

Abbot Holdings Limited
Annual report and financial statements
for the year ended 31 December 2020

Registered Number 02682916



Abbot Holdings Limited
Annual report and financial statements
for the year ended 31 December 2020

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Abbot Holdings Limited

Corporate Information

Board of Directors

N Gilchrist

G Paver (resigned 2 March 2020)

A Byrne

S Branston (appointed 2 March 2020)

Registered office

1 Park Row

Leeds

England

LS1 5AB

Abbot Holdings Limited

Strategic Report

The Directors present their Strategic Report of the Company for the year ended 31 December 2020.

Review of the Business

The Company is a wholly owned subsidiary undertaking of Abbot Group Limited. The ultimate parent company is KCA Deutag International Limited.

References to the Group are in relation to KCA Deutag Alpha Limited. Please refer to note 17 for further information on group structure.

The Company's principal activity is the provision of engineering services. The Company will continue to operate as a holding company in the future.

The subsidiary undertakings are set out in note 19 to the financial statements.

Market dynamics and positioning

As shown in the Company's Statement of Comprehensive Income on page 13, the Company made a profit for the year of £205k (2019: loss £112,848k).

The Balance Sheet on page 14 shows that the net assets position of the Company at the year end has increased to £241,652k (2019: £241,447k).

Principal risks and uncertainties

As with any business, the Group faces a number of risks and uncertainties in the course of its day to day operations. The risks identified at Group level throughout the Strategic Report are also the same risks which apply to the Company and are managed at a Group level rather than specifically by each subsidiary. The principal risks and uncertainties, and mitigating actions that are employed by the Group to manage those risks, are noted below. During the year the Group continued to apply an enterprise risk management framework to allow for ongoing identification and monitoring of risks and to develop mitigation strategies to manage those risks. The methodology used to identify key risks was both a bottom up approach from our country and functional organisations as well as a top down review of the key strategic risks.

Oil & gas market risk

The Group operates in the oil and gas sector which is a market driven, cyclical industry where activity is closely correlated with the market prices for oil and gas. Changes in these prices may lead to an increase or decrease in our activity levels. From mid-2014 and continuing through 2016 we saw a rapid and sustained reduction in market prices for oil and gas which has reduced activity throughout the industry as new projects were cancelled or delayed. The oil price remained lower though to early 2020 leading to a prolonged period of lower levels of activity in the oil and gas sector during those years. The global Coronavirus pandemic and the OPEC+ agreement breakdown had knock on effects on the oil price, global economy, market conditions, customers and governments. This has had a material impact on our business as almost all customers have either reduced their level of operations or sought discounts in terms of pricing. Confidence levels remain relatively low and will require a sustained period of energy price recovery and stability before many of our customers choose to invest in longer term projects. Often in these circumstances we also see an increase in litigation and customer claims as clients attempt to minimise their costs and manage budgets.

We mitigate the impact of this risk through endeavouring to secure longer term contracts with our clients where possible together with contractual protection for early termination. Many of our clients own oil and gas assets where the lifting costs are at the lower end of the spectrum and hence are still able to make positive returns even at lower energy prices. Most of our activity is in the eastern hemisphere where the economic cycles have historically been less volatile than in the western hemisphere. Where possible we employ a flexible resourcing model so that we are able to change manning levels as activity changes.

Abbot Holdings Limited

Strategic Report (continued)

Oil & gas market risk (continued)

Each of our business units has different exposure and sensitivity to changes in energy prices with RDS and Bentec being the most susceptible to reduced activity as their work is generally linked to new capex spend by our clients.

We operate a governance structure which aims to ensure that potential risks on contracts and projects are identified through review and challenge prior to execution. Our internal commercial and legal processes ensure that deviations to standard contracting principles must have the appropriate review and approval prior to commitment. This, together with robust contract assurance programmes and effective record retention, provides us with the ability to rigorously defend commercial claims as and when they arise.

In direct response to the COVID and OPEC+ crisis the business established a crisis management group overseen directly by the executive team who met three times a week to track and support agile decision making in response to the fast-changing landscape. Detailed contingency planning was completed at a country level to support focusing on the health and wellbeing of our employees and maximising our ability to support and maintain our ongoing operations. KCA Deutag took advantage of government schemes around the world to help our business navigate the economic challenges caused by the crisis. This ranged from salary support schemes to tax payment deferral programmes.

Ongoing waves of COVID in 2021 are extending the impact of the pandemic on our operations. Vaccines offer hope that this can now be brought under control but it is going to be some time before this is achieved in all of our markets.

Energy transition risk

Oil as an energy source is going through a period of major change where it will eventually no longer maintain its dominant position and over time will be replaced with alternative energy sources such as gas, nuclear, solar, wave and wind. The political and public awareness focus on this has increased in the last 12 months driven by concerns around climate change. It is driving public opinion and consumer decision making which is increasingly influencing business and political policy.

Investors are now increasingly focusing on a company's approach towards policies on Environment, Social and Governance (ESG). There is a strong push from many clients towards environmental sustainability, e.g. reducing carbon footprint, eliminating waste, recycling and alternative energy sources. There is also a moral obligation on us as a business to minimise any negative impact we have on the social or environment eco systems in which we operate.

To be sustainable as a business in the medium to long term and ensure access to markets, business opportunities and investors it is becoming essential to diversify into the wider alternative energy market. The risk of not doing this would be to impair our ability to have a profitable and sustainable long-term future as a business.

KCA Deutag is well positioned to leverage our DNA in this technology space. The Group has defined a Growth Strategy which includes 'Capture New Markets' and a dedicated technology focus which provides governance and oversight of energy transition technologies, new drilling related technologies and digital technology. In particular, a battery energy storage solution has been developed and is being actively marketed. Consideration has also been given to existing transferable skill sets of the business and an offshore substation offering has been created which could be used alongside wind and hydrogen infrastructure.

During 2021 we announced that we are merging Bentec and RDS into one integrated business unit, Kenera. Kenera will look to proactively grow our business, both in our traditional oilfield markets and by participating in the energy transition through renewables and clean fuel

Abbot Holdings Limited

Strategic Report (continued)

Changes in the market for drilling & engineering services

Our core operations continue to be focussed on delivering drilling and well engineering services to the oil & gas industry. We believe we provide a high quality service to our clients supported by a skilled workforce and high quality assets. However the technology, commercial models and ways of delivering services continues to evolve.

In North America in particular there has been an increasing commoditisation of drilling services with consequent reductions in pricing and increased competition from providers offering very similar services. Although the position in North America is different to the rest of the world given the relative ease of access to oil & gas reserves through good transport infrastructure, certain markets may move in a similar direction in the future. In the eastern hemisphere we have seen increasing competition from lower cost providers such as Chinese companies who are able to offer low cost services and over time have provided improving quality of assets and personnel.

In a number of markets we are also seeing the way in which our customers are procuring services change. Increasingly the integrated service companies, who are able to provide a full spectrum of service offerings, are securing contracts as a one stop shop for their clients. Other service companies are broadening the scope of their offerings potentially threatening work which the Group may have traditionally provided in the past.

Current trends in the Oil and Gas Industry, and indeed with our drilling peers, show a movement towards greater use of IT, drilling optimisation software and operational technology data to gain better insight of operating performance, to drill wells more efficiently or to identify improvement opportunities. These tools and data driven insights can be used to drive cost savings, efficiency gains and revenue opportunities which could have a tangible impact on our financial bottom line. Increasingly clients are placing maximum age limits on rigs as well as looking for higher specification and technology supported rigs. This would be a risk to business if we were to lag behind our competitors in the provision of digital services or if we are not able to recover the investments made to develop these solutions through the commercialisation of our digital offering.

The global pandemic has also resulted in a number of projects being put on hold. This has given our customers more leverage in tendering exercises due to the high availability of competing service providers which has suppressed day rates in a number of locations. In response to these threats we have to ensure that we offer a compelling reason for our customers to procure our products and services through providing excellent service quality, which is cost competitive and industry leading. With the launch of our +veDRILL technology in 2020, we believe we have enhanced our proposition to customers. We have to be a Group that is easy to do business with, which has a flexible commercial model and is able to form new alliances which can be mutually beneficial. We also have to continually challenge ourselves to look at new ways of working, to develop new service offerings and to look at new sourcing models as markets continue to mature and evolve.

Local market risk

All the markets in which we operate continue to change and evolve as local political and economic influences impact the industry in which we operate. In 2020, our activities in Azerbaijan were impacted by that country's conflict with Armenia over the disputed Nagorno-Karabakh region although local management were able to ensure drilling operations remained unaffected. In certain markets, such as in West Africa, we have also seen an increasing trend and pressure from governments to increase the local content of the services which we provide, both in terms of the provision of local skilled personnel as well as the focus on in-country value through the use of local suppliers or supply chain for the provision of goods or services. Where this can be achieved in a planned and structured way it can have benefits both for the local economies in which we operate, as well as allowing us to provide a more efficient and effective service to our clients.

Abbot Holdings Limited

Strategic Report (continued)

Local market risk (continued)

We have a good track record of training and developing local staff in many of the countries in which we operate and so far as possible sourcing equipment locally, where this is cost effective and quality can be assured. In Russia, for example, we have a very high rate of nationalisation and virtually all of our rig crews are Russian. We seek to replicate this process in other markets and have training and development programmes for local staff.

Financial risk/leverage

The Group has significantly deleveraged from a gross debt position of \$1.9 billion to \$505 million reducing net leverage from 6.6x to 1.4x. This places the Group in a much stronger financial position with a much-improved debt servicing requirement which reduces by approximately \$120 million to around \$55 million per annum. Our ability to service our debt and other financial obligations depends in large part on the levels of cash flow generated in our business. A surplus of cash which should now be much more achievable would allow the Group to grow and manage the changes in business activity levels over time.

Where possible the Group seeks to secure long term debt financing which provides access to funds for a number of years into the future. The Group has sought to diversify its access to debt markets away from wholly traditional bank debt towards institutional debt by way of the corporate bond markets. Periodic reviews of fixed rate and variable rate interest rate exposures are also made with the aim of maintaining a balance between the two.

From time to time we may need to access the capital markets to obtain long term and short-term financing. Our ability to access these financial markets could be limited by, amongst other things, oil and gas prices, our capital structure, credit ratings issued on our debt by credit rating agencies, the overall health of the global oil & gas market or the global economy in general. Whilst we try to access markets when conditions are favourable there is no guarantee of our ability to access these capital markets in the future. The challenging market conditions driven by the pandemic and oil price sentiment has led to a slight deterioration to working capital as customers pay slightly later and negotiate longer payment terms. The Group continues to be very focused on controlling our costs and maximising our revenues in this challenging environment.

Careful monitoring of cashflows and forecasts equips the business with the necessary analytics to monitor the situation and deal with any underperformance using tools such as further cost savings or capex reductions. The Group have continued to utilise and expand upon a number of 'Self-help' mechanisms, including, but not limited to proactive working capital management and detailed monitoring of EBITDA forecasts, cost reduction initiatives and weekly cash forecasts and cash calls. There was also a specific project to look at minimising inventories and sharing any excess inventory with other rigs. All significant growth capital expenditure is approved by the Board.

Currency related risks

The Group carries out operations in a number of countries and are exposed to currency risk as those currencies become stronger or weaker against the US Dollar. Some of the countries in which we operate are heavily reliant on oil and gas and have historically seen significant exchange rate volatility as a result of commodity price variations. Our financial results are presented in US Dollars and these results are sensitive to either a relative strengthening or weakening against the US Dollar of the major currencies we are exposed to.

The Group employs a number of mechanisms to manage elements of exchange risk at a transaction, translation and economic level. Where possible we will seek to naturally hedge our exposures through matching currency revenue and expenditure which we are able to do by contracting our revenues in either US Dollar or local currency. In some situations, we have been able to hedge our Balance Sheet exposure by matching local currency assets with local currency liabilities.

Abbot Holdings Limited

Strategic Report (continued)

Currency related risks (continued)

Where this is not possible, we may seek to hedge our currency exposures through the purchase of forward contracts. In terms of the overall economic risk we monitor our exposure to all of the key markets in which we operate. We aim to maintain a diversified geographical exposure without being overly reliant on any single country of operation.

Business continuity risk

The impact of the Coronavirus (COVID-19) has been significant with ever changing restrictions being placed upon the movements of people to minimise the spread of disease in all countries as governments attempt to limit the number of people affected, to manage the capacity of health services and minimise the impact upon local economies. The Group has developed procedures to seek to protect our personnel during the outbreak including providing additional testing and PPE. The emergence of vaccines has provided some optimism however different variants and supply concerns of the vaccines brings continued uncertainty.

Many of the key markets in which we operate are potentially at a higher risk of political upheaval. Over the past few years we have witnessed the impact of conflict in Azerbaijan with neighbouring Armenia, terrorist incidents in Algeria and Saudi Arabia and the threat of terrorism or unrest in Kurdistan and Iraq. In addition, there is the potential threat of political and economic sanctions against certain sovereign states which by their very nature can be both unpredictable and potentially disruptive. Over the past few years, for example, we have seen certain sanctions imposed against specific types of business activities in Russia from the EU and US.

As a consequence of Brexit the UK is bringing in 30 new country sanctions regimes. Certain markets in which we operate are also susceptible to governmental and political influence around contract award, local content requirements and bidding processes which may not always be transparent. We maintain robust processes to ensure that our staff have been trained to follow our own approved guidelines and ethical practices.

Before we enter a new country, we carry out risk assessments and third-party security reviews. To mitigate risks once operating in each country we have a robust emergency response system to ensure that we are able to move our personnel rapidly and safely in the event of an unplanned incident. We work with specialist third parties to maintain a good understanding of the security risks and how to react in each set of circumstances. Where possible we seek to limit our exposure to higher risk regions such that an emergency in one location does not have a material impact on the ability of the Group to continue operating. In the past we have been able to rapidly redeploy personnel when required and reduce costs in impacted countries to a minimum. We have access as required to specific legal and advisory expertise to support regulatory compliance in all our operations across disciplines such as export control and adherence to sanctions. We work with various governmental authorities to get assistance with ensuring compliance and the appropriate awareness of rules and regulations.

Cybersecurity risks

Our operations have become more dependent upon various IT systems, especially with an increased number of employees working from home. Threats to IT systems associated with cybersecurity risks continue to grow and evolve including targeted attacks through viruses, malware, phishing as well as potentially by employees within our network. An increased area of interest and risk is the requirement to make key rig control systems remotely accessible and therefore a potentially bigger target for malicious activities with larger impacts (e.g. financial, reputational, environmental and safety). The risks associated with these include the potential loss or misappropriation of funds, loss of data and intellectual property and damage to our reputation and potential for litigation.

Although we use various procedures and controls to mitigate our exposure to such risk, cybersecurity risks are evolving with new threats emerging. These could have a material adverse effect on our business.

Abbot Holdings Limited

Strategic Report (continued)

Ethics and violation of applicable anti-corruption laws

We are an international business with operations in developing countries and in countries which are high on the Corruption Perceptions Index published by Transparency International. Violation of anti-corruption laws may result in criminal and civil sanctions and could subject us to other liabilities in the UK, the US and elsewhere. Legislation in the areas of ethics, bribery and tax evasion continue to evolve and place increasing responsibility on businesses to behave to a very high standard supported by the appropriate processes, controls and other safeguards.

We have developed an ethics & compliance programme which is supported by policies and procedures designed to assist our compliance with applicable laws and regulations and have trained our employees to comply with such laws and regulations. We have enshrined business integrity as one of our six Core Values and foster a compliance culture within our operations. We have put in place appropriate assurance processes to monitor compliance and seek to continuously improve our systems of internal controls and to remedy any weaknesses.

Asset integrity & compliance regime

We are subject to increasingly stringent laws and regulations relating to environmental protection as well as being exposed to potentially substantial liability claims due to the hazardous nature of our business and the businesses we provide services for. An accident or a service failure can cause personal injury, loss of life, damage to property, equipment or the environment, consequential losses or the suspension of operations or possibly the termination of a contract. Furthermore, we may be liable for damages resulting from pollution both on land and in offshore waters. With the fall in commodity prices and increased competition in the market we have also seen many of our customers seek to pass on risk to their suppliers which may have historically been borne by the operator.

We have put in place robust processes and procedures to support each of the principal activities which we undertake. We seek to employ personnel with the relevant experience, qualifications and competencies and have the appropriate tracking mechanisms to ensure that our staff have demonstrable competencies for each of the tasks that they perform. We have a governance structure which ensures that our compliance with processes is validated periodically and that a culture of continuous improvement is reinforced. We have robust reporting mechanisms to report safety and environmental data at each operating unit and escalation processes to investigate incidents. We have a pre-defined contracting strategy with our clients setting out what exposures are acceptable and escalation mechanisms where we are asked to agree to contractual positions which fall out with these set parameters. We have a comprehensive package of insurance coverage to further protect us from potential claims or incidents.

As well as our personnel, the provision of assets such as drilling rigs is a key component of our product and service offering. We offer a range of drilling rigs from new state of the art rigs designed for specific climates or for speed of movement, through to older assets which have been in operation for a number of years. These assets need to be regularly maintained and key components replaced over time to maintain the asset integrity of our equipment. We maintain a team of personnel specialised in maintaining these assets to ensure that they provide our clients with safe, effective and trouble-free operations with low levels of non-productive time. To remain competitive in the long term we must continue to invest in our assets and refresh our rig fleet on a periodic basis. Compliance requirements continue to increase across the broad range of territories in which we operate. During the past few years, we have seen new data privacy and data protection rules with large potential fines and other sanctions for non-compliance. We seek to address these new requirements proactively using both our own internal resources as well as external advice.

Abbot Holdings Limited

Strategic Report (continued)

Credit related risk

Although many of our customers have historically been blue chip international oil companies, we also work for national oil companies, as well as independent operators. Because of the significant capital expenditure requirements for our clients to develop oil and gas assets, and the cyclical nature of commodity prices, some of our clients can become financially distressed, particularly in the sustained downturn which we have experienced over the past few years. We have also seen some sovereign states heavily dependent upon oil and gas struggling to balance their budgets and consequently being unable to access sufficient foreign currencies such as US Dollars to settle liabilities. In some cases, local currencies have become illiquid and very difficult to convert to other currencies.

Negotiation power is limited once the contract has ended and there have been a few cases where payment of final invoices has taken longer than expected to resolve. There have also been a few requests for extended credit terms.

In some markets, particularly those where we may have a low level of activity or only a single rig operating, it can be difficult to consistently make acceptable levels of return. In some markets, we also experience tax and other local laws and rules being inconsistently applied which can result in additional and unexpected costs of doing business. In each of the countries in which we operate we are potentially subject to changes in tax laws, treaties or regulations which could have a material impact on our business.

We seek to mitigate these risks through continuous monitoring of exposures to individual clients as well as overall exposure to particular geographies. Financial credit checks are required to be performed on new clients prior to tendering submissions and where possible we will seek payments in advance of services or protection via bank guarantees and similar mechanisms. We have robust escalation processes to chase overdue accounts with regular reviews with our senior management team.

In some cases, we are able to leverage our position to push for the release of payments but where this is not possible early and robust legal processes are used to accelerate a conclusion to the process. We also structure contracts to be paid in US Dollars where possible. We seek appropriate professional advice before entering new markets and have internal review and approval mechanisms to challenge the returns we expect on new contracts. In some cases we have decided to exit markets where we have been unable to make a consistent level of acceptable return.

Human capital risk

All of the services and operations which we perform require a diverse highly skilled and well-trained work force to provide the front line services, as well as to support the fundamental business processes and control mechanisms. Across the oil & gas industry generally there has been an aging of the workforce which has been compounded in the past four years by the industry downturn and a large reduction in the number of new recruits entering the sector. Continued access to a diverse pipeline of talent to be able to provide skilled staff and future management resources for the Group are critical.

During 2020 the Group has seen an increased focus on nationalisation as a result of the limitations imposed by the pandemic as the mobility of expatriate employees has been impacted. The business must also position itself to source and deploy the right skills and experience to support operational growth as we enter the Energy Transition.

Over the past few years, the Group has invested significantly in enhancing our processes and systems around human resources. We seek to provide our staff with a dynamic and supportive work environment and to remunerate them fairly in each of the markets in which we operate.

Abbot Holdings Limited

Strategic Report (continued)

Human capital risk (continued)

Where the employees have the appropriate skills, ability and desire to progress we have put in place the necessary management tools to help them pursue their career ambitions with KCA Deutag. We have succession planning tools to assist in identifying and developing a diverse future talent pool and to help to ensure that we have the appropriate management resources to lead the Group in the future.

Key performance indicators

The Directors of KCA Deutag Alpha Limited manage the group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Abbot Holdings Limited. See note 17 for details of where copies of the Group's financial statements can be obtained.

On behalf of the Board



N Gilchrist
Director

17 September 2021

Abbot Holdings Limited

Directors' Report for the year ended 31 December 2020

The Directors present their Directors' report and the financial statements of the Company for the year ended 31 December 2020.

Further information regarding the Company, including important events and its progress during the year, events since the year end and likely future development is contained in the Strategic Report on pages 2 to 9. The information that fulfils the requirements of the Strategic Report (as required the Companies Act 2006), which is incorporated in this Directors' Report by reference, can be found on the following pages of this Annual Report:

Information	Location	Pages
Development and performance during the financial year	Strategic Report	2
Position at the year end including analysis and key performance indicators	Strategic Report	2
Other performance including environmental and employee matters	Strategic Report	2
Principal risks and uncertainties facing the business	Strategic Report	2
Financial risk management	Strategic Report	5
Explanation of amounts included in the financial statements	Notes to the Financial Statements	16 - 27

Results and dividends

The profit for the financial year was £205k (2019: £112,848k) and has been transferred to reserves. No dividends were paid in the year (2019: nil).

The Company has net assets of £241,652k (2019: £241,447k). The Directors are satisfied that this is sufficient to support the future operations of the Company.

Principal risks and uncertainties

The principal risks and uncertainties are discussed within the Strategic Report on page 2. The Company's operational risks are aligned with those faced by the rest of the Group and are disclosed in the Strategic Report.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

N Gilchrist

G Paver (resigned 2 March 2020)

A Byrne

S Branston (appointed 2 March 2020)

Substantial shareholdings

The Company's ultimate parent undertaking and ultimate controlling company is KCA Deutag International Limited, which is registered in Jersey. The shareholders of KCA Deutag International Limited are comprised of holders of the pre-restructuring secured debt which was partially swapped for equity in KCA Deutag International Limited as part of the restructuring transaction.

At 31 December 2020, the Company's ordinary shares were wholly owned by Abbot Group Limited.

Abbot Holdings Limited

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

Employees

The Company had no employees at any time during the current or prior year.

Environment

The Company has various subsidiaries that provide drilling and related well and facilities engineering services both onshore and offshore. In the execution of these services they undertake environmental risk assessments and site appraisals as standard. These assessments are discussed with the clients to improve the environmental performance of the operation as a whole, through the preparation and implementation of site specific environmental plans.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Going concern

The Company had net assets at the Balance Sheet date of £241,652k (2019: £241,447k). The Directors have obtained confirmation from a fellow group undertaking that it will provide the necessary support to enable the Company to meet its obligations as they fall due. The confirmation is valid for a minimum of 12 months from the date of approval of financial statements.

The funding of the Company is also 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.

Abbot Holdings Limited

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

Going concern (continued)

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 Company's financial statements on a going concern basis. Further details are provided in Note 2 to the financial statements.

On behalf of the Board



N Gilchrist

Director

17 September 2021

Abbot Holdings Limited

Profit and Loss Account and Statement of Comprehensive Income for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Investment income		186	-
Cost of Sales		(3)	(112,947)
Operating profit/(loss)		183	(112,947)
Exceptional items - loss on refinancing	5	(6)	-
Interest receivable and similar income	6	28	99
Profit/(loss) before taxation		205	(112,848)
Tax on profit/(loss)	9	-	-
Total comprehensive income/(expense) for the financial year - net of tax		205	(112,848)

The results have been derived wholly from continuing operations.

The Company has no recognised gains and losses during the year other than those included in the Profit and Loss Account.

Abbot Holdings Limited

Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed Assets			
Investments	10	228,094	228,094
		228,094	228,094
Current assets			
Debtors	11	13,538	46
Cash at bank and in hand	12	27	13,307
		13,565	13,353
Current liabilities			
Creditors: amounts falling due within one year	13	(7)	-
Net current assets		13,558	13,353
Net assets		241,652	241,447
Capital and reserves			
Called up share capital	14	273,373	273,373
Share premium account		8,968	8,968
Capital redemption reserve		517	517
Capital contribution reserve		490,594	490,594
Profit and loss account		(531,800)	(532,005)
Total shareholders' funds		241,652	241,447

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 13 to 27 were approved by the Board of Directors on 17 September 2021 and signed on its behalf by:

Neil Gilchrist

N Gilchrist
Director

Registered number: 02682916

Abbot Holdings Limited
Statement of Changes in Equity for the year ended at 31 December
2020

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Profit and Loss account £'000	Total Shareholders' funds £'000
At 1 January 2020	273,373	8,968	517	490,594	(532,005)	241,447
Comprehensive income						
Profit for the year	-	-	-	-	205	205
Total comprehensive income	-	-	-	-	205	205
At 31 December 2020	273,373	8,968	517	490,594	(531,800)	241,652
At 1 January 2019	273,373	8,968	517	490,594	(419,157)	354,295
Comprehensive expense						
Loss for the year	-	-	-	-	(112,848)	(112,848)
Total comprehensive expense	-	-	-	-	(112,848)	(112,848)
At 31 December 2019	273,373	8,968	517	490,594	(532,005)	241,447

The Notes on pages 16 to 27 are an integral part of these financial statements.

Abbot Holdings Limited

Notes to the financial statements for the year ended 31 December 2019

1 General information

Abbot Holdings Limited's ('the Company') principal activity is the provision of engineering services.

The Company is a private company, limited by shares, incorporated in England and Wales and domiciled in Scotland. The address of its registered office is 1 Park Row, Leeds, England, LS1 5AB.

2 Basis of preparation

These financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards - in particular FRS 101 and the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRSs"). The financial statements have been prepared under the historic cost convention.

The Company is a qualifying entity for the purposes of FRS 101. Note 17 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of KCA Deutag Alpha Limited, which prepares consolidated financial statements that are publicly available.

Adoption of Financial Reporting Standard 101 has enabled the Company to take advantage of certain disclosure exemptions, most notably in respect of financial instruments (IFRS 7 requirements) and related party transactions with fellow 100% subsidiaries of KCA Deutag International Limited. Furthermore the Company is no longer required to prepare a cash flow statement. The below provides a summary of the disclosure exemptions adopted in the preparation of these financial statements, in accordance with FRS 101:

- *IFRS 7: Financial Instruments: Disclosures;*
- *IFRS 13: Fair value measurement in respect of the disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities;*
- *IAS 1: Presentation of financial statements' comparative information requirements in respect of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets;*
- *IAS 1: Presentation of financial statements in respect of: statement of cash flows including comparatives and statement of compliance with all IFRS;*
- *IAS 8: Accounting policies, changes in accounting estimates and errors' for the disclosure of new standards not yet effective;*
- *IAS 24: Related party disclosures in respect of key management compensation;*
- *IAS 24: Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group; and*
- *IAS 36: Impairment of assets in respect of the assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts.*

Abbot Holdings Limited

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

2 Basis of preparation (continued)

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

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.

Going concern

The Company had net assets at the Balance Sheet date of £241,652k (2019: £241,447k). The Directors have obtained confirmation from a fellow group undertaking that it will provide the necessary support to enable the Company to meet its obligations as they fall due. The confirmation is valid for a minimum of 12 months from the date of approval of financial statements.

The funding of the Company is also 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.

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 Company's financial statements on a going concern basis.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

Investments in subsidiary undertaking and intercompany loans

Investments in subsidiary undertakings comprise of shares (at cost) and loans, net of provisions for impairment. Investments are considered for impairment when there are indicators that impairment may exist. Intercompany loans are accounted for at their amortised cost with provisions for Expected Credit Losses ("ECLs") being booked when considered necessary.

The ECLs are calculated with reference to the expected timescale for repayment and the effective rate of interest applicable to each loan. A discounted value of the loan receivable is derived and consequently any applicable impairment charge is reflected in the Profit and Loss Account.

Abbot Holdings Limited

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

(continued)

3 Summary of significant accounting policies (continued)

Trade debtors

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for an expected credit loss, if applicable. When determining the level of expected credit loss provision, management consider the age of the outstanding receivable along with prior experience in relation to the specific customer as well as the jurisdiction in which the balance is due before booking any provision. When determining the level of expected credit loss provision required in respect of trade debtor balances, management also consider the creditworthiness and probability of the future default of the customer.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors due within more than one year. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Exceptional items are those significant non-recurring items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the financial performance of the Company. Transactions which may give rise to exceptional items include write-downs or impairments of assets including goodwill, refinancing costs, restructuring costs and litigation settlements.

Turnover

Interest income is accrued on a time basis, by reference to the principal amount outstanding and the effective interest rate applicable.

Dividends

Dividend distributions on ordinary shares are recognised as a liability in the Company's financial statements when they have been approved by the Company's shareholders or paid in the case of interim dividends. Dividend income is recognised when the right to receive payment is established.

Taxation

The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the Profit and Loss Account due to items that are not taxable or deductible in any year and also due to items that are taxable or deductible in a different year. The Company's liability for current tax is calculated using tax rates enacted or substantively enacted at the Balance Sheet date.

Deferred tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on tangible fixed assets, tax losses carried forward and, in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantially enacted, by the Balance Sheet date are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Abbot Holdings Limited

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

3 Summary of significant accounting policies (continued)

Exceptional items

Exceptional items are those significant non-recurring items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the financial performance of the Company. Transactions which may give rise to exceptional items include write-downs or impairments of assets including goodwill, refinancing costs, restructuring costs and litigation settlements.

Foreign currencies

(i) Functional and presentation currency

These financial statements are presented in Sterling (GBP) which is also the functional currency of the Company and the primary economic environment in which it operates.

(ii) Transactions and balances

Transactions denominated in a foreign currency are converted to the functional currency at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date. The resulting exchange gains and losses are dealt with through the Profit and Loss Account for the period.

4 Significant accounting judgments and estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Where significant estimates or assumptions have been applied in estimating balances in the financial statements, these have been disclosed in the relevant notes to those balances.

Intercompany receivables

The Company makes an estimate of the recoverable value of intercompany receivables. When assessing impairment of intercompany receivables, management consider factors including the the availability of funds within the Group to allow the balances to be settled on demand. See Note 11 for the net carrying amount of intercompany receivables.

5 Exceptional items - loss on refinancing

	2020	2019
	\$'000	£'000
Exceptional loss on refinancing	(6)	-

On 21 December 2020, the Group closed its financial restructuring whereby its secured debt was reduced from c. \$1.9 billion to c. \$0.5 billion via a debt for equity exchange with its secured lenders. As a result of this transaction, an exceptional loss of \$6k has been reflected in the Income Statement of the Company. The loss represents the impact of extinguishing the Company's accrued interest receivable.

Abbot Holdings Limited
Notes to the financial statements for the year ended 31 December 2020
(continued)

6 Interest receivable and similar income

	2020	2019
	£'000	£'000
Bank interest receivable	28	99

7 Operating profit/(loss)

	2020	2019
	£'000	£'000
Net exchange loss	3	-

8 Directors and employees

The Directors neither received nor waived any emoluments during the year from the Company (2019: nil). Their remuneration is allocated to companies in the Group as part of an overall management charge and therefore it is not possible to determine the elements of directors' remuneration relevant to this in a practical manner.

The Company had no employees at any time during the current and prior year.

9 Tax on profit/(loss)

(a) Analysis of charge in year

	2020	2019
	£'000	£'000
Current tax	-	-
Total tax charge (note 9(b))	-	-

(b) Factors affecting tax charge in year

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

The differences are explained below

	2020	2019
	£'000	£'000
Profit/(loss) before taxation	204	(112,848)
Profit/(loss) before taxation at standard rate of corporation tax in the UK at 19.00% (2019: 19.00%)	39	(21,441)
Effects of:		
Expenses not deductible for tax purposes	1	21,460
Income not taxable for tax purposes	(35)	-
Transfer pricing adjustments	14	-
Group relief for nil consideration	(19)	(19)
Total tax charge for the year (note 9(a))	-	-

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 remained at 19%, rather than the previously enacted reduction to 17%.

Abbot Holdings Limited

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

10 Investments

Investments comprise the cost of shares in subsidiary undertakings as follows:

	2020 £'000	2019 £'000
At 1 January	228,094	341,041
Amounts written off	-	(112,947)
At 31 December	228,094	228,094

A list of all subsidiary undertakings is given in note 19.

11 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Other debtors	-	8
Amounts owed by group undertakings	13,500	-
Called-up share capital not paid	38	38
	13,538	46

The fair value of debtors are approximate to carrying amounts given that they are short term in nature.

The amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

12 Cash at bank and in hand

	2020 £'000	2019 £'000
Cash at bank and in hand	27	13,307

The cash value wholly represents cash held on a bank account within the Group's working capital facility. This is a notional cash pooling working capital facility in which individual entities such as Abbot Holdings Limited can hold overdraft balances provided that the overall cash value held by all companies within the facility is in net credit. As at 31 December 2020, the Company held positive cash of £27k.

13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to group undertakings	7	-
	7	-

The amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Abbot Holdings Limited

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

14 Called up share capital

	2020 £'000	2019 £'000
Authorised		
298,600,000 (2019: 298,600,000) ordinary shares of £1 each	298,600	298,600
140,000,000 (2019: 140,000,000) preference shares of 1p each	1,400	1,400
1,500,000 (2019: 1,500,000) redeemable cumulative preference shares of £100 each	150,000	150,000

The nominal share capital of the Company is in Sterling and is translated at the ruling exchange rate at the date of the transactions.

	2020 £'000	2019 £'000
Issued and fully paid		
273,373,672 (2019: 273,373,672) ordinary shares of £1 each	273,373	273,373
	273,373	273,373

If issued, the preference shares shall entitle the holders to attend but not to vote at any general meetings of the Company and on a winding up, the redeemable cumulative preference shareholders rank above the ordinary shares but below the preference shares of 1p each.

15 Related party transactions

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with KCA Deutag Alpha Limited and its wholly owned subsidiaries, for which consolidated financial statements are publicly available.

16 Capital commitments

The Company had no capital commitments at 31 December 2020 and 31 December 2019.

17 Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of Abbot Group Limited.

The Company's ultimate parent undertaking and ultimate controlling company is KCA Deutag International Limited, which is registered in Jersey. The shareholders of KCA Deutag International Limited are comprised of holders of the pre-restructuring secured debt which was partially swapped for equity in KCA Deutag International Limited as part of the restructuring transaction.

At 31 December 2020 the smallest and largest groups 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.

Abbot Holdings Limited

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

18 Post balance sheet events

On the 23 April 2021 the capital contribution reserve of £ 490,594k was capitalised by a Bonus Issue of one new £1.00 share at a premium.

On 12 May 2021, the share capital and share premium accounts were reduced by £ 772,935k following a capital reduction process in which all shares were cancelled except for one ordinary £1.00 share of nominal value. This capital reduction results in a corresponding increase in the company's retained earnings in May 2021.

19 Subsidiaries and associates

A full list of subsidiaries is shown below.

The Company's subsidiaries registered at 1 Park Row, Leeds, LS1 5AB are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling Group Limited	Indirect subsidiary	England and Wales
KCA European Holdings Limited	Indirect subsidiary	England and Wales
KCA DEUTAG Caspian Limited	Indirect subsidiary	England and Wales

The Company's subsidiaries registered at Group Headquarters, Bankhead Drive, City South Office Park, Portlethen, Aberdeenshire, AB12 4XX are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Europe BV	Indirect subsidiary	Scotland
SET Drilling Company Limited	Indirect subsidiary	Scotland
KCA DEUTAG Drilling Limited	Indirect subsidiary	Scotland
KCA DEUTAG Drilling Services (UK) Limited	Indirect subsidiary	Scotland
KCA DEUTAG Offshore UK Limited	Indirect subsidiary	Scotland
KCA DEUTAG Technical Support Limited	Indirect subsidiary	Scotland
KCA DEUTAG Rig Design Services Limited	Indirect subsidiary	Scotland
KCA DEUTAG Limited	Indirect subsidiary	Scotland
ProRig Limited	Indirect subsidiary	Scotland

The Company's subsidiary registered at 10 Anson Road, #32-15 International Plaza, Singapore 079903 is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling PTE Limited (in liquidation)	Indirect subsidiary	Singapore

The Company's subsidiaries registered at 11757 Katy Freeway, Suite 600, Houston, TX, 77079, USA are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG LLC	Indirect subsidiary	USA

Abbot Holdings Limited

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

19 Subsidiaries and associates (continued)

The Company's subsidiaries registered at Elenion Building, 2nd Floor, 5 Themistocles Dervis Street, Nicosia 1066, Cyprus are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Overseas Limited	Indirect subsidiary	Cyprus
KCA DEUTAG Holdings Limited	Indirect subsidiary	Cyprus
KCA DEUTAG (Cyprus) Limited	Indirect subsidiary	Cyprus

The Company's subsidiaries registered at Deilmannstrasse 1, 48455 Bad Bentheim, Germany are as follows:

Name	Relationship to Company	Country of incorporation
Abbot Verwaltungsgesellschaft mbH	Indirect subsidiary	Germany
KCA DEUTAG GmbH	Indirect subsidiary	Germany
KCA DEUTAG Tiefbohrergesellschaft mbH	Indirect subsidiary	Germany
KCA DEUTAG Drilling GmbH	Indirect subsidiary	Germany
Bentec GmbH Drilling and Oilfield Systems	Indirect subsidiary	Germany
Bentec Personalservice GmbH	Indirect subsidiary	Germany

The Company's subsidiaries registered at Espehaugen 37, 5258 Blomsterdalen, 1201 Bergen, Norway are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Holdings Norge AS	Indirect subsidiary	Norway
KCA DEUTAG Drilling Norge AS	Indirect subsidiary	Norway
KCA DEUTAG MODU Operations AS	Indirect subsidiary	Norway
Abbot Holdings Norge AS	Indirect subsidiary	Norway
KCA DEUTAG Offshore AS	Indirect subsidiary	Norway
KCA DEUTAG Drilling Offshore Services AS	Indirect subsidiary	Norway

The Company's subsidiaries registered at Jan Tinbergenstraat 432, 7559, St Hengelo, The Netherlands are as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Nederland BV	Indirect subsidiary	Netherlands
KCA DEUTAG Investments BV	Indirect subsidiary	Netherlands

The Company's subsidiary registered at Unit No. 2301-2, 23rd Floor Rasa Tower I, 555 Paholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG PTE Limited	Indirect subsidiary	Singapore

Abbot Holdings Limited

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

19 Subsidiaries and associates (continued)

The Company's subsidiary registered at BC # 672960, PO Box 3340, Road Town, Tortola, British Virgin Islands is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Investments Limited	Indirect subsidiary	British Virgin Islands

The Company's subsidiary registered at Oman KCA DEUTAG Drilling Company LLC, P.O. Box 74, Postal Code 328, Rumais, Sultanate of Oman is as follows:

Name	Relationship to Company	Country of incorporation
Oman KCA DEUTAG Drilling Company (LLC)	Indirect subsidiary	Oman

The Company's associate registered at Km 16, PH-Aba Expressway, Opposite INTELS, Rumukurusi, Port Harcourt, Nigeria is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Nigeria Limited	Indirect subsidiary	Nigeria

The Company's subsidiary registered at Lot 5475, Simpang 68, Jalan Kerma Negara, Kuala Belait KA1931, Brunei Darussalam is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling (Brunei) Sdn Bhd	Indirect subsidiary	Brunei

The Company's subsidiaries registered at 2km of Stary Tobolsky trakt, 8, building 111, 625014 Tyumen, Russia are as follows:

Name	Relationship to Company	Country of incorporation
Bentec Drilling and Oilfield Systems LLC	Indirect subsidiary	Russia
KCA DEUTAG Russia LLC	Indirect subsidiary	Russia

The Company's subsidiary registered at Ulitsa im. Kosmanavta Popvicha 100, Yuzhno-Sakhalinsk, Russia, 693007 is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling LLC	Indirect subsidiary	Russia

The Company's subsidiary registered at Schottegatweg Oost 44, Willemstad, Curaçao is as follows:

Name	Relationship to Company	Country of incorporation
Deutag Overseas (Curaçao) NV	Indirect subsidiary	Netherlands Antilles

Abbot Holdings Limited

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

19 Subsidiaries and associates (continued)

The Company's subsidiary registered at PO Box 4327, Al Khobar 31952, Kingdom of Saudi Arabia is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling Saudi Arabia Limited	Indirect subsidiary	Saudi Arabia

The Company's subsidiary registered at 45 Hebron Way, Suite 201, St. John's NF, A1A 0P9, Canada is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Drilling Canada Inc.	Indirect subsidiary	Canada

The Company's subsidiary registered at No.4 Rajeyan St., Goyabadi St., Zafar Ave., Tehran, Iran is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Iran Kish Drilling Company (in liquidation)	Indirect subsidiary	Iran

The Company's subsidiary registered at Unit No. 302, Swiss Tower, Plot No. Y3, Jumeirah Lakes Towers, Dubai, UAE is as follows:

Name	Relationship to Company	Country of incorporation
KCA DEUTAG Operations Services DMCC	Indirect subsidiary	UAE

The Company's joint venture registered at 15 Chaikovsky Street, Almaty, Republic of Kazakhstan is as follows:

Name	Relationship to Company	Country of Incorporation
Bentec Kazakhstan Limited Liability Partnership	Joint venture	Kazakhstan

The Company's subsidiary registered at P.O. Box 12 78, PC 133 Al-Khuwair / Sultatane of Oman is as follows:

Name	Relationship to Company	Country of incorporation
International Drilling Technology LLC	Indirect subsidiary	Oman

The Company's subsidiary registered at 14th Floor ISR Plaza, 69 Nizami Street, Baku, AZ 1000 Azerbaijan is as follows:

Name	Relationship to Company	Country of incorporation
Turan Drilling & Engineering Company LLC	Indirect subsidiary	Azerbaijan

The Company's subsidiary registered at 04050, Ukraine, Kyiv, Mykoly Pymonenka Street 13, build. 1-B, office 31 is as follows:

Name	Relationship to Company	Country of Incorporation
Bentec TOB	Indirect subsidiary	Ukraine

Abbot Holdings Limited

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

19 Subsidiaries and associates (continued)

The Company's subsidiaries registered at Republic of Kazakhstan, Atyrau Region, Atyrau, Sharipova Street, 26A, Block 1 ground floor is as follows:

Name	Relationship to Company	Country of incorporation	Percentage of ordinary shares held
KCA Deutag Kazakhstan LLP	Joint venture	Kazakhstan	51%

During the year the company also liquidated its 100% owned subsidiary KCA DEUTAG Drilling (Thailand) Limited.