Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 357 688
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KCA DEUTAG DRILLING NORGE AS
Forretningsadresse:	Espehaugen 37
	5258 BLOMSTERDALEN

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Håvard Haugland
Dato for fastsettelse av årsregnskapet:	05.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 30.07.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		1 958 308 000	1 692 280 000
Sum inntekter		**1 958 308 000**	**1 692 280 000**
Kostnader			
Lønnskostnad	11	932 342 000	828 011 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	2	19 865 000	16 608 000
avskrivning leide eiendeler	3	14 430 000	21 366 000
Annen driftskostnad	13,15	926 246 000	703 283 000
cyper angrep kostnader		0	5 726 000
Sum kostnader		**1 892 883 000**	**1 574 994 000**
Driftsresultat		**65 425 000**	**117 286 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	13	6 119 000	10 815 000
Annen finansinntekt	6	1 705 000	1 974 000
Sum finansinntekter		**7 824 000**	**12 789 000**
Annen finanskostnad	6	8 667 000	16 882 000
Sum finanskostnader		**8 667 000**	**16 882 000**
Netto finans		**-843 000**	**-4 093 000**
Ordinært resultat før skattekostnad		**64 582 000**	**113 193 000**
Skattekostnad på ordinært resultat	10	14 331 000	25 024 000
Ordinært resultat etter skattekostnad		**50 251 000**	**88 169 000**
Årsresultat		**50 251 000**	**88 169 000**
Overføringer og disponeringer			
Konsernbidrag			93 176 000
Overføringer til/fra annen egenkapital		50 251 000	-5 007 000
Sum overføringer og disponeringer		**50 251 000**	**88 169 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
balanseførte leieavtaler	3	47 404 000	61 750 000
Utsatt skattefordel	10	17 150 000	17 685 000
Sum immaterielle eiendeler		**64 554 000**	**79 435 000**
Varige driftsmidler			
Maskiner og anlegg	2	6 111 000	25 977 000
Sum varige driftsmidler		**6 111 000**	**25 977 000**
Finansielle anleggsmidler			
Investering i datterselskap	4	2 273 000	2 273 000
Investeringer i aksjer og andeler		20 000	20 000
andre finansielle eiendeler		30 000	30 000
Sum finansielle anleggsmidler		**2 323 000**	**2 323 000**
Sum anleggsmidler		**72 988 000**	**107 735 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5	320 612 000	313 757 000
Andre fordringer		31 795 000	23 271 000
Konsernfordringer	7	267 634 000	443 098 000
Sum fordringer		**620 041 000**	**780 126 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	6 637 000	10 441 000
Sum bankinnskudd, kontanter og lignende		**6 637 000**	**10 441 000**
Sum omløpsmidler		**626 678 000**	**790 567 000**
SUM EIENDELER		**699 666 000**	**898 302 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	100 000 000	100 000 000
Overkurs	8	28 361 000	134 461 000
Annen innskutt egenkapital	8	15 200 000	15 200 000
Sum innskutt egenkapital		**143 561 000**	**249 661 000**
Opptjent egenkapital			
Annen egenkapital	8	105 836 000	55 585 000
Sum opptjent egenkapital		**105 836 000**	**55 585 000**
Sum egenkapital		**249 397 000**	**305 246 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
balanseført leieforpliktelser	3	37 811 000	51 883 000
Sum annen langsiktig gjeld		**37 811 000**	**51 883 000**
Sum langsiktig gjeld		**37 811 000**	**51 883 000**
Kortsiktig gjeld			
balanseført leieforpliktelser	3	19 080 000	19 466 000
Leverandørgjeld		86 684 000	33 786 000
Betalbar skatt	10	13 795 000	0
Skyldige offentlige avgifter		71 827 000	58 965 000
Kortsiktig konserngjeld	7	56 345 000	250 360 000
Annen kortsiktig gjeld	16	164 727 000	178 596 000
Sum kortsiktig gjeld		**412 458 000**	**541 173 000**
Sum gjeld		**450 269 000**	**593 056 000**
SUM EGENKAPITAL OG GJELD		**699 666 000**	**898 302 000**

Tax Administration Norway

Inquiries to	Your date	Our date
Torstein Kinden Helleland	22.04.2008	24.04.2008
Telephone	Your reference	Our reference
+47 22 07 81 39	Petter Pharo	2008/376426/SKDREFS/TKH/812.1

Ernst & Young
Postboks 6163
5892 Bergen

Application for a permission to make the annual report and statement i Norway in English language

Dear Mr Petter Pharo,

With reference to your letter of 22 April 2007and our phone call with respect to the above matter.

The application in question concerns the following companies:

1. KCA DEUTAG Modular Rigs AS (reg. no. 979 392 710)
2. KCA DEUTAG Drilling Norge AS (reg. no. 918 357 688)

The background for the application is that both of the mentioned companies are part of the Abbot Group. Abbot Group Limited, the head company of the Abbot Group, is listed on the London Stock Exchange (LSE). With reference to our decision dated 8 August 2007 regarding a similar request for five other subsidiaries of Abbot Group, which were granted by the Directorate of Taxes (your reference 2007/177957/RRRE/TKH/812.1), you apply for a similar permission for two further subsidiaries of the Abbot Group.

The activities of the Abbot Group are centred around its operating subsidiaries, KCA DEUTAG and Benter Drilling & Oilfield Systems. KCA DEUTAG is the largest offshore platform drilling contractor in the North Sea and the Caspian Region. Further, it is one of the largest international land drilling contractors outside the Americas, and a world leader in engineering, rig design, construction and operation. The company has more than 6.000 employees worldwide and has operations in the North Sea, Europe, Russia, the Middle East, Caspian Region, North and West Africa, and Asia.

KCA DEUTAG's Headquarter is in Aberdeen, Scotland, and it operates through three Global Business Units.

The company's accounts are audited by PWC. Ernst & Young is elected as the company's preferred Tax Advisor worldwide.

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Visiting address
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Org. nr: 974761076

Telephone
800 80 000
Telefax
22 07 71 08

The group in question is highly international in the sense that it operates throughout the world. The company group has several legal entities and companies in different countries. A number of these companies are taxable or will be taxable in other jurisdictions due to inter alia international rig operations. It follows that the accounts for these companies will have to be presented in different jurisdictions.

The group headquarter is in Aberdeen, and the working language of the group is English. All the users of the accounts within the company group are also English, as well as the persons signing the accounts. All the above-mentioned companies covered by this application are 100 % owned by an English company. All company loan agreements etc. are entered into with foreign financial institutions (banks). Further, more or less all the contracting parties and customers of these companies are foreign companies. Contracting parties and customers, at a certain level, commonly want to extract information about the company from the accounts in English.

Permission to keep accounts in Norway in English language

It follows from the Norwegian Bookkeeping Act of 19 November 2004 nr 73 § 12 that the specifications of statutory financial reporting shall be in Norwegian, Swedish, Danish or English language. Hence, it is not necessary to apply for permission to keep accounts in Norway in English language.

Permission to make the annual report and statement in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the annual report and annual statement … be in Norwegian. The Ministry can in an individual decision decide that the annual report and/or annual statement may be in another language"*

Ot. prp. nr. 42 (1997-1998) *About Act about annual accounts etc.*, says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to *"informative accounts for different users of accounts"* The users of the accounts will include investors, creditors, employees and the local community. The government (central and local) authorities must also be considered to be an important user of the accounts. For example, the tax authorities and other public authorities who are involved in controlling the activities in the private sector, use accounts as an important tool in their control activity.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or annual statement should be done in Norwegian, not in any significant way deviate from the consideration of users of the accounts. Further, the applicant must have a particular interest in having the opportunity to make the annual statement and/or annual statement in a language other than Norwegian.

The two applying companies are a part of the Abbot Group and are 100 % owned by an English company. Abbot Group Limited, the head company of the Abbot Group, is listed on the London Stock Exchange (LSE). The group headquarter is in Aberdeen, and the working language of the group is English. All the users of the accounts within the company group are also English, as well as the persons signing the accounts. All company loan agreements etc. are entered into with foreign financial institutions (banks). Further, more or less all the contracting parties and customers of these companies are foreign companies. Contracting parties and customers, at a certain level, commonly want to extract information about the company from the accounts in English.

Based on the above, and after a total evaluation, the view of The Directorate of Taxes is that the two applying companies mentioned above may make the annual report and statement in English language.

Conclusion

The Directorate of Taxes gives KCA DEUTAG Modular Rigs AS and KCA DEUTAG Drilling Norge AS permission to make the annual report and annual statement in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

Best regards

Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Directorate of Taxes

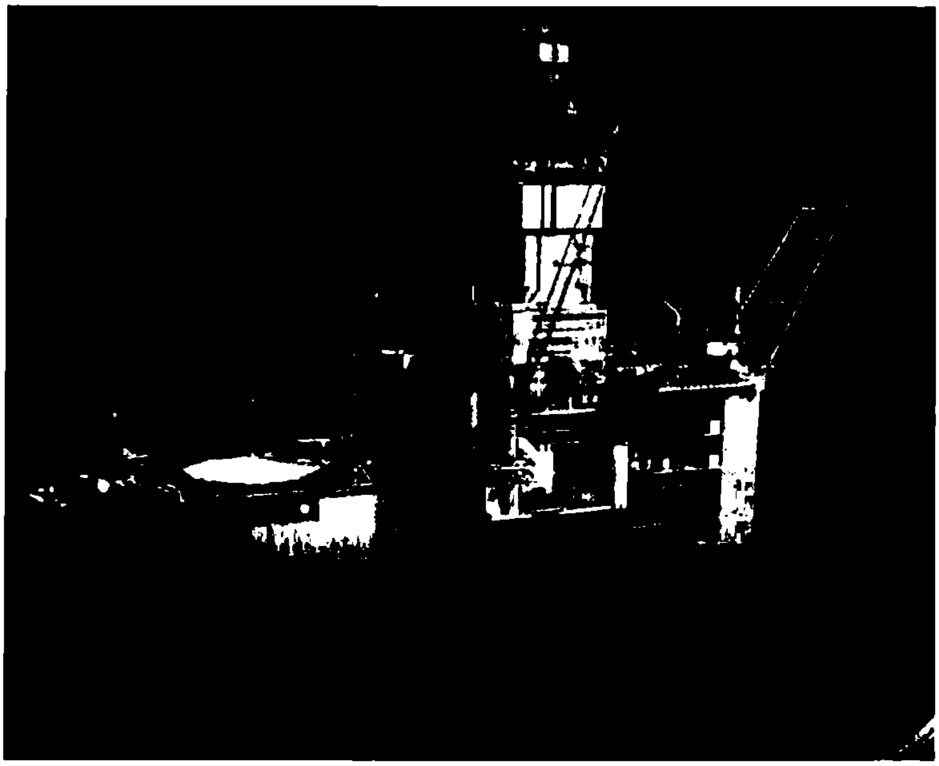
Torstein Kinden Helleland

KCA Deutag Drilling Norge AS

Audited annual report and financial statements for the year ended

31 December 2023

Registered Number Norway 918357688



Contents

Board of Directors and auditor

Board of directors

Ole Fredrik Maier (Chairman)
Lynsey van de Laar
Tom Einar Aasland
Thorbjørn Anhøj
Jan Inge Olsen (Employee Representative)
Bjarte Lygre (Employee Representative)
Helge Engevik (Employee Representative)

Auditors
Ernst & Young AS
Thormøhlens gate 53D
5006 Bergen
Norway

Business Address
Espehaugen 37
5258 Blomsterdalen
Norway

Directors' report for the year ended 31 December 2023

Nature of the business

KCA DEUTAG Drilling Norge AS is a service supplier to oil and gas principally operating on the Norwegian continental shelf. The main office is located at Espehaugen, Bergen. Since 2005 KCA DEUTAG Drilling Norge AS has been a 100% owned subsidiary of KCA DEUTAG Holdings Norge AS.

KCA Deutag Drilling Norge AS is organized in five (5) business streams; Fixed Platform Drilling Services, MODU Drilling Services, Sales & Rental Equipment, Well Services and the engineering division RDS (Rig Design Services).

The two main customers of the Company are Equinor and Vår Energi.

2023 has seen continued high activity in connection with the contracts to provide drilling services on fixed platforms on the Norwegian Continental Shelf. Three of four Oseberg platforms and Kvitebjørn were in drilling operation throughout 2023.

The Ringhorne platform has been in drilling operations during the year.

RDS carries out engineering, modification and upgrade assignments for operators and major oil and gas companies operating on the Norwegian continental shelf. The demand for engineering services has increased during 2023.

Well Services comprises equipment rental and high competence/specialist personnel. This department hires out such equipment to operators and drilling contractors mainly on the Norwegian continental shelf.

Going concern assumption

In accordance with the Accounting Act § 3-3 it is confirmed that the going concern assumption is valid and the financial statements are being presented accordingly.

The Company participates in a notional Cash Pooling arrangement with a number of other Group Companies (ref Note 7). Cash and overdraft balances included within the cash pool are treated as intercompany receivables and payables respectively for the purposes of disclosure in these financial statements.

Senior secured notes (US$ 500,000k) and guarantee facilities which are available to KCA Deutag Alpha Limited and certain subsidiaries, including the Company, are secured inter alia by a cross guarantee from the Company, by a floating charge over the assets of the Company and by a share pledge over the shares of the Company.

Prospects

The long-term prospects for KCA Deutag Drilling Norge AS are positive as the contract backlog is secured with contracts with Equinor and Vår Energi AS.

KCA Deutag Drilling Norge AS has a market share based upon 6 out of 29 fixed drilling Platforms on the Norwegian continental shelf. One of the Company's objectives is to obtain additional platform contracts as they are renewed in the market so it can continue as a key player in the platform drilling contractor market in Norway.

In March 2024, the company was awarded a four (4) year extension for our existing contract scope covering five platforms across the Oseberg and Kvitebjørn fields. In addition, the company was awarded additional work to deliver drilling, maintenance and engineering services to a further two platforms (Heidrun and Njord) under the same contract, commencing 1 October 2024.

Throughout 2024 it is expected that there will be drilling operations on 3 Equinor fixed drilling platforms on the Oseberg field. Both Ringhorne and Kvitebjørn are expected to continue in drilling operation phase throughout the year.

Our long-term strategy is to continue to be a leading platform drilling and engineering company on the Norwegian continental shelf and to increase activity within the company's RDS and Well Services divisions.

Working Environment and personnel

KCA DEUTAG Drilling Norge AS had an average of 689 employees in 2023 of which 549 were working offshore. Of the total number of offshore employees, 2.0% were women. The number of employees onshore was 140, of which 30.7% were women. The company had 1 part-time employee, held by a man. During 2023 the company had an average of 6% employee turnover excluding retirement. 58 persons were recruited, 12 were women, 6 of them held offshore positions.

Average employee attendance in 2023 was 93.1%. The working relationship between employees, trade unions, management and board of directors continues to be positive.

Diversity, Equality and Inclusion

A new committee of Diversity, Equality and Inclusion (DEI) was established in 2021. The DEI committee is working for both KCA Deutag Drilling Norge AS and KCA Deutag Modu Operation and have members from both companies. DEI has investigated the current situation, following the requirement of the law, and have made suggestions to the board on activities to ensure compliance following the Law on Gender Equality, Work Act and the Basic Agreement between LO and NHO.

The company will provide employees with equal opportunities regardless of race, sexual orientation, age, culture, nationality, faith, illness, disability, and gender. Women and men shall be given equal opportunities in education, employment, cultural and academic development.

In 2023 the group suggested initiatives that resulted in amongst other the following activities:

Participating in education fair and visiting schools, work training for refugees at the office, celebrating Pride both on- and offshore, introducing dyslexia project to management and the Working Environment Committee (AMU).

The company has performed a salary survey on differences between remuneration to women and men.

In 2023, women received on average 90.5% of men's salary in the company, and women amounted to 8.2% of the total workforce in the company.

Of onshore employees, women received on average 69.4% of men's salary, and women amounted to 29.6% of the total onshore workforce.

The onshore workforce has been split in nine subgroups, where all positions have been placed in one subgroup where each subgroup constitute the same level of work responsibilities:

Responsibility level	Women's salary in % of men	Women in % of total employees
Subgroup 1	N/A	N/A
Subgroup 2	N/A	N/A
Subgroup 3	N/A	N/A
Subgroup 4	95%	20%
Subgroup 5	N/A	N/A
Subgroup 6	78%	30%
Subgroup 7	87%	33.3%
Subgroup 8	90%	64.7%
Subgroup 9	104%	46.2%

The facts described above reflects different levels of seniority, as well as the business segment the company are doing business in. The company encourage women to apply for new positions and has focus on reducing the gender gap.

Of offshore employees, women received on average 91.9% of men's salary, and women amounted to 2.3 of the total offshore workforce.

All offshore employees are following the same tariffs with equal pay, and gender differences are due to different levels of seniority.

Parental leave is for 24 weeks average for women, and 9 weeks average for men in 2023. It is not known to the committee that any employees did not get the leave they applied for.

There are 6 temporary employees, all of which are female.

Health, Security and Environment (HSE)

The company's core values for health, safety, security, and environment stewardship are based on superior objectives to secure efficient and faultless operations. Among these objectives, given priority is prevention of sickness absence and there are methods and efforts applied which include employee's health risk assessments and monitoring, mapping of job satisfaction and working environmental factors, both in the organisation offshore and onshore.

The importance of interaction between people, technology, organisation, and environment has resulted in increased focus on dependence on personnel, technology, and organisation. As part of this, among other things, focused on coaching of leaders in the onshore and offshore organisation for training and development of accountability, responsibility, and active follow-up by noticeable leadership.

For some installations, improvements in design, functionality, and user-friendliness of technical equipment for drilling operations and belonging support systems have been carried out and verified in collaboration with the individual operating company. Great importance is attached to user involvement and experience from previous operations for this type of assignments.

In 2023 the sickness absence was 6.9%. Efforts are systematically made for improvements to reach the current objective of 5%. The importance of this, both for the individual employee and regarding a positive financial impact for the company and the society for the rest, is regarded as a high priority.

HSSE control systems are particularly directed towards methods and systems for proactive reporting of events and situations from operation, to verify accordance and adequacy for joint application of preferred registrations. This has been carried out and adapted without problems. The company has further developed its own-designed network gateway which, apart from attending to operational reporting and statistic registrations, also has been taken into use for distribution of HSSE messages and bulletins to all operations about undesired events, received from other organisations and manufacturers of critical drilling equipment and systems.

In 2023 the company had one injurie resulting in absence and injury frequency of Total Recordable Injuries Rate (TRIR) 0.58, which is calculated on number of Lost Time Incidents (LTI), Restricted Workday Cases (RWC) and Medical Treatment Cases (MTC) absence injuries per two hundred thousand working hours. The company works actively, through several ongoing measures, to reach the company's "zero injury" goal. Due to the security situation in Europe and current heightened threat level our company has raised the security and state of alert level offshore and onshore in accordance with internal and customers' requirements.

Environmental reporting

During the year, there were six minor losses with minimal impact on the external environment. The company also focuses on the substitution of chemicals and have implemented monitoring programmes for health and environmental stewardship.

In accordance with the principles and objectives for focusing attention on the external environment, only environmentally sound oil is used in all our operations. The company is working continuously to explore further possibilities for improved operational routines to reach the superior objective of zero spills to the external environment. The company is reporting all registrations necessary for the company's environmental accounts monthly. LRQA has carried out periodically audit according to the rules and regulations for certificate of accreditation for ISO 14001:2015.

The financial statements

The turnover of NOK 1,958m represents an increase from 2022 to 2023 of NOK 266m. This is mainly due to increased RDS activities.

The company had satisfactory liquidity throughout the year. The cash position was reduced from NOK 10.4m at year end 2022 to NOK 6.6m at year end 2023. The liquidity ratio is 1.52 compared to last year's 1.46.

Cash inflow from operating activities was NOK 115.3m. Cash outflow from investing activities was NOK zero and cash outflow from financing activities was NOK 119.1m, whereas dividend amounted to NOK 106.1m.

Financial/market related risk

In 2024 the focus will be to continue to focus on a reliable and profitable operation and to secure new engineering and modification contracts in an improving market. Risk is also related to shift of idle phase on Platforms and the commercial implications of this (personnel utilization), together with utilization ratio for KCA Deutag owned Well Services equipment.

KCAD has secured a sustainable long-term Contract Backlog, and no contracts expires in 2024.

The current contract portfolio includes operation for 5 platforms for Equinor until 30 September 2024 and thereafter 7 platforms for Equinor from 1 October 2024, while 1 platform for Vår Energi AS. Firm contract period with Equinor is until September 30th, 2028 following the exercising of the second and third optional period available to Equinor. Firm contract period with Vår Energi AS is until March 8th, 2026, following the exercised option by Vår Energi AS in March 2024.

Directors & Officers insurance

The Group has D&O insurance in place which covers the directors of all Norwegian companies.

Transparency Act

In relation to the Transparency Act which came into force on July 1st 2022, KCA Deutag Drilling Norge AS will publish an updated report on its website within 30 June 2024.

Other circumstances

The board consists of two persons from KCA DEUTAG Group, three staff representatives and two staff who is part of the Norwegian Management team.

~~31 December 2023~~
5 June 2024

Tom Einar Aasland Managing Director / Member of the board	Ole Fredrik Maier Chairman of the board	Thorbjørn Anhøj Member of the board
Jan Inge Olsen Member of the board	Bjarte Lygre Member of the board	Helge Engevik Member of the board
Lynsey van de Laar Member of the board		

Independent auditors' report to the shareholders of KCA DEUTAG Drilling Norge AS

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Income Statement for the year ended 31 December 2023

For the period (NOK 1 000)	Note	2023	2022
Revenue			
Sales revenue		1 958 308	1 692 280
Other revenue		0	0
Total revenue	1, 13, 14	***1 958 308***	***1 692 280***
Operating expenses			
Salary cost	11	(932 342)	(828 011)
Depreciation	2	(19 865)	(16 608)
Depreciation of leased assets	3	(14 430)	(21 366)
Other operating expenses	13, 15	(926 246)	(703 282)
Operating results before exceptional items		***65 425***	***123 012***
Exceptional items			
Cyber attack consequential cost		0	(5 726)
Exceptional items		***0***	***(5 726)***
Financial income and expenses			
Interest income from group companies	13	6 119	10 815
Other financial income	6	1 705	1 974
Other financial expenses	6	(8 667)	(16 882)
Net financial income		***(843)***	***(4 093)***
Profit on operations before taxes		**64 582**	**113 193**
Income tax			
Tax on ordinary result (DTA)	10	(14 331)	(25 024)
Tax on foreign business	10	0	0
Taxes		***(14 331)***	***(25 024)***
Net profit for the year		**50 251**	**88 169**
Year-end appropriations			
Group contribution/distribution	8	0	119 457
Tax impact group contribution/distribution	8	0	(26 281)
Other equity	8	50 251	(5 007)
Total transfers		***50 251***	***88 169***

Statement of Comprehensive Income for the year ended 31 December 2023

For the period (NOK 1 000)	Note	2023	2022
Net profit for the year		50 251	88 169
Total other comprehensive income for the year		0	0
Total comprehensive income for the year		**50 251**	**88 169**

Balance Sheet as at 31 December 2023

(NOK 1 000)	Note	2023	2022
Non-current assets			
Tangible and intangible assets			
Deferred tax asset	10	17 150	17 685
Right of use assets	3	47 404	61 750
Fixed assets	2	6 112	25 977
Total tangible and intangible assets		*70 665*	*105 412*
Financial assets			
Investment in subsidiary companies	4	2 273	2 273
Investment in shares		20	20
Other financial assets		30	30
Total financial assets		*2 323*	*2 323*
Total non-current assets		***72 988***	***107 735***
Current assets			
Debtors			
Trade receivables	5	320 612	313 757
Short-term receivables from group companies	7	267 634	443 098
Other short-term receivables		31 796	23 271
Total debtors		*620 041*	*780 126*
Cash and cash equivalents	12	6 637	10 441
Total current assets		***626 678***	***790 567***
Total assets		**699 666**	**898 302**

(NOK 1 000)	Note	2023	2022
Equity			
Paid-in capital			
Share capital	8	100 000	100 000
Share premium reserve	8	28 361	134 461
Other paid-in capital	8	15 200	15 200
Total paid-in capital		*143 561*	*249 661*
Retained earnings			
Other equity	8	55 584	60 591
Profit for the year, unallocated		50 251	-5 007
Total retained earnings		*105 836*	*55 584*
Total equity		***249 397***	***305 246***
Liabilities			
Provisions			
Taxes payable	10	0	0
Total provisions		*0*	*0*
Non-current liabilities			
Right of use liabilities	3	37 811	51 883
Total non-current liabilities		*37 811*	*51 883*
Current liabilities			
Trade creditors		86 684	33 786
Public taxes		71 827	58 965
Taxes payables	10	13 795	0
Short-term liabilities group companies	7	56 345	250 360
Other short-term liabilities	16	164 728	178 597
Right of use liabilities	3	19 080	19 466
Total current liabilities		*412 458*	*541 174*
Total liabilities		***450 269***	***593 057***
Total equity and liabilities		**699 666**	**898 302**

31 December 2023

5 June 2024

Tom Einar Aasland
Managing Director / Member of the board

Ole Fredrik Maier
Chairman of the board

Thorbjørn Anhøj
Member of the board

Jan Inge Olsen
Member of the board

Bjarte Lygre
Member of the board

Helge Engevik
Member of the board

Lynsey van de Laar
Member of the board

Cash flow statement for the year ended 31 December 2023

(NOK 1 000)	2023	2022
Cash flow from operating activities		
Profit on operations before taxes	64 582	113 193
Gain on disposal fixed assets	0	0
Liquidation South Korea branch	0	0
Depreciation	34 295	37 974
Net finance income / (costs)	(1 115)	(2 255)
Change trade receivables and other short-term receivables	160 085	(70 598)
Change in trade creditors and other short-term creditors	(142 511)	(58 348)
Change in other accruals (Group contributions, minor items)	1 149	9 904
Net cash inflow / (outflow) from operating activities	***116 486***	***29 871***
Cash flow from investing activities		
Purchase of plant and equipment	0	(330)
Sale of plant and equipment	0	0
Income from subsidiary termination	0	0
Net cash inflow / (outflow) from investing activities	***0***	***(330)***
Cash flow from financing activities		
Right of Use assets lease capital repayment	(14 462)	(20 930)
Dividend	(106 100)	0
Interest paid	(150)	(2 022)
Interest received	422	184
Net cash inflow / (outflow) from financing activities	***(120 291)***	***(22 768)***
Net increase in cash and cash equivalents	(3 805)	6 772
Cash and cash equivalents at beginning of period	10 441	3 669
Cash and cash equivalents at end of period	6 637	10 441

Notes to the financial statements for the year ended 31 December 2023

1 Accounting Principles

General

The financial statements of KCA Deutag Drilling Norge AS (Company) have been prepared according to IFRS and instructions on simplified use of IFRS (2006-12-22 no. 1582), implying that the company makes use of accounting policies in accordance with IFRS while notes have been prepared in accordance with chapter 7 of the Accounting Act.

Use of estimates

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with simplified IFRS.

Foreign currency translation

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

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for an expected credit loss, if applicable. When determining the level of expected credit loss provision, management consider the age of the outstanding receivable along with prior experience in relation to the specific customer as well as the jurisdiction in which the balance is due before booking any provision.
When determining the level of expected credit loss provision required in respect of trade receivable balances, management also consider the creditworthiness and probability of the future default of the customer.

Revenue recognition

Revenue is recognised based on the gross amount received or receivable for services provided in the normal course of business, net of value-added tax and other sales related taxes. Revenue from Offshore Services and RDS engineering operations is recognised in the accounting period in which the services are rendered, typically based on a day rate for manpower provided to the customer.

In Offshore Services, the Company provides personnel to operate and maintain customer owned assets based on contractually agreed rates.

Pre-contract compensation and costs are deferred until the contract commences and then spread on a straight-line basis over the primary term of the relevant drilling contract. The deferred pre-contract compensation and costs are amortised, using the straight-line method, into income or loss over the term of the initial contract period, regardless of the activity taking place, in a manner consistent with the economics of the customer contract. Where there are no elements of up-front consideration in a drilling contract, the Company recognises revenue in line with the amount to which we are contractually able to invoice the customer for performance obligations which have been completed to date. Therefore, the IFRS 15 expedient allowing the Company to recognise revenue in line with its right to invoice its customers has been applied in preparing these financial statements.

Mobilisation costs which are incurred in relation to the mobilisation of new rigs are capitalised and depreciated over primary period of the new contract. Mobilisation costs incurred on moving rigs to locations under a new customer contract are amortised on a straight-line basis over the primary period of the new contract.

Any rig-move costs for moving the rigs to new locations while operating under a drilling contract are expensed as incurred, with the relevant revenue being recognised when the rig move is complete.

Incentive income is recognised when earned. Incentive income is earned in respect of contract Key Performance Indicators (KPIs) detailed in customer contracts, and revenue is recognised only when a KPI has been achieved and achievement has been agreed with a customer.

In RDS, the Company provides personnel on a time-cost basis to customers to work on engineering projects.

The Company recognises flow through revenue, which relates to reimbursable costs, based on the gross amount received or receivable in respect of its performance under the sales contract with the customer.

Interest income is accrued on a time basis, by reference to the principal amount outstanding and the effective interest rate applicable.

Engineering contracts

Where the outcome of a long-term engineering contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date dependent on the relevant provisions in the contract with the customer. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion or the contractual position prevents this treatment in accordance with IFRS 15. Revenue variations in contract work, claims and incentive payments are included to the extent that they have been agreed in writing by the customer. When it is probable that total contract costs will exceed total revenue, the expected loss is recognised in full as an expense immediately.

Deferred income represents the value of advance payments received from customers for engineering contracts which are in excess of the value of work done at the Balance Sheet date.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred taxes 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 the tax assets will be utilised.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year. 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 recognised at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognised at nominal value.

Leasing

The group implemented IFRS 16 in 2019, changing its accounting principles for leases where the group is the lessee. The principles and the impact of the change is described below.

IFRS 16 Leases results in almost all leases being recognised on the balance sheet be lessees, since the distinction between operating and finance leases is removed. Under the new standard, an asset (that is, the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The standard is effective for the Company from 1 January 2019. IFRS 16 must be applied retrospectively. However, an entity can choose whether to apply the standard retrospectively to each period presented or apply the simplified method, whereby the cumulative effect of applying the standard is recognised in equity at the date of initial application. In accordance with the transition provisions in IFRS 16, the Company decided to apply the simplified method.

An asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

The lease liability is measured at the present value of the future lease payments. The lease term includes all periods covered by extension options if exercise of the extension is reasonably certain. The present value is calculated based on an appropriate discount rate being the Group's incremental borrowing rate.

The right-of-use asset is initially measured based on the calculated lease liability plus any indirect costs, payments at or prior to lease commencement, dilapidation provisions less any lease incentives. Subsequent measurement is at cost less depreciation and any provision for impairment. The right-of-use asset is also adjusted based on any re-measurement of the lease liability. The group has also chosen to take advantage of the exemptions as allowed in the standard for certain short term leases and leases of low value assets;

i) Short term leases

This is defined as a lease which has a lease term of 12 months or less and does not contain a purchase option. In terms of assessing the duration of a lease, if a lease is more likely than not to be extended to a duration in excess of 12 months, then lessee accounting under IFRS 16 will apply.

ii) Low-value assets

The standard does not specify a value which would ensure an asset was of low-value however this is likely to apply to items such as tablets and personal computers and small items of office furniture and telephones. An asset can only be low-value if the lessee can benefit from the use of the asset on its own and the asset is not highly dependent on other assets.

Leases which meet the exemptions above continue to be charged to profit or loss on a straight-line basis over the period of the lease (net of any incentives received from the lessor).

Research and development

Development costs are capitalised providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalised development costs are amortised linearly over its useful life. Research costs are expensed as incurred.

Investment in and return from investment in subsidiaries, associated companies

Investments in subsidiaries and associated companies are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. Group contributions to subsidiaries, with tax deducted, are reflected as increases in the purchase costs of the shares.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary/associated company accounts. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet.

Property, plant and equipment

Property, plant and equipment is capitalised and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Inventories

Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Accounts receivables and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. A provision for impairment of trade receivables is established when there is objective evidence the company will not be able to collect all amounts due.

Short term investments

Short-term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

2 Tangible Assets

(NOK 1 000)	Machinery and Equipment	Total tangible assets
Cost		
At 1 January 2023	498 715	498 715
Additions	0	0
Disposals	0	0
At 31 December 2023	**498 715**	**498 715**
Accumulated depreciation		
At 1 January 2023	472 738	472 738
Change in the year	19 865	19 865
Disposals	0	0
At 31 December 2023	**492 603**	**492 603**
Net carrying value		
At 31 December 2023	***6 112***	***6 112***
At 31 December 2022	25 977	25 977

The company uses linear depreciation for all tangible assets.
The useful economic lifetime for assets are estimated to be between 3 and 10 years.

3 Leased Assets

(NOK 1 000)	2023	2022
Right of Use Assets		
Properties	46 459	60 430
Vehicles, Plant & Equipment	944	1 320
Total Right of Use Assets	***47 404***	***61 750***
Lease Liabilities		
Current	19 080	19 466
Non-current	37 811	51 883
Total Lease Liabilities	***56 891***	***71 349***
Depreciation of leased assets for the year	14 430	21 366

The statement of profit and loss includes the following amounts relating to leases:

Depreciation charge, Right of Use Assets		
Properties	14 257	21 167
Vehicles, Plant & Equipment	172	199
Total depreciation charge	***14 430***	***21 366***
Interest expenses, Right of Use Assets		
Expenses related to short-term leases	5 956	7 201
Expenses related to leases of low-value assets	45	60
Total interest expenses	***6 001***	***7 261***
The total cash out-flow for leases for the year was	20 463	28 191

4 Investments in subsidiaries and associates

(NOK 1 000) Company	Business address	Ownership share	Equity 31.12.2023	Result 2023	Book value 31.12.2023
KCA DEUTAG Modu Operations AS	Bergen	100 %	28 727	(3 807)	0

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5 Trade receivables

(NOK 1 000)	2023	2022
Trade receivables		
Trade receivables at nominal value	212 639	195 495
Revenues not invoiced	107 972	118 263
Provisions for bad debts	0	0
Total trade receivables	***320 612***	***313 757***
Carrying values, projects		
Included in Trade receivables		
Completed, not invoiced production	107 972	118 263
Included in short-term liabilities		
Invoiced, deferred income	(32 335)	(45 991)

6 Financial income and expenses

(NOK 1 000)	2023	2022
Other financial income		
Other interest income	422	184
Other interest income, non-taxable	0	0
Exchange gain	1 283	1 790
Other financial income	0	0
Total other financial income	***1 705***	***1 974***
Other financial expenses		
Other interest expenses	150	2 019
Other interest expenses, non-tax-deductible	0	3
Interest expenses leasing	6 001	7 261
Exchange losses	2 516	7 599
Total other financial expenses	***8 667***	***16 882***

7 Intercompany balances with group companies

(NOK 1 000)	2023	2022
Intercompany balances shown on a gross basis.		
Amounts owed from Group companies:		
Bank deposits, Group pool HSBC	185 553	189 194
Short term receivables	82 081	221 360
Total amounts owed from Group companies	***267 634***	***410 554***
Amounts due to subsidiaries/Group companies:		
Other short term payables	56 345	250 360
Total amounts due to subsidiaries/Group companies	***56 345***	***250 360***

The company is part of KCA DEUTAG Group's cash-pool with separate bank accounts in HSBC. Funds in the pool facility are recognised as accounts receivables from Group companies.

8 Equity

(NOK 1 000)	Share capital	Share premium fund	Other paid in capital	Accumulated profits	Total
Equity 1 January 2023	100 000	134 461	15 200	55 584	305 246
Group contribution net of tax effect					0
Group contribution to subsidiary exempt of tax					0
Dividend paid out 2023, based on 2022		(106 100)			(106 100)
Profit for the year				50 251	50 251
Equity 31 December 2023	***100 000***	***28 361***	***15 200***	***105 836***	***249 397***

The share capital is NOK 100m and consists of 20 000 000 each with a value of NOK 5. All shares have equal rights.

9 Pension

The company complies with the pension requirements and has implemented a defined contribution pension scheme for all employees.

In addition, the company has implemented an occupational pension scheme, in accordance with Act of Occupational Pension Schemes. The company operated disability benefits to eligible employees.

10 Taxes

(NOK 1000)	2023	2022
Tax charge for the year		
Payable tax	13 795	26 281
Change in deferred tax	535	(1 256)
Tax expense	***14 331***	***25 024***
Calculation of tax charge for the year		
Profit on operations before taxes	64 582	113 193
Permanent differences	558	552
Basis for this year's tax expense	*65 140*	*113 746*
Temporary differences	(2 433)	5 711
Basis for payable tax in the result accounting	*62 706*	*119 457*
Utilisation of taxable loss carried forward	0	0
Group contribution	0	(119 457)
Taxable income (basis for payable tax in the balance sheet)	***62 706***	***0***
Tax payable in the balance sheet		
Payable tax	13 795	26 281
Tax effect of group contribution	0	(26 281)
Taxes paid	***13 795***	***0***
Calculation of deferred tax asset		
Non-current assets	(31 485)	(21 131)
Other temporary differences	(46 467)	(59 255)
Taxable loss carried forward	0	0
Basis for deferred tax asset	*(77 953)*	*(80 386)*
Tax rate	22 %	22 %
Deferred tax asset	17 150	17 685
Deferred tax asset in the balance sheet	***17 150***	***17 685***

A deferred tax asset has been recognised in the financial statements on the basis that the company will continue to be profitable in the foreseeable future.

11 Salary and personnel costs, number of employees, loans to employees and Auditor's fee

(NOK 1 000)	2023	2022
Salary and personnel costs		
Salaries	730 015	652 578
Payroll tax	125 601	103 216
Pension costs	31 987	30 761
Other costs	44 738	41 457
Total salary and personnel costs	***932 342***	***828 011***

The company had 689 employees on average in 2023.
Less than full-time employees are converted to full-time.

(NOK 1 000)	Managing Director	Board of Directors
Management and Board remuneration		
Salary/remuneration	3 357	0
Pension costs	46	0
Total Management and Board remuneration	***3 403***	***0***

(NOK 1 000)	2023	2022
Auditor's fee		
Audit services	966	800
Other services non-audit related	34	0
Total auditor's fee	***1 000***	***800***

12 Restricted and other bank deposits

(NOK 1 000)	2023	2022
Other local bank deposits	6 637	10 441

The company has an unconditional guarantee in place, which acts as security for correct payment of withholding tax, in accordance with the Norwegian Act of Tax payments.

The Company participates in a notional Cash Pooling arrangement with several other Group Companies. Cash and overdraft balances included within the cash pool are treated as intercompany receivables and payables respectively for the purposes of disclosure in these financial statements (ref Note 7).

13 Related party transactions

(NOK 1 000)	Turnover	Purchase	Loan repayments	Net interest received
Subsidiary company	357 139	15 294	0	0
Group company	8 444	25 421	0	6 119

Senior secured notes (US$ 500,000k) and guarantee facilities which are available to KCA Deutag Alpha Limited and certain subsidiaries, including the Company, are secured inter alia by a cross guarantee from the Company, by a floating charge over the assets of the Company and by a share pledge over the shares of the Company.

14 Income by business area and geographical distribution

(NOK 1 000)	2023	2022
Income by business area		
Drilling	1 383 129	1 336 671
Engineering	571 932	347 586
Other	3 247	8 023
Total income by business area	***1 958 308***	***1 692 280***

(NOK 1 000)		2022
Income by geographical distribution		
Norway/Norwegian continental shelf	1 949 864	1 685 957
Europe	1 283	5 423
Far East & Asia	0	900
North- & South America	7 161	0
Total income by geographical distribution	***1 958 308***	***1 692 280***

15 Specification other operating expenses

(NOK 1 000)	2023	2022
Other operating expenses		
3rd party services	40 459	36 769
Employee expenses (courses, insurance etc.)	19 307	14 735
Travel expenses	29 832	27 154
Intermediary goods and services	569 934	289 369
Drilling equipment and maintenance	226 920	306 825
Rental equipment	22 311	15 071
Other operating expenses	17 483	13 358
Total other operating expenses	***926 246***	***703 282***

16 Specification balance sheet

(NOK 1 000)	2023	2022
Other short-term liabilities		
Holiday pay and wages due	96 518	86 033
Provisions for deferred earnings	32 335	45 991
Other current liabilities	2 722	2 776
Other creditors	26 115	39 742
Provision for employees' part of performance bonus	7 038	4 055
Total other short-term liabilities	***164 728***	***178 597***

17 Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of KCA Deutag Holdings Norge AS.

The Company's ultimate parent undertaking and ultimate controlling company is KCA Deutag International Limited, which is registered in Jersey. The shareholders of KCA Deutag International Limited are comprised of holders of the pre-restructuring secured debt which was partially swapped for equity in KCA Deutag International Limited as part of the restructuring transaction.

At 31 December 2023 the smallest and largest groups in which the results of the Company are consolidated are those headed by KCA Deutag Alpha Limited. Copies of financial statements of KCA Deutag Alpha Limited are available from Group Headquarters, Bankhead Drive, City South Office Park, Portlethen, Aberdeenshire, AB12 4XX.

18 Post balance sheet events

In February 2024, the client on Ringhorne exercised its option to extend the contract with two (2) year.

In March 2024, the company was awarded a four (4) year extension for our existing contract scope covering five platforms across the Oseberg and Kvitebjørn fields. In addition, the company was awarded additional work to deliver drilling, maintenance and engineering services to a further two platforms (Heidrun and Njord) under the same contract, commencing 1 October 2024.

In addition to the firm contract period the client has the option to extend the contract with two (2) year.

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Kca Deutag Drilling Norge AS

Opinion

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

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 managing director) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, 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, 5 June 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Håvardstun
State Authorised Public Accountant (Norway)

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

Håvardstun, Kjetil
Oppdragsansvarlig partner
På vegne av: Ernst & Young AS
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