



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 989 528 270  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ABBOT HOLDINGS NORGE AS  
Forretningsadresse: Espehaugen 37  
5258 BLOMSTERDALEN

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anders Langeland  
Dato for fastsettelse av årsregnskapet: 10.06.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 17.08.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad		116 000	94 000
<b>Sum kostnader</b>		<b>116 000</b>	<b>94 000</b>
<b>Driftsresultat</b>		<b>-116 000</b>	<b>-94 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		1 021 000	3 170 000
Annen finansinntekt		588 000	-1 000
<b>Sum finansinntekter</b>		<b>1 609 000</b>	<b>3 169 000</b>
<b>Netto finans</b>		<b>1 609 000</b>	<b>3 169 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 493 000</b>	<b>3 075 000</b>
Skattekostnad på ordinært resultat		-16 054 000	-28 004 000
<b>Ordinært resultat etter skattekostnad</b>		<b>17 547 000</b>	<b>31 079 000</b>
<b>Årsresultat</b>		<b>17 547 000</b>	<b>31 079 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		17 547 000	31 079 000
<b>Sum overføringer og disponeringer</b>		<b>17 547 000</b>	<b>31 079 000</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	885 468 000	885 468 000
<b>Sum finansielle anleggsmidler</b>		<b>885 468 000</b>	<b>885 468 000</b>
<b>Sum anleggsmidler</b>		<b>885 468 000</b>	<b>885 468 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Interest receivable		0	415 000
Konsernfordringer	7	597 405 000	522 513 000
<b>Sum fordringer</b>		<b>597 405 000</b>	<b>522 928 000</b>
<b>Sum omløpsmidler</b>		<b>597 405 000</b>	<b>522 928 000</b>
<b>SUM EIENDELER</b>		<b>1 482 873 000</b>	<b>1 408 396 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	6	1 624 925 000	1 624 925 000
Overkurs	6	2 895 182 000	2 895 182 000
Annen innskutt egenkapital	6	689 696 000	632 778 000
<b>Sum innskutt egenkapital</b>		<b>5 209 803 000</b>	<b>5 152 885 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	6	-3 726 964 000	-3 744 511 000
<b>Sum opptjent egenkapital</b>		<b>-3 726 964 000</b>	<b>-3 744 511 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum egenkapital</b>		<b>1 482 839 000</b>	<b>1 408 374 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Annen kortsiktig gjeld		34 000	22 000
<b>Sum kortsiktig gjeld</b>		<b>34 000</b>	<b>22 000</b>
<b>Sum gjeld</b>		<b>34 000</b>	<b>22 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 482 873 000</b>	<b>1 408 396 000</b>



**Skattedirektoratet**

Inquiries to Torstein Kinden Helleland	Your date 25.04.2007	Our date 08.08.2007
Telephone +47 22 07 81 39	Your reference Petter Pharo	Our reference 2007/177957 /RR-RE/TKH /812.1

Ernst & Young AS  
P.O. Box 6163  
5892 Bergen

**Application for a permission to keep accounts in Norway in English language,  
including the annual report and statement**

Dear Mr Petter Pharo,

With reference to your letter of 25 April 2007, fax of 20 June 2007 and various phone calls with respect to the above matter.

The application in question concerns the following companies:

1. Abbot Holdings Norge AS (reg. no. 989 528 270)
2. KCA DEUTAG Offshore AS (reg. no. 986 709 770)
3. KCA DEUTAG Pte Ltd (reg. no. 990 440 832)
4. KCA DEUTAG (Ben Rinnes) AS (reg. no. 990 397 082)
5. KCA DEUTAG Holdings Norge AS (reg. no. 987 558 741)

The background for the application is that all of the above mentioned companies are part of the Abbot Group. Abbot Group Plc, the head company of the Abbot Group, is listed on the London Stock Exchange (LSE).

The activities of the Abbot Group are centred around its operating subsidiaries, KCA DEUTAG, and Benter Drilling & Oilfield Systems. KCA DEUTAG is the largest offshore platform drilling contractor in the North Sea and the Caspian Region. Further, it is one of the largest international land drilling contractors outside the Americas, and a world leader in engineering, rig design, construction and operation. The company has more than 6.000 employees worldwide and has operations in the North Sea, Europe, Russia, the Middle East, Caspian Region, North and West Africa, and Asia.

KCA DEUTAG's Headquarter is in Aberdeen, Scotland, and it operates through three Global Business Units.

The company's accounts are audited by PWC. Ernst & Young is elected as the company's preferred Tax Advisor worldwide.

The reason for the application is that the group in question is highly international in the sense that it operates throughout the world. The company group has several legal entities and companies in different countries. A number of these companies are taxable or will be

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taxable in other jurisdictions due to inter alia international rig operations. It follows that the accounts for these companies will have to be presented in different jurisdictions.

The company KCA DEUTAG Pte Ltd is inter alia subject to statutory accounting also in Singapore (prepared in English language), which implies that it is a significant disadvantage if the company has to prepare the Norwegian accounts in Norwegian and the Singapore accounts in English.

For this reason alone the company group has a strong interest in using the English language as the accounting language for the above-mentioned companies.

The group headquarter is in Aberdeen, and the working language of the group is English. All the users of the accounts within the company group are also English, as well as the persons signing the accounts. All the above-mentioned companies covered by this application are 100 % owned by an English company. All company loan agreements etc. are entered into with foreign financial institutions (banks). Further, more or less all the contracting parties and customers of these companies are foreign companies. Contracting parties and customers, at a certain level, commonly want to extract information about the company from the accounts in English.

#### **Permission to keep accounts in Norway in English language**

It follows from the Norwegian Bookkeeping Act of 19 November 2004 nr 73 § 12 that the specifications of statutory financial reporting shall be in Norwegian, Swedish, Danish or English language. Hence, it is not necessary to apply for permission to keep accounts in Norway in English language.

#### **Permission to make the annual report and statement in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *“the annual report and annual statement ... be in Norwegian. The Ministry can in an individual decision decide that the annual report and/or annual statement may be in another language”*

Ot. prp. nr. 42 (1997-1998) *About Act about annual accounts etc.*, says the following about the purpose of the Accounting Act, refer section 1.1:

*“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”*



Hence, one of the main aims of the Accounting Act is to contribute to “*informative accounts for different users of accounts*” The users of the accounts will include investors, creditors, employees and the local community. The government (central and local) authorities must also be considered to be an important user of the accounts. For example, the tax authorities and other public authorities who are involved in controlling the activities in the private sector, use accounts as an important tool in their control activity.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or annual statement should be done in Norwegian, not in any significant way deviate from the consideration of users of the accounts. Further, the applicant must have a particular interest in having the opportunity to make the annual statement and/or annual statement in a language other than Norwegian.

The four applying companies are a part of the Abbot Group and are 100 % owned by an English company. Abbot Group Plc, the head company of the Abbot Group, is listed on the London Stock Exchange (LSE). The group headquarter is in Aberdeen, and the working language of the group is English. All the users of the accounts within the company group are also English, as well as the persons signing the accounts. All company loan agreements etc. are entered into with foreign financial institutions (banks). Further, more or less all the contracting parties and customers of these companies are foreign companies. Contracting parties and customers, at a certain level, commonly want to extract information about the company from the accounts in English.

Based on the above, and after a total evaluation, the view of The Directorate of Taxes is that the applying companies mentioned above may make the annual report and statement in English language.

#### **Conclusion**

The Directorate of Taxes gives Abbot Holdings Norge AS, KCA DEUTAG Offshore AS, KCA DEUTAG Pte Ltd, KCA DEUTAG (Ben Rinnes), KCA DEUTAG Holdings Norge AS permission to make the annual report and annual statement in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

Yours sincerely,

Nina Hognes  
underdirektør  
Seksjon for revisjon  
Retts- og revisjonsavdelingen

Torstein Kinden Helleland



**Vedlegg Regnskapsloven § 3-7**

I samsvar med regnskapsloven § 3-7 utarbeider ikke selskapet konsernregnskap. Selskapet inngår i konsernregnskapet til KCA Deutag Alpha Limited; et selskap registrert i England.

Konsernregnskapet til KCA Deutag Alpha Limited er levert inn til UK register of Company Accounts, men leveres også inn av KCA Deutag Holdings Norge AS (org nr 987 558 741) som er det øverste norske selskapet.



**Abbot Holdings Norge AS**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2020**

Registered Number: 0989528270



**Abbot Holdings Norge AS**  
**Annual report and financial statements**  
**for the year ended 31 December 2020**  
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**Abbot Holdings Norge AS**

**Board of Directors and other officers**

**Board of Directors**

R Lorentzen (resigned 17 June 2020)  
O Maier (appointed 17 June 2020)  
A Hogg  
B Tresselt (resigned 6 July 2020)  
G Paver (resigned 5 February 2020)  
L Clow (resigned 5 February 2020)  
T E Aasland (appointed 6 July 2020)

**Independent Auditors**

PricewaterhouseCoopers AS  
Sandviksbodene 2A  
5035 Bergen  
Norway

**Business Address**

Espehaugen 37  
Blomsterdalen  
5258 Bergen  
Norway



## Abbot Holdings Norge AS

### Directors' report for the year ended 31 December 2020

The Directors submit their annual report to the members together with the audited accounts of the Company for the year ended 31 December 2020.

#### Directorate

The Directors in office at the date of this report and who served during the year are as follows:

O Maier  
R Lorentzen  
A Hogg  
B Tresselt  
L Clow  
G Paver  
T E Aasland

#### The business, operations and prospects

Abbot Holdings Norge AS, a wholly owned subsidiary of KCA DEUTAG Holdings Norge AS, was incorporated on 23 February 2006. The Company's registered office is in Bergen, Norway. Abbot Holdings Norge AS is a holding company and owns 100% of the shares of KCA DEUTAG Offshore AS.

The general prospects are positive within KCA DEUTAG Offshore AS, both in the short and long term and it is expected that its subsidiaries will trade profitably.

#### Going concern

The Company has net assets of NOK 1.48 billion (2019: NOK 1.41 billion), and its funding is dependent upon the overall funding position of the KCA Deutag Alpha Group ("the Group"). The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give management's best estimates of forward liquidity, leverage and forecast covenant compliance as defined in the Group's loan documentation. This is done to identify risks to liquidity and covenant compliance and to enable management to formulate appropriate and timely mitigation strategies.

The onset of the pandemic and significant reduction in the oil price during the first quarter resulted in the Group reviewing its plans to refinance its debt facilities, the first of which was scheduled to fall due in May 2021. The Group's liquidity and covenant forecasts suggested that it would be very difficult for the Group to continue to comply with its quarterly leverage covenant under its loan documents. As a result, the Group decided to exercise the grace period available under its lending documents in relation to interest payments due at the start of April 2020. During this grace period, the Group entered into discussions with its lenders with a view to agreeing a restructuring of the Group's balance sheet and on 2 May 2020, the Group entered into a Standstill Agreement with its lenders. This agreement allowed the Group to defer interest payments and scheduled repayments of the Group's debt for three months. During the standstill period, the Group had certain obligations to comply with, including the provision of an updated 5 year business plan and restructuring proposal for consideration by the lenders.

On 31 July 2020, the Group entered into a binding Lock-up Agreement with the majority of its secured creditors in connection with a financial restructuring, which would result in a significant reduction in Group debt from c.\$1.9 billion to \$505 million, principally through the issuance of new five year \$500 million Senior Secured Notes. Post restructuring, the Group's annual interest cost is expected to be c.\$50 million (pre-restructuring net interest payable was c.\$170 million per year) and its leverage ratio is expected to fall to below two times EBITDA (pre-restructuring leverage was over 6 times EBITDA). On 21 December 2020, the Group completed the proposed financial restructuring through an English law scheme of arrangement under the Companies Act 2006 and the debt of c.\$1.9 billion was accordingly reduced on the same day. The Group was acquired by a new holding entity on completion, with additional equity of \$800 million being provided to the Group via a loan which was capitalised prior to the year end.



## Abbot Holdings Norge AS

### Directors' report for the year ended 31 December 2020 (continued)

#### Going concern (continued)

The Company participates in a notional Cash Pooling arrangement with a number of other Group Companies. Cash and overdraft balances included within the cash pool are treated as intercompany receivables and payables respectively for the purposes of disclosure in these financial statements.

Senior secured notes (US\$ 500,000k) and guarantee facilities which are available to KCA Deutag Alpha Limited and certain subsidiaries, including the Company, are secured inter alia by a cross guarantee from the Company, by a floating charge over the assets of the Company and by a share pledge over the shares of the Company.

At the year end the Group has a strong liquidity position and has headroom under its financial covenants which form a part of these facilities. The Directors have reviewed the most recent projections and forecasts as prepared as part of its budgeting and strategic planning process, along with assessing severe but plausible downside sensitivity scenarios and their potential impacts on Group profitability and cash generation over the same period. By completing this analysis, these projections indicate that the Group's liquidity and covenant headroom is adequate. Therefore, the Directors are confident that the Group has sufficient covenant headroom as well as adequate cash resources to meet all of its liabilities as they fall due over the next 12 months. For these reasons the Directors consider it appropriate to prepare the Group's financial statements on a going concern basis. Further details are provided in Note 9 to the financial statements.

#### Risk

Recognising and managing risk is an inherent part of the management culture. For further information on risk see note 2.

#### Health, security, environmental and corporate governance

The Company's business is that of a holding company and other than through its subsidiaries is not exposed to any environmental matters.

The Company has no employees. The board and management will work to establish equal positions and opportunities for men and women on the board.

#### Income statement and balance sheet

The profit of the year, NOK 17,547k (2019: profit of NOK 31,079k) is a result of group contribution received and other financial items. Of the Company's liabilities, NOK 34k (2019: NOK 22k) are due within one year from balance sheet date.

There was no cash outflow during the year.

#### Annual result and year-end appropriations

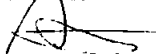
The Board proposes the following appropriation of the annual result:

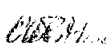
Total appropriation	NOK 17,547k profit	(2019: NOK 31,079k profit)
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After above mentioned allocation, the Company's free equity totals NOK nil.


The Company's positive equity at 31 December 2020 is	NOK 1,482,839k	(2019: NOK 1,408,374k)
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Bergen, 10 June 2021

  
Alisdair Hogg  
Member of the Board

  
Ole Maier  
Chairman of the Board

  
Tom Einar Aasland  
Member of the Board

  
Thorbjørn Anhøj  
General Manager



**Abbot Holdings Norge AS**

**Independent auditors' report to the members of Abbot Holdings Norge AS**

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**Abbot Holdings Norge AS**

**Independent auditors' report to the members of Abbot Holdings Norge AS (continued)**

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**Abbot Holdings Norge AS**

**Independent auditors' report to the members of Abbot Holdings Norge AS (continued)**

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**Abbot Holdings Norge AS**

**Income statement for the year ended 31 December 2020**

	Note	2020 NOK'000	2019 NOK'000
<b>Operating income</b>			
Other operating expense		(116)	(94)
<b>Operating loss</b>		<b>(116)</b>	<b>(94)</b>
<b>Financial income and financial expenses</b>			
Other interest income		1,021	3,170
Other financial income		588	(1)
Other financial expenses		-	-
<b>Net financial income</b>		<b>1,609</b>	<b>3,169</b>
<b>Profit before tax charge</b>		<b>1,493</b>	<b>3,075</b>
<b>Tax charge</b>			
Tax credit on ordinary profit	4	16,054	28,004
<b>Profit for the year</b>		<b>17,547</b>	<b>31,079</b>
<b>Application:</b>			
Transferred to other equity	6	17,547	31,079

**Statement of comprehensive income for the year ended 31 December 2020**

	2020 NOK'000	2019 NOK'000
<b>Profit for the year</b>	<b>17,547</b>	<b>31,079</b>
<b>Total other comprehensive income for year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>17,547</b>	<b>31,079</b>




## Abbot Holdings Norge AS


## Balance Sheet as at 31 December 2020

	Note	2020 NOK'000	2019 NOK'000
<b>Non-current assets</b>			
<i>Financial assets</i>			
Investments in subsidiaries	5	885,468	885,468
<b>Total non-current assets</b>		<b>885,468</b>	<b>885,468</b>
<b>Current assets</b>			
Short term receivables from group companies	7	597,405	522,513
Interest receivable		-	415
Other receivables		-	-
<b>Total current assets</b>		<b>597,405</b>	<b>522,928</b>
<b>Total assets</b>		<b>1,482,873</b>	<b>1,408,396</b>
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	6	1,624,925	1,624,925
Share premium	6	2,895,182	2,895,182
Other paid in capital	6	689,696	632,778
<b>Total paid-in capital</b>		<b>5,209,803</b>	<b>5,152,885</b>
<i>Retained earnings</i>			
Other equity	6	(3,726,964)	(3,744,511)
<b>Retained earnings</b>		<b>(3,726,964)</b>	<b>(3,744,511)</b>
<b>Total equity</b>		<b>1,482,839</b>	<b>1,408,374</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Other current liabilities		34	22
<b>Total current liabilities</b>		<b>34</b>	<b>22</b>
<b>Total liabilities</b>		<b>34</b>	<b>22</b>
<b>Total equity and liabilities</b>		<b>1,482,873</b>	<b>1,408,396</b>


Bergen, 10 June 2021



Alisdair Hogg  
Member of the Board



Ole Maier  
Chairman of the Board



Tom Einar Aasland  
Member of the Board



Thorbjørn Anhej  
General Manager



**Abbot Holdings Norge AS**

**Cash flow statement for the year ended 31 December 2020**

	2020	2019
	NOK'000	NOK'000
Profit before tax charge	1,493	3,075
Change in receivables	(74,477)	(130,338)
Change in payables	12	(26)
Tax received	16,054	28,004
<b>Net cash flow used in operations</b>	<b>(56,918)</b>	<b>(99,285)</b>
Group contribution	56,918	99,285
<b>Net cash flow generated from financing</b>	<b>56,918</b>	<b>99,285</b>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>



## Abbot Holdings Norge AS

### Notes to the financial statements for the year ended 31 December 2020

#### 1 Accounting policies

##### General information

Abbot Holdings Norge AS is a joint-stock company registered in Norway, which was incorporated on 23 February 2006.

##### Presentation of the financial statements

The financial statements of Abbot Holdings Norge AS for 2020 have been prepared according to IFRS and instructions on simplified use of IFRS (2006-12-22 no. 1582), implying that the Company makes use of accounting policies in accordance with IFRS while notes have been prepared in accordance with chapter 7 of the Accounting Act.

The financial statements have been prepared under the historical cost convention.

##### Group affiliation

In accordance with the Accounting Act § 3-7 the Company does not prepare consolidated financial statements. The Company constitutes a part of the consolidated financial statements of KCA Deutag Alpha Limited, a company registered in England. The consolidated financial statements of KCA Deutag Alpha Limited have been made accessible through filing at Companies House.

##### Functional currency and presentation currency

The Company is presenting the financial statements in NOK. This is also the Company's functional currency. In 2015 the Company changed its functional currency from USD to NOK.

##### Classification of balance sheet items

Assets which are considered as permanent ownership are classified as non-current assets. Receivables are classified as current assets if they are to be repaid within one year from payment date. Analogue criteria come into force for liabilities.

##### General valuation principles

Assets are valued at the lower of acquisition cost and fair value.

##### Investment in and return from investment in other companies

Shares, including shares in subsidiaries, are valued according to the cost method in the Company accounts. The investment is valued at acquisition cost of the shares unless impairment has been necessary. Impairment to fair value has been made when a loss in value is not expected to be temporary and impairment is considered necessary according to generally accepted accounting principles. The impairment is reversed when the reason for the impairment is no longer present.

Dividends and other distributions are recognised as income in the same year as being allocated in the subsidiary or recognised from a fellow Group company. In case the dividend exceeds share of retained result after the acquisition, the excess amount represents repayment of invested capital and the distributions have been deducted from the value of the investment in the balance sheet.

##### Provisions

A provision is recognised when the Company has an obligation (legal or self-imposed) as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, the provision is made by discounting expected future cash flows at a discount rate before taxes that is reflecting the pricing of the market of the time value of money and, if relevant, risks specifically connected to the obligation.



## Abbot Holdings Norge AS

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 1 Accounting policies (continued)

##### Equity

###### Liabilities and equity

Financial instruments are classified as liabilities or equity in accordance with the underlying financial reality.

Interest, dividend, profit and loss related to a financial instrument classified as liability, will be recognised as expense or income. Distributions to owners of financial instruments that are classified as equity will be recognised directly against equity.

###### Expenses connected to equity transactions

Transaction costs directly connected to an equity transaction is recognised directly against equity less deduction for taxes.

###### Principles for revenue recognition

Revenue is recognised when transactions are likely to generate future financial profit that will accrue to the Company and the size of the amount can be reliably estimated.

###### Foreign currency transactions

Foreign currency transactions are translated at the exchange rate prevailing at the transaction date. Monetary items in foreign currency are translated into NOK using the exchange rate of the balance sheet date. Non-monetary items that are measured at historical exchange rate in foreign currency, are translated to NOK using the exchange rate prevailing at the transaction date. Non-monetary items that are measured at fair value in foreign currency are translated at the exchange rate prevailing at the balance sheet date. Exchange rate changes are recognised currently in the income statement in the accounting period.

Items at fair value in foreign currency are translated at the exchange rate prevailing at the time for valuation of fair value.

###### Taxes

The tax charge in the income statement comprises both payable tax of the period and change in deferred tax. Tax enhancing and tax reducing temporary differences that are reversed or may be reversed in the same period have been eliminated. Net deferred tax asset is recognised in the balance sheet to the extent that it is probable that it will be utilised.

###### Borrowings

Issued loans are historically recognised at fair value, net after incurred transaction costs. Subsequently borrowings are recognised as amortised cost by means of the effective interest method.

###### Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes part in the contractual provision for the instrument.

###### Financial derivatives and hedging accounting

The Company's activities involve financial risk related to changes in interest and currency exchange rates. The Company makes use of foreign forwarding contracts and interest swap arrangements to secure such positions. The Company does not make use of financial derivatives for speculative purposes.

Financial derivatives are recognised at fair value at the time of transaction. Carried amount of derivatives are currently re-measured by changes in fair value. The method for accounting of profit and loss depends on whether the derivatives are defined as hedging instrument and the qualities of the hedging object. The Company estimates appointed derivatives as either (1) hedging of fair value, (2) hedging of cash flows or (3) hedging of net investment in foreign entity. The Company has not used financial derivatives during the year ended 31 December 2020.

If hedging accounting is being used the Company has documented the connection between hedging instrument and hedging object, the purpose of the risk management and hedging strategy at accomplishment of the transaction. The Company may also



## Abbot Holdings Norge AS

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 1 Accounting policies (continued)

##### Financial derivatives and hedging accounting (continued)

document how hedging efficiency is measured, both at the time of transaction and currently. The Company is testing efficiency every six months.

Changes in fair value at transactions defined as hedging of cash flows and where efficiency is documented, have been recognised directly against equity. The part of the transaction that is not efficient is recognised over the income statement. If the hedging of cash flows of a liability entered into or an expected transaction which involves recognition of a non-financial asset or liability, previous profit or loss for the derivative that is recognised against the equity will be included in the assessment of the value of the asset or liability at the time of recognition.

For hedging that does not involve recognition of assets or liabilities the allocated amount against equity will be recognised over the income statement in the same period as the hedging object brings about profit or loss.

Hedging accounting is not continued when the hedging object is omitted or sold, terminated or performed or no longer qualifies for hedging accounting. At this point in time accumulated profit or loss involved in the hedging instrument that is recognised against equity, is continued as equity element until the expected hedging transaction occurs. If the hedging transaction can no longer be expected to occur, accumulated profit and loss recognised against equity are recognised over the income statement.

Fair value of forwarding currency contracts is estimated based on the currency exchange rates prevailing at the balance sheet date.

##### Conditional liabilities and assets

Conditional liabilities are not recognised in the financial statements. Information is given about material conditional liabilities with the exception of conditional liabilities where the probability of the liability is low.

A conditional asset is not recognised in the financial statements, but informed about if a certain probability is present that an advantage will accrue to the Company.

##### Events after the balance sheet date

New information after the balance sheet date regarding the Company's financial position is taken into account in the financial statements. Events after the balance sheet date that do not have any impact on the Company's financial position on the balance sheet date, but will have impact on the Company's future financial position are disclosed if material.

##### Estimates

The preparation of the financial statements is subject to management using estimates and assumptions that influence the income statement and the assessment of assets and liabilities, and information related to insecure assets and liabilities at the balance sheet date.

Conditional losses that are probable and quantifiable are recognised as expense currently.

##### Statement of cash flows

The statement of cash flows has been prepared according to the indirect method. Cash and cash equivalents comprise cash, bank deposits and other short term, liquid investments.



## Abbot Holdings Norge AS

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 2 Financial market risk

##### Interest risk

The Company has no significant interest rate risk. It does not have any interest-bearing borrowings as at 31 December 2020.

##### Exchange risk

The Company has negligible exchange risk against USD only. The Company's balance sheet positions are held predominantly in NOK.

#### 3 Wages, number of employees, remunerations, loans to employees and auditors' fee

The Company has no employees. No loan or guarantees have been rendered to employees in other group companies. No remuneration has been rendered to the members of the board.

Auditors' fees of NOK 63k (2019: NOK 52k) have been recognised in the income statement for 2020.

The Company is not obliged to have a mandatory pension scheme.

#### 4 Tax credit on ordinary profit

	2020	2019
	NOK'000	NOK'000
<b>Calculation of basis for payable taxes of the year</b>		
Profit before tax charge	1,493	3,075
Taxable currency impact of translation basis for taxes to NOK	-	-
Timing differences	13	(1)
Group contribution	72,972	127,289
Utilisation of brought forward losses	(74,478)	(130,363)
Basis for taxes	-	-
Tax rate on Group contribution	22%	22%
Tax credit	16,054	28,004
<b>Deferred tax asset</b>		
At 1 January and 31 December	-	-
<b>Calculation of deferred tax asset</b>		
Tax losses	-	(74,453)
Other timing differences	(34)	23
Deferred tax not recognised	34	74,430
Basis for deferred tax	-	-
Tax rate	22%	22%
Deferred tax asset	-	-

A deferred tax asset has not been recognised due to the uncertainty of future taxable income arising in the Company.



**Abbot Holdings Norge AS**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**5 Investments in subsidiaries**

	<b>Business address</b>	<b>Owner's share voting share</b>	<b>Book Value NOK'000</b>
KCA DEUTAG Offshore AS	Bergen	100%	885,468
<b>Total</b>			<b>885,468</b>

The Company owns 100% of the share capital and voting rights. In 2020 KCA DEUTAG Offshore AS made a profit after tax of US\$2,034k. As at 31 December 2020 KCA DEUTAG Offshore AS has total equity of US\$128,185k.

**6 Equity**

	<b>Share capital NOK'000</b>	<b>Share premium NOK'000</b>	<b>Other paid in capital NOK'000</b>	<b>Other equity NOK'000</b>	<b>Total NOK'000</b>
At 1 January 2020	1,624,925	2,895,182	632,778	(3,744,311)	1,408,374
Other paid in capital	-	-	56,918	-	56,918
Result for the year	-	-	-	17,547	17,547
<b>At 31 December 2020</b>	<b>1,624,925</b>	<b>2,895,182</b>	<b>689,696</b>	<b>(3,726,964)</b>	<b>1,482,839</b>

The share capital at 31 December 2020 consists of 1,595,849 shares NOK 1,018.22 each.

Increase in other paid capital reflects Group Contribution received from another group company.

**7 Short term receivables from group companies**

	<b>2020 NOK'000</b>	<b>2019 NOK'000</b>
<b>Current assets</b>		
KCA DEUTAG MODU Operations AS - short term receivables	40,896	43,599
KCA Deutag Drilling Norge AS - short term receivables	32,076	83,690
KCA Deutag Drilling Norge AS - loan receivables	461,589	-
<b>Other short term receivables</b>	<b>62,844</b>	<b>395,224</b>
<b>Total</b>	<b>597,405</b>	<b>522,513</b>

There is a loan receivable of NOK 461,000k plus accruing interest of NOK 589k owing from the company's parent entity, KCA Deutag Holdings Norge AS. The loan is repayable on demand. Interest is charged at the underlying NOK base rate plus a margin of 1.0%.

The other short term receivables balance relates wholly to the Company's positive cash balances within the Group cash pooling arrangements.



## Abbot Holdings Norge AS

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 8 Financial institutions

As at 31 December 2020 and 2019, the Company has no non-current liabilities owing to financial institutions.

Senior secured notes (US\$500,000k) and guarantee facilities which are available to KCA DEUTAG Alpha Limited and certain subsidiaries, including the Company, are secured inter alia by a cross guarantee from the Company, by a floating charge over the assets of the Company and by a share pledge over the shares of the Company. At year end, the Company has not utilised any of the available facilities.

#### 9 Basis of preparation

The Company has net assets of NOK 1.48 billion (2019: NOK 1.41 billion), and its funding is dependent upon the overall funding position of the KCA Deutag Alpha Group ("the Group"). The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give management's best estimates of forward liquidity, leverage and forecast covenant compliance as defined in the Group's loan documentation. This is done to identify risks to liquidity and covenant compliance and to enable management to formulate appropriate and timely mitigation strategies.

The onset of the pandemic and significant reduction in the oil price during the first quarter resulted in the Group reviewing its plans to refinance its debt facilities, the first of which was scheduled to fall due in May 2021. The Group's liquidity and covenant forecasts suggested that it would be very difficult for the Group to continue to comply with its quarterly leverage covenant under its loan documents. As a result, the Group decided to exercise the grace period available under its lending documents in relation to interest payments due at the start of April 2020. During this grace period, the Group entered into discussions with its lenders with a view to agreeing a restructuring of the Group's balance sheet and on 2 May 2020, the Group entered into a Standstill Agreement with its lenders. This agreement allowed the Group to defer interest payments and scheduled repayments of the Group's debt for three months. During the standstill period, the Group had certain obligations to comply with, including the provision of an updated 5 year business plan and restructuring proposal for consideration by the lenders.

On 31 July 2020, the Group entered into a binding Lock-up Agreement with the majority of its secured creditors in connection with a financial restructuring, which would result in a significant reduction in Group debt from c.\$1.9 billion to \$505 million, principally through the issuance of new five year \$500 million Senior Secured Notes. Post restructuring, the Group's annual interest cost is expected to be c.\$50 million (pre-restructuring net interest payable was c.\$170 million per year) and its leverage ratio is expected to fall to below two times EBITDA (pre-restructuring leverage was over 6 times EBITDA). On 21 December 2020, the Group completed the proposed financial restructuring through an English law scheme of arrangement under the Companies Act 2006 and the debt of c.\$1.9 billion was accordingly reduced on the same day. The Group was acquired by a new holding entity on completion, with additional equity of \$800 million being provided to the Group via a loan which was capitalised prior to the year end.

The Company participates in a notional Cash Pooling arrangement with a number of other Group Companies. Cash and overdraft balances included within the cash pool are treated as intercompany receivables and payables respectively for the purposes of disclosure in these financial statements.



## **Abbot Holdings Norge AS**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **9 Basis of preparation (continued)**

Senior secured notes (US\$ 500,000k) and guarantee facilities which are available to KCA Deutag Alpha Limited and certain subsidiaries, including the Company, are secured inter alia by a cross guarantee from the Company, by a floating charge over the assets of the Company and by a share pledge over the shares of the Company.

At the year end the Group has a strong liquidity position and has headroom under its financial covenants which form a part of these facilities. The Directors have reviewed the most recent projections and forecasts as prepared as part of its budgeting and strategic planning process, along with assessing severe but plausible downside sensitivity scenarios and their potential impacts on Group profitability and cash generation over the same period. By completing this analysis, these projections indicate that the Group's liquidity and covenant headroom is adequate. Therefore, the Directors are confident that the Group has sufficient covenant headroom as well as adequate cash resources to meet all of its liabilities as they fall due over the next 12 months. For these reasons the Directors consider it appropriate to prepare the Group's financial statements on a going concern basis.

#### **10 Post Balance Sheet Events**

There were no significant post balance sheet events.

#### **11 Ultimate parent undertaking**

The Company is a wholly owned subsidiary undertaking of KCA DEUTAG Holdings Norge AS. The Company's ultimate controlling company is KCA Deutag International Limited, which is registered in Jersey.

At 31 December 2020, the smallest and largest group in which the results of the Company are consolidated are those headed by KCA Deutag Alpha Limited. Copies of financial statements of KCA Deutag Alpha Limited are available from Group Headquarters, Bankhead Drive, City South Office Park, Portlethen, Aberdeenshire, AB12 4XX.



To the General Meeting of Abbot Holdings Norge AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Abbot Holdings Norge AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



## Independent Auditor's Report - Abbot Holdings Norge AS



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

### *Report on Other Legal and Regulatory Requirements*

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#### *Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

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#### *Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Abbot Holdings Norge AS



Bergen, 10 June 2021  
**PricewaterhouseCoopers AS**

Marius Kaland Olsen  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Auditor's report

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Olsen, Marius Kaland	BANKID_MOBILE	2021-06-10 09:37

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