charles M. Sledge	Chairman of the Board and Director	February 19, 2021
/s/ Benjamin C. Duster IV Benjamin C. Duster IV	Director	February 19, 2021
/s/ Neal P. Goldman Neal P. Goldman	Director	February 19, 2021
/s/ Jacqueline Mutschler Jacqueline Mutschler	Director	February 19, 2021

Exhibit 4.1

WEATHERFORD INTERNATIONAL PUBLIC LIMITED COMPANY
DESCRIPTION OF SECURITIES

DESCRIPTION OF OUR ORDINARY SHARES

The following description of our ordinary shares is a summary. The complete text of our Amended and Restated Memorandum and Articles of Association have been filed as exhibits to our periodic reports filed with the SEC, and each are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part.

Our share capital is US$ 1,356,000 divided into 1,356,000,000 ordinary shares of US $0.001 each.

Voting Rights.

Each holder of our ordinary shares is entitled to one vote for each share registered in his or her name in the register of members. A person must be entered on the register by the record date specified for a general meeting in order to vote, and any change to an entry on the register after such record date shall be disregarded in determining the right of any person to attend and vote at the meeting.

Every holder of our ordinary shares entitled to attend, speak and vote at a general meeting may appoint a proxy to attend, speak and vote on his or her behalf and may appoint more than one proxy to attend, speak and vote at the same meeting.

General Meetings.

We are required to hold an annual general meeting, which may be held outside of Ireland. No business shall be transacted at any general meeting unless a quorum is present, which requires representation of more than 50% of the total voting rights attaching to our ordinary shares. Abstentions and broker non-votes are counted for the purposes of determining whether there is a quorum.

Director Elections.

Each director shall be elected by ordinary resolution at a general meeting, provided that if the number of director nominees exceeds the number of directors to be elected (a “contested election”), each of those nominees shall be voted upon as a separate resolution, and the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at any such meeting and entitled to vote on the election of directors.

Any nominee for election to the board of directors who is then serving as a director and, in an uncontested election, receives a greater number of “against” votes than “for” votes shall promptly tender his or her resignation following certification of the vote. The board of directors shall then consider the resignation offer and decide whether to accept or reject the resignation, or whether other action should be taken; provided, however, that any director whose resignation is under consideration shall not participate in such consideration.

Preemption Rights, Share Warrants and Options.

As permitted by Irish law, we have opted out of certain statutory preemption rights which apply automatically in favor of shareholders when shares are to be issued for cash. This opt-out must be renewed every five years by a special resolution of shareholders, which requires the approval of at least 75% of the votes cast, in person or by proxy, at a general meeting.

Dividends.

Holders of ordinary shares are entitled to receive such dividends which may be declared (i) at a general meeting of shareholder upon the recommendation of the board of directors or (ii) by the board of directors in such amount as appear to the directors be justified by our profits, subject to applicable law.

Liquidation.

Subject to the provisions of the Companies Act 2014 as to preferential payments, upon winding up, our property shall be distributed among the members according to their rights and interests.

Exhibit 10.24

WEATHERFORD INTERNATIONAL PLC

PERFORMANCE RESTRICTED SHARE UNIT AWARD AGREEMENT

PURSUANT TO THE

AMENDED AND RESTATED 2019 EQUITY INCENTIVE PLAN

(PERFORMANCE VESTING)

AS AMENDED AND RESTATED AS OF FEBRUARY 12, 2021

* * * * *

Participant: Girish K. Saligram

Grant Date: November 17, 2020

Target Number of Performance Restricted Share Units Granted: 169,491

*** * * * ***

THIS PERFORMANCE RESTRICTED SHARE UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above and as restated as of February 12, 2021, is entered into by and between WEATHERFORD INTERNATIONAL PLC, a public limited company organized under the laws of Ireland (the "Company"), and the Participant specified above, pursuant to the Weatherford International plc Amended and Restated 2019 Equity Incentive Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee (as defined in the Plan); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Performance Restricted Share Units ("PSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan and the "Performance Period" shall mean the three year period commencing on the Participant's date of first hire with the Company (October 12, 2020) and ending on the last day of such three year period (October 12,

2023). The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Performance Restricted Share Unit Award**. The Company hereby grants the target number of PSUs specified above to the Participant, as of the Grant Date stated above (the "Target Award"). Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the Shares underlying the PSUs, except as otherwise specifically provided for in the Plan or this Agreement.

3. **Vesting**.

(a) Subject to the provisions of this Section 3, the PSUs subject to this Agreement shall immediately vest upon the achievement of the Performance Goals set forth on Exhibit A if the same should occur at any point during the Performance Period, subject to the Participant's continued Service with the Company on such date.

(i) The actual number of PSUs that are earned, if any, pursuant to the terms and conditions of this Agreement is subject to increase or decrease based on the Company's actual performance against the Performance Goals set forth on Exhibit A and may range from 0% to 100% of the Target Award.

(ii) Upon the achievement of any applicable Performance Goal set forth on Exhibit A during the Performance Period, the number of PSUs that have been earned (the "Earned PSUs") in accordance with Exhibit A shall immediately vest and the Shares underlying the Earned PSUs will be delivered to Participant (each such date, a "Determination Date").

(b) Termination without Cause; for Good Reason; or Due to Death or Disability. Subject to Section 4(d), in the event the Participant's Service is terminated by the Company without Cause or by the Participant for Good Reason (each, as defined in the Company's Change in Control Severance Plan, notwithstanding the definitions contained the Participant's Offer Letter from the Company), a pro-rated portion of the Award shall remain eligible to vest at the end of the Performance Period based on actual performance, with such pro-rated portion, if any, determined by multiplying the number of Earned PSUs by a fraction, the numerator of which is the number of days elapsed from the Grant Date through the Participant's date of termination, and the denominator of which is the number of days in the Performance Period. Subject to Section 4(d), in the event the Participant's Service is terminated due to the Participant's death or Disability, the Shares subject to the PSUs that have not yet vested shall vest at the end of the Performance Period based on actual performance.

(c) Change in Control. Subject to Section 4(d), if a Change in Control occurs, and the successor or purchaser in the Change in Control has assumed the Company's obligations with respect to the PSUs or provided a substitute award and the Participant has a Qualifying Termination (as defined in the Company's Change in Control Severance Plan), the PSUs shall become earned and vested based on actual achievement of the Performance Goals through the date of such termination of Service; provided that if such Qualifying Termination occurs prior to a Change in Control, then the PSUs shall become earned and vested based on actual achievement of the Performance Goals through such Change in Control.

(d) Committee Discretion to Accelerate Vesting. In addition to the foregoing, the Committee may, in its sole discretion, accelerate vesting of the PSUs at any time and for any reason.

(e) Forfeiture. Subject to the terms of this Section 3, all unvested PSUs (taking into account any vesting that may occur upon the Participant's Termination in accordance with Section 3 hereof) shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Delivery of Shares**.

(a) General. Subject to the provisions of Sections 4(b) and (c) hereof, on the Determination Date (and no later than the 15th day of the third month of the calendar year following the calendar year in which the Determination Date occurs), the Participant shall receive the number of Shares that correspond to the number of Earned PSUs, less any shares withheld by the Company pursuant to Section 8 hereof.

(b) Blackout Periods. If the Participant is subject to any Company "blackout" policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section 4(a) hereof, such distribution shall be instead made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (A) the end of the calendar year in which such distribution would otherwise have been made and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder.

(c) Section 409A. If the PSUs are considered an item of deferred compensation subject to Section 409A of the Code and the Shares are distributable at a time or times by reference to the Participant's separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code) and the Participant on the date of the Participant's separation from service is both subject to U.S. federal income taxation and a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any Shares that would otherwise be issuable during the 6-month period commencing on the Participant's separation from service will be issued on the first day which immediately follows the last day of the 6-month period that commences on the Participant's separation from service (or, if the Participant dies during such period, within 30 days after the Participant's death). Such Shares shall be validly issued, fully paid and non-assessable.

(d) Release. The receipt of Shares subject to the Earned PSUs that are eligible to vest pursuant to Section 3(b) or (c) shall be subject to the execution and nonrevocation of a general release of claims in favor of the Company, in a form reasonably satisfactory to the Company.

5. **Dividends; Rights as Shareholder**. Cash dividends on the number of Shares issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each PSU granted to the Participant; provided that such cash dividends shall not be deemed to be reinvested in Shares and shall be held uninvested and without interest and paid in cash at the same time that the Shares underlying the PSUs are delivered to the Participant in accordance with the provisions hereof. Stock dividends on Shares shall be credited to a dividend book entry account on behalf of the Participant with respect to each PSU granted to the Participant; provided that such stock dividends shall be paid in Shares at the same time that the Shares underlying the PSUs are delivered to the Participant in accordance with the provisions hereof. Except as otherwise provided herein, the Participant shall have no rights as a shareholder with respect to any Shares covered by any PSU unless and until the Participant has become the holder of record of such Shares.

6. **Non-Transferability**. The PSUs, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not be sold, exchanged, transferred, assigned, pledged, encumbered or otherwise disposed of or hypothecated in any way by the Participant (or any beneficiary of the Participant who holds the PSUs as a result of a Transfer by will or by the laws of descent and distribution), other than in accordance with the provisions of Section 10(c) of the Plan.

7. **Governing Law; Jurisdiction and Venue**.

(a) All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Texas, without giving any effect to any conflict of law provisions thereof, except to the extent Texas state law is preempted by federal law. The obligation of the Company to sell and deliver Shares hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Shares. The Participant and the Company (each, a "Party") irrevocably and unconditionally agree that any past, present, or future dispute, controversy, or claim arising under or relating to this Agreement; any employment or other agreement between the Participant and the Company or any of its Subsidiaries (collectively with the Company, the "Company Parties"); any federal, state, local, or foreign statute, regulation, law, ordinance, or the common law (including but not limited to any law prohibiting discrimination); or in connection with the Participant's employment or the termination thereof; involving the Participant, on the one hand, and any of the Company Parties, on the other hand, including both claims brought by the Participant and claims brought against the Participant, shall be submitted to binding arbitration before the American Arbitration Association ("AAA") for resolution; provided that nothing herein shall require arbitration of a claim or charge that, by law, cannot be the subject of a compulsory arbitration agreement. The Parties further agree to arbitrate solely on an individual basis, that this Agreement does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative arbitration proceeding, that the arbitrator may not consolidate more than one person's claims and may not otherwise preside over any form of a representative or class proceeding, and that claims pertaining to different employees shall be heard in separate proceedings. Within 10 business days of the initiation of an arbitration hereunder, the Parties shall each separately designate an arbitrator, who shall be a former partner at an "AmLaw 200" law firm based in Houston, Texas, and within 20 business days of selection, the appointed arbitrators shall appoint a neutral arbitrator from the AAA Panel of Commercial Arbitrators. Such arbitration shall be conducted in Houston, Texas, and the arbitrators shall apply Texas law, including federal statutory law as applied in Texas courts. The arbitrators, and not any federal, state, or local court or adjudicatory authority, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, and/or formation of this Agreement, including but not limited to any dispute as to whether (i) a particular claim is subject to arbitration hereunder, and/or (ii) any part of this Section 7 is void or voidable. The arbitrators shall issue their written decision (including a statement of finding of facts and the reasons for the award) within 30 days from the date of the close of the arbitration hearing. Except as otherwise provided herein, the Parties shall treat any arbitration as strictly confidential, and shall not disclose the existence or nature of any claim or defense; any documents, correspondence, pleadings, briefing, exhibits, or information exchanged or presented in connection with any claim or defense, unless required by applicable law (including public disclosures under applicable securities laws); or any rulings, decisions, or results of any claim, defense, or argument (collectively, "Arbitration Materials") to any third party, with the exception of the Parties' legal counsel and/or tax advisors or such other similar consultants (who the applicable Party shall ensure complies with these confidentiality terms). Except as provided in Section 7(c) below, the arbitrators shall not have authority to award attorneys' fees or costs, punitive damages, compensatory damages, damages for emotional distress, penalties, or any other damages not measured by the prevailing party's actual losses, except to the extent such relief is explicitly available under a statute, ordinance, or regulation pursuant to which a claim is brought. In agreeing to arbitrate their claims hereunder, the Parties hereby recognize and agree that they are waiving their right to a trial in court and/or by a jury.

(b) In the event of any court proceeding to challenge or enforce an arbitrators' award, the Parties hereby consent to the exclusive jurisdiction of the state and federal courts sitting in Harris County, Texas; agree to exclusive venue in that jurisdiction; and waive any claim that such jurisdiction is an inconvenient or inappropriate forum. There shall be no interlocutory appeals to any court, or any motions to vacate any order of the arbitrators that is not a final award dispositive of the arbitration in its entirety, except as required by law. The Parties agree to take all steps necessary to protect the confidentiality of the Arbitration Materials in connection with any court proceeding, agree to use their best efforts to file all Confidential Information (and documents containing Confidential Information) under seal, and agree to the entry of an appropriate protective order encompassing the confidentiality terms of this Agreement.

(c) The Participant and the Company Parties shall each bear their own expenses, legal fees and other fees incurred in connection with this Agreement; provided, that the prevailing party in any such action shall be fully reimbursed by the other party for all costs, including reasonable attorneys' fees, court costs, expert or consultants' fees and reasonable travel and lodging expenses, incurred by the prevailing party in its successful prosecution or defense thereof, including any appellate proceedings.

8. **Withholding of Tax**.

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) To satisfy any withholding obligations of the Company and/or the Employer with respect to Tax-Related Items, the Company will withhold Shares otherwise issuable upon vesting of the PSUs. Alternatively, or in addition, in connection with any applicable withholding event, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their obligations, if any, with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company or the Employer, (ii) withholding from proceeds of the sale of Shares acquired upon vesting of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent) and/or (iii) requiring the Participant to tender a cash payment to the Company or an Affiliate in the amount of the Tax-Related Items; provided, however, that if the Participant is a Section 16 officer of the Company under the Exchange Act, the withholding methods described in this Section 8(b)(i), (ii), and (iii) will only be used if the Committee (as constituted to satisfy Rule 16b-3 of the Exchange Act) determines, in advance of the applicable withholding event, that one of such withholding methods will be used in lieu of withholding Shares.

(c) The Company may withhold for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdiction(s), in which case the Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

9. **Legend**. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates, if any, representing Shares issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates, if any, representing Shares acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 9.

10. **Securities Representations**. This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933 (as amended, the "Securities Act") and in this connection the Company is relying in part on the Participant's representations set forth in this Section 10.

(b) If the Participant is deemed to be an affiliate within the meaning of Rule 144 of the Securities Act, the Shares issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such Shares and the Company is under no obligation to register such Shares (or to file a "re-offer prospectus").

(c) If the Participant is deemed to be an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Shares of the Company, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the Shares issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

11. **Clawback**. The Participant shall be subject to the Company's clawback, forfeiture or other similar policies in accordance with Section 19 of the Plan. By accepting this Award, the Participant is deemed to have acknowledged and consented to the Company's application, implementation and enforcement of any such policy adopted of the Company, whether adopted prior to or following the Grant Date (and any provision of applicable law relating to reduction cancellation, forfeiture or recoupment), and to have agreed that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action by the Participant.

12. **Entire Agreement; Amendment**. This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. This Agreement may be amended by the Board or by the Committee at any time (a) if the Board or the Committee determines, in its sole discretion, that an amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Grant Date and by its terms applies to the Award; or (b) other than in the circumstances described in clause (a) or provided in the Plan, with the Participant's consent.

13. **Notices**. All notices required or permitted under this Agreement must be in writing and personally delivered or sent by certified mail, return receipt requested, and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed, in the case of a Participant, at the Participant's address shown in the books and records of the Company or, in the case of the Company, at the Company's principal offices, attention General Counsel. Any person entitled to notice hereunder may waive such notice in writing.

14. **Electronic Delivery and Participation**. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. By receipt of this PSU grant, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **No Right to Employment**. Any questions as to whether and when there has been a termination of Service and the cause of such termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement confers upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time, subject to any employment agreement or other service agreement in effect between the Company and the Participant.

16. **Transfer of Personal Data**. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the PSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

17. **Compliance with La**ws. Notwithstanding any provision of this Agreement to the contrary, the issuance of the PSUs (and the Shares upon settlement of the PSUs) pursuant to this Agreement will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act, is at the time of issuance in effect with respect to the Shares issued or (b) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any Shares subject to the Award will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Board and appropriate officers of the Company are authorized to take the actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make Shares available for issuance.

18. **Section 409A**. This Agreement and the Plan are intended to be exempt from or comply with the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. To the extent that this Award is subject

to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. The Company shall have no liability to the Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee or the Company and, in the event that any amount or benefit under this Agreement or the Plan becomes subject to penalties under Section 409A of the Code, responsibility for payment of such penalties shall rest solely with the Participant and not with the Company.

19. **No Advice Regarding Grant**. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. the Participant should consult with his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

20. **Country-Specific Provisions**. The PSUs and the Shares subject to the PSUs shall be subject to any special terms and conditions for the Participant's country set forth in the Appendix. Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

21. **Imposition of Other Requirements**. This grant is subject to, and limited by, all applicable laws and regulations and such approvals by any governmental agencies or national securities exchanges, to the extent applicable, as may be required. The Participant agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the issuance of Shares (including any state "blue sky" laws). The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the PSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. **Insider Trading Restrictions/Market Abuse Laws**. The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions including, but not limited to, the United States and, if different, the Participant's country of residence, which may affect his or her ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring his or her compliance with any applicable restrictions and should speak to his or her personal legal advisor on this matter.

23. **Foreign Asset/Account Reporting; Exchange Controls**. The Participant acknowledges that, depending on his or her country of residence, the Participant may be subject to

foreign asset and/or account reporting requirements and/or exchange controls as a result of the vesting and settlement of the PSUs, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. For example, the Participant may be required to report such assets, accounts, account balances and values and/or related transactions to the tax or other authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received pursuant to the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant is responsible for ensuring compliance with any applicable requirements and should speak to his or her personal legal advisor regarding these requirements.

24. **No Secured Rights**. The Participant's right to payments under this Agreement shall not constitute nor be treated as property or as a trust fund of any kind. The Participant's rights are limited exclusively to the right to receive Shares as provided in the Agreement. The Participant shall not have any rights as an owner of the Company with respect to any PSUs granted to Participant. All benefits payable to the Participant shall be payable solely from the general assets of the Company and no separate or special funds shall be established and no segregation of assets shall be made to assure the payment of benefits to Participant. The Participant's rights shall be limited to those rights that are specifically enumerated in the Agreement, and such rights shall be for all purposes, unsecured contractual creditors' rights against the Company only.

25. **Binding Agreement; Assignment; Amendment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign any part of this Agreement without the prior express written consent of the Company, which consent may not be unreasonably withheld, conditioned or delayed. The Committee has the right to amend, alter, suspend, discontinue or cancel the PSUs, prospectively or retroactively; provided that no such amendment shall materially and adversely affect the Participant's rights under this Agreement without the Participant's consent, except as provided in Sections 18 and 21 hereof and Section 14 of the Plan.

26. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

27. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

28. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

29. **Severability**. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

30. **Confidentiality**. The Participant agrees to keep strictly confidential and not to disclose to any Person the fact that the Participant has been granted the PSUs or any terms of this Agreement; provided, however, that the Participant may disclose the fact that the Participant has been granted the PSUs and the terms of this Agreement to the Participant's attorney, accountant, spouse or those employees of the Company or its Affiliates who are or will be involved in administering and implementing this Agreement. The Participant specifically acknowledges and agrees to the provisions of Section 10(h) of the Plan (regarding confidentiality and other restrictive covenants).

31. **Acknowledgement & Acceptance within 30 Days**. This grant is subject to acceptance, within 30 days of the Grant Date, by electronic acceptance through the website of Bank of America Merrill Lynch, the Company's share plan administrator, or by signed documents delivered to the Company. **Failure to accept the PSUs within 30 days of the Grant Date may result in cancellation of the PSUs**.

[Remainder of Page Intentionally Left Blank]

By signing below, the Participant hereby acknowledges receipt of the PSUs issued on the Grant Date indicated above, which have been issued under the terms and conditions of the Plan and this Agreement.

WEATHERFORD INTERNATIONAL PLC

By: /s/ Scott C. Weatherholt
Name: Scott C. Weatherholt
Title: Executive Vice President, General Counsel and Chief Compliance Officer

Accepted by:
/s/ Girish K. Saligram
Girish K. Saligram

Date: February 17, 2021

Exhibit A

Performance Goals

Vesting shall occur based upon the achievement of the following price per share of the Company’s common stock:

1/3 will vest at a share price of $3.45

1/3 will vest at a share price of $3.95

1/3 will vest at a share price of $4.45

The aforementioned share prices must be achieved and sustained (or increased, but not decreased) for a period of 60 consecutive trading days in order for vesting to occur.

Appendix

Not applicable.

Exhibit 21.1

Significant Subsidiaries

Listed below are the significant subsidiaries of the Registrant as of December 31, 2020, and the states or jurisdictions in which they are incorporated or organized. The names of other subsidiaries have been omitted from the list below, since they would not constitute, in the aggregate, a significant subsidiary as of December 31, 2020.

Name of Company	Jurisdiction
Weatherford Al-Rushaid Co. Ltd.	Saudi Arabia
Weatherford Artificial Lift Systems, LLC	Delaware
Weatherford Canada Ltd.	Canada
Weatherford de Mexico, S. de R.L. de C.V.	Mexico
Weatherford Industria e Comercio Ltda.	Brazil
Weatherford International de Argentina S.A.	Argentina
Weatherford International Ltd.	Bermuda
Weatherford International, LLC	Delaware
Weatherford Management Company Switzerland Sarl	Switzerland
Weatherford Norge AS	Norway
Weatherford Oil Tool GmbH	Germany
Weatherford Oil Tool Middle East Limited	British Virgin Islands
Weatherford Products GmbH	Switzerland
Weatherford Energy Services Saudi Arabia Co. Ltd.	Saudi Arabia
Weatherford Switzerland Trading and Development GmbH	Switzerland
Weatherford U.K. Limited	England
Weatherford U.S., L.P.	Louisiana
Weatherford, LLC	Russia
Weatherford Well Services L.L.C.	Qatar
WEUS Holding, LLC	Delaware

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Girishchandra K. Saligram, certify that:

1. I have reviewed this annual report on Form 10-K of Weatherford International plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Girishchandra K. Saligram

Girishchandra K. Saligram
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, H. Keith Jennings, certify that:

1. I have reviewed this annual report on Form 10-K of Weatherford International plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ H. Keith Jennings

H. Keith Jennings
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Weatherford International plc (the "Company") for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Girishchandra K. Saligram, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Girishchandra K. Saligram

Name: Girishchandra K. Saligram
Title: President and Chief Executive Officer
Date: February 19, 2021

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Weatherford International plc (the "Company") for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, H. Keith Jennings, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ H. Keith Jennings

Name: H. Keith Jennings
Title: Executive Vice President and Chief Financial Officer
Date: February 19, 2021

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.