



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 637 054
Organisasjonsform: Aksjeselskap
Foretaksnavn: AGR AS
Forretningsadresse: Karenslyst allé 4
0278 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Martha Korneliussen
Dato for fastsettelse av årsregnskapet: 05.05.2021

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, 27.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 572 000	1 122 000
Sum inntekter		1 572 000	1 122 000
Kostnader			
Varekostnad			5 000
Lønnskostnad	11,15	8 046 000	9 562 000
Annen driftskostnad	11	5 020 000	18 999 000
Sum kostnader		13 066 000	28 566 000
Driftsresultat		-11 494 000	-27 444 000
Finansinntekter og finanskostnader			
Annen finansinntekt	12	12 838 000	29 726 000
Sum finansinntekter		12 838 000	29 726 000
Annen finanskostnad	12	52 932 000	69 738 000
Sum finanskostnader		52 932 000	69 738 000
Netto finans		-40 094 000	-40 012 000
Ordinært resultat før skattekostnad		-51 588 000	-67 456 000
Skattekostnad på ordinært resultat	7	0	0
Ordinært resultat etter skattekostnad		-51 588 000	-67 456 000
Årsresultat		-51 588 000	-67 456 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-51 588 000	-67 456 000
Sum overføringer og disponeringer		-51 588 000	-67 456 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	11 801 000	11 801 000
Other intangibles	10	3 768 000	3 768 000
Sum immaterielle eiendeler		15 569 000	15 569 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	10	60 000	60 000
Sum varige driftsmidler		60 000	60 000
Finansielle anleggsmidler			
Investering i datterselskap	2	171 024 000	205 397 000
Lån til foretak i samme konsern	6	41 942 000	
Investeringer i aksjer og andeler		1 634 000	1 634 000
Sum finansielle anleggsmidler		214 600 000	207 031 000
Sum anleggsmidler		230 229 000	222 660 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	14	8 479 000	2 971 000
Konsernfordringer	6	28 112 000	71 906 000
Sum fordringer		36 591 000	74 877 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	50 711 000	32 370 000
Sum bankinnskudd, kontanter og lignende		50 711 000	32 370 000
Sum omløpsmidler		87 302 000	107 247 000
SUM EIENDELER		317 531 000	329 907 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4,5	25 075 000	25 075 000
Annen innskutt egenkapital	5	1 911 133 000	1 911 133 000
Sum innskutt egenkapital		1 936 208 000	1 936 208 000
Opptjent egenkapital			
Annen egenkapital	5	-2 027 832 000	-1 976 244 000
Sum opptjent egenkapital		-2 027 832 000	-1 976 244 000
Sum egenkapital		-91 624 000	-40 036 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	8	193 197 000	185 536 000
Øvrig langsiktig gjeld	8,16	96 688 000	92 833 000
Sum annen langsiktig gjeld		289 885 000	278 369 000
Sum langsiktig gjeld		289 885 000	278 369 000
Kortsiktig gjeld			
Aksjonærlån	8,16	0	10 000 000
Related party payable	16	4 375 000	1 875 000
Leverandørgjeld		15 000	39 000
Skyldige offentlige avgifter		464 000	418 000
Kortsiktig konserngjeld	6	96 292 000	70 251 000
Annen kortsiktig gjeld	9	18 124 000	8 989 000
Sum kortsiktig gjeld		119 270 000	91 572 000
Sum gjeld		409 155 000	369 941 000
SUM EGENKAPITAL OG GJELD		317 531 000	329 905 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		636 595 000	543 463 000
Annen driftsinntekt		3 000	
Sum inntekter		636 598 000	543 463 000
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler		17 730 000	15 085 000
Annen driftskostnad		605 662 000	531 814 000
Sum kostnader		623 392 000	546 899 000
Driftsresultat		13 206 000	-3 436 000
Finansinntekter og finanskostnader			
Annen finansinntekt		1 212 000	811 000
Sum finansinntekter		1 212 000	811 000
Annen rentekostnad		16 649 000	11 881 000
Annen finanskostnad		1 670 000	2 721 000
Sum finanskostnader		18 319 000	14 602 000
Netto finans		-17 107 000	-13 791 000
Ordinært resultat før skattekostnad		-3 901 000	-17 227 000
Skattekostnad på ordinært resultat	4	6 031 000	-2 482 000
Ordinært resultat etter skattekostnad		-9 932 000	-14 745 000
Årsresultat		-9 932 000	-14 745 000
Transfer account (internal)		-2 000 000	-1 500 000
Sum resultatkomponenter for IFRS-foretak		-2 000 000	-1 500 000
Totalresultat		-11 932 000	-16 245 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-11 932 000	-16 245 000
Sum overføringer og disponeringer		-11 932 000	-16 245 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
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Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	5	34 042 000	34 799 000
Utsatt skattefordel		15 075 000	19 138 000
Goodwill	5	116 285 000	115 818 000
Sum immaterielle eiendeler		165 402 000	169 755 000
Varige driftsmidler			
Right of use lease asset		8 354 000	16 846 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		3 257 000	3 079 000
Sum varige driftsmidler		11 611 000	19 925 000
Finansielle anleggsmidler			
Other assets		1 426 000	1 309 000
Sum finansielle anleggsmidler		1 426 000	1 309 000
Sum anleggsmidler		178 439 000	190 989 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		63 131 000	132 825 000
Contract assets (IFRS 15)		35 580 000	45 613 000
Advances to suppliers		0	560 000
Other short term receivables		11 816 000	5 821 000
Prepaid expenses and incurred income		4 705 000	6 068 000
Sum fordringer		115 232 000	190 887 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		55 084 000	38 386 000
Sum bankinnskudd, kontanter og lignende		55 084 000	38 386 000
Sum omløpsmidler		170 316 000	229 273 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		348 755 000	420 262 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		25 075 000	25 075 000
Sum innskutt egenkapital		25 075 000	25 075 000
Opptjent egenkapital			
Equity attr to equity holders of Akastor ASA		-102 777 000	-97 422 000
Minoritetsinteresser		10 431 000	17 304 000
Sum opptjent egenkapital		-92 346 000	-80 118 000
Sum egenkapital		-67 271 000	-55 043 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		7 705 000	7 181 000
Utsatt skatt		5 705 000	7 762 000
Sum avsetninger for forpliktelser		13 410 000	14 943 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6	172 681 000	160 632 000
Non current borrowings fra Akastor	6	97 664 000	93 209 000
Other long term liabilities		848 000	782 000
Total long term lease liabilities		3 285 000	10 926 000
Sum annen langsiktig gjeld		274 478 000	265 549 000
Sum langsiktig gjeld		287 888 000	280 492 000
Kortsiktig gjeld			
Leverandørgjeld		44 890 000	101 856 000
Betalbar skatt		172 000	2 157 000
Current borrowings from Akastor		0	10 000 000
Short term lease liabilities		6 271 000	6 345 000
Contract liabilities (IFRS 15)		5 603 000	3 480 000
Provisions short term		-858 000	0



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Accrued expenses		39 816 000	36 123 000
Other current liabilities		32 242 000	34 851 000
Sum kortsiktig gjeld		128 136 000	194 812 000
Sum gjeld		416 024 000	475 304 000
SUM EGENKAPITAL OG GJELD		348 753 000	420 261 000



Special Purpose Accounts Consolidated AGR

Vennligst merk at AGR konsern er konsolidert inn i Akastor ASA sitt konsernregnskap for 2020. Dette er tilgjengelig via selskapets nettside: Akastor.com. Ticket AKAST

Det konsoliderte «AGR konsernregnskap» anses derfor som Special Purpose Accounts og er utarbeidet som en del av rapporteringen mot konsernets bank forbindelser. Konsernregnskapet er derfor satt opp under mal for Akastor intern rapportering.



KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Board of Directors of AGR AS

Independent auditor's report

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of AGR, which comprise the combined statement of financial position as at 31 December 2020, the combined income statement and statement of cash flows for the year then ended, and selected notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of AGR as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation as set out in Note 2.

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 AGR 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.

Emphasis of Matter – Basis of Preparation and Restriction on Use

We draw attention to Note 2 to the combined financial statements, which describes the basis of preparation, including the approach to preparing them. The combined financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the EU.

The combined financial statements are prepared to assist the Board of Directors and Management to monitor the financial performance and position of AGR, and to comply with the financial reporting obligations to their lenders. As a result, the combined financial statements may not be suitable for another purpose. Our report is intended solely for AGR and should not be used by parties other than AGR, Akastor ASA or Issuing Banks. Our opinion is not modified in respect of these matters.

Responsibilities of the Board of Directors and the CEO for the Financial Statements

The Board of Directors and the CEO ("management") are responsible for the preparation and fair presentation of the combined financial statements in accordance with the basis of preparation set out in Note 2 to the combined financial statements, for determining the acceptability of the basis of preparation, 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 combined financial statements, management is responsible for assessing AGR'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 AGR or to cease operations, or has no realistic alternative but to do so.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



AGR Group
Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AGR's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on AGR's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AGR to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within AGR to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 30 April 2021
KPMG AS

Vegard Tangerud
State Authorised Public Accountant

AGR AS årsregnskap

Dette dokumentet er signert digitalt av følgende undertegnere:

- Landro, Åge Nordstrøm (fødselsdato: 14.01.1976), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Øygard, Svein Harald (fødselsdato: 29.06.1960), signert 30.04.2021 med BankID
- Hubred, Jørnar Heggsum (fødselsdato: 26.02.1974), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Bratli, Daniel (fødselsdato: 09.04.1990), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Kjelstad, Karl Erik (fødselsdato: 04.03.1966), signert 30.04.2021 med BankID
- Johnsen, Paal Espen (fødselsdato: 05.11.1971), signert 30.04.2021 med Signicat Sign BANKID_MOBILE



Dokumentet inneholder

- En forside med informasjon om signeringen
- Originaldokumentet med signatordetaljer på hver side
- Digitalt integrerte signaturer



Dokumentet er forseglet av Posten Norge

Signeringen er gjort med en signaturtjeneste fra Posten Norge AS. Posten garanterer dermed for autentisiteten og forseglingen av dette dokumentet.



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INCOME STATEMENT

	Note	2020	2019
Revenue		1 572	1 122
Total operating revenue		1 572	1 122
Goods and consumables used		-	5
Payroll expenses	11,15	8 046	9 562
Other operating expenses	11	5 020	18 999
Total operating expenses		13 067	28 566
Operating profit		(11 495)	(27 444)
Financial income	12	12 838	29 726
Financial expenses	12	52 932	69 738
Net financial items		(40 094)	(40 012)
Profit before income tax		(51 588)	(67 456)
Income tax expense	7	-	-
Profit for the year		(51 588)	(67 456)
Attributable to			
Retained earnings		(51 588)	(67 456)
Total appropriation		(51 588)	(67 456)

Dokumentet er signert digitalt av:

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- Johnsen, Paal Espen (05.11.1971), 30.04.2021

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AGR AS

STATEMENT OF FINANCIAL POSITION

	Note	2020	As at 31 December 2019
Assets			
Deferred tax assets	7	11 801	11 801
Other intangibles	10	3 768	3 768
Intangible assets		15 568	15 568
Machinery and operating equipment	10	60	60
Tangible fixed assets		60	60
Loans to group companies	6	41 942	-
Investments in subsidiaries	2	171 024	205 397
Investments in shares		1 634	1 634
Financial fixed assets		214 601	207 031
Total non current assets		230 229	222 659
Group receivables	6	28 112	71 906
Other receivables	14	8 479	2 971
Receivables		36 591	74 877
Cash and cash equivalents	3	50 711	32 370
Current assets		87 302	107 247
Total assets		317 531	329 906

Dokumentet er signert digitalt av:

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STATEMENT OF FINANCIAL POSITION

	Note	2020	As at 31 December 2019
Equity and liabilities			
Share capital	4,5	25 075	25 075
Other paid in capital	5	1 911 133	1 911 133
Total paid-in equity		1 936 208	1 936 208
Retained earnings	5	(2 027 832)	(1 976 244)
Total retained earnings		(2 027 832)	(1 976 244)
Total equity		(91 624)	(40 035)
Debt to credit institutions	8	193 197	185 536
Shareholder loans	8,16	96 688	92 833
Total non-current liabilities		289 885	278 369
Trade payables		15	39
Related parties payables	16	4 375	1 875
Shareholder loans	8,16	-	10 000
Group payables	6	96 292	70 251
VAT payable and other taxes payable		464	418
Other current liabilities	9	18 124	8 989
Total current liabilities		119 270	91 572
Total liabilities		409 155	369 941
Total equity and liabilities		317 531	329 906

Oslo, 30.04.2021

Paal Espen Johnsen
Chairman of the BoardKarl Erik Kjelstad
Board memberSvein Harald Øygard
Board memberJørnar Heggsum Hubred
Board memberDaniel Bratli
Board memberÅge Landro
Board member

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- Bratli, Daniel (09.04.1990), 30.04.2021
- Kjelstad, Karl Erik (04.03.1966), 30.04.2021
- Johnsen, Paal Espen (05.11.1971), 30.04.2021

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AGR AS

CASH FLOW STATEMENT

Operating activities			
Profit/(loss) before taxes		(51 588)	(67 456)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Finance income	12	(12 838)	(29 726)
Finance costs	12	52 932	69 738
Working capital adjustments:			
Decrease (increase) in trade and other receivables and prepayments		(5 509)	(2 951)
Decrease (increase) in group receivables		870	230 770
(Decrease) increase in trade and other payables		11 657	5 372
(Decrease) increase in group payables		26 041	70 251
Decrease (increase) in other provisions		(310)	835
		21 254	276 833
Interest received		740	-
Net cash flow from operational activities		21 994	276 833
Investing activities			
Acquisition of subsidiary, net of cash acquired		-	(3 178)
Net cash flows used in investing activities		-	(3 178)
Financing activities			
Proceeds from borrowings	8	-	10 000
Repayment of borrowings		(10 000)	-
Change in loans		-	(248 789)
Proceeds from group contribution received		6 616	-
Reclassification from long term loans to short term loans		-	-
Interest and other financials paid	12	-	(426)
Fees paid		(360)	(1 992)
		(3 744)	(241 207)
Net cash flow from/ (used) in financing activities		(3 744)	(241 207)
Net increase in cash and cash equivalents		18 250	32 447
Net foreign exchange differences		91	(385)
Cash and cash equivalents at 1 January		32 370	307
Cash and cash equivalents at 31 December	3	50 711	32 370

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AGR AS

Company information

AGR AS ('the Company') is a leading supplier of services and technology to the oil and gas offshore industry. The Group's main operations are based in Oslo, with other offices around the world including Stavanger, Aberdeen, Houston and Perth. The Group's parent is Akastor AS. The company has provided goods and services for several of the world's major oil and gas fields, with a customer base comprising several small and medium sized operators as well as a number of the large international oil companies.

The company is a limited liability company incorporated and domiciled in Norway on 5 May 2014. The address of its registered office is Karenslyst allé 4, 0278 Oslo. The Company's corporate head is Akastor ASA. The consolidated financial statements are available through the company's website: Akastor.com. Ticket AKAST.

The financial year follows the calendar year. Income statement items are classified by nature. The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The management has applied estimates and assumptions which have affected assets, liabilities, income and expenses, as well as the disclosures regarding potential obligations.

On 7 December 2018 a Share Purchase Agreement was signed with Akastor taking ownership of AGR AS. Closing of the transaction took place on 2 April 2019. The transaction was carried out primarily as an asset deal, whereby assets in the current AGR legal structure in addition to the shares in the company and its subsidiaries AGR Consultancy Services AS and AGR Software AS, together with Akastor subsidiary First Geo AS, transferred to a new legal structure.

Changes in accounting policies

Changes in accounting principles and disclosures are recognised directly in equity. Basis of comparison is changed correspondingly.

Subsidiaries

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Balance sheet classification

Assets intended for permanent ownership or long-term use are classified as non-current assets.

Assets which are a part of the company's service cycle and are expected to be realised or used during the course of the company's normal production period are classified as current assets. Receivables are classified as current if they are expected to be realised within 12 months of the balance sheet date. Liabilities which fall due more than a year after the balance sheet date are classified as non-current. All other liabilities are classified as current. Liabilities which are part of the service cycle, however, are always classified as current.

Current assets are recognised at the lower of cost and fair value. Current liabilities are carried at nominal value at the time they are incurred. Non-current assets are valued at cost. Tangible fixed assets which deteriorate in value over time are depreciated applying a straight line method over their expected economic lifetime. Tangible fixed assets are impaired to actual value if the drop in value is not expected to be temporary.

Intangible assets

Trademarks and Brand name

Separately acquired brand name is shown at historical cost. Brand name has an indefinite useful life and is therefore not amortised.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill and brand name, are not subject to amortisation and are tested annually for impairment. Assets that are not subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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Revenue recognition

The company's activity is mainly related to the supply of services to subsidiaries in the Group. Revenues from sales of services are recognised in the income statement according to the level of completion. The Company recognises revenue when it is probable that the transaction will generate future economic benefits that will accrue to the company and the value of such benefits can be estimated reliably. Revenue is shown net of value-added tax, returns, rebates and discounts.

Matching principle

Revenues are matched with expenses in accordance with the matching principle. Unrealised losses which are considered both likely to incur and quantifiable, as well as unconditional obligations and orders, are expensed in accordance with generally accepted accounting principles.

Foreign exchange

Foreign currency transactions are translated at the exchange rate at the time of the transaction. Monetary items in foreign currency are translated to NOK using the exchange rates at the balance sheet date. Foreign exchange gains/losses are presented as finance income/expenses in the income statement.

Provisions, contingent liabilities and conditional assets

Contingent liabilities are recognised in the financial statements if there is more than a 50% probability that the liability will be settled. Best estimate is applied when calculating the settlement value. Provisions for contingent liabilities arising from the movement of goods or which are expected to be settled within a year from the balance sheet date are classified as short-term liabilities. Other provisions are classified as provision for liabilities under long-term debt.

Accounts receivables and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less confirmed losses and provisions for doubtful accounts. Provisions for doubtful accounts are based on specific assessments of individual accounts, as well as an assessment of the group of accounts as a whole.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank deposits.

The Company is a participant in the Group's cash pool system, and all of the bank accounts which are part of the system are presented as intercompany receivables/debt in the balance sheet.

Use of estimates

When there is uncertainty regarding the measurement of an item in the accounts, the best estimate is applied. Changes in estimates are accounted for in the period that the change is made. Estimates are subject to uncertainty and may deviate from the final outcome.

Cash flow statement

The cash flow statement presents the accumulated cash flow for operational, investment and financial activities. The statement outlines each activity's effect on cash and cash equivalents. The cash flow statement has been prepared using the indirect method.

Income Tax

The tax expense in the financial statements consists of tax payable and changes in deferred tax. Deferred tax/tax asset is calculated using the relevant tax rate and on all temporary differences that exist between the tax bases of assets and liabilities and their carrying amounts in the financial statements, as well as any tax losses carried forward at year-end.

Tax increasing and tax reducing temporary differences that are reversed, or can be reversed in the same period are recorded net. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fee paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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AGR AS

Notes to the accounts

AGR Consultancy Services AS	Stavanger - Norway	100 %	303	60 352	13 528	68 060
AGR Software AS	Oslo - Norway	91 %	476	19 119	920	19 713
AGR Petroleum Services AS*	Oslo - Norway	100 %	30	51 524	(1 587)	83 151
AGR Group Americas, Inc	Houston - USA	100 %	88	(2 604)	(1 147)	86
AGR Mexico Well Management**	Ciudad de Mexico - Mexico	99 %	**	(1 362)	(1 034)	15
AGR (Australia) Pty Ltd	Perth - Australia	100 %	0	1 044	259	0
AGR Well Management Limited	Aberdeen - UK	100 %	0	(28 688)	(10 381)	0
AGR Consultancy Solutions Limited	Aberdeen - UK	100 %	0	(1 034)	337	0
Investment in subsidiaries 31.12.						171 024

* AGR Petroleum Services AS merged with First Geo AS per 01.01.2020

** The company has no ordinary share capital, just social shares

AGR Consultancy Services AS	Stavanger - Norway	100 %	303	61 201	6 211	68 060
AGR Software AS	Oslo - Norway	91 %	476	17 378	1 295	19 713
First Geo AS	Oslo - Norway	100 %	251	19 689	719	90 000
AGR Petroleum Services AS	Oslo - Norway	100 %	30	25 449	(2 052)	27 523
AGR Group Americas, Inc	Houston - USA	100 %	88	(1 363)	(1 409)	86
AGR Mexico Well Management	Ciudad de Mexico - Mexico	99 %	*	(601)	(234)	15
AGR (Australia) Pty Ltd	Perth - Australia	100 %	0	869	912	0
AGR Well Management Limited	Aberdeen - UK	100 %	0	(17 290)	(18 468)	0
AGR Consultancy Solutions Limited	Aberdeen - UK	100 %	0	(1 318)	(1 255)	0
Investment in subsidiaries 31.12.						205 397

	2020	2019
Bank deposits	50 711	32 370
Cash and cash equivalents 31.12.	50 711	32 370
Of which is restricted deposits	2	2
Unused overdraft facility 31.12.	-	-
Unused revolving credit facility 31.12.	30 000	20 000

The majority of the group companies are participants in the group's cash pool system where AGR AS is cash pool owner. The participating companies have a joint liability for the provisions within the system and their deposits/overdraft are presented as group payables/group receivables in AGR AS balance sheet. Also see note 6 Group receivables and payables.

The company has a NOK 350 000 bank guarantee for tax deductions which serves as a security of paying tax deducted from the employees' salaries.

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AGR AS

Notes to the accounts

At 31 December 2020 the company had a share capital of NOK 25 075 107.52 distributed in 1 share with a nominal value of 25 075 107.52.

The company has one share class, and all shares have equal voting and dividend rights.

Akastor AS	100 %	1	25 075 108	25 075 108
Total	100 %	1		25 075 108

Opening balance 01.01.	25 075	1 911 133	(1 976 244)	(40 035)
Net profit	-	-	(51 588)	(51 588)
Changes in equity	-	-	(51 588)	(51 588)
Ending balance 31.12.20	25 075	1 911 133	(2 027 832)	(91 624)

Opening balance 01.01.	13 791	841 294	(1 908 776)	(1 053 690)
Net profit	-	-	(67 456)	(67 456)
Capital increase 2 April 2019	11 284	1 069 839	-	1 081 123
Exchange related to asset deal transactions	-	-	(12)	(12)
Changes in equity	11 284	1 069 839	(67 468)	1 013 655
Ending balance 31.12.19	25 075	1 911 133	(1 976 244)	(40 035)

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AGR AS

Notes to the accounts

Group receivables:	2020	2019
AGR Group Americas, Inc	-	8 519
AGR (Australia) Pty Ltd	-	13 711
AGR Consultancy Solutions Limited	810	22 947
AGR Well Management Limited	19 964	20 114
AGR Consultancy Services AS	7 195	6 616
AGR Petroleum Services AS	143	-
Total Group receivables	28 112	71 906

The majority of the Group companies are participants in a cash pool system.

The payables below and some of the 2020 receivables above represents the cash pool bank balances of AGR AS' subsidiaries at balance sheet date. The participants are jointly liable for the obligations set out in the cash pool agreement. Certain group receivables have been reclassified from current to long term receivables at 31 December 2020.

Loan to Group companies	2020	2019
AGR Group Americas, Inc	5 923	-
AGR (Australia) Pty Ltd	15 440	-
AGR Consultancy Solutions Limited	9 227	-
AGR Well Management Limited	11 352	-
Total loan to Group companies	41 942	-

Long term receivables: Interest is calculated using 6 months LIBOR + a margin of 5%.
The book values as at 31 December presented above are net of write-downs.

Group payables:	2020	2019
AGR Consultancy Services AS	42 524	25 035
AGR (Australia) Pty Ltd	3 636	3 670
AGR Petroleum Services AS	42 541	10 791
AGR Group Americas, Inc	2 847	42
AGR Software AS	4 745	6 390
First Geo AS*	-	24 323
Total Group payables	96 292	70 251

* Merged with AGR Petroleum Services AS 01.01.2020

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AGR AS

Notes to the accounts

Income tax expenses		
Tax payable Norway	-	-
Changes in deferred tax Norway	-	-
Total income tax expense	-	-
Reconciliation of tax payable		
Tax payable in profit and loss account	-	-
Tax payable in balance sheet	-	-
Reconciliation of nominal and effective tax rate		
Net profit before tax	(51 588)	(67 456)
Applicable tax with tax rate (22 %)	(11 349)	(14 840)
Variance, actual and expected income tax expense	11 349	14 840
Explanation of why actual tax cost deviates from expected tax cost		
Tax effect from non-deductible costs	8 735	6 674
Tax effect from non-taxable income	-	-
Tax losses for which no deferred income tax asset was recognised	2 614	8 166
Corrections previous years	-	-
Re-measurement of deferred tax - change in the tax rate	-	-
Variance compared to applicable tax rate	11 349	14 840
Tax base calculation		
Profit before income tax	(51 588)	(67 456)
Permanent differences*	39 704	30 335
Disallowed interest expenses under the interest deduction limitation rule	7 758	19 418
Temporary differences	11 885	13 440
Tax base	7 759	(4 262)

* Consist of non-deductible costs

Deferred tax:

Below is a specification of temporary differences between accounting and tax values, as well as calculation of deferred tax at the end of the financial year.

Other current balance sheet items, other incurrent cost	(4 126)	-	(4 126)
Amount linked to current balance sheet items	(4 126)	-	(4 126)
Disallowed interest expenses under the interest deduction limitation rule	(27 176)	(19 418)	(7 758)
Borrowing costs, arrangement fee amortized	-	-	-
Loss carried forward	(142 702)	(142 702)	-
Amount linked to long-term balance sheet items	(169 878)	(162 120)	(7 758)
Total basis for deferred tax	(174 005)	(162 120)	(11 885)
Differences that are not included in the calculation of deferred tax asset	120 365	108 481	
Basis for deferred tax	(53 639)	(53 639)	
Calculation of deferred tax	(11 801)	(11 801)	
Tax rates	22 %	22 %	
Corrections previous years	-	-	
Balance sheet value	(11 801)	(11 801)	

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AGR AS

Notes to the accounts

AGR's financing arrangement

The Company has a Term Loan with a principal amount of NOK 270 million of which DNB, Nordea and the parent company Akastor hold NOK 90 million each. The Company also holds a Revolving Credit Facility (RCF) provided by Akastor of NOK 30 million. According to the loan agreement, no interest or amortization is payable unless the Group of companies' total liquidity is higher than NOK 50 million.

Long-term interest bearing debt*	289 885	278 369
Short-term interest bearing debt*	-	10 000
Capitalised arrangement fee (short-term) deducted	-	-
Total interest bearing debt	289 885	288 369

According to the repayment schedule set out in the Term Loan agreement, the Company shall make installments in 2021. This is however contingent on the Group's liquidity exceeding NOK 50 million. Please refer to the comment under Debt amortisation.

Of the long term interest bearing debt as at 31 December 2020, NOK 97 million is owed to Akastor AS.
Of the long term interest bearing debt as at 31 December 2019, NOK 93 million is owed to Akastor AS.

Long-term and Short-term interest bearing debt	289 885	288 369
Total guaranteed liabilities	289 885	288 369
Average interest rate NOK loans from credit institutions*	4,00 %	4.00%

The interest rate is the fixed interest rate of 4% according to Term Loan agreement

Debt amortization

The new repayment schedule agreed under the new financing arrangement implies that the first instalment is payable in January 2021. Each instalment amounts to NOK 13.5 million and is payable semi-annually until 1 January 2027. However, if an instalment would result in a reduction of the Group's liquidity to be less than NOK 50 million, the Company may elect to defer the part of such instalment which would otherwise have caused the liquidity to be less than NOK 50 million following the relevant repayment date. At year end 2020 the Group's total liquidity (as defined in the Term Loan agreement) was NOK 38 million. The Company expect liquidity (as defined in the agreement) to remain below the NOK 50 million threshold throughout 2021. The total term loan balance is therefore classified as long-term debt at year end 2020.

A liquidity covenant of NOK 20 million is the only financial covenant applicable under the new loan agreement.

Joint liability intercompany debt:

The majority of the companies in the Group are included in the cash pool system. The companies included in the cash pool system have a joint liability for the provisions within the system.

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AGR AS

Notes to the accounts

Guarantees: The Company's guaranteed liabilities in 2020 are listed below, all in face value.

Oslo Kemnerkontor	350	350
The State of Victoria	5 987	6 150
Polish Oil and Gas Company	-	396
Guaranteed liabilities, face value	6 337	6 896

Comment: The guarantee to the State of Victoria (Australia) expires 1 January 2021.

Holiday pay and wages due	4 014	3 200
Current liability towards related party	1 054	424
Accrued costs	1 182	866
Accrued fees Nordea	5 073	4 498
Other short term debt	6 800	-
Current liabilities	18 124	8 989

	<i>Intangibles</i>	<i>Tangibles</i>
	Brand name	Art
Historical cost 01.01.	3 768	60
Additions	-	-
Disposals	-	-
Accumulated depreciation and impairment 31.12.	-	-
Net book value 31.12.20	3 768	60

Intangible assets have been considered to have no economic life and are thus not depreciated.

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AGR AS

Notes to the accounts

Wages	6 794	8 524
Employers' social security contributions	868	879
Pension costs	168	144
Other remunerations	216	15
Total	8 046	9 562
Average number of man-labour years	2	2

Daglig leder/Managing director	3 840	85	25	3 950
Total	3 840	85	25	3 950

Other remuneration include per diem, car allowance and telephone.

The managing director received a bonus of TNOK 1 262 for 2020.

He is entitled to 12 months severance pay if his contract is terminated by the company.

He takes part in the company's general, defined contribution pension scheme and the company's general bonus program.

There was no remuneration to the board in 2020.

KPMG AS	330	115	445
Total	330	115	445

Following the change of ownership in 2019, KPMG was appointed as the Company's and the Group's auditor, replacing EY. Fees for other services include various assistance in the asset and share deals in 2019. Some costs have been defined as transaction costs, and for these, VAT has not been deducted, but expensed, and for these, VAT is therefore included in the fees below.

KPMG AS	-	491	491
Ernst & Young AS	263	945	1 208
Total	263	1 436	1 699

* Includes Ernst & Young Advokatfirma AS.

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AGR AS

Notes to the accounts

Interest income	4 584	15 533
Currency gain	1 059	7 577
Group contribution from subsidiary	7 195	6 616
Financial income	12 838	29 726
Interest expenses	(12 342)	(33 124)
Currency loss	-	(1 073)
Loss on shares in subsidiary	-	(10 581)
Write-down of shares in subsidiary	(34 372)	
Write-down of receivable towards subsidiary	(4 835)	(6 458)
Other financial expenses	(1 382)	(18 501)
Financial expenses	(52 932)	(69 738)
Net financial items	(40 094)	(40 012)

Short-term and medium-term interest rate risk arises from floating interest rates on parts of the company's debt, however the Company's term loan interest rate is fixed at 4%.

A proportion of the Group's turnover is in foreign currencies, primarily USD, AUD and GBP. As a result of international operations, the Group is exposed to fluctuations in currency exchange rates. Hedging is conducted mainly by ensuring that foreign currency revenues are offset by costs in the same currency. When deemed necessary the Company uses currency derivatives such as forward exchange rate contracts. At 31 December 2020 debt was denominated in NOK only. The Company held no FX derivatives at year end 2020.

Prepaid expenses	166	26
Prepaid insurance premiums	86	81
Other short term receivables	7 423	435
Interim account LS Petroleum 3 AS (former subsidiary)	805	2 428
Other receivables	8 479	2 971

The company is obliged to have an occupational pension scheme under the Mandatory Occupational Pensions Act, and has established a pension scheme that satisfies the requirements of the Act. The pension scheme is financed through payments to insurance companies and represents between 5,5% and 9% of salary.

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AGR AS

Notes to the accounts

Annual management fee from parent company		
Akastor AS	2 000	1 500
Total	2 000	1 500

Annual management fee from parent company

Akastor AS	96 688	92 833
Total	96 688	92 833

Akastor AS	4 375	1 875
Revolving credit facility provided by Akastor AS	-	10 000
Total	4 375	11 875

Akastor AS	1 054	424
Total	1 054	424

The company has long-term liabilities to its parent company Akastor AS. Please see note 8 Debt to credit institutions.

All transactions with related parties are carried out at market prices in connection with ordinary business transactions. The re is not given nor received any guarantees related to transactions with related parties in 2020 or 2019. There is not recognised a ny provision for doubtful debts related to the amount of outstanding balances, and there is not recognised any expenses during 2020 or 2019 in respect of bad or doubtful debts due from related parties.

The Company was towards year end in an advanced stage to buy shares amounting to NOK 6.8 million in SpotOn Energy Ltd. At the time of writing a completion of the transaction is uncertain.

The Company is currently negotiating an SPA with DBO Energy Invest (Brasil), whereby AGR intend to acquire shares in DBO Energy Ltda for an amount equivalent to 1 MUSD. The transaction is expected to be completed in May.

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AGR AS

Notes to the accounts

On 2 April 2019 Akastor AS acquired all shares in the Company, and a new group of AGR companies was formed from this date. Akastor provided a Revolving Credit Facility of NOK 30 million in connection with the transaction, contributed the shares in First Geo AS including a cash balance of approximately NOK 24 million and a debt of NOK 90 million. The new Group held Term Loans with a principal amount of NOK 270 million of which DNB, Nordea and Akastor held NOK 90 million each.

The Company's equity book value is negative NOK 92 million due to high financial expenses, including write down of shares in subsidiaries and loan to subsidiaries. However, the Group has a robust liquidity position at year end 2020 with cash deposits of NOK 55 million and an undrawn Revolving Credit Facility of NOK 30 million. According to the credit facility agreement entered into with DnB, Nordea and Akastor, the Group may elect to defer interest payments and instalments if such payment would result in a reduction of the Group's liquidity lower than NOK 50 million. This combined with the improved financial results allow the Group to continue its operations and be well positioned for further growth.

The Board has considered the factors above, in particular the section on continued operations, and concluded that in accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of a going concern.

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KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0308 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of AGR AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AGR AS showing a loss of NOK 51 588 thousand. The financial statements comprise the balance sheet as at 31 December 2020, the income statement 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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.

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 in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



AGR AS

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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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.

Oslo, 30 April 2021
KPMG AS

Vegard Tangerud
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 04.03.2015	Vår dato 09.03.2015
Telefon 22078139	Deres referanse Svein Sollund	Vår referanse 2015/217571

AGR BIDCO AS
Postboks 444 Skøyen
0213 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for AGR Bidco AS, org. nr. 913 637 054

Vi viser til deres brev av 4. mars 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for AGR Bidco AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering AGR Bidco AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

AGR Bidco AS er et datterselskap av AGR Holdco Limited, et britisk selskap lokalisert i Aberdeen, som igjen eies av Silverfleet Capital, et London-basert private equity selskap. AGR Bidco AS og dets datterselskaper er en ledende leverandør av tjenester og teknologi til olje- og gassindustrien. Selskapet tilbyr administrasjonstjenester til datterselskaper. Arbeidsspråket i selskapet og konsernet er engelsk. Styrets medlemmer behersker ikke norsk. Selskapet opererer i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er datterselskap til et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Styret har engelskspråklige styremedlemmer. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

AGR konsernregnskap

Dette dokumentet er signert digitalt av følgende undertegnere:

- Landro, Åge Nordstrøm (fødselsdato: 14.01.1976), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Øygaard, Svein Harald (fødselsdato: 29.06.1960), signert 30.04.2021 med BankID
- Hubred, Jørnar Heggsum (fødselsdato: 26.02.1974), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Bratli, Daniel (fødselsdato: 09.04.1990), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Kjelstad, Karl Erik (fødselsdato: 04.03.1966), signert 30.04.2021 med BankID
- Sollund, Svein Egil (fødselsdato: 19.03.1969), signert 30.04.2021 med Signicat Sign BANKID_MOBILE
- Johnsen, Paal Espen (fødselsdato: 05.11.1971), signert 30.04.2021 med Signicat Sign BANKID_MOBILE



Dokumentet inneholder

- En forside med informasjon om signeringen
- Originaldokumentet med signatordetaljer på hver side
- Digitalt integrerte signaturer



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AGR Group

Combined Financial Statements

For January 1 - December 31, 2020

Board of directors report
Combined income statement
Combined statement of financial position
Combined statement of changes in equity
Combined statement of cash flow

Notes

- 1 Corporate information
- 2 Basis for preparation
- 3 Judgments, estimates and assumptions
- 4 Tax
- 5 Intangible assets and goodwill
- 6 Borrowings
- 7 Reporting units

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Board of directors report 2020

AGR AS (the "Company") is the parent company of the AGR Group ("AGR or the "Group") and its main activity is to act as the owner of the shares in the respective companies. On 2 April 2019 a transaction was made, whereby Akastor acquired all shares in the Company, and a new group of companies was formed from this date. Please refer to the Going Concern section for further details. The financial statements for 2019 presented in the Consolidated Annual Accounts reflects 9 months of the year, i.e. from when the ownership of the shares was transferred to Akastor. The Consolidated Accounts do not include proforma figures for 2019, as most of the companies in the new group were established the same year. The financial statements presented for the Company represents the full year of 2019. The financial statements for the 2020 Consolidated Accounts represent full year accounts.

AGR is a leading supplier of services and software to the global oil and gas industry. The Group's headquarter is in Oslo, with other offices around the world, including Stavanger, Bergen, Aberdeen, Houston and Perth. AGR provides expertise and services to several of the world's major oil and gas fields, with a customer base comprising several small and medium sized operators, as well as many large international oil companies and NOCs. At the end of 2020, the Group had 320 professionals, whereof 176 employees and 144 associates and consultants.

OPERATIONS

AGR creates value for its customers across all aspects of upstream through integrated engineering, tailored training and software technologies. The Group delivers engineering consultancy within drilling & well, wellsite- and operational geology, G&G and reservoir management, asset evaluation, logistics and HSEQ compliance. AGR also delivers a suite of software solutions for efficient planning and execution of the well delivery process. The services are offered by regional offices established in Norway, United Kingdom, USA and Australia.

The market for the oil and gas industry was disrupted due to the precautions taken by the international community to fight the COVID-19 virus, and OPEC failing to strike a deal with non-OPEC countries in March. This led to a significant decrease in the oil price which affected demand for AGR service offerings negatively. However, the market started recovering in the second half of 2020 leading to increased revenue and strengthened order backlog for the Group towards the end of the year. Revenue was NOK 637 million and EBITDA NOK 30 million.

The service offerings, delivery models and software applications are continually adjusted in search of efficiency improvements and additional markets are being considered.

WORKING ENVIRONMENT AND PERSONNEL

During 2020, the Group sustained no incidents to its personnel (staff and consultants) resulting in absence or medical treatment. The Lost Time Frequency Rate (LTIFR) and Total Recordable Incident Rate (TRIR) were therefore both Zero.

Total days worked was 27,467 of which illness related absence was 2.5%, (676 days) across the Group. There were some variations between the regions thus. Norway: 3.7%, UK: 0.6%, Asia Pacific: 0.5 % and Americas 0.0%. Illness absence rose slightly (+1%) from 2019, however this is most likely pandemic-related and is not expected to be a long-term trend.

GENDER EQUALITY

As of 31 December 2020, the Board of AGR AS had 6 Board Members of which none were women.

The Group aspires to be an attractive employer for people with different backgrounds, regardless of their ethnicity, gender, religion, or age. In its policy, the Group has implemented conditions to ensure equal opportunities in areas such as salary, promotion, and recruitment. The competence principle is decisive in all appointment processes. In a department where one gender is heavily under-represented, this is considered during the appointment process if other qualifications are otherwise equal. In connection with the yearly salary evaluation, attention is shown to possible inequality regarding average level of pay for men and women. The Group provides equal pay for equal work and rewards good results.

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ENVIRONMENTAL REPORTING

The Group's activities that effect the environment are managed by means of well-established systems and processes in order to identify and eliminate or reduce any negative impact, and to ensure, as a minimum, compliance with legislation and regulations set out by the authorities. The environmental aspects of our activities are identified and managed. The Group aims to facilitate the continuous environmental improvement in our operations by adopting the principles of ISO 14001:2015, an international standard for environmental management. Internal control activities have been conducted to verify compliance.

MARKET OUTLOOK

The activity in 2020 was negatively affected by the market turmoil due to implications of the COVID-19 pandemic. The market started recovering in the second half of 2020 leading to increased revenue and strengthened order backlog for the Group towards the end of the year. The offices in Norway had a strong start to the year, but activity dropped in the second quarter due to the market disruption. Demand for consultants and reservoir studies picked up significantly in the last quarter of the year. Activity within drilling & well related services was steady in the UK, with completion of 6 production wells offshore Scotland and work ongoing on 28 decommissioning wells offshore Ireland. The decommissioning work is expected to continue through 2021. Well Management of the first Carbon Storage well in Australia was completed in Q1. Activity decreased towards the end of the year due to project cancellations and delays. Going into 2021 the Perth office has submitted several well management tenders and the number of consultancy placements has increased. Activity out of the US office decreased last year as work in Peru for Karoon was completed in the first quarter. The strategy has shifted from traditional consultancy placements to Software sales and engineering services which has impacted revenue. Demand for AGR's iQx software applications continued to grow during 2020. Sales were somewhat affected by the market turmoil, but customers continue valuing software that contribute to increased efficiency in the planning, drilling and reporting of wells.

The Group's activity in the first quarter of 2021 increased from the last quarter. This mainly relates to further growth in demand for consultants and subsurface studies in Norway. The oil price (Brent Spot) has increased from c. \$48 at year end 2020 to c. \$63 at the end of Q1. Worldwide there are fewer COVID-19 restrictions and this positive development is expected to continue throughout the year. The outlook for the remainder of the year is positive as demand for AGR's offerings is expected to pick up further. As AGR's clients are transitioning to new forms of energy, so is AGR. The Group has performed a range of services within Carbon Capture & Storage and sees further opportunities within geothermal and offshore-wind.

RESULT, CASH FLOW, INVESTMENTS, FINANCING AND LIQUIDITY

The Group's Operating profit (EBIT) was NOK 13 million (negative NOK 3 million) and EBITDA was NOK 31 million (NOK 11 million). The new lease standard IFRS 16 had a positive impact on EBITDA of NOK 6 million.

The accumulated cash flow from the Group's operational activities was NOK 45 million (negative NOK 15 million). Net investments for the Group amounted to NOK 10 million (NOK 5 million).

Cash and cash equivalents for the Group was NOK 55 million and net interest-bearing debt was NOK 215 million at the end of the year.

The Group had total assets of NOK 349 million at the end of 2020. The equity ratio was negative 19% which is partly due to transaction costs incurred prior to Akastor's acquisition of AGR on 2 April 2019.

FINANCIAL RISK

The Group is exposed to a variety of financial risks such as currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Group's financial performance.

Risk management is carried out by a central finance department. The finance department identifies, evaluates and hedges financial risks in co-operation with the Group's operating units.

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PARENT COMPANY

AGR AS is the parent company and its main activity is to act as the owner of the shares in the Group. The net result was negative NOK 52 million (negative NOK 67 million).

Accumulated cash flow from the Company's operations was NOK 21 million (NOK 277 million). Total net cash flow was NOK 18 million (NOK 32 million).

The total assets were NOK 317 million (NOK 330 million). The equity to asset ratio was negative 29 % (negative 12%).

GOING CONCERN

On 2 April 2019 Akastor AS acquired all shares in the Company, and a new group of AGR companies was formed from this date. Akastor provided a Revolving Credit Facility of NOK 30 million in connection with the transaction, contributed the shares in First Geo AS including a cash balance of approximately NOK 24 million and a debt of NOK 90 million. The new Group held Term Loans with a principal amount of NOK 270 million of which DNB, Nordea and Akastor held NOK 90 million each.

The Company's equity book value is negative NOK 92 million due to high financial expenses, including write down of shares in subsidiaries and loan to subsidiaries. However, the Group has a robust liquidity position at year end 2020 with cash deposits of NOK 55 million and an undrawn Revolving Credit Facility of NOK 30 million. According to the credit facility agreement entered into with DnB, Nordea and Akastor, the Group may elect to defer interest payments and instalments if such payment would result in a reduction of the Group's liquidity lower than NOK 50 million. This combined with the improved financial results allow the Group to continue its operations and be well positioned for further growth.

The Board has considered the factors above, in particular the section on continued operations, and concluded that in accordance with the Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of a going concern.

ANNUAL RESULT AND ALLOCATIONS

The Board proposes the following allocations of the net profit for the financial year for AGR AS:

<u>Profit attributable to equity holders</u>	<u>TNOK (51 588)</u>
Total allocation to retained earnings	TNOK (51 588)

Oslo, 30.04.2021

Paal Espen Johnsen
Chairman of the Board

Karl Erik Kjelstad
Board Member

Åge Nordstrøm Landro
Board Member

Daniel Bratli
Board Member

Svein Harald Øygard
Board Member

Jømar Heggsum Hubred
Board Member

Svein Egil Sollund
CEO

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Combined income statement	Note	FY20	FY19
Amounts in NOK thousand			
Operating revenue		636 595	543 463
Total other income (loss)		3	-
Total operating revenue and other income		636 598	543 463
Operating expenses		(605 662)	(531 814)
EBITDA		30 936	11 649
Depreciation and amortization		(17 730)	(15 085)
EBIT		13 206	(3 436)
Net interest expenses on financial liabilities measured at amortized cost		(16 649)	(11 881)
Net foreign exchange gain (loss)		1 212	811
Other financial income (expenses)		(1 670)	(2 721)
Net financial items		(17 106)	(13 791)
Transfer account (internal transfer of profit)		(2 000)	(1 500)
Profit (loss) before tax		(5 900)	(18 727)
Tax expense	4	(6 031)	2 482
Profit (loss) for the period		(11 931)	(16 244)

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Combined statement of financial position	Note	FY20	FY19
Amounts in NOK thousand			
Goodwill	5	116 285	115 818
Deferred tax asset		15 075	19 138
Intangible assets	5	34 042	34 799
Fixed Assets		3 257	3 079
Right of use lease asset		8 354	16 846
Other assets		1 426	1 309
Long Term Assets		178 438	190 990
Inventories		-	-
Accounts receivable		63 131	132 825
Contract assets (IFRS 15)		35 580	45 613
Advances to suppliers		-	560
Other short term receivables		11 816	5 821
Prepaid expenses and incurred income		4 705	6 068
Short term financial assets		-	-
Cash And Cash Equivalents		55 084	38 386
Current Assets		170 316	229 272
Total Assets		348 754	420 261
Equity attributable to equity holders of Akastor ASA		(77 702)	(72 347)
Non-controlling interests		10 431	17 304
Total equity		(67 271)	(55 043)
Pension liabilities		7 705	7 181
Non-current bank debt	6	172 681	160 632
Non-current borrowings from Akastor	6	97 664	93 209
Other long term liabilities		848	782
Provisions long term		-	-
Deferred tax liabilities		5 705	7 762
Total Long term lease liabilities		3 285	10 926
Total non-current liabilities		287 889	280 492
Current borrowings from Akastor		-	10 000
Short term lease liabilities		6 271	6 345
Accounts Payable		44 890	101 856
Taxes payable		172	2 157
Dividends and group contribution		-	-
Contract liabilities (IFRS 15)		5 603	3 480
Provisions short term		(858)	-
Accrued expenses		39 816	36 123
Other current liabilities		32 242	34 851
Total Current Liabilities		128 137	194 813
Total Liabilities and reserves		348 754	420 261

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Combined statement of cash flows	FY20	FY19
Amounts in NOK thousand		
Profit (loss) for the period	(11 931)	(16 244)
Adjustment for:		
Income tax expense	6 031	(2 482)
Net interest (income) loss	12 975	9 919
Share of profit from equity accounted investee	-	-
Depreciation, amortisation and impairment fixed / intangible	17 730	15 085
Profit (loss) on disposals of assets	(3)	-
Profit (loss) on disposals of subsidiaries	-	-
Other non-cash effects	4 484	3 258
Change in net operating assets	22 257	(22 907)
Cash generated from operating activities	51 542	(13 372)
Interest expense paid, external	(1 901)	(1 481)
Interest expense paid of lease liabilities	(679)	(1 203)
Interest income received, external	1 765	1 398
Taxes paid	(6 098)	(149)
Cash flow from operating activities	44 629	(14 808)
Capex, fixed assets	(1 913)	(2 480)
Capex, internal development	(8 064)	(3 259)
Sale of fixed assets	3	-
Acquisition of subsidiaries, net of cash	-	-
Payment of contingent considerations	-	355
Lease payments received from finance leases	-	-
Cash flow from investing activities	(9 974)	(5 384)
Instalment borrowings	-	-
Instalment payments of lease liabilities	(6 139)	(6 578)
Change in intercompany loans	(10 000)	10 000
Internal dividend	-	-
Cash flow from financial activities	(16 144)	(4 178)
Effect of exchange rate changes on cash and cash equivalents	(1 813)	(1 564)
Cash flow for the period	16 698	(25 934)
Cash and cash equivalents at the beginning of the period	38 386	64 320
Cash and cash equivalents at the end of the period	55 084	38 386

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Combined statement of changes in equity	Contributed equity and retained earnings	Other reserves	Equity attributable to equity holders of Akastor ASA	Non-controlling interests (NCI)	Total Equity
Equity as of December 31, 2019	(71 674)	(673)	(72 347)	17 304	(55 043)
Profit (loss) for the period	(9 215)	0	(9 215)	(2 716)	(11 931)
Acquisition of NCI	-	4 157	4 157	(4 157)	0
Currency translation differences	-	(297)	(297)	-	(297)
Equity as of December 31, 2020	(80 890)	3 188	(77 702)	10 431	(67 271)

Combined statement of changes in equity PY	Contributed equity and retained earnings	Other reserves	Equity attributable to equity holders of Akastor ASA	Non-controlling interests (NCI)	Total Equity
Equity as of April 2, 2019	(62 174)	(118)	(62 292)	27 073	(35 219)
Profit (loss) for the period	(9 501)	-	(9 501)	(6 744)	(16 244)
Acquisition of NCI	-	-	-	(3 025)	(3 025)
Currency translation differences	-	(555)	(555)	-	(555)
Equity as of December 31, 2019	(71 675)	(673)	(72 348)	17 304	(55 043)

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Note 1 | Corporate information

AGR is one of the Portfolio Companies of Akastor Group. The ultimate parent company is Akastor ASA, which is listed on the Oslo Stock Exchange under the ticker AKAST. AGR is defined as one reporting segment for Akastor Group and consists of the reporting units monitored under the management of AGR (see note 7).

AGR is a leading global supplier of services and software to the oil and gas offshore industry. AGR has provided services for several of the world's major oil and gas fields, with a customer base comprising several small and medium sized operators as well as a number of the large international oil companies. AGR has a global span covering four continents with offices in 5 countries.

Note 2 | Basis for preparation

The combined financial statements of AGR comprise of all reporting units within the reporting segment, defined according to IFRS 8 Operating Segments. This includes Akastor's goodwill and other intangible assets related to Akastor's purchase of AGR. The combined financial statements as of December 31, 2020 have been prepared in accordance with the measurement and recognition principles of IFRS as approved by the European Union subject to exceptions that are outlined below. The accounting policies applied in these financial statements are the same as those applied in Akastor Group's consolidated financial statements. For more details of the significant accounting principles, please refer to note 3 in Akastor's Annual Report 2020.

The combined financial statements are presented in NOK, which is AGR AS's functional currency. All financial information presented in NOK has been rounded to the nearest thousand, except when otherwise stated. The subtotals and totals in some of the tables in these combined financial statements may not equal the sum of the amounts shown due to rounding.

Selected explanatory notes

The purpose of preparing these financial statements is to assist the Board of Directors, Management and Lenders of AGR in monitoring the financial performance and position of AGR. As a result, these financial statements do not include all of the information and disclosure requirements required for a complete set of annual consolidated financial statements required under IFRS. Selected explanatory notes are disclosed as additional information.

Non-recurring internal transactions between Portfolio Companies

As one reporting segment of Akastor Group, the principles of segment reporting is applied. Gain or loss from internal transfer of business between AGR and other Portfolio Companies in Akastor Group does not represent the performance of AGR, thus not monitored by the management. Therefore, for the purpose of these financial statements, gain or loss arising from non-recurring internal transactions between AGR and other Portfolio Companies is recognized directly to equity, presented as "Transactions with other Portfolio Companies" in the statement of changes in equity. Group contribution and dividends within Akastor group are not included in the income statement for AGR.

Throughout the financial statements and explanatory notes for AGR, transactions with another Portfolio Company within Akastor Group is referred as "internal transaction" or "internal transfer".

Note 3 | Judgments, estimates and assumptions

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements of AGR, the significant judgments made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements of Akastor Group for the period ended December 31, 2020. Please refer to Note 3 in Akastor Annual Report 2020 for further information.

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Note 4 | Tax

Amounts in NOK thousand	FY20
Income Tax expense	
Payable tax	(4 255)
Taxable items directly to equity - tax effect	253
Total change in deferred tax	(2 029)
Group contribution tax effect	0
Total Tax Income (Expense)	(6 031)
Effective tax rate	
EBT	(5 900)
Tax based on Norwegian tax rate (22 %)	1 298
Tax effects of:	
Diff from norwegian tax rate	(366)
Permanent differences, tax effect	576
Taxable items directly to equity - tax effect	253
Prior years adjustment, deferred tax - tax effect	(551)
Reversal of Def Tax assets - tax effect	(7 351)
Effect of change in tax rate - tax effect	102
Other items (withholding tax, incentives etc) - tax effect	7
Taxable profit / loss after group contribution	(6 031)
Effective tax rate	-102 %
Expire date of unrecognized tax loss carry-forwards	
Year 1-5	2 946
More than 5 years	0
Indefinite	161 416
Total	164 362

Deferred tax assets have not been recognized in respect of tax loss carry-forwards or deductible temporary differences when it, based on forecasts, is not probable that future taxable profit will be utilized against these benefits.

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Note 5 | Intangible assets and goodwill

Amounts in NOK thousand	Development work	Patents and rights	Other intangible assets	Goodwill	Total
Balance as of December 31, 2019	12 780	4 511	17 508	115 818	150 617
Capital expenditure	7 927	135	2	-	8 064
Reclassification assets under development	-	-	-	-	-
Internal transfers at cost reclassification	-	-	-	-	-
Amortisation this period	(5 135)	(537)	(3 413)	-	(9 084)
Impairment this period	-	-	-	-	-
Total Effect from Foreign Exchange	-	20	243	397	661
Balance as of December 31, 2020	15 572	4 129	14 340	116 285	150 326

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Note 6 | Borrowings

The Group has a Term Loan with a principal amount of NOK 270 million of which DNB, Nordea and the parent company Akastor hold NOK 90 million each. The Group also holds a Revolving Credit Facility (RCF) provided by Akastor of NOK 30 million. According to the loan agreement, no interest or amortization is payable unless the Group of companies' total liquidity is higher than NOK 50 million.

Overview of interest bearing debt

Amounts in NOK thousand	2020	2019
Long-term interest bearing debt	270 346	253 842
Short-term interest bearing debt	-	10 000
Total interest bearing debt	270 346	263 842

The short-term interest bearing debt of 10 MNOK in 2019 was a RCF loan which was repaid in 2020. According to the repayment schedule set out in the Term Loan agreement, the Company shall make installments in 2021. This is however contingent on the Group's liquidity exceeding NOK 50 million. Please refer to the comment under Debt amortisation.

Of the long term interest bearing debt as at 31 December 2020, NOK 97 million is owed to Akastor AS.
Of the long term interest bearing debt as at 31 December 2019, NOK 93 million is owed to Akastor AS.
Of the short term interest bearing debt as at 31 December 2019, NOK 10 million is owed to Akastor AS.

Guaranteed liabilities

Amounts in NOK thousand	2020	2019
Long-term and Short-term interest bearing debt	270 346	253 842
Total guaranteed liabilities	270 346	253 842

Average interest rate NOK loans from credit institutions	4 %	4 %
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Debt amortisation

The new repayment schedule agreed under the new financing arrangement implies that the first instalment is payable in January 2021. Each instalment amounts to NOK 13.5 million and is payable semi-annually until 1 January 2027. However, if an instalment would result in a reduction of the Group's liquidity to be less than NOK 50 million, the Group may elect to defer the part of such instalment which would otherwise have caused the liquidity to be less than NOK 50 million following the relevant repayment date. At year end 2020 the Group's total liquidity (as defined in the Term Loan agreement) was NOK 38 million. The Group expects liquidity to remain below the 50 million threshold throughout 2021. The total term loan balance is therefore classified as long-term debt at year end 2020.

Guaranteed liabilities

A liquidity covenant of NOK 20 million is the only financial covenant applicable under the new loan agreement.

Joint liability intercompany debt:

The majority of the companies in the Group are included in the cash pool system. The companies included in the cash pool system have a joint liability for the provisions within the system.

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Note 7 | Reporting units

The ultimate parent company of AGR is Akastor ASA. The ownership equals the percentage of voting shares, if not stated otherwise.

Group companies as of December 31, 2020

Company	Location	Country	Ownership
			(percent) 2020
AGR AS	Oslo	Norway	100
AGR Petroleum Services AS	Oslo	Norway	100
AGR Software AS	Oslo	Norway	91
AGR Consultancy Services AS	Stavanger	Norway	100
AGR Well Management Ltd	Aberdeen	UK	100
AGR Consultancy Solutions Ltd	Aberdeen	UK	100
AGR (Australia) Pty Ltd	Perth	Australia	100
AGR Group Americas Inc	Houston	USA	100
AGR Mexico Well Management S. de R.L. de C.V.	Ciudad de Mexico	Mexico	100

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