



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 411 370
Organisasjonsform: Aksjeselskap
Foretaksnavn: SEADRILL EUROPE MANAGEMENT AS
Forretningsadresse: Finnestadveien 28
4029 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: Livar Voll
Dato for fastsettelse av årsregnskapet: 27.11.2023

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, 11.07.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Intercompany revenues		16 641 746	50 256 379
Annen driftsinntekt		1 517	
Sum inntekter		16 643 263	50 256 379
Kostnader			
Lønnskostnad		11 077 852	15 644 994
Bad debt expense		6 178 130	29 382 454
Other operating expense		4 179 489	33 580 992
Sum kostnader		21 435 471	78 608 440
Driftsresultat		-4 792 208	-28 352 061
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		18 389	2 402
Dividends			22 081 548
Foregin exchange gain			961 746
Other financial gain			238 690
Sum finansinntekter		18 389	23 284 386
Rentekostnad til foretak i samme konsern		139 628	160 928
Foreign exchange loss		490 363	
Other financial expenses		5 708	
Sum finanskostnader		635 699	160 928
Netto finans		-617 310	23 123 458
Ordinært resultat før skattekostnad		-5 409 518	-5 228 603
Ordinært resultat etter skattekostnad		-5 409 518	-5 228 603
Årsresultat		-5 409 518	-5 228 603
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-5 409 518	-5 228 603
Sum overføringer og disponeringer		-5 409 518	-5 228 603



Resultatregnskap

Beløp i: USD	Note	2022	2021
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Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		799 269	799 269
Sum immaterielle eiendeler		799 269	799 269
Sum anleggsmidler		799 269	799 269
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		153 910	13 180 553
Konsernfordringer		10 081 804	1 929 708
Sum fordringer		10 235 714	15 110 261
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		373 078	1 182 344
Sum bankinnskudd, kontanter og lignende		373 078	1 182 344
Sum omløpsmidler		10 608 792	16 292 605
SUM EIENDELER		11 408 061	17 091 874
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		18 238	18 238
Annen innskutt egenkapital		6 113 440	5 734 917
Sum innskutt egenkapital		6 131 678	5 753 155
Opptjent egenkapital			
Annen egenkapital			-2 256 465
Sum opptjent egenkapital			-2 256 465



Balanse

Beløp i: USD	Note	2022	2021
Sum egenkapital		6 131 678	3 496 690
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		763 851	1 076 628
Sum avsetninger for forpliktelser		763 851	1 076 628
Annen langsiktig gjeld			
Sum langsiktig gjeld		763 851	1 076 628
Kortsiktig gjeld			
Leverandørgjeld		615 382	795 548
Employee benefits and withholding tax		1 014 272	453 178
Kortsiktig konserngjeld		504 003	7 772 410
Annen kortsiktig gjeld		2 378 875	3 497 420
Sum kortsiktig gjeld		4 512 532	12 518 556
Sum gjeld		5 276 383	13 595 184
SUM EGENKAPITAL OG GJELD		11 408 061	17 091 874



Seadrill Europe Management AS

Income Statement

USD	Note	2022	2021
Operating revenue			
Intercompany revenues	1,2,3	16,641,746	50,256,379
Other revenue		1,517	
Total operating revenue		16,643,263	50,256,379
Operating expenses			
Salaries and other personnel costs	4,5,6	(11,077,852)	(15,644,994)
Bad debt expense	7	(6,178,130)	(29,382,454)
Other operating expenses	3,8,9	(4,179,489)	(33,580,992)
Total operating expenses		(21,435,471)	(78,608,440)
Operating income		(4,792,208)	(28,352,061)
Financial items			
Dividends		-	22,081,548
Interest income, group companies		18,389	2,402
Foreign exchange gains/(losses)	10	(490,363)	961,746
Interest expense, group companies		(139,628)	(160,928)
Other financial items		(5,708)	238,690
Total financial items		(617,310)	23,123,458
Income before taxes		(5,409,518)	(5,228,603)
Income taxes	11	-	-
Net income		(5,409,518)	(5,228,603)
Attributable to:			
Group contribution			
Transferred from/to other equity	15	(5,409,518)	(5,228,603)



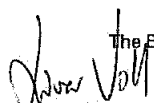
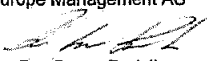
Seadrill Europe Management AS

Balance Sheet

USD	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	11	799,269	799,269
Total intangible assets		799,269	799,269
Current Assets			
Accounts Receivable		-	-
Other current receivables	12,13	153,911	13,180,553
Intercompany receivables	2,12	10,081,804	1,929,708
Related party balances	2,12	-	-
Cash and Cash Equivalents	14	373,078	1,182,344
Total current assets		10,608,792	16,292,605
Total assets		11,408,061	17,091,874
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Paid-in capital			
Share Capital	15	18,238	18,238
Other Paid-in Capital	15	6,113,440	5,734,917
Total Paid-in Capital		6,131,678	5,753,155
Retained Earnings			
Other Equity	15	-	(2,256,465)
Total Retained Earnings		-	(2,256,465)
Total shareholders' equity		6,131,678	3,496,691
Liabilities			
Non-current liabilities			
Pension liabilities	16	763,851	1,076,628
Other non-current liabilities		-	-
Total non-current liabilities		763,851	1,076,628
Current liabilities			
Accounts payable		615,382	795,548
Employee benefits and withholding tax		1,014,272	453,178
Intercompany payables	2,12	504,003	7,772,410
Other current liabilities	17	2,378,875	3,497,420
Total current liabilities		4,512,532	12,518,555
Total liabilities and shareholder's equity		11,408,061	17,091,874

Stavanger, November 27, 2023

The Board of Seadrill Europe Management AS


Livar Voll
Chairman
Per Gøran Breivik
Board member
Marcel Wieggers
Managing Director



Seadrill Europe Management Cash Flow Statement

USD	2022	2021
Cash flow from operating activities		
Income before tax	(5,409,518)	(5,228,603)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	-	-
Taxes paid	-	-
<i>Changes in working capital items:</i>		
Account receivables	-	95,573
Accounts payable	(180,166)	165,797
Change in pension liabilities	(312,777)	72,466
Option expenses	-	-
Dividend	-	-
Other current assets	13,026,642	(12,102,010)
Other current liabilities	(1,118,545)	(4,572,754)
Other non-current liabilities	561,094	(348,504)
Change in corporate receivables/payables	(7,375,996)	21,908,442
Net cash provided by operating activities	(809,266)	(9,592)
Cash flow from investment activities		
Proceeds from sale of fixed assets	-	-
Investments/Disposals in fixed assets	-	-
Net cash used in investment activities	-	-
Cash flow from financing activities		
Change in Cashpool receivables/payables	-	-
Group contribution	-	-
Net cash from / to financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(809,266)	(9,592)
Cash at the beginning of the reporting period	1,182,343	1,191,935
Cash and cash equivalents at the end of the reporting period	373,078	1,182,343



Seadrill Europe Management AS

Notes to the financial statements for the period ending December 31, 2022

Note 1 - Accounting principles

Main activity

Seadrill Europe Management AS (the "Company") was incorporated in Norway on 05.01.2011. The Company provides administrative services to the oil and gas industry.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The majority of the Company's transactions are made in USD. For that reason, the Company's functional currency is USD.

Revenue recognition

The Company's revenues are mainly derived from management fees generated from services provided to other companies in the Seadrill group.

The basis for the Company's revenues is actual cost plus a fixed profit margin. Revenue recognition occurs in the period services are performed. Expenses are recognized in the same period as the corresponding income is recognized.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Foreign currency

Transactions in currencies other than USD are translated at the rate applicable on the transaction date. Monetary items in currencies other than USD are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a currency other than USD are translated into USD using the exchange rate applicable on the transaction date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Other non-current assets

Non-current assets are recorded at historic cost less accumulated depreciation. Fixed assets are depreciated on a straight line basis over their useful lifetime. Furniture and office equipment is depreciated over its useful life, usually expected to be between three and ten years, depending on the classification or the use of the asset.

Receivables

Accounts receivables are recognized at fair value less any allowance for uncollectable receivables.

Cash and cash equivalents

Cash and cash equivalents consist of cash, restricted cash, and deposits with a maturity date of less than ninety days.

Leases

Leases where most of the risk and return associated with ownership of the asset are not transferred to the Company are classified as operating leases. All leaseholds are recognized as operational leases and expensed in the corresponding periods from the date the lease agreement has been signed.

Pension liabilities

The Company has several pension plans in place for its employees, that includes benefits on death and termination of employment due to inability to work. The benefits will typically be based on salary. The plans are in most cases financed through insurance companies. The majority of our employees is currently under a pension contribution plan. Under a contribution plan the services are rendered in accordance with the payment. In addition, there are a few employees still under a defined benefit plan. The Company's

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 % of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that they will be utilized.



Share based compensation

Certain employees in the Company had been granted share options in Seadrill Limited ("Seadrill") prior to the transfer of their employment contracts to the Company. Valuation of options granted is determined at the time of the grant. The value of the options granted is expensed over the vesting period defined in the option grant and is recognized under other equity. All option grants to employees of the Company are, on exercise settled by subscription of new shares in Seadrill.

Restricted Stock Units

The Company has established a Restricted Stock Units ("RSU") plan in Seadrill Ltd where the holder of an award is entitled to receive shares if still employed at the end of the three year vesting period. There is no requirement for the holder to pay for the shares on grant or vesting of the award. The fair value of the RSU award is calculated as the market share price on grant date. The fair value of the awards expected to vest is recognized as compensation cost straight-line over the vesting period.

Cash flow statement

The Company uses the indirect method for the presentation of the cash flow statements. Cash and cash equivalents are defined as cash, cash deposits, and other short term liquid investments.

Note 2 - Intercompany and related party transactions

The Company has entered into management agreements with related parties. Under these agreements, the following transactions have been conducted:

USD	2022	2021
Revenues:		
Management fee	16,471,824	49,263,221
Expenses:		
Management fee	0	28,306,253

Note 3 - Segment information

The Company's operating revenues have the following geographical distribution:

USD	2022	2021
Norway	16,643,263	50,256,379
UK		
Bermuda		
Total	16,643,263	50,256,379

Note 4 - Salaries, personnel costs and number of employees

Salaries and other personnel costs:	2022	2021
Salaries	7,630,856	10,611,752
Payroll tax	2,093,852	2,985,212
Pension expenses	461,470	1,239,576
Stock options	585,558	44,026
Other benefits	306,116	764,428
Total	11,077,852	15,644,994

At the end of the year there were 41 employees in the Company

Note 5 - Compensation of General Manager, Board of Directors, and auditors

Compensation managing director (in NOK)	2022
Base salary	2,652,000
Benefits	1,546,545
Other compensation	612,871
Total	4,811,416

Recognized auditor fee in 2022 was USD 208 347 (excluding VAT)

Board of Directors did not receive any remuneration during 2022

Note 6 - Options and Restricted Stock Units

During 2022, there has not been granted any options or restricted stock units (RSUs) to employees of the Company.



The following table summarizes RSU activity for the year ended December 31

Number of Restricted Stock Units	2022	2021
Outstanding at beginning of the year	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Number of RSU's outstanding at end of year	-	-

Note 7 - Termination of Management Service Agreement - Outstanding VAT

In 2019 the Company and Seadrill Northern Operations Ltd (SNOL), a company in the Northern Ocean Group, entered into a contract whereby the Company would provide management and crew services related to the operation of the rig West Mira, which at the time was operating on the Norwegian Continental Shelf for Wintershall. Due to operational challenges Wintershall terminated the contract in May 2021. This incident led to SNOL terminating the management contract with the Company, and after reaching a settlement agreement with SNOL related to all outstanding balances we recorded a loss in the Income Statement of 2021, amounting to NOK 255 million (USD 29.4 million).

Income Statement 2022

The Company has invoiced SNOL including VAT for the services. In 2021, the Company had approximately NOK 70 million (USD 7 million) as receivables related to outstanding VAT on the balance. In 2022, the Company has been assessed against our position. The Company is still of the opinion that the VAT amount is reclaimable and we will appeal the assessment. However, the outstanding amount is expensed.

Note 8 - Other operating expenses

USD	2022	2021
Administration costs and management fees	0	28,306,253
Office rental	1,908,819	2,372,355
Consultant fees	875,038	1,055,238
Other	1,395,632	1,847,146
Total	4,179,489	33,580,992

Note 9 - Leases

The Company has the following lease agreements that entail the following costs for the next 5 years:

USD	2023	2024	2025	2026	2027
Premises:					
Finnestadveien 28 (Until Jul-25)	148,010	148,010	74,005	-	-
Finnestadgeilen 8 (Until Jul-25)	382,550	382,550	191,275	-	-
Farsund (Until April-23)	78,900	-	-	-	-
Total lease commitment	609,460	530,560	265,280	0	0

Finnestadveien 28, and Finnestadgeilen 8 are located in Stavanger.

Note 10 - Agio/Disagio

USD	2022	2021
Unrealized foreign exchange gains/ (losses)	(416,855)	984,932
Realized foreign exchange gains/ (losses)	(73,508)	(23,186)
Total	(490,363)	961,746

Note 11 - Taxes

Reconciliation of difference between net income before tax and basis for income tax:

USD	2022	2021
Income before tax	(5,409,518)	(5,228,603)
+ Group contribution received	8,044,506	-
+ Other permanent differences	-	(21,779,698)



+ Change in temporary differences	(1,108,357)	(1,252,897)
Translation differences	3,568,988	667,784
Change in NOL	(5,095,619)	-
Basis for taxes payable - Norway	-	(27,593,413)

Income tax expense in the income statement consists of the following elements:

Tax payable on net income	-	-
Change in deferred taxes at 22 %	(1,364,875)	(5,929,031)
Correction prior year tax expense	-	-
Translation differences	-	134,118
Change in deferred tax asset not recognized	1,364,875	5,794,914
Tax expense	-	-

Tax payable in the balance sheet consists of the following elements:

USD	12/31/2022	12/31/2021
Estimated owed taxes payable - Norway	-	-
Tax reduction due to group contribution	-	-
Other permanent differences	-	-
Change in Deferred Tax	-	-
Tax on net income	-	-
Taxes payable on the balance sheet	-	-

Deferred tax:

USD	12/31/2022	12/31/2021	Change
Pension liabilities	(763,847)	(1,076,628)	(312,781)
Receivables	-	-	-
Fixed assets	(507,940)	(782,718)	(274,777)
Provision loss on leases	-	(520,799)	(520,799)
Total temporary differences before NOL	(1,271,787)	(2,380,145)	(1,108,357)
NOL brought forward	(22,497,795)	(27,593,413)	(5,095,619)
Total temporary diff	(23,769,582)	(29,973,558)	(6,203,976)
Corporate tax rate	22%	22%	
Deferred tax liability/(asset)	(5,229,308)	(6,594,183)	(1,364,875)
Unrecognized deferred tax asset	4,430,039	5,794,914	1,364,875
Recognized deferred tax / (tax assets)	(799,269)	(799,269)	-

Reconciliation of tax expense to the nominal tax rate:

USD	2022	2021
Income before taxes	-5,409,518	(5,228,603)
Actual tax expense	0	(5,794,914)
Tax expense at corporate tax rate	-1,190,094	(1,150,293)
Difference	1,190,094	(4,644,621)
Explanation of the difference:		
Tax effect on permanent differences	1,769,791	175,633
Tax effect on change in tax rate	-	0
Currency differences	785,177	0
Correction prior year tax expense	-	0
Adjustment to tax on dividend	-	149,080
Change in deferred tax not recognized	(1,364,875)	0
Change in temp diff	-	0
Dividend DNK	-	(4,969,334)
Total	1,190,094	(4,644,621)

Note 12 - Balances to group companies

The Company had the following intercompany and related party balances at year end:

USD	2022	2021
Short term receivable intercompany	10,081,804	1,929,708
Short term liabilities intercompany	504,003	7,772,410
Net receivable/liability	9,577,801	(5,842,701)

\$551,297 of intercompany receivables falls under the cash pooling arrangement that the Company participates in. These amounts are unsecured, repayable on demand and carried an interest rate of SOFR (O/N) + 0.015% on loans in US Dollars during the year.



Note 13 - Other current receivables

USD	2022	2021
Other prepaid expenses	49,044	319,142
Other receivables	104,867	12,861,411
Total	153,911	13,180,553

Note 14 - Cash, cash equivalents and tax funds

The Company is part of a cash pool arrangement for the Seadrill Group with DnB, where all cash is transferred to/from the cash pool owner (Seadrill Treasury UK Ltd) and the Company will thus have intercompany liabilities/receivables with the cash pool owner.

Restricted cash per 31.12.2022 is USD 373 078.



Note 15 - Equity and other paid-in capital

Equity

Shareholder's equity is accounted for at USD 18 238 and is represented by 1000 shares at NOK 100 par value. All shares are owned by Seadrill North Atlantic Holdings Ltd.

Changes in equity:

USD	Share capital	Other Paid-in Capital	Other equity	Total
Equity as of December 31, 2021	18,238	5,734,917	(2,256,465)	3,496,691
Net income			(5,409,518)	(5,409,518)
Received group contribution		378,524	7,665,982	8,044,506
Translation difference				
Equity as of December 31, 2022	18,238	6,113,441	-	6,131,678

Note 16 - Pension liabilities

The majority of the employees is covered by contribution plan, however there is still an active collective defined benefit pension scheme for certain employees. In general, the schemes are covered by life insurance companies, based on 30 years of service period. The main conditions for onshore employees in Norway are retirement benefits from 67 years of age, equivalent to 66% of pensionable salary, limited to 12 times the basic amount of the Norwegian health scheme (Grunnbølopet). The employees retirement scheme is with effect from 62 to 67 years of age. The plan satisfies the requirements associated with the act of mandatory pension.

During the period ending December 31, 2016 a number of employees left the Company and as a result the defined benefit scheme transferred the pension liability for these employees to the life insurance company administering the scheme. In addition, one of the defined benefit schemes is being closed down and the members transferred into a new defined contribution scheme. The difference between the reduction in benefit obligation and reduction in the plan assets transferred to the life insurance company has been recognized within "Total net pension cost".

USD	2022	2021
Estimated pension liabilities	9,757,445	14,442,579
Estimated pension funds	(8,700,755)	(10,278,714)
Unrecognized gains/losses	(292,839)	(3,087,237)
Net pension liabilities as of 31.12	763,851	1,076,628
Accrued payroll tax	-	0
Accrued pension liabilities	763,851	1,076,628

Underlying assumptions for the calculations:

	2022	2021
Discount rate	3.20%	1.50%
Expected return on plan assets	2.90%	2.90%
Salary increase	3.75%	2.50%
Social security escalation rate ('G'-adjustments)	2.50%	2.25%
Pension increase	1.60%	1.20%
Social security rate	14.10%	14.10%

Pension funds, managed by our life insurance company, consist of cash deposits, bonds, stocks, and real estate.

Pension expense - Defined Pension Obligation:	2022	2021
Current Service cost	190,229	259,932
Interest Cost	269,755	233,377
Expected return on plan assets	(329,120)	(169,378)
Recognized actuarial loss/(gain)	177,939	284,494
Net pension expense	308,803	608,425

Pension expense - Defined Pension Contribution:	2022	2021
Defined Pension Contribution	395,987	710,731
Total net pension cost	704,790	1,214,762

As of December 31, 2022 the defined benefit pension plan had 4 active members and approximately 35 retirees. Certain agreements also has provisions for disability, survivors, co-habitants, and children as beneficiaries.



Note 17 - Other current liabilities

USD	2022	2021
Accrued expenses	527,291	706,986
Accrued personnell income tax	357,653	594,142
Provision for vacation pay	589,269	968,264
Deferred revenues s/t	285,285	417,706
VAT	184,068	191,250
Other current liabilities	435,309	619,071
Total	2,378,875	3,497,420

Note 18 - Consolidation

The Company is a wholly owned subsidiary of Seadrill Ltd.
Seadrill Ltd has its office address at Park Place , 55 Par la Ville Road, Hamilton, HM 11, Bermuda.

Note 19 - Guarantee

The Company has provided a guarantee in favor of the Norwegian Tax Authorities related to a tax assessment done in Seadrill Norway Operations Ltd for the year 2016. The guarantee amounted to approximately NOK 155 million plus interest.



SEADRILL EUROPE MANAGEMENT AS

Annual Report

2022

Seadrill Europe Management AS is a provider of administrative and support services. Its main customer is Seadrill Norway Operations Limited, with whom it has long-term management agreements. The Company also provides services to Seadrill UK Operations Limited from time to time.

The Company conducts its business from rented offices in Stavanger, Norway.

Activities

The Company has had a decrease in revenue for its services during 2022, due to termination of the contract from the rig owner related to West Linus. Also for the drilling units West Hercules and West Bollsta the rig contracts were terminated after their drilling contracts has ended. To summary, there has been a significantly reduction in activity in 2022 compared to 2021.

Revenues and result

Total revenues generated by the Company in 2022 were USD 16.6 million compared to USD 50.3 million in 2021.

Operating expenses amounted to USD 21.4 million in 2022, leading to a net operating loss of USD 4.8 million. The loss is related to a VAT claim against the Norwegian Tax Authorities of approximately USD 7 million which has been expensed, following an assessment from the Tax Authorities. See also note 7 for more information. In 2021, operating expenses and net operating loss were USD 78.6 million and USD 28.4 million, respectively. The loss was caused by the termination of the Seadrill Northern Operation Ltd management contract related to the operation of West Mira.

The Company realized a net financial loss of USD 0.6 million in 2022, compared to a net financial gain of USD 23.1 million in 2021. These financial items consist of net interest income/expense and net foreign exchange gains/losses. Including in the numbers for 2021 is dividend from the Norwegian Shipowners' Mutual War Risk insurance Association amount to approximately USD 22.1 million.

Loss before taxes for the year was USD 5.4 million compared to a loss before taxes of USD 5.2 million in 2021. Loss after tax also amounted to USD 5.4 million in 2022, as we have not recognized the benefit of the loss brought forward. The Board proposes the net loss is covered:

Transferred from other equity:	<u>5,409,518</u>
Total	5,409,518

The Board is of the opinion that the accounts have been prepared in accordance with applicable laws and regulations and that all known facts have been taken into account and that they therefore give a true and fair view of the Company's financial position as of December 31, 2022 and its profit in 2022.

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



Cash-flow

Net cash used in operating activities was USD 0.8 million.

The net proceed used in operating activities has been covered by reducing the cash position correspondingly.

Relevant risk factors

The main risk factor associated with the Company's operations relates to the possible termination of its management contracts. The rig market in general is improving, however, there is always a risk that management contracts may be terminated in the future.

The Company has some exposure to fluctuating interest and currency exchange rates but takes no specific precautions in order to reduce these. These risks are thus considered a part of the overall business risk of the Company.

Liquidity Risk

The Company participates in a cash pool arrangement within the Seadrill Group and thus enjoys the benefit of this in relation to the financing of its activities. The Company is therefore dependent on the financing from the Seadrill Group. For further detail on liquidity information for the Seadrill Group, it is referred to the relevant sections of the 2022 annual report for Seadrill Ltd. on form 20-F.

Research and development

The Company had no research- and development activities in 2022.

Working environment

One of the Company's stated objectives is to have a diversified work force. Diversification means, in this context, a work force which, on the whole, has a satisfactory mix in relation to age and sex.

The Company endeavours to create a workplace where its employees have the opportunity to use their best skill sets and to develop these within the Company's code of ethics.

As of the end of 2022, the Company employed 41 persons. Of these, 7 were women and 34 men.

The Board and the Company's management are conscious of the overall expectation that exist to promote gender equality. The Company uses, in response to this, different tools and policies. Among these are flexible working hours, possibilities for part time work, relocation opportunities, routines for reducing physical work during pregnancy, liberal maternity/ paternity leave arrangements.

During this year, there have not been reported any serious incidents or accidents that have resulted in personal injury or material damage.

Absence from work due to sick leave represented approximately 1.3 % of the total capacity during 2022, representing a decrease compared to last year. The decrease was related to the Covid pandemic in 2021.

The Board's view is that the Company has a satisfactory working environment, despite some challenging years, during which the Company has been forced to reduce the size of the workforce.



Transparency Act

You can find more information about how the Company proceed to the new Transparency Act by accessing <https://www.seadrill.com/transparency-act-report/>.

Director Liability Insurance

The directors are covered under a Seadrill Liability Insurance. The insurance covers personal legal liabilities including defence – and legal costs. The directors of the parent company and all subsidiaries globally owned (owned more than 50 percent) are covered by the insurance.

External environment

The Company's business does not have any material influence on the external environment.

Stavanger, November 27, 2023

Livar Voll

Chairman of the Board

Per Gøran Breivik

Board member

Marcel Wieggers
Managing Director



To the General Meeting of Seadrill Europe Management AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Seadrill Europe Management AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 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 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 Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of 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. 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 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>

Stavanger, 27 November 2023
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Birkeland, Arne	BANKID_MOBILE	2023-12-06 13:52

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of the document.



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
01.10.2012

Vår dato
12.10.2012

Telefon
977 59 464

Deres referanse
Maren Thu

Vår referanse
2012/760008

NORTH ATLANTIC MANAGEMENT AS
Postboks 109
4001 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for norske datterselskaper av North Atlantic Drilling Limited

Vi viser til deres brev av 14. september 2012 til Fiansdepartementet hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

North Atlantic Management AS,	org.nr. 996 411 370
North Atlantic Crew AS,	org.nr. 996 540 812
North Atlantic Norway Ltd,	org.nr. 996 732 851

Søknaden er oversendt Skattedirektoratet for behandling.

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 forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

North Atlantic Drilling Ltd (Bermuda) er konsernspiss for North Atlantic konsernet som er notert på OTC i Norge. Konsernregnskapet avlegges i henhold til US GAAP (amerikanske regnskapsprinsipper), mens de norske datterselskapene avlegger sine selskapsregnskaper i henhold til den norske regnskapsloven.

De viktigste brukerne av North Atlantic sine norske årsregnskap er:

- Banker og banksyndikat, inkl, utenlandske banker
- Oljeselskaper som har North Atlantic Norway Ltd som kontraktspartner
- Offentlige organ i land hvor North Atlantic Norway Ltd har virksomhet eller filial

På grunn av at all kommunikasjon med våre regnskapsbrukere skjer på engelsk vil vi med dette søke om at enkelte av de norske datterselskapene i North Atlantic konsernet får utarbeide sine årsregnskap kun på engelsk iht. unntaksbestemmelsene i regnskapsloven § 3-4. 3 ledd. Det vil medføre vesentlig merarbeid for North Atlantic å utarbeide et fullstendig årsregnskap på norsk som deretter må oversettes av sertifiserte translatørselskaper for å bli akseptert av utenlandske brukere. Dette er både en dyr og tidkrevende prosess.

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Postboks 9200 Grønland
0134 Oslo
For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse
Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



Vi mener at regnskapsbrukernes informasjonsbehov vil være dekket gjennom engelske årsregnskaper for de norske selskapene, ettersom all vår kommunikasjon med både banker, kunder og leverandører skjer på engelsk. Videre vil den viktigste allmenne kilden til informasjon om North Atlantic være konsernregnskapet som publiseres via Oslo Børs.

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.

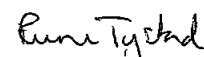
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

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 selskapenes virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at selskapene er datterselskap av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad