



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
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: 30.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 19.07.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		107 761 104	121 114 165
Annen driftsinntekt		1 500 000	
<b>Sum inntekter</b>	3	<b>109 261 104</b>	<b>121 114 165</b>
<b>Kostnader</b>			
Lønnskostnad	4	72 454 654	76 871 557
Annen driftskostnad	4	16 891 080	16 848 995
<b>Sum kostnader</b>		<b>89 345 734</b>	<b>93 720 552</b>
<b>Driftsresultat</b>		<b>19 915 370</b>	<b>27 393 613</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		649 424	411 640
<b>Sum finansinntekter</b>		<b>0</b>	<b>0</b>
Annen rentekostnad		15 659	17 083
Annen finanskostnad		401 392	200 438
<b>Sum finanskostnader</b>		<b>0</b>	<b>0</b>
<b>Netto finans</b>		<b>232 373</b>	<b>194 120</b>
<b>Ordinært resultat før skattekostnad</b>		<b>20 147 743</b>	<b>27 587 733</b>
Skattekostnad på ordinært resultat	5	4 461 418	3 846 469
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>15 686 325</b>	<b>23 741 264</b>
<b>Totalresultat</b>		<b>15 686 325</b>	<b>23 741 264</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag		15 817 754	13 637 483
Overføringer til/fra annen egenkapital		-131 429	10 103 781
<b>Sum overføringer og disponeringer</b>		<b>15 686 325</b>	<b>23 741 264</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Sum immaterielle eiendeler		0	0
<b>Varige driftsmidler</b>			
Sum varige driftsmidler		0	0
<b>Finansielle anleggsmidler</b>			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		0	0
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Fordringer</b>			
Kundefordringer		105 175 923	60 846 699
Andre fordringer		1 837 054	53 208
Sum fordringer	6,7	107 012 977	60 899 907
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	8	4 577 364	10 589 897
Sum bankinnskudd, kontanter og lignende		4 577 364	10 589 897
Sum omløpsmidler		111 590 341	71 489 805
SUM EIENDELER		111 590 341	71 489 805

### BALANSE - EGENKAPITAL OG GJELD



### Balanse

Beløp i: NOK	Note	2022	2021
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	9	65 557	65 557
Annen innskutt egenkapital		0	0
<b>Sum innskutt egenkapital</b>		<b>65 557</b>	<b>65 557</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		22 572 255	22 703 684
<b>Sum opptjent egenkapital</b>		<b>22 572 255</b>	<b>22 703 684</b>
<b>Sum egenkapital</b>	10	<b>22 637 811</b>	<b>22 769 241</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Sum avsetninger for forpliktelser</b>		<b>0</b>	<b>0</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum annen langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		12 461 548	5 546 220
Skyldige offentlige avgifter		4 875 505	8 494 546
Annen kortsiktig gjeld		71 615 477	34 679 798
<b>Sum kortsiktig gjeld</b>	6,7,11	<b>88 952 529</b>	<b>48 720 564</b>
<b>Sum gjeld</b>		<b>88 952 529</b>	<b>48 720 564</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>111 590 341</b>	<b>71 489 804</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 659545

#### Enheten

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

#### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

Regler for små foretak benyttet: Ja  
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: 30.06.2023

#### 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

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

*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, 08.08.2023



Organisasjonsnr: 992 448 636  
ISLAND DRILLING MANAGEMENT AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		107 761 104	121 114 165
Annen driftsinntekt		1 500 000	
<b>Sum inntekter</b>	<b>3</b>	<b>109 261 104</b>	<b>121 114 165</b>
<b>Kostnader</b>			
Lønnskostnad	4	72 454 654	76 871 557
Annen driftskostnad	4	16 891 080	16 848 995
<b>Sum kostnader</b>		<b>89 345 734</b>	<b>93 720 552</b>
<b>Driftsresultat</b>		<b>19 915 370</b>	<b>27 393 613</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		649 424	411 640
<b>Sum finansinntekter</b>		<b>0</b>	<b>0</b>
Annen rentekostnad		15 659	17 083
Annen finanskostnad		401 392	200 438
<b>Sum finanskostnader</b>		<b>0</b>	<b>0</b>
<b>Netto finans</b>		<b>232 373</b>	<b>194 120</b>
<b>Ordinært resultat før skattekostnad</b>			
Skattekostnad på ordinært resultat	5	4 461 418	3 846 469
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>15 686 325</b>	<b>23 741 264</b>
<b>Totalresultat</b>		<b>15 686 325</b>	<b>23 741 264</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag		15 817 754	13 637 483
Overføringer til/fra annen egenkapital		-131 429	10 103 781
<b>Sum overføringer og disponeringer</b>		<b>15 686 325</b>	<b>23 741 264</b>



Organisasjonsnr: 992 448 636  
ISLAND DRILLING MANAGEMENT AS

## BALANSE

Beløp i: NOK Note 2022 2021

### 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 105 175 923 60 846 699  
Andre fordringer 1 837 054 53 208  
Sum fordringer 6,7 107 012 977 60 899 907

Investeringer  
Sum investeringer 0 0

Bankinnskudd, kontanter  
og lignende  
Bankinnskudd, kontanter  
og lignende 8 4 577 364 10 589 897  
Sum bankinnskudd,  
kontanter og lignende 4 577 364 10 589 897

Sum omløpsmidler 111 590 341 71 489 805

SUM EIENDELER 111 590 341 71 489 805

### BALANSE - EGENKAPITAL OG GJELD

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 22 572 255 22 703 684



Sum opptjent egenkapital		22 572 255	22 703 684
Sum egenkapital	10	22 637 811	22 769 241
<b>Gjeld</b>			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		12 461 548	5 546 220
Skyldige offentlige avgifter		4 875 505	8 494 546
Annen kortsiktig gjeld		71 615 477	34 679 798
Sum kortsiktig gjeld	6,7,11	88 952 529	48 720 564
Sum gjeld		88 952 529	48 720 564
<b>SUM EGENKAPITAL OG GJELD</b>		<b>111 590 341</b>	<b>71 489 804</b>



Organisasjonsnr: 992 448 636  
ISLAND DRILLING MANAGEMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1

#### Regnskapsprinsipper

Note  
1

Er det usikkerhet om fortsatt drift?: Nei

Note  
3

Antall årsverk i regnskapsåret  
29.00

Note  
3

#### Spesifisering av resultatregnskapet

##### Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	68103809.00	71870411.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	2952830.00	3485488.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	1303639.00	1248344.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	94378.00	267314.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	72454656.00	76871557.00

Note

#### Ekstraordinære inntekter og kostnader



<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<b>Konsernregnskap</b>			
<b>Morselskapet sitt navn</b>			
<b>Forretningskontor for morselskapet</b>			
<b>Begrunnelse for at datterselskap er utelatt fra konsolideringen</b>			
<b>Konsern, tilknyttet selskap m.v. - fordringer og gjeld</b>			
<b>Fordringer</b>			
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>

**Note**  
3

**Lån og sikkerhetsstillelse til medlemmer**  
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:** Medlemmer av:

**Mer om lån og sikkerhetsstillelse**



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 2022, 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 2022 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 and 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 and using the



Building a better  
working world

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, 30 June 2023  
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 2022

A member firm of Ernst & Young Global Limited

Penneo document key: 4f5Z7H-G2668-3QC6T-8TQ4V-46W5C-ELUHT



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.  
De signerende parter sin identitet er registrert, og er listet nedenfor.

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

## Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-3012515

IP: 83.241.xxx.xxx

2023-06-30 13:30:24 UTC



Penneo Dokumentnøkkel: 41SZH-G2668-3QC6T-81Q4V-46W5C-ELUHT

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>



**ISLAND DRILLING**

Financial statements

2022

Island Drilling Management AS



Island Drilling Management AS



ISLAND DRILLING

## The Board of Director's annual report 2022

---

### 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).

IDM has, as of 31<sup>st</sup> December 2022, 16 permanently employed, and 4 inhouse consultants supporting Island Innovator and NLN.

During 2022, Island Innovator was on back-to-back contracts with Dana Petroleum and Petrofac Facilities Management on UKCS, before it went on contract for Eco Atlantic in 4Q. The market outlook remains positive, and INN is contracted until 3Q24. We are working closely with several charterers to fill up the orderbook for the from 3Q24.

Island Drilling Management has managed the collaboration with Noble Drilling during 2022 well, and has had steady work for approximately 40 people. Noble Drilling was the owner of the jack-up rig, NLN in the beginning of 2022, though sold off the asset and the contract to Shelf Drilling in June of 2022. NLN has previously operated for Equinor on the Mariner field on the UKCS and is currently on a contract with Equinor on the Valemon field on the NCS. The contract will run to the end of 2023 and future contracts for the rig are currently being negotiated.

The background for agreement between IDM and Noble is that IDM assisted Noble in the AOC process in the larger part of 2021 (Acknowledgement of Compliance) for NLN, supporting Noble with approximately 1/3 of the offshore crew, as well as the key personnel onshore, who are located in Stavanger. This AOC Process entered a new phase in October 2021 where compliance phase went over in a commenced phase. The onshore personnel were transferred from IDM to Noble in 1Q22.

Some uncertainty regarding the going concern assumption is being perceived as the Company is working on short to medium term contracts. The goal is to secure a long-



## Island Drilling Management AS



## ISLAND DRILLING

term contract for the Island Innovator. Risk related to the Covid-19 Pandemic is deemed low, though the rise in inflation and supply chain challenges following the pandemic is still viable. This is also the case for IDM and the uncertainty regarding the going concern assumption is still be perceived, but less than at the end of 2021.

### 3. Working environment and personnel

IDM had 16 employees as of 31<sup>st</sup> of December 2022. 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 7% for 2022.

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.

For more information with regards to company policies in accordance with the transparency act, there will be a report on our website <https://islanddrilling.no/qhse/>, made available by 30.06.23.



## Island Drilling Management AS



## ISLAND DRILLING

### 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.

### 6. Environmental reporting

The IDC Group's business as of 31 December 2022 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/qhse/>.

### 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 signed for a campaign 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 2022. 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 2023 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 result.

IDM had a turnover of TNOK 109 261 in 2022 (TNOK 121 114 in 2021). The company is primarily hiring out onshore personnel to IDC (Island Innovator) and operating the



**Island Drilling Management AS**



**ISLAND DRILLING**

management agreement of Noble Lloyd Noble, the turnover from IDC and Management resulting in a net profit of TNOK 15 686 for the year.

IDM had no expenditures related to Research and Development

**10. Financial risk**

**10.1 Market risk**

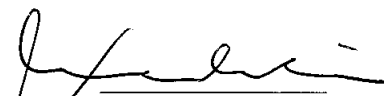
IDM is generally exposed to market risk. The Group has secured short- and medium-term contracts until 3Q24, however as no long-term contracts has been secured for Island Innovator, the risk is still considered moderate.

**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

\_\_\_\_\_  
Gary J Chouest  
Board Member

  
Trond Mofn  
Board member

  
Roger Simmenes  
Chief Executive Officer



---

## Income statement

---

### Island Drilling Management AS

Tekst	Note	2022	2021
Operating income		107 761 104	121 114 165
Other operating income		1 500 000	0
<b>Operating income</b>	<b>3</b>	<b>109 261 104</b>	<b>121 114 165</b>
Payroll expenses	4	72 454 654	76 871 557
Other operating expenses	4	16 891 080	16 848 995
<b>Total operating expenses</b>		<b>89 345 734</b>	<b>93 720 552</b>
<b>Operating profit</b>		<b>19 915 370</b>	<b>27 393 613</b>
Other financial income		649 424	411 640
Interest expenses		15 659	17 083
Other financial expenses		401 392	200 438
<b>Total financial income &amp; expenses</b>		<b>232 373</b>	<b>194 120</b>
<b>Ordinary result before tax</b>		<b>20 147 743</b>	<b>27 587 733</b>
<b>Tax on ordinary result</b>	<b>5</b>	<b>4 461 418</b>	<b>3 846 469</b>
<b>Net profit for the year</b>		<b>15 686 325</b>	<b>23 741 264</b>
<b>Allocated as follows</b>			
Transfer to other equity		-131 429	10 103 781
Allocate to group contribution		15 817 754	13 637 483
<b>Total transfers</b>		<b>15 686 325</b>	<b>23 741 264</b>



---

**Balance sheet**

---

**Island Drilling Management AS**

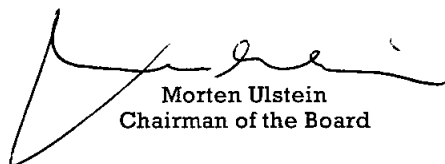
Tekst	Note	2022	2021
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
<b>Current assets</b>			
Accounts receivables		105 175 923	60 846 699
Other receivables		1 837 054	53 208
<b>Total debtors</b>	<b>6,7</b>	<b>107 012 977</b>	<b>60 899 907</b>
<b>Cash and bank deposits</b>	<b>8</b>	<b>4 577 364</b>	<b>10 589 897</b>
<b>Total current assets</b>		<b>111 590 341</b>	<b>71 489 805</b>
<b>Total assets</b>		<b>111 590 341</b>	<b>71 489 805</b>

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

Tekst	Note	2022	2021
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	9	65 557	65 557
<b>Total paid in equity</b>		<b>65 557</b>	<b>65 557</b>
<b>Retained earnings</b>			
Other equity		22 572 255	22 703 684
<b>Total retained earnings</b>		<b>22 572 255</b>	<b>22 703 684</b>
Profit not allocated		0	0
<b>Total equity</b>	<b>10</b>	<b>22 637 811</b>	<b>22 769 241</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
<b>Current liabilities</b>			
Trade creditors		12 461 548	5 546 220
Unpaid government fees/taxes		4 875 505	8 494 546
Other short term liabilities		71 615 477	34 679 798
<b>Total current liabilities</b>	<b>6,7,</b>	<b>88 952 529</b>	<b>48 720 564</b>
<b>Total liabilities</b>		<b>88 952 529</b>	<b>48 720 564</b>
<b>Total equity and liabilities</b>		<b>111 590 341</b>	<b>71 489 804</b>

ULSTEINVIK, 31.12.2022

The Board of Island Drilling Management AS

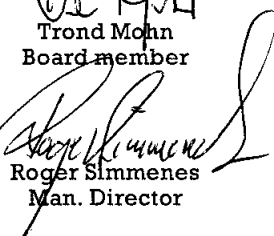


Morten Ulstein  
Chairman of the Board



Trond Mohn  
Board member

Gary J Chouest  
Board member



Roger Simmenes  
Man. Director

Island Drilling Management AS

Org.nr. 992448636



## Cash flow statement

### Island Drilling Management AS

Per 31.12.	Notes	2022
<b>Cash flow from operating activities.</b>		
Profit/loss before tax		20 147 743
Taxes paid		
Change in accounts receivables		-45 829 224
Change in accounts payable		6 915 328
Change in other accruals		12 753 620
<b>Net cash flow from operating activities</b>		<b>-6 012 533</b>
<b>Cash flow from financial activities</b>		
Payments other receivables		0
<b>Net cash flow from financial activities</b>		<b>0</b>
<b>Net change in cash and cash equivalents</b>		<b>-6 012 533</b>
Cash and cash equivalent 01.01		10 589 897
Cash and cash equivalents 31.12.		4 577 364

Island Drilling Management AS



Island Drilling Management AS

ISLAND DRILLING

## Notes to the financial statements 2022

---

### 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 for small enterprises.

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.

Page 1 of 5



Island Drilling Management AS

ISLAND DRILLING

#### 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.

#### 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

	<b>2022</b>	<b>2021</b>
Sales to Island Drilling Company AS	33 081 147	18 081 549
Sales From Island Drilling Company AS	6 480 000	6 480 000

#### Note 4 – Payroll expenses, employees, pensions

The company had 16 employees by the end of 2022, of which 4 is hired in. No remuneration has been paid to the Board of Directors or the Managing Director.

The Payroll numbers shown in the Profit and Loss statement includes personnel cost for crew (apprx 40) sold to Noble Drilling (Shelf Drilling) through the company's Management Agreement.

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.



Island Drilling Management AS

ISLAND DRILLING

<b>Payroll expenses:</b>	<b>2022</b>	<b>2021</b>
Wages	68 103 809	71 870 411
Payroll tax	2 952 830	3 485 488
Pension costs	1 303 639	1 248 344
Other personnel cost	94 378	267 314
<b>Total</b>	<b>72 454 656</b>	<b>76 871 557</b>

Audit fee has been paid with NOK 113 815 excluding VAT during 2022.

Note 5 – Taxes

<i>Calculation tax basis:</i>	<b>2022</b>	<b>2021</b>
Profit before taxes	20 147 743	27 587 733
Permanent differences	131 429	309 645
Change in temporary differences	-	-
Change in deficit to carry forwards	-	-10 413 426
Payable tax basis	20 279 172	17 483 952
Group contribution	-20 279 172	-17 483 952

**Overview of temporary differences:**

Fixed assets, including goodwill Deficit to carry forwards	-	-
Net temporary differences	-	-
Deferred tax asset	-	-
Deferred tax rate	22 %	22 %

<b>Tax payable on this years result:</b>	<b>2022</b>	<b>2021</b>
Payable taxes	4 461 418	3 846 469
Change in deferred taxes	-	-
Tax expense	4 461 418	3 846 469
- Payable taxes on group contribution	4 461 418	3 846 469
Payable taxes	-	-

Deferred tax assets is not capitalized.



Island Drilling Management AS

ISLAND DRILLING

#### Note 6 – Receivables and debt

<b>Other short-term receivables:</b>	<b>2022</b>	<b>2021</b>
Accounts receivables	105 175 923	60 846 699
Prepayments	337 054	53 208
Outstanding VAT	-	-
Other short-term receivables	1 500 000	-
<b>Total</b>	<b>107 012 977</b>	<b>60 899 907</b>

The company has no long-term debt or long-term receivables as of 31.12.22

#### Note 7 – Intercompany balances

<b>Related party balances:</b>	<b>2022</b>	<b>2021</b>
Accounts Receivable	90 125 270	38 257 872
Other short term receivables	2 077	32 731 691
Other short term debt	69 589 274	32 731 691

#### 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 1 117 528

#### 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. :

<b>Shareholder</b>	<b>Shares</b>	<b>Ownership</b>
Island Drilling Company AS	6 555 667	100 %



Island Drilling Management AS

ISLAND DRILLING

## Notes 10 – Equity

	Share capital	Other Equity	Total
Equity 1.1	65 557	22 703 684	22 769 241
Net profit		15 686 325	14 516 325
Group Contribution		-15 817 754	-14 647 754
Equity 31.12	65 557	22 572 255	22 637 811

## 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

Island Drilling Management AS is a subsidiary, 100% owned by parent company Island Drilling Company AS (hereinafter referred to as "IDC").

Some uncertainty regarding the going concern assumption is being perceived as IDMs main source of income is dependent on the rig Island Innovator and continuous work. Through the management agreement with Noble Drilling, the cash flow and operating profit have been healthy the last two years and the current activity level is expected to continue in 2023. The management agreement is up for renegotiations by end of 2023.

Risk related to the Covid-19 Pandemic is deemed low, though the rise in inflation and supply chain challenges following the pandemic is still viable. This is also the case for Management and the uncertainty regarding the going concern assumption is still be perceived, but less than at the end of 2021.



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:

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

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 forretningspråk 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