Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	818 450 842
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MAERSK INSPIRER OPERATIONS AS
Forretningsadresse:	Moseidveien 19 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Torill Terese Olufsen
Dato for fastsettelse av årsregnskapet:	10.06.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert

År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 02.11.2021

Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Other operating income		61 809 057	
Sum inntekter		**61 809 057**	
Kostnader			
Other operating expenses	5, 10, 13	59 067 238	-82 538
Sum kostnader		**59 067 238**	**-82 538**
Driftsresultat		**2 741 819**	**82 538**
Finansinntekter og finanskostnader			
Annen renteinntekt		402 478	170 383
Other financial income		3 963 224	3 271 666
Sum finansinntekter		**4 365 702**	**3 442 049**
Annen rentekostnad		230 607	479 601
Other financial expenses		5 022 882	3 585 544
Sum finanskostnader		**5 253 489**	**4 065 144**
Netto finans		**-887 787**	**-623 096**
Ordinært resultat før skattekostnad		**1 854 032**	**-540 558**
Income taxes	3	407 888	-118 923
Ordinært resultat etter skattekostnad		**1 446 145**	**-421 635**
Årsresultat	4	**1 446 145**	**-421 635**
Årsresultat etter minoritetsinteresser		**1 446 145**	**-421 635**
Totalresultat		**1 446 145**	**-421 635**
Overføringer og disponeringer			
Total distributed		1 446 145	-421 635
Sum overføringer og disponeringer		**1 446 145**	**-421 635**

Resultatregnskap

Beløp i: NOK	Note	2019	2018

Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	3		118 923
Sum immaterielle eiendeler			**118 923**
Sum anleggsmidler		**0**	**118 923**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable	5, 13	96 359 391	27 645 020
Other current receivables	1, 5, 12, 13	77 019 125	134 359 691
Krav på innbetaling av selskapskapital	1, 5, 12		
Sum fordringer	9	**173 378 516**	**162 004 711**
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	7	1 688 601	1 112 641
Sum bankinnskudd, kontanter og lignende		**1 688 601**	**1 112 641**
Sum omløpsmidler		**175 067 117**	**163 117 352**
SUM EIENDELER		**175 067 117**	**163 236 275**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		100 000	100 000
Sum innskutt egenkapital		**100 000**	**100 000**
Opptjent egenkapital			

Balanse

Beløp i: NOK	Note	2019	2018
Other equity	4	1 024 511	-421 634
Sum opptjent egenkapital		**1 024 511**	**-421 634**
Sum egenkapital	4	**1 124 511**	**-321 634**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		160 092 722	142 850 768
Tax payable		288 965	
Public duties payable		2 250 630	1 423 703
Other current liabilities		11 310 289	19 283 439
Sum kortsiktig gjeld		**173 942 607**	**163 557 910**
Sum gjeld		**173 942 607**	**163 557 910**
SUM EGENKAPITAL OG GJELD		**175 067 117**	**163 236 275**

Maersk Inspirer Operations AS

Statutory accounts 2019

(All figures in NOK)

Annual report 2019

MAERSK INSPIRER OPERATIONS AS is a Norwegian limited liability company and has prepared for a future drilling contract with Repsol Norge AS during 2019.

Operation and employment

MAERSK INSPIRER OPERATIONS AS has performed project management services related to the preparation of the rig "MAERSK INSPIRER" for the drilling contract with Repsol Norge AS. The services include managing upgrades and modifications of the rig. The rig has been located at Aker Solution AS' yard in Egersund since July 2018. The drilling contract with Repsol Norge AS has a duration of five years from commencement of the drilling operations on the Norwegian continental shelf with an option for extension of five years.

Subsequent to year-end, the oil price has dropped substantially to a level of around USD 25-40 per barrel. Combined with the implications of the global outbreak of COVID-19, the lower oil price environment is expected to have negative implications for the Company's activities and profitability in 2020.

The financial statement is prepared under the assumption of going concern. The Board of Directors confirms the conditions are present.

Employees and working environment (internal)

Our yearly HSE culture campaign is established through good discussions and input during the annual HSE seminar arranged in the autumn. The participants are representatives from both the employees and employer's side. The main HSE goals are being agreed and thereafter signed off by the rig team management and location team.

In 2019 there were 0 lost time incidents (LTI), 0 medical treatment cases (MTC) and 0 restricted work cases (RWC). There were 0 dropped objects > 40 J registered.

"MAERSK INSPIRER" had an average sickness absence rate of 7,44% in 2019.

The average number of employees and hired personnel was 71 in 2019 (33 in 2018).

Diversity and inclusion are important to Maersk Drilling; therefore, Maersk Drilling has decided to make it a priority area in 2020. Maersk Drilling wants to better understand the barriers to female representation in leadership positions and therefore needs to gather further insights in order to plan for increased female representation in leadership positions.

Maersk Drilling will gather insights on the experience from female employees, both the ones who are currently with the company and those who have chosen to leave the company. For offshore, Maersk Drilling would like to explore and learn from what our industry peers are doing to successfully increase diversity, including female representation, and learn from their experiences. Finally, Maersk Drilling will consult with respected authorities and experts in order to fully qualify our strategy.

Despite all current Board members being men, both the Management and the Board of Directors are aware of the social expectations for measures to promote equality in business.

Outer environment (external)

The management system complies with the ISO 14001 standard, which is an important tool to improve the environment and to strengthen reputation.

Maersk Drilling is continuing the Zero-philosophy concerning external emissions. "MAERSK INSPIRER" had no reportable discharges in 2019.

Financials

This year's operating income is NOK 2 741 819, and income before tax is NOK 1 854 032. The net income is NOK 1 446 145.

The company assesses the financial risk continuously, but considers the risk low due to the following reasons:

- Market risk: The management and bareboat rental agreements made by the entity are linked to the existing contracts, and will be cancelled if the operation is reduced/terminated.
- Credit risk: All customers are evaluated individually, and measures are made if their financial strength is unsatisfactory. The credit risk is considered low since the customers are large oil&gas companies with good credit rating.
- Liquidity: The company has no capital tied up in long term investments. The company is a member of a group cash pool arrangement.
- Currency risk: All customer agreements are made with revenue in both USD and NOK to reduce currency risk.

The Board affirms that the company's financial statement represents a true picture of the situation.

10 June 2020

The Board of MAERSK INSPIRER OPERATIONS AS

Thomas Lysgaard Falk
Chairperson of the Board

Jesper Ridder Olsen
Member of the Board

Jakob Korsgaard
Member of the Board/Managing Director

Maersk Inspirer Operations AS

Financial statement 2019

Profit and Loss statement (All figures in NOK)

	Note	2019	2018
Operating income and expenses			
Other operating income		61 809 057	0
Total operating income		**61 809 057**	**0**
Other operating expenses	5, 10, 13	59 067 238	-82 538
Total operating expenses		**59 067 238**	**-82 538**
Operating result		**2 741 819**	**82 538**
Financial income and expenses			
Interest income		402 478	170 383
Other financial income		3 963 224	3 271 666
Interest expenses		230 607	479 601
Other financial expenses		5 022 882	3 585 544
Net financial items		**-887 787**	**-623 096**
Result before tax		**1 854 032**	**-540 558**
Income taxes	3	407 888	-118 923
Net result		**1 446 145**	**-421 635**
Net result	4	**1 446 145**	**-421 635**
Net result for the year is distributed as follows:			
Transferred to/from other equity		1 446 145	-421 635
Total distributed		**1 446 145**	**-421 635**

Maersk Inspirer Operations AS

Financial statement 2019

Balance sheet (All figures in NOK)

	Note	2019	2018
Assets			
Intangible assets			
Deferred tax assets	3	0	118 923
Total intangible assets		0	118 923
Current assets			
Receivables			
Accounts receivable	5, 13	96 359 391	27 645 020
Other current receivables	1, 5, 12, 13	77 019 125	134 359 691
Total receivables	9	173 378 516	162 004 711
Cash and bank deposits	7	1 688 601	1 112 641
Total current assets		175 067 117	163 117 352
Total assets		175 067 117	163 236 275

Maersk Inspirer Operations AS

Financial statement 2019

Balance sheet (All figures in NOK)

	Note	2019	2018
Equity and liabilities			
Equity			
Share capital		100 000	100 000
Total share capital		**100 000**	**100 000**
Other equity	4	1 024 511	-421 634
Total other equity		**1 024 511**	**-421 634**
Total equity	4	**1 124 511**	**-321 634**
Liabilities			
Current liabilities			
Trade payables		160 092 722	142 850 768
Tax payable		288 965	0
Public duties payable		2 250 630	1 423 703
Other current liabilities		11 310 289	19 283 439
Total current liabilities		**173 942 607**	**163 557 910**
Total liabilities		**173 942 607**	**163 557 910**
Total equity and liabilities		**175 067 117**	**163 236 275**

10 June 2020

The Board of MAERSK INSPIRER OPERATIONS AS

Thomas Lysgaard Falk
Chairperson of the Board

Jesper Ridder Olsen
Member of the Board

Jakob Korsgaard
Member of the Board/Managing Director

Indirect cash flow

Maersk Inspirer Operations AS

	Note	2019	2018
Cash flows from operating activities			
Profit/loss before tax		1 854 032	-540 558
Change in trade receivables and trade payables		-51 472 417	115 205 748
Change in other balance sheet items		50 194 345	-113 652 550
Net cash flows from operating activities		**575 960**	**1 012 641**
Cash flows from investment activities			
Net cash flows from investment activities		**0**	**0**
Cash flows from financing activities			
Net cash flows from financing activities		**0**	**0**
Net change in cash and cash equivalents		575 960	1 012 641
Cash and cash equivalents at the start of the period		1 112 641	100 000
Cash and cash equivalents at the end of the period		**1 688 601**	**1 112 641**

Note 1 - Accounting principles

The Financial Statement is comprised of the profit and loss statement, balance sheet, cash flow statement and note disclosures and has been prepared in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway per 31 December 2019.

The Financial Statement is based on the principles of historical cost, comparability, continued operation, prudence and the all-inclusive income concept. Transactions are recorded and measured at the value of the consideration at the time of the transaction. Revenue is recognized when earned and expenses are recognized based on the matching principle.

Assets and liabilities
Assets/liabilities related to the business cycle and items that are due for payment within one year after balance sheet date are classified as current assets/liabilities. Current assets (liabilities) are measured at the lower (higher) of cost and market value. Market value is defined as the estimated sales value less selling costs. Other assets are classified as fixed assets.

Income tax
Income tax in the Profit and Loss statement includes both payable tax for the period and change in deferred taxes. Deferred tax is calculated as 22 percent (31.12.2019) of the temporary differences between accounting and tax values and tax losses brought forward at year-end.

Pension
An annual premium is paid to state defined contribution for employees according to applicable law. The premium is expenses when incurred.

Revenue recognition
The construction/modification phase, the company is responsible for the project management of the modifications, whereas the actual performance of the engineering and construction work is ultimately Repsol Norge AS' risk. In this phase, all costs are fully reimbursable.

When the drilling operation starts, the starting point is the same; all costs are fully reimbursable except for certain defined cost elements in relation to the base running of the rig and during drilling operations which have been fixed in two fixed daily rates. The drilling operation is estimated to start late 2020. Day rates will be recognized when the service is performed.

The company's current revenues are comprised of a handling fee from Repsol Norge AS and service fee from Maersk North Sea Drilling A/S. The fees from Repsol Norge AS relate to preparation and upgrade coordination services connected to the drilling contract. The fees from Maersk North Sea Drilling A/S relate to the management of preserving and maintaining the rig in stacked state and rig certification assistance.

The company has subcontracted the majority of the preparation and upgrade coordination to Maersk Drilling A/S. All payments from Repsol Norge AS related to these services, are reflected as "Other operating expenses" except the profit element which is reflected as "Other operating income".

Currency
The company's functional currency is USD, accounting currency is NOK and presentation currency is NOK. Transactions in foreign currencies (those other than the accounting currency) are translated at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at the balance sheet date.

Leases
The company intends to rent MAERSK INSPIRER under a bareboat charter agreement. The charter rates will be set in accordance with the arm's length standard. Bareboat charter, and other leases, will be treated as operating leases for accounting purposes and thus expensed when incurred.

Cash pool
The company's bank accounts are part of a group accounting system where excess cash is collected by the parent company in Denmark. The company has a receivable of NOK 35 865 665 in the cash pool.

Note 2 - Personnel expenses

	2019	2018
Salaries and wages	11 565 792	4 285 430
Payroll tax (Arbeidsgiveravgift)	2 792 677	954 455
Pension contributions	8 240 432	2 483 757
Hired personnel	90 408 816	23 758 312
Total personnel expenses	**113 007 717**	**31 481 954**
Average number of employees and hired personnel	71	33

Directors and executives receive no direct compensation from the company.

Personnel expenses are reimbursed by Repsol Norge AS, and are classified as "Other operating expenses" in the profit and loss statement, consistently with how the reimbursement payments from Repsol Norge AS classified. Refer Accounting Principles - Revenue Recognition - for further explanation.

Auditor

Audit fees for 2019 amount to NOK 103 274 exclusive of VAT.

Audit fees are comprised of:	
Statutory audit	95 000
Technical assistance	8 274
Total audit fees	**103 274**

Note 3 - Income Taxes

	2019	2018
Tax payables is calculated as follows:		
Profit before tax	1 854 032	-540 557
Utilisation of loss carried forward	-540 557	0
Taxable income	**1 313 475**	**-540 557**
Tax payable in balance sheet		
Tax payable	**288 965**	**0**
Tax expense in income statement:		
Tax payable on profit for the year	288 965	0
Changes in deferred tax	118 923	-118 923
Income tax expense for the year	**407 888**	**-118 923**
Recognized deferred tax assets and liabilities:		
Loss carried forward	0	-540 557
Total temporary differences	**0**	**-540 557**
Basis deferred tax asset	**0**	**-540 557**
Deferred tax asset (liability) (22%/22%)	**0**	**118 923**
Effective tax rate reconciliation:		
22%/23% of profit before tax	407 888	-124 328
Effect change in tax rate	0	5 406
Income tax expense for the year	**407 888**	**-118 923**

Note 4 - Equity and shareholder information

	Share capital	Other equity	Total
Equity at 31.12.2018	100 000	-421 634	-321 634
Net profit for the year		1 446 145	1 446 145
Equity at 31.12.2019	**100 000**	**1 024 511**	**1 124 511**

Share capital and shareholder information:
Maersk Inspirer Operations AS is a wholly owned subsidiary of Maersk Drilling A/S in Denmark.
The total share capital is NOK 100 000 and is comprised of 100 shares with a nominal value of NOK 1 000.

Note 5 - Transaction with related parties

Associated companies in the group	Ownership
Maersk Drilling A/S	100%

Other related parties

Maersk Drilling North Sea A/S
Maersk Drilling A/S
Maersk Drilling Norge AS

Transactions with associated companies

Transactions with associated parties are part of the ordinary business, and are subject to arm's length prices. The most significant transactions are:

Maersk Drilling North Sea A/S
Management fee NOK 59 026 825 (revenue)

Maersk Drilling Norge AS:
Personnel cost NOK 90 408 816
Management fee NOK 34 336 858 (cost)

The balance sheet includes the following amounts as a result of transactions with associated companies:

	2019	2018
Accounts receivable	59 881 457	27 645 020
Cash pool advance	35 865 665	130 415 123
Trade creditors	21 413 102	57 817 824
Other current liabilities	16 783	0

Note 6 - Operating segments

The main business area for the Group is operation and management of mobile offshore units / installations and associated services.

Note 7 - Cash and bank deposits

NOK 1 588 374 of the bank deposits are restricted cash related to tax deduction for employees.

Note 8 - Financial market risk

The company assesses the financial risk continuously, but considers the risk low due to the following reasons:

- Market risk: The management and bareboat rental agreements made by the entity are linked to the existing contracts, and will be cancelled if the operation is reduced/terminated.
- Credit risk: All customers are evaluated individually, and measures are made if their financial strength is unsatisfactory. The credit risk is considered low since the customers are large oil&gas companies with good credit rating.
- Liquidity: The company has no capital tied up in long term investments. The company is a member of a group cash pool arrangement.
- Currency risk: All customer agreements are made with revenue in both USD and NOK to reduce currency risk.

Note 9 - Assets and Liabilities

The company has no receivables or liabilities with due date later than one year.

Note 10 - Leases

The company intends to lease Maersk Inspirer under a bareboat charter agreement with a estimated contract commencement date of 01.01.2021. A day rate will be agreed for one year at the time. The agreement will run until the end of the drilling contract with Repsol Norge AS.

Note 11 - Loan security and guarantees

The company has no loan security and guarantees as of today.

Note 12 - Cash pool

The company's bank accounts are part of a group accounting system where excess cash is collected by the parent company in Denmark. The company has a bank deposit of NOK 35 865 665 in the cash pool arrangement.

The company has the following credit limits as a member of the group cash pool arrangement:

- DKK 10 500 000
- EUR 500 000
- NOK 60 000 000
- USD 500 000

Note 13 - Accounts receivable

	2019	2018
Accounts receivable	96 359 391	27 645 020
Other receivables	77 019 125	134 359 691

Note 14 - Subsequent events

Subsequent to year-end, the oil price has dropped substantially to a level of around USD 25-40 per barrel. Combined with the implications of the global outbreak of COVID-19, the lower oil price environment is expected to have negative implications for the Company's activities and profitability in 2020.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
19.03.2019	02.01.2019	Henning Stokke
800 80 000 Skatteetaten.no	Din/Deres referanse Toril T L Olufsen	Telefon 800 80 000
Org.nr 974761076	Vår referanse 2019/5218675	Postadresse Postboks 9200 Grønland 0134 OSLO

MAERSK DRILLING NORGE AS
Postboks 134 Forus
4065 STAVANGER

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 2. januar 2019 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

818 450 842	Maersk Inspirer Operations AS
921 695 365	Maersk Integrator Operations AS
921 695 330	Maersk Intrepid Operations AS
921 289 510	Maersk Reacher Operations AS

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper 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
Fra søknaden gjengis:

> *Selskapene er norske aksjeselskap. Selskapene er heleide datterselskap av det danske selskapet Maersk Drilling A/S, cvr-nummer 32673821, og selskapenes styremedlemmer er utenlandske.*
>
> *Konsernet utarbeider konsernregnskap på engelsk og det er også ønskelig ut fra et konsolideringshensyn å kunne utarbeide årsregnskap og årsberetning kun på engelsk slik at konsernet dermed har et felles regnskapsspråk.*
>
> *Selskapene driver virksomhet innen olje- og gassbransjen. Olje- og gassbransjen er en internasjonal bransje hvor den daglige kommunikasjonen tradisjonelt alltid har foregått på engelsk.*
>
> *Selskapenes kundekrets består i det vesentlige av utenlandske aktører og alle kontrakter inngås på engelsk. Engelsk er arbeidsspråk i all kommunikasjon både konserninternt og eksternt for å sikre at brukerne mottar den samme informasjonen.*

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:

> *"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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er datterselskaper av et utenlandsk selskap. Videre er det vektlagt at selskapene opererer innen en bransje der engelsk er bransjespråket og at konsernspråket er engelsk. I tillegg har øvrige konsernselskaper tidligere fått dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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To the General Meeting of Maersk Inspirer Operations AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maersk Inspirer Operations AS, which comprise the balance sheet as at 31 December 2019, the profit and loss 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 2019, 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.

Other information

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

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

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

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

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

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 fair presentation 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 exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

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.

Stavanger, 10 June 2020
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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