



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 921 499 906  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND DRILLING CREWING AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### 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 S Hasund  
Dato for fastsettelse av årsregnskapet: 31.05.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 09.08.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	11	82 106 088	122 855 053
Annen driftsinntekt		-1 683 921	1 422 232
<b>Sum inntekter</b>		<b>80 422 167</b>	<b>124 277 285</b>
<b>Kostnader</b>			
Lønnskostnad	3,4	74 271 383	116 367 900
Annen driftskostnad	3	6 148 108	7 836 527
<b>Sum kostnader</b>		<b>80 419 491</b>	<b>124 204 428</b>
<b>Driftsresultat</b>		<b>2 676</b>	<b>72 857</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		6	9 366
Annen finansinntekt		12 827	
<b>Sum finansinntekter</b>		<b>12 834</b>	<b>9 366</b>
Annen rentekostnad		10 969	53 796
Annen finanskostnad		4 540	28 427
<b>Sum finanskostnader</b>		<b>15 510</b>	<b>82 223</b>
<b>Netto finans</b>		<b>-2 676</b>	<b>-72 857</b>
<b>Ordinært resultat før skattekostnad</b>	6	<b>0</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>0</b>	<b>0</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<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		4 825 392	2 676 499
Andre fordringer		1 117 730	3 804 542
Sum fordringer	5,10	5 943 122	6 481 041
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	4 161 950	1 674 141
Sum bankinnskudd, kontanter og lignende		4 161 950	1 674 141
Sum omløpsmidler		10 105 072	8 155 182
<b>SUM EIENDELER</b>		<b>10 105 072</b>	<b>8 155 182</b>

### BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	30 000	30 000
Annen innskutt egenkapital		-5 570	-5 570
<b>Sum innskutt egenkapital</b>		<b>24 430</b>	<b>24 430</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-7 761	-7 761
<b>Sum opptjent egenkapital</b>		<b>-7 761</b>	<b>-7 761</b>
<b>Sum egenkapital</b>	9	<b>16 669</b>	<b>16 669</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	10	1 011 997	2 317 454
Skyldige offentlige avgifter		7 298 928	3 072 589
Annen kortsiktig gjeld		1 777 478	2 748 470
<b>Sum kortsiktig gjeld</b>	5,10	<b>10 088 403</b>	<b>8 138 513</b>
<b>Sum gjeld</b>		<b>10 088 403</b>	<b>8 138 513</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>10 105 072</b>	<b>8 155 182</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 773454

#### Enheten

Organisasjonsnummer: 921 499 906  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND DRILLING CREWING AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

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#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

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Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Marte S Hasund  
Dato for fastsettelse av årsregnskapet: 31.05.2022

#### 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 2021: Årsregnskap er elektronisk innlevert.  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 03.08.2022

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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: 921 499 906  
ISLAND DRILLING CREWING AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
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<b>Ordinært resultat før skattekostnad</b>	6	<b>0</b>	<b>0</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>0</b>	<b>0</b>



Organisasjonsnr: 921 499 906  
ISLAND DRILLING CREWING AS

## BALANSE

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
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		4 825 392	2 676 499
Andre fordringer		1 117 730	3 804 542
Sum fordringer	5,10	5 943 122	6 481 041
Investeringer			
Sum investeringer		0	0
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<b>SUM EIENDELER</b>		<b>10 105 072</b>	<b>8 155 182</b>
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<b>Egenkapital</b>			
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<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>			
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Organisasjonsnr: 921 499 906  
ISLAND DRILLING CREWING 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  
82.00

Note  
3

#### Spesifisering av resultatregnskapet

##### Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	57909624.00	90053423.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	9100657.00	13336706.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	5087414.00	8596835.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	2173688.00	4380937.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	74271383.00	116367901.00

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



Building a better  
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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 Crewing AS

### Opinion

We have audited the financial statements of Island Drilling Crewing AS (the Company), which comprise the balance sheet as at 31 December 2021, 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 2021 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



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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, 30 June 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Drilling Crewing AS 2021

A member firm of Ernst & Young Global Limited

Perntec Dokumentnøkkel: TLMWH-FDPMIT-Z0GFK-FKUYT-IBZHX-CUFNY



# PENNEO

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

## Jørn Knutsen

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5992-4-3012515

IP: 213.52.xxx.xxx

2022-06-30 19:33:47 UTC



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### Hvordan bekrefter at dette dokumentet er originalen?

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Financial Statements  
2021

Island Drilling Crewing AS



**ISLAND DRILLING**



## Island Drilling Crewing AS

### The Board of Director's annual report 2021

#### 1. The nature of the business

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

All offshore employees are employed by Crewing, and the nature of the business is to provide offshore personnel to IDC's semi-submersible rig, Island Innovator (INN), as well as to Island Drilling Management (IDM) and the jack-up rig, Noble Lloyd Noble (NLN).

Crewing's registered office is in Ulsteinvik, Norway.

#### 2. Going concern – operational update

The activity level of Crewing is two-folded, depending on the activity levels of INN and NLN. Throughout 2021 Crewing delivered personnel on behalf of IDM to the jack-up rig NLN. The initial outlook for 2021 was bleak for INN as the rig was only planned on contract in the second half of 2021. The rig was then planned to go back-to-back on contract, which would keep Innovator in operation throughout 2021.

Unfortunately, the contract start was pushed to April 2022, and the market situation has resulted in a considerable number of turnovers in Crewing. At the beginning of 2021 the rig was in warm stacked lay-up mode at Hanøytangen. Critical Innovator personnel was kept on and a new recruiting period was first initiated in the summer of 2021 and then timed to contract start April 22,

On a positive note, Island Drilling Management has managed the collaboration with Noble Drilling during 2021 well, and has had steady work for approximately 40 people. Noble Drilling is the owner of the jack-up rig, Noble Lloyd Noble (NLN). NLN has previously operated for Equinor on the Mariner field on the UKCS and now entered a contract with Equinor on the Valemon field on the NCS.

Island Drilling Management AS 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. Island Drilling Crewing currently has 62 permanently employed, whereof approximately 40 employees are working towards NLN and 22 employees are supporting Innovator.

Some uncertainty regarding the going concern assumption is being perceived as the Company has just recently gone on contract. The high market volatility caused by the COVID-19 pandemic is still regarded as a risk going into 2022. The risk is related to the rise in inflation and supply chain challenges following the pandemic. This is also the case for Crewing and the uncertainty regarding the going concern assumption is still be perceived, but significantly decreased compared to the situation a year ago.



### 3. Working environment and personnel

Crewing had 83 employees as of 31<sup>st</sup> of December 2020. Number of employees has per 31<sup>st</sup> of December 2021 been reduced to 62, due to turnover caused by the difficult market situation in 2021. The expectations for 2022 is an increase in employment as four back-to-back contracts are secured for the Innovator.

Island Drilling Company has made continuous endeavors to improve working environment on board Island Innovator and has also contributed to improving the offshore crew's general welfare. Please see point 5. Equal opportunities for more details.

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, nationality or religious orientation.

The industry has a general gender imbalance, though Crewing is focusing on improving this. Crewing makes use of skill-based assessments when recruiting and actively planning working schedule to allow for a healthy work-life balance. The current status in Crewing for total personnel is that 15% of the offshore personnel is women.

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

An internal evaluation of salary has been conducted. As the sample size per position is too small to allow for a conclusive conclusion of any differences based on gender, ethnicity or religious orientation, the result is not reported in this document. This is in accordance with *NRS 16.2.10.2, Ligestillings- og diskrimineringsloven*.



The abovementioned skill-based assessment is done by head of HR in close cooperation with two representatives of the department that are hiring. This ensures that the CV, certificates and references are evaluated by those closest to the position.

Crewing has an inclusive mindset, and it is important that the employees offshore has a social network on the job. We have experienced that there is high focus on salary level and as the rig from 2022 is operating with both Norwegian and UK personnel we are working on providing permanent contracts to our English crew to minimize the risk of discrimination.

Crewing is conducting weekly safety meetings, where the offshore crew's safe card input is evaluated and acted upon. Crewing experience this as a purposeful way of checking the rig's social temperature and expects that this hands-on approach will help the company in its work for equal opportunities.

#### **Environmental reporting**

The IDC Group's business as of 31 December 2021 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.

#### **6. 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.

#### **7. Market update**

The global covid-19 pandemic has resulted in substantial reductions/ postponement in investment activities and work scopes that were initially planned for 2020 and 2021.

IDC's top priority is to deliver top performance on ongoing contracts and secure an order back-log in for Q1 2023 and onwards. At the same time reduce operational cost to a minimum, without compromising QHSE.

#### **8. Performance**

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

Crewing had a turnover of TNOK 80 419 in 2021 (TNOK 124 204 in 2020). As the company is primarily hiring out offshore personnel to IDC (Island Innovator) and Island Drilling Management (Noble Lloyd Noble), the turnover from IDC and Management covered all personnel cost in Crewing, resulting in a net profit of NOK 0 for the year.

Crewing had no expenditures related to Research and Development



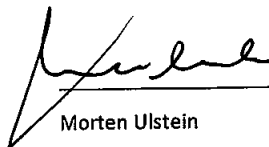
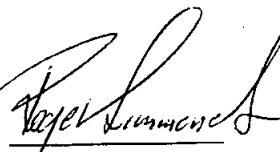
**9. Financial risk**

**9.1 Market risk**

Crewing is generally exposed to market risk. As no long-term contracts have been secured for Island Innovator, the risk is still considered significant.

**9.2 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).

	
Morten Ulstein	Roger Simmenes
Chairman of the Board	Chief Executive Officer



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**Income statement**

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**Island Drilling Crewing AS**

Tekst	Note	2021	2020
Operating income	11	82 106 088	122 855 053
Other operating income		-1 683 921	1 422 232
<b>Operating income</b>		<b>80 422 167</b>	<b>124 277 285</b>
Payroll expenses	3,4	74 271 383	116 367 901
Other operating expenses	3	6 148 108	7 836 527
<b>Total operating expenses</b>		<b>80 419 491</b>	<b>124 204 428</b>
<b>Operating profit</b>		<b>2 676</b>	<b>72 857</b>
Interest income		6	9 366
Other financial income		12 827	0
Interest expenses		10 969	53 796
Other financial expenses		4 540	28 427
<b>Total financial income &amp; expenses</b>		<b>-2 676</b>	<b>-72 857</b>
<b>Ordinary result before tax</b>	<b>6</b>	<b>0</b>	<b>0</b>
<b>Net profit for the year</b>		<b>0</b>	<b>0</b>
<b>Allocated as follows</b>			



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**Balance sheet**

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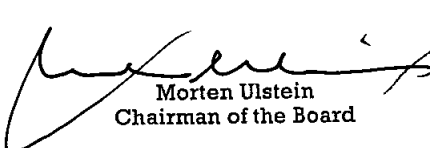
**Island Drilling Crewing AS**

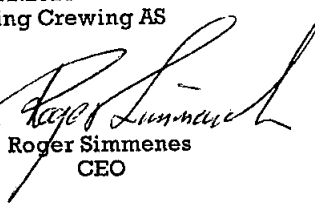
Tekst	Note	2021	2020
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
<b>Current assets</b>			
Accounts receivables		4 825 392	2 676 499
Other receivables		1 117 730	3 804 542
<b>Total debtors</b>	<b>5,10</b>	<b>5 943 122</b>	<b>6 481 041</b>
<b>Cash and bank deposits</b>	<b>7</b>	<b>4 161 950</b>	<b>1 674 141</b>
<b>Total current assets</b>		<b>10 105 072</b>	<b>8 155 182</b>
<b>Total assets</b>		<b>10 105 072</b>	<b>8 155 182</b>

**Balance sheet****Island Drilling Crewing AS**

Tekst	Note	2021	2020
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	30 000	30 000
Other paid in equity		-5 570	-5 570
<b>Total paid in equity</b>		<b>24 430</b>	<b>24 430</b>
<b>Retained earnings</b>			
Other equity		-7 761	-7 761
<b>Total retained earnings</b>		<b>-7 761</b>	<b>-7 761</b>
Profit not allocated		0	0
<b>Total equity</b>	9	<b>16 668</b>	<b>16 669</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
<b>Current liabilities</b>			
Trade creditors	10	1 011 997	2 317 454
Unpaid government fees/taxes		7 298 928	3 072 589
Other short term liabilities		1 777 478	2 748 470
<b>Total current liabilities</b>	5,10	<b>10 088 403</b>	<b>8 138 513</b>
<b>Total liabilities</b>		<b>10 088 403</b>	<b>8 138 513</b>
<b>Total equity and liabilities</b>		<b>10 105 072</b>	<b>8 155 182</b>

ULSTEINVIK, 31.12.2021  
The Board of Island Drilling Crewing AS

  
Morten Ulstein  
Chairman of the Board

  
Roger Simmenes  
CEO



**Cash flow**

**Island Drilling Crewing AS**

Per 31.12.

	2021	2020
<b>Cash flow from operating activities.</b>		
Profit/loss before tax	0	0
Changes in trade receivables	-2 148 898	5 614 532
Changes in trade payables	-1 305 457	667 128
Changes in current balance sheet items	-5 942 163	10 903 974
Changes in current balance sheet items	5 942 163	-10 903 974
<b>Net cash flow from operating activities</b>	<b>2 487 809</b>	<b>-4 622 314</b>
<b>Cash flow from investment activities</b>		
<b>Cash flow from financial activities</b>		
<b>Net change in cash and cash equivalents</b>	<b>2 487 809</b>	<b>-4 622 314</b>
Cash and cash equivalent 01.01	1 674 141	6 296 455
Cash from accounts	2 487 809	-4 622 314
Cash and cash equivalents 31.12.	4 161 950	1 674 141
Difference	0	0

Island Drilling Crewing AS



## Island Drilling Crewing AS

### Notes to the financial statements 2021

#### Note 1 – Accounting principles

Island Drilling Crewing 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 recognition 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.



### *Pensions*

The Company is affiliated to the LO/NHO scheme (the AFP scheme). The company also has its own occupational pension scheme. At the present time, there is no reliable measurement or allocation of obligations and assets in the AFP scheme. For accounting purposes, the scheme is treated as a defined- contribution pension scheme where premium payments are expensed as they are made, and no provisions are made in the accounts. No funds are accumulated in the scheme, and the premium level is expected to increase in the years ahead.

### *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 Crewing AS provides hire of offshore personnel/ crew to Island Drilling Company AS and Noble Drilling.

### **Note 3 – Payroll expenses, employees**

The company had 82 employees by the end of 2021.  
No remuneration has been paid to the Board of Directors or the Managing Director.

<i>Payroll expenses:</i>	<b>2021</b>	<b>2020</b>
Wages	57 909 624	90 053 423
Payroll tax	9 100 657	13 336 706
Pension costs	5 087 414	8 596 835
Other personnel cost	2 173 688	4 380 937
<b>Total</b>	<b>74 271 383</b>	<b>116 367 901</b>

Audit fee has been paid with NOK 76 875 excluding VAT during 2021.



## Note 4- Pension expenses and obligations

The Company participates in the scheme agreed between the Norwegian Confederation of Trade Unions and the Confederation of Norwegian Enterprise (the so-called LO/NHO scheme), under which all employees can choose early retirement from the age of 62.

The AFP scheme is a scheme which provides a lifelong addition to the ordinary pension. Employees can choose to draw pension from the AFP scheme from the age of 62, while continuing to work. The scheme allows employees to continue to earn pension entitlements if they continue to work until the age of 67. The AFP scheme is a defined benefit multi-enterprise pension scheme, and it is financed by premiums defined as a percentage of pay. For accounting purposes, the scheme is treated as a defined contribution pension scheme where premium payments are expensed as they are made. The Company also has a defined contribution pension scheme. The Company is obliged to have an occupational pension scheme pursuant to the Act relating to mandatory occupational pensions. The Company's pension schemes meet the requirements of the Act.

## Note 5 – Receivables and debt

	2021	2020
<i>Other short-term receivables:</i>		
Accounts receivables	4 825 392	2 676 499
Prepayments	756 843	2 184 386
Outstanding VAT	122 457	-
Other short-term receivables	<u>238 430</u>	<u>1 620 156</u>
Total	<u>5 943 122</u>	<u>6 481 041</u>
<i>Other short-term debt</i>	2021	2020
Vacation pay	1 674 249	1 144 158
Accounts payable	1 011 997	2 317 454
Debt to related parties	-	-
Government fees/taxes	7 298 928	3 072 589
Other short-term debt	<u>103 299</u>	<u>1 604 312</u>
Total	<u>10 088 403</u>	<u>8 138 513</u>

The company has no long-term debt or long-term receivables as of 31.12.21

## Note 6 – Taxes

	2021	2020
<i>Calculation tax basis:</i>		
Profit before taxes		
Permanent differences		
Change in temporary differences		
Change in deficit to carry forwards	<u>          </u>	<u>          </u>
Payable tax basis	<u>          </u>	<u>          </u>



## Overview of temporary differences:

Fixed assets, including goodwill		
Deficit to carri forwards	<u>-13 331</u>	<u>-13 331</u>
Net temporart differences	<u>-13 331</u>	<u>-13 331</u>
Deferred tax asset	<u>-2 933</u>	<u>-2 933</u>
Deferred tax rate	22 %	22 %
<i>Tax payable on this years result:</i>	-	-
<i>Payable taxes</i>	-	-
<i>Change in deferred taxes</i>	<u>-</u>	<u>-</u>
<i>Tax expense</i>	<u>-</u>	<u>-</u>

The company does not recognize deferred tax assets, as it is uncertain whether the company will be in tax position to utilize the tax loss carryforward.

## Note 7– Deposits

The company have an account tied to tax withholdings and the balance on this account by the end of the year is NOK 4 057 299.

## Note 8 – Share capital and shareholder information

The share capital of NOK 30 000 comprises 30 shares at NOK 1 000.

Overview of shareholders at 31.12. :

Shareholder	Shares	Ownership
Island Drilling Company AS	30	100 %

## Notes 9 - Equity

	Share capital	Other paid in Equity	Uncovered loss	Total
Equity 1.1	30 000	-5 570	-7 761	16 669
Net profit				
Equity 31.12	30 000	-5 570	-7 761	16 669



## Note 10- Inter- company balances

### Related party balances:

	2021	2020
Accounts receivables	4 825 392	2 676 499
Other short term receivables	229 548	2 170 279
<b>Total</b>	<b>5 054 940</b>	<b>4 818 483</b>
Accounts payable	-	1 028 295
<b>Total</b>	<b>-</b>	<b>1 028 295</b>

## Note 11- Transactions with related parties

	2021	2020
Sales to Island Drilling Company AS	36 647 867	123 007 520
Sales to Island Drilling Management AS	43 774 300	1 271 705

## Note 12- 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 13 - Going concern

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

The IDC Group was in breach of the "Positive working capital" requirement financial covenant as at 31.12.2021. However, a waiver of the covenant has been granted by the Group's senior lenders. The agreement reached in December 2020 with the major owners to support the Group with working capital until a positive cash flow position is established was continued in 2021 in into H1/2022. An acceptable and sustainable solution regarding buy-back of a major part of, and extension of the IDC Group's remaining long term loans, including amendments to the covenant structure has been vital in order for the Groups to improve its balance sheet.

Some uncertainty regarding the going concern assumption is being perceived as IDC has just recently gone on contract. The high market volatility caused by the COVID-19 pandemic is still regarded as a risk going into 2022. The risk is related to the rise in inflation and supply chain challenges following the pandemic. This is also the case for Crewing and the uncertainty regarding the going concern assumption is still be perceived, but significantly decreased compared to the situation a year ago.



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 2019/5631837	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 majoritetseiere 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 majoritetseid 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 majoritetseid 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 skjøvt 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