



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Marte Sandvik Hasund
Dato for fastsettelse av årsregnskapet: 27.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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

Brønnøysundregistrene, 10.07.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		58 781 554	126 610 588
Annen driftsinntekt			-1 500 000
Sum inntekter	3	58 781 554	125 110 588
Kostnader			
Lønnskostnad	4	47 875 860	81 847 533
Annen driftskostnad	4	15 137 379	21 761 612
Sum kostnader		63 013 239	103 609 144
Driftsresultat		-4 231 685	21 501 444
Finansinntekter og finanskostnader			
Annen renteinntekt		40 272	
Annen finansinntekt		82 700	754 112
Sum finansinntekter		0	0
Annen rentekostnad		143 434	74 089
Annen finanskostnad		146 963	639 898
Sum finanskostnader		0	0
Netto finans		-167 426	40 125
Resultat før skattekostnad		-4 399 110	21 541 569
Skattekostnad	5		4 848 667
Årsresultat		-4 399 110	16 692 902
Totalresultat		-4 399 110	16 692 902
Overføringer og disponeringer			
Konsernbidrag			17 190 727
Overføringer til/fra annen egenkapital		-4 399 110	-497 825
Sum overføringer og disponeringer		-4 399 110	16 692 902



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Kundefordringer		35 150 343	70 121 623
Andre fordringer		1 245 457	4 301 194
Sum fordringer	6,7	36 395 800	74 422 816
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	1 763 950	3 475 993
Sum bankinnskudd, kontanter og lignende		1 763 950	3 475 993
Sum omløpsmidler		38 159 750	77 898 809
SUM EIENDELER		38 159 750	77 898 809

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2024	2023
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9	65 557	65 557
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		65 557	65 557
Opptjent egenkapital			
Annen egenkapital		17 675 320	22 074 430
Sum opptjent egenkapital		17 675 320	22 074 430
Sum egenkapital	10	17 740 876	22 139 987
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		14 294 279	22 315 456
Skyldige offentlige avgifter		3 129 495	2 464 038
Annen kortsiktig gjeld		2 995 099	30 979 329
Sum kortsiktig gjeld	6,7,11	20 418 873	55 758 822
Sum gjeld		20 418 873	55 758 822
SUM EGENKAPITAL OG GJELD		38 159 750	77 898 809



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer: 2025 654110

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Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Marte Sandvik Hasund
Dato for fastsettelse av årsregnskapet: 27.06.2025

Revisjon

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

Grunnlag for avgivelse

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Brønnøysundregistrene, 09.07.2025



Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

RESULTATREGNSKAP

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Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

BALANSE

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Kundefordringer			
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Organisasjonsnr: 992 448 636
ISLAND DRILLING MANAGEMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

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

Note

1

Er det usikkerhet om fortsatt drift?: Nei



Note

4

Antall årsverk i regnskapsåret

19.00

Note

4

Spesifisering av resultatregnskapet

Lønnskostnader

	<u>Årets</u>	<u>Fjorårets</u>
<u>Lønn</u>	40710907.00	76014022.00
<u>Folketrygdavgift</u>	4954641.00	3982776.00
<u>Pensjonskostnader</u>	2188111.00	1877990.00
<u>Andre ytelser</u>	22201.00	-27254.00
<u>Sum lønnskostnader</u>	47875860.00	81847534.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
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<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
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Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

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



Skatteetaten

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

BORGSTEIN AS
Postboks 370
6067 ULSTEINVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

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

Skattedirektoratets vurdering

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



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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2



Statsautoriserte revisorer
Ernst & Young AS

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

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

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in Island Drilling Management AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Island Drilling Management AS (the Company), which comprise the balance sheet as at 31 December 2024, 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 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)* (the 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or



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with confidence**

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 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, 3 July 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Drilling Management AS 2024

A member firm of Ernst & Young Global Limited

Pemneo Dokumentnr.økkel: CDXK8-EC:NV-RGROT-3RQ0J-GQY70-ZAPO9



PENNEO

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

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

Knutsen, Jørn

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: no_bankid:9578-5992-4-3012515

IP: 147.161.xxx.xxx

2025-07-03 09:44:17 UTC



Penneo Dokumentnøkkel: CDXK8-ECJNV-RGROT-3RQ0J-GQY70-ZAP09

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ISLAND DRILLING

Financial statements

2024

Island Drilling Management AS



Island Drilling Management AS



ISLAND DRILLING

The Board of Director's annual report 2024

1. The nature of the business

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

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

IDM's registered office is in Ulsteinvik, Norway.

2. Going concern – operational update

The activity level of IDM is depending on the activity levels of the rig Island Innovator ("INN"), owned and operated by IDC.

2024 was a year of high activity. The Island Innovator was on contracts in a total of three locations with three different clients.

The oil drilling market stabilized from 2023 to 2024, as global demand for oil and gas also stabilized. Island Drilling Company continued to experience a high number of tenders to bid for globally.

On 28 March 2025, Island Drilling Company AS announced that it has been awarded a significant contract with Equinor for Permanent Plug & Abandonment ("PP&A") work on the Norwegian Continental Shelf ("NCS"). The contract will commence at latest in the first quarter of 2026.

The firm contract period is for three years, plus five one-year options. The contract value for the firm period is estimated to 330 MUSD which includes mobilization, integrated services and modifications.

The contract is expected to have positive implications for both the Group and the region, including the employment of an additional 10-15 individuals onshore in Bergen and Stavanger, and 80 to 100 new employees offshore. The inclusion of the Island Innovator in the fleet of drilling rigs on the Norwegian Continental Shelf will also drive substantial procurement of goods and services from Norwegian suppliers.

On 26 May 2025, the Company entered into a new facility agreement comprising a continuation of the existing USD 74 million term loan and a new USD 41 million revolving credit facility to fund working capital needs until the commencement of the Equinor contract.



Island Drilling Management AS

ISLAND DRILLING

The annual accounts are prepared on the assumption of a going concern and long-term nature and significant value of the contract strengthen the Company's operational outlook and financial foundation, supporting the Board's assessment that the Island Drilling Group, including Management, with continued support from its owners has the resources, organization, competence, assets, and customer base to continue being a going concern.

3. Working environment and personnel

IDM had 20 employees as of 31 December 2024. The management personnel are mostly located at the headquarter in Bergen, but the company has also a satellite office in Stavanger and at location where the rig operates.

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

The average sick leave in 2024 was 2.6% (2023: 8.8%).

The mindset of continuous improvement of the working environment is incorporated into Island Drilling Company Group's company management system.

4. Social Responsibility

The IDC Group ensures that it holds a 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 Maritime Labor Convention ("MLC"). For office staff, the working conditions are in accordance with the Norwegian Working Environment Act.

The IDC Group mandates that all employees, agents, and representatives adhere to applicable laws regarding gifts and other benefits, and such matters must be reported to their immediate superior. The Company further requires that all its' activities meet all applicable ethical standards. The company respects the traditions and cultures in the countries in which the drilling rig operates and pledges to comply with the laws in the areas where the business activities are carried out.

For more information with regards to company policies in accordance with the Transparency Act, please see our home page, <https://islanddrilling.no/qhse/>.



Island Drilling Management AS



ISLAND DRILLING

5. Equal opportunities

The Company aims to be a workplace where everyone has equal opportunities irrespective of gender, ethnicity or religious orientation. The gender balance is 25% women and 75% men.

The Board of Directors consist of two members, both men.

6. Environmental reporting

The IDC Group's business as of 31 December 2024 is not regulated by license or subject to public orders. The activities do not pollute the external environment more than customary for operations of this kind.

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

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

7. Future developments

The IDC Group is well established in the drilling market and is continuing the operation of the Island Innovator. The main focus is still operation on the NCS.

8. Market update

The oil drilling market continued to recover from the pandemic-induced downturn, as global demand for oil and gas increased in 2024. During 2024, Island Drilling Company experienced a high number of tenders to bid for.

On 28 March 2025, Island Drilling Company AS announced that it has been awarded a significant contract with Equinor for Permanent Plug & Abandonment (PP&A) work on the Norwegian Continental Shelf. The contract will commence in the first quarter of 2026.

The firm contract period is for three years, plus five one-year options. The contract value for the firm period is estimated at USD 330 million which includes mobilization, integrated services and modifications.

This contract will have positive implications for the region, including the employment of an additional 10-15 individuals onshore in Bergen and Stavanger with marine, drilling, and technical backgrounds, and 80 to 100 new employees offshore. The



Island Drilling Management AS



ISLAND DRILLING

inclusion of the Island Innovator in the fleet of drilling rigs on the Norwegian Continental Shelf will also drive substantial procurement of goods and services from Norwegian suppliers.

9. Performance

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

IDM had a turnover of 58,782 TNOK in 2024 (125,110 TNOK in 2023). The company is hiring out onshore personnel to IDC. The turnover from IDC resulted in a net profit of TNOK -307 TNOK for the year (16,692 TNOK in 2023).

IDM had no expenditures related to research and development

10. Financial risk

10.1 Market risk

IDM is generally exposed to market risk. As IDC has secured a long-term contract with Equinor, the risk is considered low.

10.2 Currency risk

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

10.3 Board Insurance

The Company has implemented a board insurance as an essential component of our risk management strategy.

Morten Ulstein
Chairman of the Board

Roger Simmenes
Chief Executive Officer



Island Drilling Management AS



ISLAND DRILLING

Trond Mohn
Board Member

Gary Chouest
Board Member



Income statement

Island Drilling Management AS

Tekst	Note	2024	2023
Operating income		58 781 554	126 610 588
Other operating income		0	-1 500 000
Operating income	3	58 781 554	125 110 588
Payroll expenses	4	47 875 860	81 847 533
Other operating expenses	4	15 137 379	21 761 612
Total operating expenses		63 013 239	103 609 144
Operating profit		-4 231 685	21 501 444
Interest income		40 272	0
Other financial income		82 700	754 112
Interest expenses		143 434	74 089
Other financial expenses		146 963	639 898
Total financial income & expenses		-167 426	40 125
Ordinary result before tax		-4 399 110	21 541 569
Tax on ordinary result	5	0	4 848 667
Net profit for the year		-4 399 110	16 692 902
Allocated as follows			
Transfer to other equity		-4 399 110	-497 825
Allocate to group contribution		0	17 190 727
Total transfers		-4 399 110	16 692 902



Balance sheet

Island Drilling Management AS

Tekst	Note	2024	2023
Assets			
Fixed assets			
Intangible fixed assets			
Financial fixed assets			
Current assets			
Accounts receivables		35 150 343	70 121 623
Other receivables		1 245 457	4 301 194
Total debtors	6,7	36 395 800	74 422 816
Cash and bank deposits	8	1 763 950	3 475 993
Total current assets		38 159 750	77 898 809
Total assets		38 159 750	77 898 809

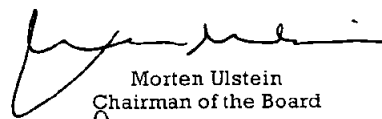


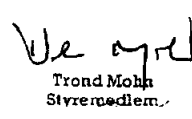
Balance sheet

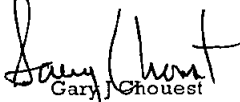
Island Drilling Management AS

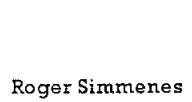
Tekst	Note	2024	2023
Liabilities and equity			
Equity			
Paid in equity			
Share capital	9	65 557	65 557
Total paid in equity		65 557	65 557
Retained earnings			
Other equity		17 675 320	22 074 430
Total retained earnings		17 675 320	22 074 430
Profit not allocated		0	0
Total equity	10	17 740 876	22 139 987
Liabilities			
Provision for liabilities			
Current liabilities			
Trade creditors		14 294 279	22 315 456
Unpaid government fees/taxes		3 129 495	2 464 038
Other short term liabilities		2 995 099	30 979 329
Total current liabilities	6,7,	20 418 873	55 758 822
Total liabilities		20 418 873	55 758 822
Total equity and liabilities		38 159 750	77 898 809

ULSTEINVIK, 31.12.2024 / 27.06.2025
The Board of Island Drilling Management AS


Morten Ulstein
Chairman of the Board


Trond Mohr
Styremedlem


Gary Chouest
Board member


Roger Simmenes
CEO

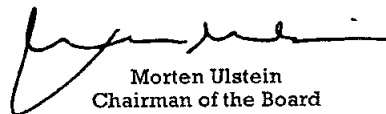


Balance sheet

Island Drilling Management AS

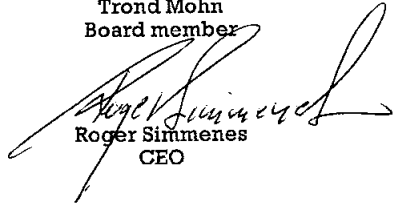
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ULSTEINVIK, 31.12.2024 / 27.06.2025
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Morten Ulstein
Chairman of the Board

Trond Mohn
Board member

Gary J Chouest
Board member


Roger Simmenes
CEO

Island Drilling Management AS

Org.nr. 992448636



Cash flow statement

Island Drilling Management AS

Per 31.12.	2024	2023
Cash flow from operating activities		
Profit/loss before tax	- 4 399 110	21 541 569
Taxes paid		
Change in accounts receivables	34 971 280	- 32 544 323
Change in other receivables	3 055 737	-
Change in accounts payable	- 8 021 177	9 853 909
Change in other accruals	- 27 318 773	47 474
Net cash flow from operating activities	-1 712 043	-1 101 371
Cash flow from financial activities		
Payments other receivables	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	-1 712 043	-1 101 371
Cash and cash equivalent 01.01	3 475 993	4 577 364
Cash and cash equivalents 31.12.	1 763 950	3 475 993

Island Drilling Management AS



Island Drilling Management AS

Notes to the financial statements 2024

Note 1 – Accounting principles

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

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

The significant principles are described below.

Revenue recognition

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

Classification and valuation of balance sheet items

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

Current assets are valued at the lower of acquisition cost and market value. Fixed assets are capitalized and depreciated over the expected economic life of the asset if the expected lifetime exceeds 3 years and the acquisition cost exceeds NOK 30 000. Maintenance of assets is expenses as other operating expenses.

Receivables

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

Currency

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

Taxes

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



Cash flow statement

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

The use of estimates

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

Note 2- Business description

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

Note 3- Transactions with related parties

	2024	2023
Sales to Island Drilling Company AS	57 005 129	46 157 436
Sales from Island Drilling Company AS		6 480 000

Note 4 – Payroll expenses, employees, pensions

The company had 19 employees by the end of 2024.
No remuneration has been paid to the Board of Directors or the Managing Director.

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

Payroll expenses:

	2024	2023
Wages	40 710 907	76 014 022
Payroll tax	4 954 641	3 982 776
Pension costs	2 188 111	1 877 990
<u>Other personnel cost</u>	<u>22 201</u>	<u>-27 254</u>
Total	47 875 860	81 847 533

Audit fee has been paid with NOK 130 000 excluding VAT during 2024.



Note 5 – Taxes

Calculation tax basis:

	2024	2023
Profit before taxes	-4 399 110	21 541 569
Permanent differences	567 387	497 825
Change in temporary differences	-	-
Change in deficit to carry forwards	3 831 723	-
<u>Payable tax basis</u>	<u>0</u>	<u>22 039 394</u>
Group contribution	0	-22 039 394

Overview of temporary differences:

	2024	2023
Fixed assets, including goodwill	-	-
Deficit to carry forwards	-3 831 723	-
<u>Net temporary differences</u>	<u>-3 831 723</u>	<u>-</u>
Deferred tax asset	-842 979	-

Deferred tax rate 22 % 22 %

Tax payable on this years result

	2024	2023
Payable taxes	-	4 461 418
Change in deferred taxes	-	-
<u>Tax expense</u>	<u>-</u>	<u>4 848 667</u>
-Payable taxes on group contribution	-	4 848 667
<u>Payable taxes</u>	<u>-</u>	<u>-</u>

Deferred tax assets is not capitalized.

Note 6 – Receivables and debt

Other short-term receivables:

	2024	2023
Prepayments	334 469	291 217
Accounts receivables	35 150 343	70 121 623
Outstanding VAT	450 720	-
<u>Other short-term receivables</u>	<u>460 268</u>	<u>4 009 977</u>
<u>Total</u>	<u>36 395 800</u>	<u>74 422 816</u>

The company has no long-term debt or long-term receivables as of 31.12.24



Note 7- Inter-company balances

Related party balances:

	2024	2023
Accounts receivable	35 150 343	58 150 703
Other short term receivables	460 268	0
Other short term debt	13 489 507	22 107 019

Note 8 – Deposits

The company have an account tied to tax withholdings and the balance on this account by the end of the year is NOK 1 580 783.

Note 9 – Share capital and shareholder information

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

Overview of shareholders at 31.12.:

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

Notes 10 – Equity

	Share capital	Other equity	Total
Equity 01.01	65 557	22 074 430	22 139 987
Net profit		-4 399 110	-4 399 110
Group contribution			
Equity 31.12	65 557	17 675 320	17 740 876

Note 11- Pledged assets and guarantees etc.

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



Note 12 - Going concern

The activity level of IDM is depending on the activity levels of the rig Island Innovator ("INN"), owned and operated by IDC.

2024 was a year of high activity. The Island Innovator was on contracts in a total of three locations with three different clients.

The oil drilling market stabilized from 2023 to 2024, as global demand for oil and gas also stabilized. Island Drilling Company continued to experience a high number of tenders to bid for globally.

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