



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 992 448 636
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND DRILLING MANAGEMENT AS
Forretningsadresse: Sandslimarka 61
5254 SANDSLI

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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: Marte Sandvik Hasund
Dato for fastsettelse av årsregnskapet: 09.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 10.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		122 600 611	107 761 104
Annen driftsinntekt		2 509 977	1 500 000
Sum inntekter	3	125 110 588	109 261 104
Kostnader			
Lønnskostnad	4	81 847 533	72 454 654
Annen driftskostnad	4	21 761 612	16 891 080
Sum kostnader		103 609 144	89 345 734
Driftsresultat		21 501 444	19 915 370
Finansinntekter og finanskostnader			
Annen finansinntekt		754 112	649 424
Sum finansinntekter		0	0
Annen rentekostnad		74 089	15 659
Annen finanskostnad		639 898	401 392
Sum finanskostnader		0	0
Netto finans		40 125	232 373
Resultat før skattekostnad		21 541 569	20 147 743
Skattekostnad	5	4 848 667	4 461 418
Årsresultat		16 692 902	15 686 325
Totalresultat		16 692 902	15 686 325
Overføringer og disponeringer			
Konsernbidrag		17 190 727	15 817 754
Overføringer til/fra annen egenkapital		-497 825	-131 429
Sum overføringer og disponeringer		16 692 902	15 686 325



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Kundefordringer		70 121 623	105 175 923
Andre fordringer		4 301 194	1 837 054
Sum fordringer	6,7	74 422 816	107 012 977
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	3 475 993	4 577 364
Sum bankinnskudd, kontanter og lignende		3 475 993	4 577 364
Sum omløpsmidler		77 898 809	111 590 341
SUM EIENDELER		77 898 809	111 590 341

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9	65 557	65 557
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		65 557	65 557
Opptjent egenkapital			
Annen egenkapital		22 074 430	22 572 255
Sum opptjent egenkapital		22 074 430	22 572 255
Sum egenkapital	10	22 139 987	22 637 811
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		22 315 456	12 461 548
Skyldige offentlige avgifter		2 464 038	4 875 505
Annen kortsiktig gjeld		30 979 329	71 615 477
Sum kortsiktig gjeld	6,7,11	55 758 822	88 952 529
Sum gjeld		55 758 822	88 952 529
SUM EGENKAPITAL OG GJELD		77 898 809	111 590 341



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 639131

Enheten

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Organisasjonsform: Aksjeselskap
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Forretningsadresse: Sandslimarka 61
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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Marte Sandvik Hasund
Dato for fastsettelse av årsregnskapet: 09.07.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja
Ekstern autorisert regnskapsfører har i
løpet av regnskapsåret bistått ved den
løpende regnskapsføringen eller utført
andre tjenester for selskapet enn å
utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

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År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 17.07.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

RESULTATREGNSKAP

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Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

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Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

Island Drilling Management AS is included in the consolidated financial statement for Island Drilling Company AS, Stålhaugen 9, 6065 Ulsteinvik, Norway. Group accounts may be obtained upon request. The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway. The significant principles are described below. Revenue recognition Revenue is recognized based on time of delivery, whereby the time of delivery is defined as the time at which risk and control is transferred to the buyer. Revenue from services is recognized when delivered. The share of revenue related to future services is capitalized as deferred revenue at the time of sale, and recognized as revenue in accordance with services delivered. Classification and valuation of balance sheet items Assets to be owned or utilized on a permanent basis, and receivables falling due later than one year from the end of the accounting period are classified as fixed assets. Other assets are classified as current assets. Analogue criteria apply to liabilities. Current assets are valued at the lower of acquisition cost and market value. Fixed assets are capitalized and depreciated over the expected economic life of the asset if the expected lifetime exceeds 3 years and the acquisition cost exceeds NOK 15 000. Maintenance of assets is expenses as other operating expenses. Receivables Accounts receivables and other short-term receivables are recorded at initial value less a provision for doubtful accounts. The provision for doubtful accounts is recorded based on an individual assessment of outstanding items. Currency Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets, short term liabilities and long term liabilities in foreign currency are recorded at the exchange rate on the balance sheet date. Taxes The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax are calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable. Deferred tax liability and deferred tax assets are presented net in the balance sheet. Cash flow statement The cash flow statement is prepared by using the indirect method. By using this method, cash flow are reported gross from investment and financing activities, whilst the accounting result is reconciled to net cash flow from operating activities. Cash and cash equivalents include cash, bank deposits and other short term liquid investments which can be converted to cash within 3 months from the date of acquisition and with immaterial risk. The use of estimates Preparation of the annual financial statements entails the use of estimates. Accounting estimates may deviate from the actual results, but they are based on the best estimate on the date for the submission of the accounts.

Note

1

Er det usikkerhet om fortsatt drift?: Nei



Note

4

Antall årsverk i regnskapsåret

20.00

Note

4

Spesifisering av resultatregnskapet

Lønnskostnader

	<u>Årets</u>	<u>Fjorårets</u>
<u>Lønn</u>	76014022.00	68103809.00
<u>Folketrygdavgift</u>	3982776.00	2952830.00
<u>Pensjonskostnader</u>	1877990.00	1303639.00
<u>Andre ytelser</u>	-27254.00	94376.00
<u>Sum lønnskostnader</u>	81847534.00	72454654.00

Note

Ekstraordinære inntekter og kostnader

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld



Skatteetaten

Vår dato 30.04.2019	Din/Deres dato 12.03.2019	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Mai-Britt Myklebust	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5531837	Postadresse Postboks 9200 Grønland 0134 OSLO

BORGSTEIN AS
Postboks 370
6067 ULSTEINVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 12. mars 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Island Diligence AS	org.nr. 920 421 091
Island Victory AS	org.nr. 920 718 590
Island Drilling Management AS	org.nr. 992 448 636
Island Drilling Crewing AS	org.nr. 921 499 906

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Felles for alle selskapene er at indirekte majoritetsiere er en norsk og en utenlandsk familie. Island Diligence AS er eid av tre selskaper der det ene er utenlandsk. Island Victory AS er 100 % eid av det norske selskapet Island Offshore XII Ship AS som er majoritets eid av Island Offshore Shipholding, L.P., et Cayman Island selskap. Island Offshore XII Ship AS har tillatelse til å benytte engelsk språk. Island Drilling Management AS og Island Drilling Crewing AS er søsterselskaper og er 100 % eid av Island Drilling Company AS. Island Drilling Company AS er majoritets eid av det amerikanske selskapet RIG Invest, L.L.C. Island Drilling Company AS har tillatelse til å benytte engelsk språk. Selskapenes forretningsspråk er engelsk, som også er arbeidsspråket i styrene. Kundene og leverandørene er i hovedsak internasjonale og norske virksomheter med leveranser til offshore industrien. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *årsregnskapet og årsberetningen ... være på norsk.*



Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at indirekte majoritetsiere er to utenlandske familier der den ene er utenlandsk. Morselskapene til tre av selskapene har tillatelse til å benytte engelsk språk. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Drilling Management AS

Opinion

We have audited the financial statements of Island Drilling Management AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and 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 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view 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 and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Bergen, 9 July 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Drilling Management AS 2023

A member firm of Ernst & Young Global Limited

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PENNEO

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Knutsen, Jørn

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: no_bankid:9578-5992-4-3012515

IP: 147.161.xxx.xxx

2024-07-09 08:36:27 UTC



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Island Drilling Management AS



The Board of Director's annual report 2023

1. The nature of the business

Island Drilling Management AS (hereinafter referred to as "IDM") is one of two subsidiaries of Island Drilling Company AS (IDC) and is 100% owned by IDC.

All onshore employees are employed by IDM, and the nature of the business is to provide management services, including hire of offshore personnel from its sister company Island Drilling Crewing AS (Crewing), to Island Drilling Company AS and Noble Drilling.

IDM's registered office is in Ulsteinvik, Norway.

2. Going concern – operational update

The activity level of IDM is two-folded and is depending on the activity levels of the rig Island Innovator (INN) and the jack-up rig Noble Lloyd Noble (NLN).

2023 has been a year of high activity. Island Innovator has been on contracts in a total of three locations with three different clients. The assessment is that the Island Drilling Company, based on the continued support from its major owners, has the resources, organization, competence, assets and customer base to continue being a going concern.

IDM entered a rig crewing agreement with Noble Drilling during 2020 for the jack-up rig Noble Lloyd Noble (NLN). The rig has previously operated for Equinor on the Mariner field on the UKCS and now operating on a contract with Equinor on the Valemon field on the NCS.

IDM assisted Noble in an Acknowledgement of Compliance (AOC) process in the larger part of 2021 for NLN, supporting Noble with approximately 1/3 of the offshore crew as well as the key personnel onshore. In 2022, the onshore personnel were transferred to Noble, though offshore crew has been supplied by IDM throughout the year. The reports after two years of cooperation are positive. IDM had as of start of January 2023, 11 permanently employed supporting Island Innovator and NLN. In 2Q22, Noble Drilling sold the NLN to Shelf Drilling, though the contract remains unchanged until December 2023. NLN completed their contract with Equinor and would now transfer to Shelf Drilling. With this background IDM received termination of agreement and will not provide services to Shelf Drilling except service of electro responsible.

Following the balance sheet date, the contract with Trident was terminated. The reason for the termination is disputed by Island Drilling Company, and we hope to



Island Drilling Management AS



ISLAND DRILLING

reach an agreement within 2024. The rig is now getting ready to start a contract with Tullow Petroleum in Mauritania during summer of 2024.

3. Working environment and personnel

IDM had 20 employees as of 31st of December 2023. The management personnel are mostly located at the Head quarter office in Bergen, but the company has also a satellite office in Stavanger and at location where the rig operates.

The Management team works close and meticulously with the rig to ensure standardized and safe working routines and has the same mindset in the office spaces.

The sick leave in % is at 8,8% for 2023.

The mindset of continuous improvement of working environment is incorporated Island Drilling Group's company structure.

4. Social Responsibility

The IDC Group ensures that it has high ethical standard when carrying out business activities, whether this is towards customers, suppliers, employees, authorities, capital markets, owners or society in general.

The IDC Group follows the International Labor Organization's (ILO) convention for working and living conditions of seafarers which ensures that employees have comprehensive rights and protection at work. IDC's drilling rig is certified in accordance with the working and living conditions in the MLC ("Maritime Labor Convention"). For office staff, the working conditions are in accordance with the Norwegian Working Environment Act.

The IDC Group require that employees, agents and representatives comply with applicable laws when it comes to gifts and possible other benefits and such matters must be reported to an immediate superior. The Company require that all its' trading meets all applicable ethical standards. The company respects the traditions and cultures in the countries in which the drilling rig will operate and pledges to comply with the laws in the areas where the business activities are carried out.

5. Equal opportunities

The Company aims to be a workplace where everyone has equal opportunities irrespective of gender, ethnicity or religious orientation. The gender balance is 1/3 women and 2/3 men.

The Board of Directors consist of three members, all men.



Island Drilling Management AS



6. Environmental reporting

The IDC Group's business as of 31 December 2023 is not regulated by license or subject to public orders. The activities do not pollute the external environment over and above what customary for operations of this kind.

The Group's has guidelines, principles, policies and standards for how to integrate considerations relating to human rights labor rights and social issue, the environment and anti- corruption in its business strategies and in day-to-day operations, as well as in relation to stakeholders.

For more information with regards to company policies, code of conduct, HSES policy and values, please see our website <https://islanddrilling.no/ahse/>.

7. Future developments

The IDC Group is well established in the drilling market and is continuing the operation of Island Innovator. The main focus is still operation on the NCS as well as UKCS. However, IDC is also open for attractive opportunities globally and has performed work on the African Continent in 2023.

8. Market update

The oil drilling market continued to recover from the pandemic-induced downturn, as global demand for oil and gas increased in 2023. Island Drilling Company is experiencing a healthy number of tenders to bid on and IDC's top priority is to deliver top performance on ongoing contracts and secure an order back-log in Q3 2024 and onwards.

9. Performance

The Board of Directors is of the opinion that the annual accounts give a true and fair picture of IDM's assets and liabilities, financial position and results.

IDM had a turnover of TNOK 125 110 in 2023 (TNOK 107 761 in 2022). The company is primarily hiring out onshore personnel to IDC (Island Innovator) and operating the management agreement of Noble Lloyd Noble, the turnover from IDC and Management resulting in a net profit of TNOK 16 692 for the year.

IDM had no expenditures related to Research and Development

10. Financial risk



Island Drilling Management AS



ISLAND DRILLING

10.1 Market risk

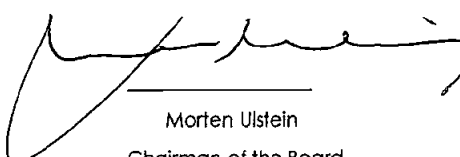
IDM is generally exposed to market risk. The Group has secured short- and medium-term contracts until 3Q24, however as no long-term contracts has been secured for Island Innovator, the risk is still considered moderate.

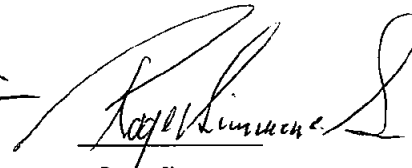
10.2 Currency risk

The Company is to some extent exposed to changes in the foreign exchange markets. The drilling contracts for Island Innovator are in USD and all long-term debt in IDC is in USD. However, all operating expenses are payable in NOK (payroll).

10.3 Board Insurance

We are pleased to inform you that our company has implemented board insurance, an essential component of our risk management strategy.


Morten Ulstein
Chairman of the Board


Roger Simmenes
Chief Executive Officer



Income statement

Island Drilling Management AS

Tekst	Note	2023	2022
Operating income		122 600 611	107 761 104
Other operating income		2 809 977	1 800 000
Operating income	3	125 110 588	109 261 104
Payroll expenses	4	81 847 533	72 454 654
Other operating expenses	4	21 761 612	16 891 080
Total operating expenses		103 609 144	89 345 734
Operating profit		21 501 444	19 915 370
Other financial income		754 112	649 424
Interest expenses		74 089	15 689
Other financial expenses		639 898	401 392
Total financial income & expenses		40 125	232 373
Ordinary result before tax		21 541 569	20 147 743
Tax on ordinary result	5	4 848 667	4 461 418
Net profit for the year		16 692 902	15 686 325
Allocated as follows			
Transfer to other equity		-497 825	-131 429
Allocate to group contribution		17 190 727	15 817 754
Total transfers		16 692 902	15 686 325



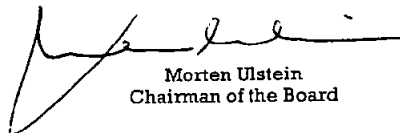
Balance sheet

Island Drilling Management AS

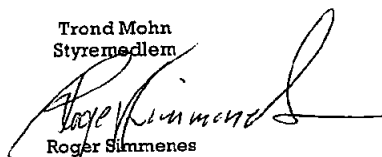
Tekst	Note	2023	2022
Assets			
Fixed assets			
Intangible fixed assets			
Financial fixed assets			
Current assets			
Accounts receivables		70 121 623	105 175 923
Other receivables		4 301 194	1 837 054
Total debtors	6,7	74 422 816	107 012 977
Cash and bank deposits	8	3 475 993	4 577 364
Total current assets		77 898 809	111 590 341
Total assets		77 898 809	111 590 341

**Balance sheet****Island Drilling Management AS**

Tekst	Note	2023	2022
Liabilities and equity			
Equity			
Paid in equity			
Share capital	9	65 557	65 557
Total paid in equity		65 557	65 557
Retained earnings			
Other equity		22 074 430	22 572 255
Total retained earnings		22 074 430	22 572 255
Profit not allocated		0	0
Total equity	10	22 139 987	22 637 811
Liabilities			
Provision for liabilities			
Current liabilities			
Trade creditors		22 315 456	12 461 548
Unpaid government fees/taxes		2 464 038	4 875 505
Other short term liabilities		30 979 329	71 615 477
Total current liabilities	6,7,	55 758 822	88 952 529
Total liabilities		55 758 822	88 952 529
Total equity and liabilities		77 898 809	111 590 341

ULSTEINVIK, 31.12.2023 / 01.07.2024
The Board of Island Drilling Management AS

Morten Ulstein
Chairman of the Board

Gary J Chouest
StyremedlemTrond Mohn
Styremedlem

Roger Simmenes
Managing director

Island Drilling Management AS

Org.nr. 992448636



Balance sheet

Island Drilling Management AS

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Managing director

Island Drilling Management AS Org.nr. 992448636



Cash flow statement

Island Drilling Management AS

Per 31.12.	2023	2022
Cash flow from operating activities.		
Profit/loss before tax	21 541 569	20 147 743
Taxes paid		
Change in accounts receivables	- 32 644 323	-45 829 224
Change in accounts payable	9 853 909	6 915 328
Change in other accruals	47 474	12 753 620
Net cash flow from operating activities	-1 101 371	-6 012 533
Cash flow from financial activities		
Payments other receivables	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	-1 101 371	-6 012 533
Cash and cash equivalent 01.01	4 577 364	10 589 897
Cash and cash equivalents 31.12.	3 476 993	4 577 364

Island Drilling Management AS



Island Drilling Management AS

Notes to the financial statements 2023

Note 1 – Accounting principles

Island Drilling Management AS is included in the consolidated financial statement for Island Drilling Company AS, Stålhaugen 9, 6065 Ulsteinvik, Norway. Group accounts may be obtained upon request.

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

The significant principles are described below.

Revenue recognition

Revenue is recognized based on time of delivery, whereby the time of delivery is defined as the time at which risk and control is transferred to the buyer. Revenue from services is recognized when delivered. The share of revenue related to future services is capitalized as deferred revenue at the time of sale, and recognized as revenue in accordance with services delivered.

Classification and valuation of balance sheet items

Assets to be owned or utilized on a permanent basis, and receivables falling due later than one year from the end of the accounting period are classified as fixed assets. Other assets are classified as current assets. Analogue criteria apply to liabilities.

Current assets are valued at the lower of acquisition cost and market value. Fixed assets are capitalized and depreciated over the expected economic life of the asset if the expected lifetime exceeds 3 years and the acquisition cost exceeds NOK 15 000. Maintenance of assets is expenses as other operating expenses.

Receivables

Accounts receivables and other short-term receivables are recorded at initial value less a provision for doubtful accounts. The provision for doubtful accounts is recorded based on an individual assessment of outstanding items.

Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets, short term liabilities and long term liabilities in foreign currency are recorded at the exchange rate on the balance sheet date.

Taxes

The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax are calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable. Deferred tax liability and deferred tax assets are presented net in the balance sheet.



Cash flow statement

The cash flow statement is prepared by using the indirect method. By using this method, cash flow are reported gross from investment and financing activities, whilst the accounting result is reconciled to net cash flow from operating activities. Cash and cash equivalents include cash, bank deposits and other short term liquid investments which can be converted to cash within 3 months from the date of acquisition and with immaterial risk.

The use of estimates

Preparation of the annual financial statements entails the use of estimates. Accounting estimates may deviate from the actual results, but they are based on the best estimate on the date for the submission of the accounts.

Note 2- Business description

Island Drilling Management AS provides management services, including hire of onshore personnel to Island Drilling Company AS and Noble Drilling.

Note 3- Transactions with related parties

	2023	2022
Sales to Island Drilling Company AS	46 157 436	33 081 147
Sales from Island Drilling Company AS	6 480 000	6 480 000

Note 4 – Payroll expenses, employees, pensions

The company had 20 employees by the end of 2023.
No remuneration has been paid to the Board of Directors or the Managing Director.

In accordance with Norwegian law, the company is obliged to offer a pension scheme and this scheme satisfies the requirement in the law. The pension plans offered complies with laws and regulations.

Payroll expenses:

	2023	2022
Wages	76 014 022	68 103 809
Payroll tax	3 982 776	2 952 830
Pension costs	1 877 990	1 303 639
<u>Other personnel cost</u>	<u>-27 254</u>	<u>94 376</u>
Total	81 847 533	72 454 654

Audit fee has been paid with NOK 114 115 excluding VAT during 2023.



Note 5 – Taxes

Calculation tax basis:

	2023	2022
Profit before taxes	21 541 569	20 147 743
Permanent differences	497 825	131 429
Change in temporary differences	-	-
<u>Change in deficit to carry forwards</u>	-	-
<u>Payable tax basis</u>	<u>22 039 394</u>	<u>20 279 172</u>
<u>Group contribution</u>	<u>-22 039 394</u>	<u>-20 279 172</u>

Overview of temporary differences:

	2023	2022
Fixed assets, including goodwill	-	-
<u>Deficit to carry forwards</u>	-	-
<u>Net temporary differences</u>	-	-
<u>Deferred tax asset</u>	-	-

Deferred tax rate 22 % 22 %

Tax payable on this years result

	2023	2022
Payable taxes	4 848 667	4 461 418
<u>Change in deferred taxes</u>	-	-
<u>Tax expense</u>	<u>4 848 667</u>	<u>4 461 418</u>
<u>-Payable taxes on group contribution</u>	<u>4 848 667</u>	<u>4 461 418</u>
<u>Payable taxes</u>	-	-

Deferred tax assets is not capitalized.

Note 6 – Receivables and debt

Other short-term receivables:

	2023	2022
Prepayments	291 217	337 054
Accounts receivables	70 121 623	105 175 923
Outstanding VAT	-	-
<u>Other short-term receivables</u>	<u>4 009 977</u>	<u>1 500 000</u>
<u>Total</u>	<u>74 422 816</u>	<u>107 012 977</u>

The company has no long-term debt or long-term receivables as of 31.12.23



Note 7- Inter-company balances

Related party balances:

	2023	2022
Accounts receivable	58 150 703	90 125 270
Other short term receivables	0	2 077
Other short term debt	22 107 019	69 589 274

Note 8 -- Deposits

The company have an account tied to tax withholdings and the balance on this account by the end of the year is NOK 1 323 993.

Note 9 – Share capital and shareholder information

The share capital of NOK 65 557 comprises 6 555 667 shares at NOK 0, 01.

Overview of shareholders at 31.12. :

Shareholder	Shares	Ownership
Island Drilling Company AS	6 555 667	100 %

Notes 10 – Equity

	Share capital	Other equity	Total
Equity 01.01	65 557	22 572 255	22 637 811
Net profit		16 692 902	16 692 902
Group contribution		-17 190 727	-17 190 727
Equity 31.12	65 557	22 074 430	22 139 987

Note 11- Pledged assets and guarantees etc.

The Company is jointly registered with the other Group companies in the VAT register and is therefore jointly liable for any unpaid VAT.



Note 12 - Going concern

The activity level of IDM is two-folded and is depending on the activity levels of the rig Island Innovator (INN) and the jack-up rig Noble Lloyd Noble (NLN).

2023 has been a year of high activity. Island Innovator has been on contracts in a total of three locations with three different clients. The assessment is that the Island Drilling Company, based on the continued support from its major owners, has the resources, organization, competence, assets and customer base to continue being a going concern.

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