



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	994 289 764
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ISLAND OFFSHORE XII SHIP AS
Forretningsadresse:	Stålhaugen 9 6065 ULSTEINVIK

### Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Asbjørn Hasund
Dato for fastsettelse av årsregnskapet:	27.05.2025

### 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, 03.08.2025



## Resultatregnskap

Beløp i: NOK	Note	2024	2023
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	350 469 267	246 640 797
<b>Sum inntekter</b>		<b>350 469 267</b>	<b>246 640 797</b>
<b>Kostnader</b>			
Varekostnad	2,9	111 123 515	56 193 348
Lønnskostnad	3,9	75 522 685	71 193 213
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	46 715 275	40 499 086
Annen driftskostnad	3	5 522 989	3 825 354
<b>Sum kostnader</b>		<b>238 884 464</b>	<b>171 711 002</b>
<b>Driftsresultat</b>		<b>111 584 803</b>	<b>74 929 795</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	4,6,9	34 943 359	15 245 608
<b>Sum finansinntekter</b>		<b>0</b>	<b>0</b>
Rentekostnad til foretak i samme konsern	9	2 660 047	6 662 779
Annen finanskostnad	4	13 324 435	24 525 799
<b>Sum finanskostnader</b>		<b>0</b>	<b>0</b>
<b>Netto finans</b>		<b>18 958 877</b>	<b>-15 942 970</b>
<b>Resultat før skattekostnad</b>		<b>130 543 680</b>	<b>58 986 825</b>
Skattekostnad	10	25 352 246	14 650 055
<b>Årsresultat</b>		<b>105 191 434</b>	<b>44 336 770</b>
<b>Totalresultat</b>		<b>105 191 434</b>	<b>44 336 770</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		105 191 434	44 336 770
<b>Sum overføringer og disponeringer</b>	11	<b>105 191 434</b>	<b>44 336 770</b>



## Balanse

Beløp i: NOK	Note	2024	2023
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Sum immaterielle eiendeler		0	0
<b>Varige driftsmidler</b>			
Maskiner og anlegg	5,8	584 302 935	605 636 837
Sum varige driftsmidler		584 302 935	605 636 837
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	6	518 739 822	518 739 822
Lån til foretak i samme konsern	8,9	341 644 360	144 908 338
Sum finansielle anleggsmidler		860 384 181	663 648 159
Sum anleggsmidler		1 444 687 116	1 269 284 996
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		11 204 392	14 534 627
Sum varer		11 204 392	14 534 627
<b>Fordringer</b>			
Kundefordringer	8	37 273 519	21 242 195
Andre fordringer	9	112 209 550	34 054 380
Sum fordringer		149 483 069	55 296 575
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	8	30 109 781	61 419 955
Sum bankinnskudd, kontanter og lignende		30 109 781	61 419 955
Sum omløpsmidler		190 797 242	131 251 157
<b>SUM EIENDELER</b>		<b>1 635 484 358</b>	<b>1 400 536 153</b>



## Balanse

Beløp i: NOK	Note	2024	2023
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	12	404 097 000	404 097 000
Overkurs		328 188 318	328 188 318
Annen innskutt egenkapital		0	0
<b>Sum innskutt egenkapital</b>		<b>732 285 318</b>	<b>732 285 318</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		407 553 428	302 361 994
<b>Sum opptjent egenkapital</b>		<b>407 553 428</b>	<b>302 361 994</b>
<b>Sum egenkapital</b>	11	<b>1 139 838 746</b>	<b>1 034 647 312</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	10	112 148 925	116 044 761
<b>Sum avsetninger for forpliktelser</b>		<b>112 148 925</b>	<b>116 044 761</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	7,8	281 325 000	
Øvrig langsiktig gjeld	9		233 793 552
<b>Sum annen langsiktig gjeld</b>		<b>281 325 000</b>	<b>233 793 552</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7,8		65 000
Betalbar skatt	10	13 941 752	
Annen kortsiktig gjeld	9	88 229 934	15 985 527
<b>Sum kortsiktig gjeld</b>		<b>102 171 686</b>	<b>16 050 527</b>
<b>Sum gjeld</b>		<b>495 645 611</b>	<b>365 888 841</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 635 484 358</b>	<b>1 400 536 153</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer: 2025 588467

#### Enheten

Organisasjonsnummer: 994 289 764  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE XII SHIP AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

#### Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund  
Dato for fastsettelse av årsregnskapet: 27.05.2025

#### Revisjon

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

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Brønnøysundregistrene, 02.08.2025

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Brønnøysundregistrene  
Postadresse: Postboks 900, 8910 Brønnøysund  
Telefon: 75 00 75 00  
E-post: firmapost@brreg.no Internett: www.brreg.no  
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 994 289 764  
ISLAND OFFSHORE XII SHIP AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
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Organisasjonsnr: 994 289 764  
ISLAND OFFSHORE XII SHIP AS

## BALANSE

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<b>Immaterielle eiendeler</b>			
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<b>Sum gjeld</b>		<b>495 645 611</b>	<b>365 888 841</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 635 484 358</b>	<b>1 400 536 153</b>



Organisasjonsnr: 994 289 764  
ISLAND OFFSHORE XII SHIP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

1

### Regnskapsprinsipper

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway. Island Offshore XII Ship AS is the parent company of Island Victory AS and Island Defender AS, however consolidated accounts are not prepared as these companies are included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Island Offshore Shipping AS, Stålhaugen 12, 6065 Ulsteinvik, Norway. The significant principles are described below. Classification criteria Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets. Valuation of current assets Receivables are recorded net of expected future losses. Bunkers and lube oil balances are accrued in the balance sheet based upon consumption and purchase price. Fixed assets and depreciation Ships are recorded at purchase price less accumulated depreciation. The purchase price includes conversions, upgrades and other modifications. Ship value is depreciated linearly based upon expected economic life, but adjusted for individual modifications and residual value. Adjusted for residual value, the vessels are depreciated over 20 years from delivery from the yard. Shipbuilding contracts Installments to the yard for new buildings are recorded as fixed assets. Supervision and other investments not included in the contracted price are capitalized. Capitalized periodical maintenance (dry docking) The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking. Normal maintenance expenses are expensed as incurred. Presentation of subsidiaries and associated companies Subsidiaries are accounted for by the cost method adjusted for capital calls payments and tested on fair value assessments. Associated companies are accounted for by the equity method. Financing expenses Expenses incurred in connection with new loans are capitalized at the date of drawdown and expensed over the expected term of the loan. Currency Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date. Contract revenue in foreign currency is hedged by use of forward and option contracts. The maturity of these contracts are aligned with the monthly cash flow thus are recognized as incurred. Revenue and expense recognition Revenue and costs related to vessel operations are recorded based upon the number of journey days before and after the end of the accounting year. Taxes Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities. Deferred tax is estimated with 22% rate based on the temporary differences between tax and accounting values, as well as deferred tax loss carried forward at the end of the accounting year. In accordance with NGAAP, deferred tax/tax asset is not recorded for participation taxed companies. 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 cash equivalents.

## Note



1

Er det usikkerhet om fortsatt drift?: Nei

## Note

Antall årsverk i regnskapsåret  
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



## Skattedirektoratet

Saksbehandler Geir Johannessen	Deres dato 11.10.2013	Vår dato 29.10.2013
Telefon 22 66 11 14	Deres referanse Tommy Walaunet	Vår referanse 2013/779184

ISLAND OFFSHORE MANAGEMENT AS  
Postboks 370  
6067 ULSTEINVIK

### Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Det vises til deres brev av 11. oktober 2013, samt telefonsamtale i sakens anledning, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Island Offshore Management AS	org nr 984 285 310
Island Offshore Crewing AS	org nr 995 955 881
Island Offshore XI AS	org nr 987 845 325
Island Offshore III KS	org nr 982 411 408
Island Offshore VIII AS	org nr 987 156 783
Island Offshore VIII KS	org nr 987 156 805
Island Offshore X AS	org nr 887 254 982
Island Offshore X KS	org nr 987 255 188
Island Offshore LNG AS	org nr 996 393 844
Island Offshore LNG KS	org nr 996 393 739
Island Offshore LNG Invest AS	org nr 996 357 813
Island Offshore LNG Invest KS	org nr 996 357 848
Island Offshore XII AS	org nr 888 271 392
Island Offshore XII Ship AS	org nr 994 289 764
Island Pioneer AS	org nr 992 611 634
Istand Pioneer KS	org nr 992 611 588

For Island Offshore Management AS omfatter søknaden også konsernregnskapet, der Island Offshore Crewing inngår med 100 %.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo  
skatteetaten.no/sendepost

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318

Sentrålbord  
800 80 000  
Telefaks  
22 17 08 60



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Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene har klar overvekt av utenlandske eierinteresser og for øvrig en begrenset eierkrets. Selskapenes forretningspråk er engelsk. Videre er det vektlagt at selskapene driver virksomhet i en bransje der aktørene forutsettes å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Geir Johannessen



**Consolidated Financial  
Statements 2024**

**Island Offshore Shipholding, L.P.  
Group**



**ISLAND OFFSHORE**



## Annual Report 2024

### Island Offshore Shipholding LP - Group

#### Business

The parent company, Island Offshore Shipholding LP, is registered in the Cayman Islands and directly and indirectly owns the majority shareholding of several Norwegian ship owning entities included in the consolidated financial statements. The fleet comprises 14 vessels as per 31.12.2024, unchanged from the previous year. One PSV was sold to an external party in April 2025, reducing the operating fleet to 13 vessels. The Group has contracted two Ocean Energy Construction Vessels with planned delivery in Q1 2027.

The vessels operate in the market segments PSV, AHTS, Well Stimulation, Walk2Work, Light Well Intervention and Subsea Construction. The business includes activities in the geographical regions of Norway, North Sea, USA, Panama, Greece, Malta, West Coast of Africa, and international waters. The fleet order backlog excluding charterer's options totals NOK 2.2 billion at 31.12.24.

The technical and commercial operations are carried out by management companies based in Ulsteinvik, Norway.

#### Statement on results

Freight revenue totals NOK 2,002.5 mill in 2024, compared with NOK 1,731.0 mill in 2023. Average utilization of the fleet was 89% in 2024 compared with 92% in 2023.

The operating result before depreciation for 2024 is NOK 906.8 mill versus NOK 772.3 mill in 2023. The AHTS segment has the largest EBITDA contribution, however all vessel segments report positive EBITDA in 2024.

The profit for the year is NOK 320.2 mill compared with a profit of NOK 875.3 mill in 2023. In 2023 the net result includes reversal of impairment provision on vessel value with NOK 578 mill and NOK 50 mill recorded as financial gain due to forgiveness of loan.

The Group's cash balance is NOK 129.1 mill at 31.12.2024 thus decreased from NOK 227.6 mill at 31.12.2023. Net cash flow from operations is NOK 813 mill and vessel capex payments including installments on the newbuildings totals NOK 806 mill. A new loan of NOK 300 mill has been established to partly finance the new building program. A total of NOK 295 mill of secured loan installments has been paid. In addition, a seller credit of NOK 141 mill was repaid. The parent company has received NOK 12 mill as dividend from an associated company. Net cash flow for the year is negative with NOK 99 mill.

Please refer to the cash flow statement for further details.

Net equity is NOK 2,097.4 mill, equivalent to a net book equity-ratio of 31.5% at 31.12.2024 versus NOK 1,703.1 mill and 27.2% at 31.12.2023. The increase is due to this year's net profit adjusted for liquidation results for one subsidiary and forgiveness of debt recorded directly towards equity. Please refer to note 13 for additional details.

The Group does not have ongoing research and development activities.

Island Offshore Shipholding LP - Group



### Going concern

In December 2023, restructuring Agreement was reached with the senior secured lenders and unsecured lenders financing the ship-owning companies. The agreement includes extended runways and amended amortization and interest terms. The current financing expires in December 2026.

The offshore service market outlook continues to be positive in 2025, and the Group has a satisfactory backlog for the fleet. The assessment is that the Island Offshore Shipholding Group has the resources, organization, competence, assets and customer base for the Company to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position, cash, and backlog of the Group at 31.12.2024, and that a sustainable financing agreement was agreed and made effective with secured and unsecured lenders in December 2023.

### Work environment and gender equality

The Island Offshore Shipholding Group does not have employees. The offshore crew is hired from Island Offshore Management AS and Island Offshore Crewing AS. The Managers are all men and comprises representatives from the owners in the partnership.

The Vessel Manager Island Offshore Management AS continuously work to promote gender equality in all aspects of the business with the objective of securing equal opportunities irrespective of gender, ethnicity, nationality or religious orientation.

As employer the Vessel Manager has the responsibility to maintain, complete and report on progress with the work to promote and secure basic human rights and decent working conditions (Norwegian Transparency Act; "Openhetsloven"). The 2023 report is available, and the 2024 report will be available on Island Offshore's webpage [www.islandoffshore.com](http://www.islandoffshore.com) before 30.06.25.

### External environment

The Company's operations do not pollute the external environment beyond what is normal for this type of business. Annual environmental and emission reduction plans are prepared for each vessel and systematic work is carried out to reduce the risk of GHG emission, chemicals or other oil containing substances. Key performance targets are set, validated and monitored in an annual QHSE plan. In 2024 the fleet's increased fuel efficiency is 4.5% compared to the historical baseline. Accordingly, at total reduction of 2.155 tons of fuel and 6.896 tons of CO2 has been achieved in the same period. Due to higher vessel activity, and especially during the winter season thus vessels need more energy to operate, the CO2 emission in absolute terms has increased marginally in 2024. In a long term perspective at vessel level, the positive trend in reduced fuel usage per nautical mile continues. Prioritized energy efficiency efforts for each vessel are continuously explored and assessed. This will continue to ensure reduced fleet emission in coming years.

Focus areas are:

- Reductions in emissions by use of alternative fuel and introducing retrofit technology
- Reduction in baseline fuel consumption by optimization of operations and planning
- Selection and handling of chemicals
- Waste management
- Handling of environmentally harmful substances from marine and subsea operations

Island Offshore Shipholding LP - Group



The Corporate Sustainability Reporting Directive (CSRD) has been implemented in Norway following the EU model. The CSRD implies a significant increase in sustainability reporting requirements within the Norwegian Accounting Act. However, should the “Stop-the-clock” Directive be implemented in the Norwegian Accounting Act, the implementation of these reporting requirements will be postponed, with an effective date shifted to the accounting year 2027. In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs). The increasing reporting requirements will lead to increased expenses related to reporting efforts but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements

### Financial risk

Overall, the Group has satisfactory order backlog and contract coverage for the fleet, which secures visibility of earnings. Vessel revenue is exposed to currency risk, especially towards GBP, EUR and USD. Financial instruments are used to hedge cash flow and reduce foreign currency risk. Outstanding contracts 31.12.24 expire in 2025 and 2026 depending on the underlying cash flow. The estimated net unrealized loss on USD contracts is NOK 34.1 mill and a loss on GBP contracts of NOK 9.4 mill at 31.12.2024, which is not recorded in the financial statements in accordance with the Norwegian Accounting Act and NGAAP.

Loans from financial institutions total NOK 2,359.8 mill and outstanding Bond loan totals NOK 884.2 mill at 31.12.2024. In accordance with Norwegian Accounting Principles, the loans from financial institutions are classified as long-term loans.

### Future outlook

The outlook for 2025 remains positive across vessel segments, but project and spot markets will vary with seasonality. The UK market is expected to be somewhat softer than 2024 due to lack of tax incentives boosting E&P spending thus reduced rig and vessel activity in Oil & Gas.

The market outlook is still driven by energy security demand and increased offshore Oil & Gas activity in selective regions, especially Brazil and Latin America. A growing Renewables industry offers more activity thus utilization, but markets will be negatively impacted by a significant growth in new vessels coming into market in the next 12 months. Continued vessel migration from the North Sea market to growth markets is expected to continue. Short term this will have a positive impact on the North Sea market balance.

Due to the current geo-political environment, including the Ukraine and Israel conflicts, continued market recovery is fragile and unstable. However, the market outlook is still dominated by energy growth and the need for reliable energy supply.

Fleet contract coverage for 2025 is strong thus provides satisfactory visibility. This is also substantiated by recent contract awards improving contract coverage beyond 2025.

The Group’s chartering strategy remains firm with focus on securing long-term commitment with strategically preferred clients, in addition to exploring new business opportunities in niches and markets complementing our existing activity. The Group’s fleet is well-positioned with attractive and strategically important customers.

Island Offshore Shipholding LP - Group



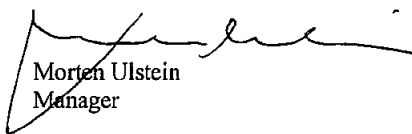
The Managers continue to monitor the financial situation of the Group closely.

**Other matters**

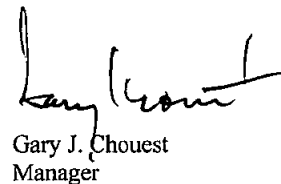
The Managers are covered by a director and officer's liability insurance purchased and maintained by the parent company. The insurance policy is issued by a reputable insurer with an appropriate rating.

Beyond the above, the Managers are not aware of any subsequent events that could be significant for the evaluation of the Group's financial position and results. Reference is made to the income statement, cash flow, balance sheet and notes.

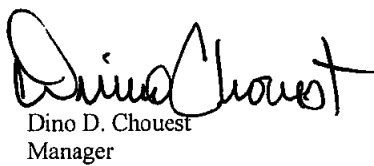
Ulsteinvik, 28 April, 2025



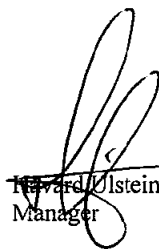
Morten Ulstein  
Manager



Gary J. Chouest  
Manager



Dino D. Chouest  
Manager



Howard Ulstein  
Manager

Island Offshore Shipholding LP - Group



## Consolidated Income Statement

### Island Offshore Shipholding LP

NOK mill	Note	2024	2023
Freight income	2,11	2 002,5	1 731,0
<b>Total operating income</b>		<b>2 002,5</b>	<b>1 731,0</b>
Operating expenses vessel	11	465,0	367,6
Crew expenses	3,11	583,2	540,9
Other operating expenses	3,11	47,5	50,3
<b>Operating expenses before depreciation</b>		<b>1 095,7</b>	<b>958,7</b>
Depreciation	6	274,3	263,5
Impairment provision on vessel value	6	-	-577,8
<b>Operating expenses</b>		<b>1 370,1</b>	<b>644,4</b>
<b>Operating profit</b>		<b>632,5</b>	<b>1 086,6</b>
Profit +/- Loss - from investment in associated companies	7	3,2	36,3
Other interest income		14,4	6,5
Other financial income	4,5	35,1	88,2
Other interest expenses		256,8	236,7
Other financial expenses	4,5	40,2	72,5
<b>Net financial income and expenses</b>		<b>-244,2</b>	<b>-178,2</b>
<b>Operating profit before tax</b>		<b>388,2</b>	<b>908,4</b>
Tax	12	70,4	33,2
<b>Annual net profit</b>		<b>317,9</b>	<b>875,3</b>
Minority interest	13	178,1	186,6
Majority interest	13	139,7	688,7



**Consolidated Balance sheet**

**Island Offshore Shipholding LP**

NOK mill	Note	2024	2023
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Ships under construction	6	562,8	-
Ships	6,9	5 266,5	5 297,3
<b>Total tangible assets</b>		<b>5 829,3</b>	<b>5 297,3</b>
<b>Financial fixed assets</b>			
Investments in associated companies	7	125,1	134,0
Other long term receivables	11	55,8	55,8
<b>Total financial fixed assets</b>		<b>180,9</b>	<b>189,8</b>
<b>Total fixed assets</b>		<b>6 010,2</b>	<b>5 487,0</b>
<b>Current assets</b>			
Stock of supplies	8	20,8	25,1
<b>Debtors</b>			
Accounts receivables	9	307,2	293,3
Other receivables	11	188,6	223,3
<b>Total debtors</b>		<b>495,9</b>	<b>516,6</b>
<b>Investments</b>			
Cash and bank deposits	9	129,1	227,6
<b>Total current assets</b>		<b>645,9</b>	<b>769,3</b>
<b>Total assets</b>		<b>6 656,1</b>	<b>6 256,3</b>



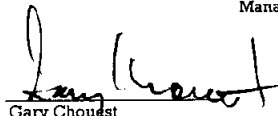
Consolidated Balance sheet


Island Offshore Shipholding LP

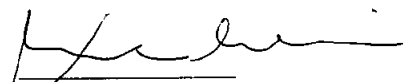
NOK mill	Note	2024	2023
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Paid in capital	14	895,5	895,5
<b>Total paid in equity</b>		<b>895,5</b>	<b>895,5</b>
Other equity		-60,7	-264,2
<b>Total retained earnings</b>		<b>-60,7</b>	<b>-264,2</b>
Minority Interest		1 260,3	1 071,8
<b>Total equity</b>	13	<b>2 095,1</b>	<b>1 703,1</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
Deferred tax	12	187,7	131,1
<b>Total provision</b>		<b>187,7</b>	<b>131,1</b>
<b>Other long term liabilities</b>			
Bonds	10	884,2	871,9
Liabilities to financial institutions	9,10	2 359,8	2 355,6
Other long term liabilities	11	790,2	923,7
<b>Total long term liabilities</b>		<b>4 034,2</b>	<b>4 151,3</b>
<b>Current liabilities</b>			
Trade creditors	11	13,9	40,9
Tax payable	12	13,9	-
Other short term liabilities	11	311,2	229,9
<b>Total current liabilities</b>		<b>339,0</b>	<b>270,8</b>
<b>Total liabilities</b>		<b>4 560,9</b>	<b>4 553,2</b>
<b>Total equity and liabilities</b>		<b>6 656,1</b>	<b>6 256,3</b>

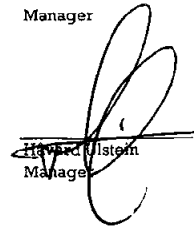
Ulsteinvik, 31.12.24/ 28.04.2025

Managers in Island Offshore Shipholding LP

  
Gary Chouest  
Manager

  
Dino Chouest  
Manager

  
Morten Ulstein  
Manager

  
Harald Ulstein  
Manager



## Cash Flow Statement - Consolidated

Island Offshore Shipholding LP

in NOK mill	31.12.24	31.12.23
<b>Cash flow from operational activities</b>		
Result before tax	388,2	908,4
- Taxes paid	0,1	-1,4
+/- Results from associated companies	-3,2	-36,3
- Discount on loan	0,0	-50,0
+ Depreciation	274,4	263,5
+ Write down vessel value	0,0	-577,8
-/+ Change in inventory	4,2	-0,1
-/+ Change in accounts receivable	-13,9	-23,2
+/- Change in accounts payable	-27,0	3,8
+/- Change in other accruals	189,9	-109,1
= Net cash flow from operational activities	<u>812,8</u>	<u>377,8</u>
<b>Cash flow from investment activities</b>		
+ Payments in connection with sale of assets	0,0	205,6
- Payments in connection with purchase of assets	<u>-806,3</u>	<u>-126,1</u>
= Net cash flow from investment activities	<u>-806,3</u>	<u>79,4</u>
<b>Cash flow from financing activities</b>		
+ Drawdown of financial bank loans	322,8	1 002,6
+/- Loan from+ /repayment to- minority owner	-140,5	0,0
- Net of refinancing and Repayment of loans	-311,6	-1 515,5
+ Bond loan	12,3	33,2
+ Dividend payment from associated compay	12,0	0,0
+ Forgiveness on debt	<u>0,0</u>	<u>94,5</u>
= Net cash flow from financing activity	<u>-105,0</u>	<u>-385,2</u>
= Net change in cash and cash equivalents	<u>-98,5</u>	<u>72,0</u>
+ Cash, bank balance in the beginning of the period	<u>227,6</u>	<u>155,6</u>
= Cash, bank balance in the end of the period	<u>129,1</u>	<u>227,6</u>



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### NOTE 1 ACCOUNTING PRINCIPLES

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.

##### Consolidation principles

The consolidated statements include Island Offshore Shipholding LP and companies where Island Offshore Shipholding LP has a controlling interest. Controlling interest is normally in place when the Group owns more than 50% of the shares of the company and is in a position to exercise actual control. The minority interest is included in the consolidated equity. Transactions between Group companies are eliminated. The consolidated statements are prepared on the basis of consistent accounting principles whereby subsidiaries apply the same principles as the parent company. Companies with foreign functional currencies are converted to NOK by using average currency rate in Profit and Loss Accounts and December closing rates in Balance Sheet. Currency differences due to conversion to NOK is recorded towards equity.

The acquisition method of accounting is applied when accounting for transactions, including mergers and acquisitions. Entities acquired or sold during the year are included in the consolidated statements from the date actual control is obtained and until actual control ceases.

##### Use of estimates:

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

##### Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term.

##### Presentation of subsidiaries / investment in financial shares and associated companies

The book value of investments in subsidiaries are eliminated in the consolidated financial statements. Investments in shares classified as financial fixed assets are valued at cost price considering write-down of values on shares. Associated companies with ownership and control interests from 20% to 50% are accounted for by the equity method.

##### Valuation of current assets

Receivables are recorded net of expected future losses.

Bunkers and lube oil is accrued in the balance sheet based upon actual consumption at purchase price.

##### Fixed assets and depreciation

Ships are recorded at purchase price less accumulated depreciation. The purchase price includes conversions, upgrades and other modifications. Contract contribution is recorded as reduction of purchase price. Ship value is depreciated linearly based upon expected economic life, but adjusted for individual modifications and estimated residual value. Adjusted for residual value the vessels are depreciated over 20 years from delivery from the yard. The vessel value is tested on an impairment analysis employing estimates of future cash flow for the vessel.

Island Offshore Shipholding LP



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### Shipbuilding contracts

Instalments to the yard for new buildings are recorded as fixed assets. Supervision and other investments which are not included in the contracted price, are capitalized.

#### Capitalized periodical maintenance (dry docking)

The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking. Upon delivery of new vessels, a portion of acquisition cost is decomposed and recorded as periodic maintenance. Normal maintenance expenses are expensed as incurred.

#### Stock of supplies

Stock of supplies is recorded to lowest of cost price and net sale price. Net sale price is assessed to sale price at ordinary operation considering deduction for necessary expenses in order to complete the sale. Cost price is assigned by the FIFO method and includes expenses accrued at acquisition of goods and costs to bring the goods up to current condition and situation.

#### Financing expenses

Expenses incurred in connection with new loans are capitalized at the date of drawdown and expensed over the expected term of the loan.

#### Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date. The Group has long-term freight contracts in foreign currency and long-term liabilities in foreign currency, which are recorded at the exchange rate at the balance sheet date. Currency gains/losses on revenue contracts are not offset towards gains/losses on long-term liabilities.

#### Revenue and expense recognition

Revenue and costs related to vessel operations are recorded based upon the number of journey days before and after the end of the accounting year. Contract revenue is accrued and recognized linearly over the term of the contract irrespective of invoicing terms.

#### Taxes

Parent company and ship owning partnership entities are subject to participation taxation. In accordance with Norwegian GAAP, deferred tax/tax asset is not recorded for participation taxed companies. The other ship owning companies i.e. Island Offshore XII Ship AS and Island Victory AS are subject to Norwegian taxation regime. All general partner companies, operating companies and private limited holding companies are subject to Norwegian taxation regime. The companies' tax expense consist of Norwegian taxation of the limited liability companies as well as any potential foreign payable taxation. Island Offshore UK Limited and Island Offshore Subsea UK Limited are subject to UK taxation regime.

Tax expense comprises payable tax and change in deferred tax. Deferred tax/tax asset is calculated based on differences between accounting and tax values for assets and liabilities. Deferred tax is calculated on the basis of temporary differences between tax and accounting values, in addition to tax losses carried forward at year end. Net deferred tax is recorded to the extent that future offsetting is probable.

#### Cash flow statement

The cash flow statement is prepared on the basis of the indirect method. Cash and cash equivalents include cash and bank deposits.

Island Offshore Shipholding LP

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**Notes to the Consolidated Financial Statements 2024****Island Offshore Shipholding LP**

All figures in NOK mill

Financial market risk

Group results are exposed to market risk and continuous efforts are sought to reduce the exposure towards various risk factors. Strategies are thereby implemented to secure satisfactory contract coverage and cash flow from the fleet of vessels. Financial instruments are applied to hedge cash flow in foreign currency, and loans in foreign currency are also used to reduce net exposure to currency fluctuations.

**NOTE 2 GEOGRAPHICAL SPLIT OF REVENUE**

in NOK mill	Freight revenue	
	2024	2023
Norway	1 067,1	930,9
UK	370,5	123,3
Malta	13,2	0,0
The Netherlands	5,6	69,3
Angola	231,1	0,0
USA	71,2	1,0
Panama	11,6	0,0
Red Sea	0,0	6,1
Turkey	0,0	176,2
Equatorial Guinea	61,1	103,5
Spain	3,1	0,0
Greece	102,3	110,8
International Waters	65,7	125,3
Mexico	0,0	11,8
Ghana	0,0	0,4
Georgia	0,0	55,0
Trinidad & Tobago	0,0	17,4
<b>Total</b>	<b>2 002,5</b>	<b>1 731,0</b>

Fleet comprises 14 vessels compared with 14 vessels last year. One PSV was sold to affiliated company in December 2023.

Revenue include recharged outlays expenses with NOK 59.1 mill in 2024 and NOK 25.5 mill in 2023 presented gross in revenue and vessel operating expenses.

Average utilization of the fleet was 89% in 2024 compared with 92% in 2023.

Island Offshore Shipholding LP

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## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### NOTE 3 PAYROLL, EMPLOYEES

The Group's partnerships and general partners do not have employees.

Consideration has been paid to the Board of Directors with a total of NOK 390.000 in 2024. No consideration paid to other leading personnel. Payroll expenses in the financial statements relate to hired crew. None of the companies in the Group are obliged to have obligatory pension schemes in accordance with Norwegian law.

#### Auditor

Remuneration can be specified as follows (NOK mill):

	2024	2023
Statutory audit services	1,027.5	1,270.4
Other services including tax computation and filing services	683.0	463.1
Various audit confirmations, other audit expenses including travel expenses	179.3	112.7
<b>Expensed auditor remuneration</b>	<b>1,889.8</b>	<b>1,846.1</b>

#### NOTE 4 SPECIFICATION OF ITEMS

#### Other financial income:

NOK mill	2024	2023
Unrealized foreign exchange gain	0,9	0,0
Foreign currency exchange gain	34,0	34,8
Debt forgiveness	-	50,0
Interest receivables on bonds	0,2	3,4
<b>Total other financial income</b>	<b>35,1</b>	<b>88,2</b>

#### Other financial expenses comprise:

NOK mill	2024	2023
Foreign currency exchange loss	22,7	53,0
Amortization of financing costs	5,3	9,7
Hedging loss	18,3	3,2
Loss on sale of bonds	-6,2	6,2
Other financial expenses	-0,0	0,5
<b>Total other financial expenses</b>	<b>40,2</b>	<b>72,5</b>

Island Offshore Shipholding LP



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### NOTE 5 FINANCIAL INSTRUMENTS

The Group has a strategy to hedge contracted revenue in foreign currency when contracts are entered for a longer period of time. The financial instruments are linked to a specific revenue cash flow and can be measured in respect of success rate according to strategy.

Forward contracts are used to hedge future freight revenue in USD and GBP. Outstanding contracts 31.12.24 expire during 2025 and 2026 depending on the underlying cash flow. The estimated net unrealized loss on USD is NOK 34.1 mill and unrealized loss on GBP 9.4 mill at 31.12.2024, which is not recorded in the financial statements in accordance with the Norwegian Accounting Act and NGAAP.

#### NOTE 6 FIXED ASSETS

##### Tangible fixed assets:

NOK mill	Ship	Ship under construction	Periodic maintenance	Total
Acquisition value 1.1.	7 499,3	-	790,4	8 289,6
Additions	8,3	562,8	235,3	806,4
Disposals at cost	-0,1	-	-	-0,1
Accumulated depreciation 31.12.	-2 576,9	-	-689,7	-3 266,7
Accumulated impairment on vessel value 31.12	-	-	-	-
<b>Book value 31.12.</b>	<b>4 930,5</b>	<b>562,8</b>	<b>335,9</b>	<b>5 829,3</b>
Annual depreciation charge	187,8		86,6	274,3
Annual impairment provision	-		-	-
Economic lifetime	20 yrs		3-10 yrs	160,2
Depreciation plan	Linear		Linear	

The fleet comprises 14 vessels at 31.12.24 and 14 vessels as per 31.12.23. One PSV was sold to affiliated company in December 2023. One PSV was sold in April 2025 to an external party.

Additions for ship and periodic maintenance are purchase of an ESS battery system, vessel class renewals, engine and thruster overhauls, and general expenses for repair, maintenance and replacement of obsolete equipment and systems.

Island Offshore has contracted two Ocean Energy Construction Vessel (OECV) with Vard including an option for one more vessels. The vessels are of Vard 3 25 design and will be outfitted by Vard Langsten in Norway. Scheduled to be delivered Q1 2027, the vessels will be able to undertake subsea and renewable operations including IMR, pipe and cable laying, trenching, subsea construction and installation, and more. Further, the Vessels are prepared for installation of a gangway system and outfitted have a heave-compensated offshore crane of 250 tons.

The estimated market value of the vessels in the Group obtained from independent ship brokers, are in average higher than the net book value of the vessels. The vessel values are also tested on an impairment analysis.

Island Offshore Shipholding LP

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## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

The analysis does not indicate any need to write down the book value of the vessels in 2024. In 2023, considering improved market terms and increased utilization with satisfactory current backlog, previous years' impairment provision on vessel value was reversed with a total of NOK 577.8 mill in the income statement. Net book value of the Group's vessels are in accordance with the Group's ordinary depreciation plan as per 31.12.24.

In 2024, the European Union (EU) implemented the Corporate Sustainability Reporting Directive (CSRD), which has been incorporated into the Norwegian Accounting Act. Norway is aligned with the EU's timeline for the implementation of this directive. Recent developments within the EU have indicated potential changes to the CSRD and its implementation timeline. Notably, on April 3rd, the EU Parliament endorsed the "stop the clock" Directive, which postpones the CSRD reporting requirements for companies subject to the CSRD from the originally scheduled 2025 reporting period to 2027. It is important to note that this new Directive has not yet been adopted into Norwegian law. We will continue to monitor the situation closely to ensure compliance with any future changes.

In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs). The increasing reporting requirements will lead to increased expenses related to reporting efforts but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements.

#### NOTE 7 SUBSIDIARIES AND INVESTMENT IN SHARES

Investments in subsidiaries and associated companies are accounted for by the equity method in the separate financial statement. In the consolidated financial statement, the investments and the share of net accounting result from subsidiaries are eliminated.

Island Offshore Shipholding LP

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## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

Companies included in the consolidated financial statement 2024:

#### SUBSIDIARIES:

Organization No	Company	Address	Ownership
		CAYMAN ISLAND /	
990035903	ISLAND OFFSHORE SHIPHOLDING LP	ULSTEINVIK NORWAY	Parent company
987156783	ISLAND OFFSHORE VIII AS	ULSTEINVIK, NORWAY	72,90 %
987156805	ISLAND OFFSHORE VIII KS	ULSTEINVIK, NORWAY	65,94 %
887254982	ISLAND OFFSHORE X AS	ULSTEINVIK, NORWAY	100,00 %
987845325	ISLAND OFFSHORE XI AS	ULSTEINVIK, NORWAY	55,03 %
888271392	ISLAND OFFSHORE XII AS	ULSTEINVIK, NORWAY	61,65 %
994289764	ISLAND OFFSHORE XII SHIP AS	ULSTEINVIK, NORWAY	0,00 %
920718590	ISLAND VICTORY AS	ULSTEINVIK, NORWAY	0,00 %
922593116	ISLAND DEFENDER AS	ULSTEINVIK, NORWAY	0,00 %
924922494	ISLAND DISCOVERER AS	ULSTEINVIK, NORWAY	0,00 %
987255188	ISLAND OFFSHORE X KS	ULSTEINVIK, NORWAY	88,46 %
914405025	ISLAND OFFSHORE INTERNATIONAL SHIPPING AS	ULSTEINVIK, NORWAY	99,00 %
492749	ISLAND OFFSHORE UK LIMITED	ABERDEEN, UK	100,00 %
492748	ISLAND OFFSHORE SUBSEA UK LIMITED	ABERDEEN, UK	0,00 %

Ownership above is for Island Offshore Shipholding, L.P. direct ownership.

As per 31.12.24 Island Offshore XII AS owns 53.1% of the shares in Island Offshore XII Ship AS and 100% of the shares in Island Discoverer AS. Island Victory AS and Island Defender AS are 100% owned by Island Offshore XII Ship AS.

Island Ventures 4 AS, 100 % owned by Island Offshore UK Limited, was dissolved in 2024. Island Offshore Subsea UK Limited is 100% owned by Island Offshore UK Limited.

#### ASSOCIATED COMPANY:

As part of the restructuring agreement for the partnership Island Offshore III KS agreed in December 2021 and effective in January 2022, the Group's owner interests was diluted from 63.6% to 24.05% and shares in the Partnership Island Offshore III KS are from January 2022 classified as investment in associated companies recorded in accordance with the equity method.

Island Offshore Shipholding LP



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

In NOK mill	Org.No. 982 411 408 Island Offshore III KS
Ownership including General Partner interests	24,05 %
<b>Equity subsidiary as per 01.01</b>	<b>134,0</b>
Dividend distributed	(12,0)
Share of this year's profit	3,2
<b>Investment in associated company as per 31.12</b>	<b>125,1</b>
Island Offshore III KS; This year's profit + / loss - (100%)	13,2
Island Offshore III KS; Equity as per 31.12.24 (100%)	520,4

Address Stålhaugen 9  
Ulsteinvik  
Norway

The associated company paid in total NOK 50 mill as dividend to its shareholders in 2024.

#### NOTE 8 INVENTORY

Inventories in 2024 comprise in total NOK 20.8 mill as vessels' stock of lubricants and fuel valued at cost based on the FIFO principle. Comparable numbers in 2023 was NOK 25.1 mill.

#### NOTE 9 PLEDGE OF ASSETS

NOK mill	2024	2023
<b>Liabilities secured by pledge</b>	<b>2 210,4</b>	<b>2 193,1</b>
<b>Book value of pledged assets:</b>		
Ships	5 266,5	4 691,6
Factoring	254,8	250,3
Cash deposits	122,6	158,2
<b>Total</b>	<b>5 643,8</b>	<b>5 100,1</b>

In addition, eventual insurance payouts are pledged. The bank has also security in the loan issued from Island Offshore XII Ship AS to Island Offshore XII AS with a balance of NOK 340.8 mill as per 31.12.2024. The purpose of this loan is payment of contract installments for the vessels under construction.

Island Offshore Shipholding LP

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## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### NOTE 10 LONG-TERM LIABILITIES

The current Restructuring Agreement with secured and unsecured lenders was made effective in December 2023, whereby secured lenders agreed to extend facilities until the end of 2026 at amended interest terms. The number of financial institutions financing the Company is reduced. All ship owning entities within the IOSH Group has serviced all debt in accordance with the Restructuring Agreement, including both amortization and interest.

The parent company took over facility B from the subsidiary Island Offshore X KS and owes NOK 162.5 mill to the bank. The loan is not interest bearing and no installments are due until maturity on 31.03.2027. Bonds and Seller Credits has extended maturity until March 2027.

Island Offshore XII Ship AS established a new facility agreement of NOK 300 mill in 2024 to partly finance the new building program. Further in Q1-2025, Island Victory AS is in closing negotiations for an increased Facility of NOK 800 mill, with a net increase of NOK 432 mill, mainly to be utilized for the purpose of the new buildings.

In accordance with Norwegian Accounting Principles, the loans from financial institutions and seller credits are classified as long term loans in 2023 and 2024. Further, accumulated interest payable connected to owner loans, bonds and seller credits are classified as long term as per 31.12.2024 considering that the maturity of unsecured loans are in March and June 2027.

Financing expenses are capitalized and expensed over the expected term of the loan. The remaining balance is NOK 13.1 mill at 31.12.2024.

#### NOTE 11 RELATED PARTIES

Transactions with related parties:

	2024	2023
Long term receivable	55,8	55,8
Other short term receivables	98,9	98,5
Other long term liabilities	(549,2)	(541,6)
Accounts payable	(13,3)	(11,5)
Other short term liabilities	(203,6)	(133,4)
<b>Total</b>	<b>(611,3)</b>	<b>(532,2)</b>

Loan agreements for receivables / payables and long term liabilities with related parties have been established. Loans are charged at interest based on arm`s length principle.

The parent company has provided a long term loan receivable of NOK 50.8 mill to Island Offshore Shipping AS. The Company has a pledge on Island Offshore Shipping AS' shares in Island Diligence AS as insurance for this loan. The Company has a loan towards Borgstein AS of NOK 5.0 mill, presented as other long term receivables.

Other short term receivables, other short term liabilities and accounts payable consists mainly of transactions with the management company Island Offshore Management AS and Island Offshore Crewing AS.

Island Offshore Shipholding LP



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

In addition, the General Partner Island Offshore VIII AS has a receivable towards the associated Partnership Island Offshore III KS with a balance of NOK 12.3 mill.

Other long term liabilities are loans and accrued interests payable from the ultimate owners of Island Offshore Shipholding L.P. with NOK 492.8 mill, loan from Manager NOK 16.1 in addition to a seller credit loan NOK 40.3 mill towards Island Ventures 4 LLC.

	2024	2023
Crew hire	-583,2	-540,4
Management services	-48,3	-49,7
Interests receivable related parties	0,4	1,0
Interest expenses related parties	-14,8	-14,6

The Group has entered into management agreements with Island Offshore Management AS and Borgstein AS to carry out technical and commercial services for the vessels. The services include crewing, purchase, administration, sales, accounting and technical operations.

According to the management agreement, the ship owning company will refund all direct costs related to the vessel, to the management company. An annual fee is paid based on arm's length principle.

#### NOTE 12 TAXES – NORWAY

Deferred tax/tax asset is calculated based upon the temporary differences between accounting and tax values at the end of the accounting year. Negative temporary differences and positive temporary differences that reverse or may reverse in the same period are offset and recorded net. Deferred tax is recorded in the balance sheet only for the limited liability companies, but all temporary differences are presented here for information purposes.

Island Offshore Shipholding LP

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**Notes to the Consolidated Financial Statements 2024****Island Offshore Shipholding LP**

All figures in NOK mill

Deferred tax liability/tax asset has been calculated as follows:

	<u>2024</u>	<u>2023</u>
Fixed assets	3 879,9	3 698,6
Receivables and temporary foreign exchange difference	-2,3	-2,3
Gains / losses fixed assets carried forward	90,3	112,9
Other temporary differences	-29,1	-29,1
Tax loss carried forward	-318,9	-638,5
<b>Total temporary differences</b>	<u><b>3 619,9</b></u>	<u><b>3 141,6</b></u>
Temporary differences from general partner and limited liability companies not included in deferred tax asset calculation	127,0	224,6
Temporary differences from partnerships not included in deferred tax calculations	-2 893,5	-2 770,2
<b>Deferred tax basis</b>	<u><b>853,5</b></u>	<u><b>596,1</b></u>
<b>Net deferred tax</b>	<u><b>187,7</b></u>	<u><b>131,1</b></u>
Deferred tax liability	187,7	131,1
Deferred tax asset	-	-
<b>Net deferred tax</b>	<u><b>187,7</b></u>	<u><b>131,1</b></u>
Tax rate	<u>22 %</u>	<u>22 %</u>
<b>Specification of tax expense</b>		
Tax payable in Norway	13,9	-
Foreign tax payable + /refund -	-0,1	-
Change in deferred tax	56,6	33,1
<b>Tax expense</b>	<u><b>70,4</b></u>	<u><b>33,1</b></u>

The variance between the tax expense in the financial statement and the pre-tax result multiplied by nominal tax rate is mainly explained by participating entities that are not included in basis for calculation of tax expense. As it will take some time for the General Partners to utilize tax loss carried forward to offset future payable tax, it is decided not to record deferred tax asset in the balance sheet of the Group as per 31.12.24.

**Notes to the Consolidated Financial Statements 2024**

## Island Offshore Shipholding LP

All figures in NOK mill

**NOTE 13 EQUITY**

	Paid in capital	Other equity	Minority interest	Total
<b>Equity 01.01.2024</b>	<b>895,5</b>	<b>-264,2</b>	<b>1 071,7</b>	<b>1 703,1</b>
Correction opening balance minority share of equity		-17,0	17,0	-
Effect dividend and group contribution		6,3	-6,5	-0,2
Effect liquidation subsidiaries		64,7	-	64,7
Debt forgiveness recorded as equity		10,6	-	10,6
Effect on currency difference		-0,9	-	-0,9
Annual result		139,7	178,1	317,9
<b>Equity 31.12.24</b>	<b>895,5</b>	<b>-60,8</b>	<b>1 260,3</b>	<b>2 095,1</b>

The subsidiary Island Ventures 4 AS was liquidated with a loss in 2024, thus previous years' negative equity with a total of NOK 64.7 mill is no longer a part of the Group's equity.

Seller credit recorded by Island Offshore UK Limited regarding purchase of shares in Island Ventures 4 AS have been forgiven, thus positive effect on the Group's equity as per 31.12.2024.

**NOTE 14 OWNERSHIP**

Owners	Share %	Paid in capital
Amnor LLC	1,00 %	9,0
Island Investment LLC	49,50 %	443,3
Borgstein Skipsinvest AS	49,50 %	443,3
<b>Total</b>	<b>100,00 %</b>	<b>895,5</b>

**NOTE 15 OTHER MATTERS**

Some of the vessels within the Group is operating worldwide constituting exposure of Permanent Establishment (PE) abroad. Tax advisors have been engaged to verify compliance with local tax regulation when there is uncertainty related to the eventual tax liabilities. If tax liability is identified, compliance with local tax regulations has and will be undertaken and tax reporting and payments have been initiated according on this basis.



## Notes to the Consolidated Financial Statements 2024

### Island Offshore Shipholding LP

All figures in NOK mill

#### NOTE 16 GOING CONCERN

In December 2023, restructuring Agreement was reached with the senior secured lenders and unsecured lenders financing the ship-owning companies. The agreements include extended runways and amended amortization and interest terms.

The offshore service market has continued to improve in 2025, and the Group has a satisfactory backlog for the fleet. The assessment is that the Island Offshore Shipholding Group has the resources, organization, competence, assets and customer base for the Company to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position, cash, and backlog of the Group at 31.12.2024, and that a sustainable financing agreement was agreed and made effective with secured and unsecured lenders in December 2023.



**Island Offshore Shipholding LP**

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## **Annual report 2024**

### **Board of Director's Report**

#### **Annual accounts**

- Income statement
- Balance sheet
- Cash flow statement
- Notes

#### **Auditors' report**



## Annual Report 2024

### Island Offshore Shipholding LP

#### The Business

The Company is registered in the Cayman Islands and currently owns one W2W vessel, one Stimulation vessel, two Subsea Construction Vessels (SCV) and one Light Well Intervention vessels (LWI). The vessels are marketed for employment worldwide, but three of the vessels primarily operate in the North Sea; the remaining two have also operated outside West Africa, Malta, USA, Panama and in international waters in 2024.

IOSH LP is the majority shareholder in several Norwegian limited partnerships and limited liability companies owning a fleet of OSVs operating worldwide. Technical and commercial management for the vessels is carried out by Island Offshore Management AS and Borgstein AS respectively, from Ulsteinvik, Norway.

#### Statement of Results

Revenue in 2024 totals NOK 721.2 million compared to NOK 663.5 million in 2023. The vessels achieved 93% utilization in 2024 compared with 96% utilization in 2023. Achieved day rates are higher in 2024 compared to 2023.

The operating result for 2024 is a profit of NOK 152.7 million compared to a profit of NOK 257.1 million in 2023. The operating profit in 2023 includes reversal of impairment provision on vessel value with NOK 126.5 million. For comparison, EBITDA in 2024 is NOK 271.7 million compared with NOK 239.7 million in 2023.

This year's net profit is NOK 64.5 million compared to a profit of NOK 347.3 million in 2023. The share of the net results from investments in subsidiaries is NOK 59.6 million in 2024 compared with a profit of NOK 386.9 million in 2023. The 2023 results include positive results from reversal of impairment provision on vessel values recorded by subsidiaries. The financial expenses in 2023 include a write down on receivables from the Partnership Island Offshore X KS with NOK 162.5 million.

Net cash flow from operational activities is positive at NOK 267.3 million. Capitalized maintenance expenses amount to NOK 148.6 million in 2024 mainly due to 20-years and 10-years class renewal projects for the SCV vessels, extensive yard stay for the LWI vessel and various maintenance and repairs expenses for the rest of the fleet. In addition, the W2W vessel has purchased an ESS Battery System Equipment package in 2024. The Company has paid installments on the senior secured facility of NOK 133.5 million. PIK interests on bond loans have been added to the bond loan with a value of NOK 24.8 million in 2024. The Company has purchased own bonds with NOK 12.5 mill in previous years. Overall, the Company has a negative cash flow of NOK 2.5 million leaving a cash balance at 31.12.2024 of NOK 42.9 million.

Net equity totals NOK 526.6 million as at 31.12.2024 compared to NOK 462.1 million at 31.12.2023. The increase is equal to this year's profit.

The Company does not have ongoing research and development activities.

Island Offshore Shipholding LP



### Going Concern

The Parent's and the Group's vessels operate in the offshore service market, which suffered a significant downturn from 2015 due to the low oil price and reduced offshore activity. Since December 2023, agreement was reached with the senior and junior secured lenders, bondholders and unsecured lenders financing the ship-owning companies. The agreements included extended runway on maturity on loans and amended terms regarding installments and interest terms.

Negotiations for an extension also included the subsidiary Island Offshore X KS. The parent company had originally issued a guarantee in favour of the banks providing the ship mortgage. The current restructuring agreement was on condition that the Parent Company took over the B-facility loan of NOK 162.5 mill from the Island Offshore X KS. The loan is not interest bearing and no installments are due until maturity on 31.03.2027.

The Company has serviced debt obligations in accordance with the provisions of the loan agreement. The Group has a satisfactory backlog for its fleet. The assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base for the Company to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2024, and that a sustainable restructuring agreement has been agreed and made effective with secured and unsecured lenders.

### Work Environment and Gender Equality

The Company does not have employees. The offshore crew is hired from Island Offshore Management AS and Island Offshore Crewing AS. The Managers are all men and comprises representatives from the owners in the partnership.

The Vessel Manager Island Offshore Management AS continuously work to promote gender equality in all aspects of the business with the objective of securing equal opportunities irrespective of gender, ethnicity, nationality or religious orientation.

As employer the Vessel Manager has the responsibility to maintain, complete and report on progress with the work to promote and secure basic human rights and decent working conditions (Norwegian Transparency Act; "Åpenhetsloven"). The 2023 report is available, and the 2024 report will be available on Island Offshore's webpage [www.islandoffshore.com](http://www.islandoffshore.com) before 30.06.25.

### External Environment

The Company's operations do not pollute the external environment beyond what is normal for this type of business. Annual environmental and emission reduction plans are prepared for each vessel and systematic work is carried out to reduce the risk of GHG emission, chemicals or other oil containing substances. Key performance targets are set, validated and monitored in an annual QHSE plan. Prioritized energy efficiency efforts for each vessel are continuously explored and assessed. This will continue to ensure reduced fleet emission in coming years.

Island Offshore Shipholding LP



Focus areas are:

- Reductions in emissions by use of alternative fuel and introducing retrofit technology
- Reduction in baseline fuel consumption by optimization of operations and planning
- Selection and handling of chemicals
- Waste management
- Handling of environmentally harmful substances from marine and subsea operations

The Corporate Sustainability Reporting Directive (CSRD) has been implemented in Norway following the EU model. The CSRD implies a significant increase in sustainability reporting requirements within the Norwegian Accounting Act. However, should the “Stop-the-clock” Directive be implemented in the Norwegian Accounting Act, the implementation of these reporting requirements will be postponed, with an effective date shifted to the accounting year 2027. In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs). The increasing reporting requirements will lead to increased expenses related to reporting efforts, but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements

## Financial Risk

Due to extensive yard stays in 2024, the Company has limited free liquidity going into 2025, and is dependent on flexible payment terms for monthly operating expenses invoices from Manager. However, the Company has satisfactory order backlog which gives visibility in earnings and reduces financial risk. Financial instruments are used to hedge cash flow in foreign currency thus limiting exposure to foreign currency risk to the extent such facilities are available.

Total liabilities are NOK 2,860.1 million including NOK 858.4 million of ship mortgages and NOK 884.2 million of corporate bonds. As part of the re-financing established in December 2023, the company established a new facility of NOK 162.5 million to settle a guarantee liability towards the subsidiary Island Offshore X KS. The loan is not interest bearing and no installments are due until maturity on 31.03.2027. Bonds and Seller Credits are extended with maturity June 2027.

As some of the vessels operate worldwide, tax advisors have been engaged to verify compliance with local tax regulation when there is uncertainty related to the eventual tax liabilities.

## Future outlook

All vessels have term contracts with additional options with expiry in 2026 or later.

Market state is improving with increased activity across segments. Our chartering strategy remains firm with focus on securing long-term commitments with strategically preferred clients, in addition to exploring new business opportunities in niches and markets complementing our existing Oil & Gas activity. We consider our fleet to be well- positioned with attractive and strategically important customers. Overall, the

Island Offshore Shipholding LP



Company is well diversified and positioned in attractive market segments and with attractive charterers. On a general note, there is uncertainty with regards to assessment of future results.

The current geopolitical risk may cause operational disruptions to vessel activity and increases the overall risk of activity deferrals and cancellations. This could impact the long-term market outlook and assessments of recoverable asset amounts.

The Board of Directors continue to monitor the financial situation of the Company closely.

#### Other matters

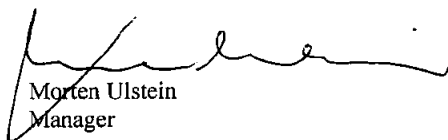
Beyond the above, the Managers are not aware of any subsequent events that could be significant for the evaluation of the Company's financial position and results. Reference is made to the income statement, cash flow, balance sheet and notes.

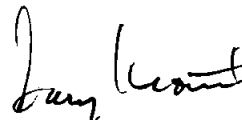
#### Allocation of results


The Board proposes the following allocation of the 2024 net profit NOK 64.491.787

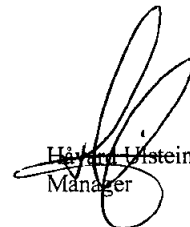
Transferred to other equity                      NOK 64 491 787

Ulsteinvik, 28.04.2025

  
Morten Ulstein  
Manager

  
Gary J. Chouest  
Manager

  
Dima D. Chouest  
Manager

  
Håvard Ulstein  
Manager

Island Offshore Shipholding LP



## Island Offshore Shipholding LP

### Income statement

	Note	2024	2023
<b>Revenue</b>			
Freight income	2,10	<u>721 155 058</u>	<u>663 474 617</u>
Total revenue		<u>721 155 058</u>	<u>663 474 617</u>
<b>Operating expenses</b>			
Vessel expenses	2,3	135 623 709	129 634 422
Crew expenses	3,4	292 329 196	271 266 571
Depreciation	5	119 057 214	109 103 910
Write-down on ships	5	0	-126 497 830
Other operating expenses	4	<u>21 458 572</u>	<u>22 855 301</u>
Total operating expenses		<u>568 468 691</u>	<u>406 362 374</u>
Operating result		<u>152 686 367</u>	<u>257 112 243</u>
<b>Financial income and expenses</b>			
Income from investments in subsidiaries and associated companies	6	59 578 969	386 887 200
Other financial income	7	3 454 781	12 635 134
Write-down on other financial assets	6,9	0	162 542 430
Other financial expenses	7	<u>151 228 330</u>	<u>146 821 998</u>
Net financial items		<u>-88 194 580</u>	<u>90 157 906</u>
Ordinary result before tax		<u>64 491 787</u>	<u>347 270 149</u>
<b>Net profit or loss for the year</b>		<u>64 491 787</u>	<u>347 270 149</u>
<b>Allocated as follows</b>			
Transferred to other equity	12	64 491 787	347 270 149



## Island Offshore Shipholding LP

### Balance sheet as of December 31

	Note	2024	2023
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Ships	5,8	2 027 855 862	1 998 334 539
<i>Financial assets</i>			
Investments in subsidiaries and associated companies	6	997 549 001	949 787 020
Investments in shares and units	6	79 594 766	79 594 766
Other receivables	3	55 788 546	55 788 546
Total financial assets		<u>1 132 932 313</u>	<u>1 085 170 332</u>
Total fixed assets		<u>3 160 788 175</u>	<u>3 083 504 871</u>
<b>Current assets</b>			
Stock of fuel etc.		<u>3 097 826</u>	<u>2 704 527</u>
<i>Receivables</i>			
Trade receivables	8	151 153 933	113 244 380
Other receivables	3	28 699 170	50 700 866
Total accounts receivable		<u>179 853 103</u>	<u>163 945 246</u>
Cash and cash equivalents	8	<u>42 929 423</u>	<u>45 467 757</u>
Total current assets		<u>225 880 352</u>	<u>212 117 530</u>
Total assets		<u>3 386 668 527</u>	<u>3 295 622 401</u>

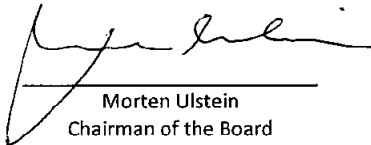


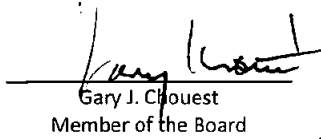
**Island Offshore Shipholding LP**

**Balance sheet as of December 31**

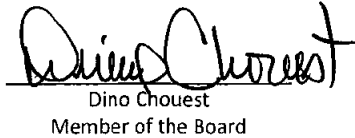
	Note	2024	2023
<b>Equity</b>			
<i>Paid-in capital</i>			
Equity, undistributable	13	895 548 243	895 548 243
<i>Retained earnings</i>			
Other equity		-368 979 763	-433 471 549
Total equity	12	<u>526 568 480</u>	<u>462 076 694</u>
<b>Liabilities</b>			
<i>Other long-term liabilities</i>			
Bonds	9	884 186 114	871 934 886
Liabilities to financial institutions	8,9	1 020 916 853	1 150 757 017
Other long-term liabilities	3,9	743 006 934	720 336 230
Total other long term liabilities		<u>2 648 109 901</u>	<u>2 743 028 133</u>
<i>Current liabilities</i>			
Trade creditors	3	1 224 851	1 612 651
Other short-term liabilities	3	210 765 295	88 904 923
Total current liabilities		<u>211 990 146</u>	<u>90 517 574</u>
Total liabilities		<u>2 860 100 047</u>	<u>2 833 545 707</u>
Total equity and liabilities		<u>3 386 668 527</u>	<u>3 295 622 401</u>

31 December 2024  
Ulsteihvik, 28 April 2025

  
Morten Ulstein  
Chairman of the Board

  
Gary J. Chouest  
Member of the Board

  
Harald Ulstein  
Member of the Board

  
Dino Chouest  
Member of the Board



<b>Cash Flow Statement</b>
Island Offshore Shipholding LP

	2024	2023
<b><i>Cash flow from operational activities:</i></b>		
Profit before tax	64 491 787	347 270 149
Reversed share of result gain-/ loss+ from subsidiaries and associated companies	-47 761 979	-386 887 200
+ Loan guaranteed and transferred from subsidiary	0	162 542 430
+ Depreciation	119 057 214	109 103 910
+ Impairment provision on vessel value	0	-126 497 830
-/+ Change in inventory	-393 299	2 169 159
-/+ Change in accounts receivable	-37 909 552	-37 617 013
+/- Change in accounts payable	-387 800	164 752
+/- Change in other accruals, prepaid expenses	170 192 603	58 561 393
= Net cash flow from operational activities	<u>267 288 974</u>	<u>128 809 750</u>
<b><i>Cash flow from investment activities</i></b>		
- Payments investments in fixed assets	<u>-148 578 537</u>	<u>-77 682 606</u>
= Net cash flow from investment activities	<u>-148 578 537</u>	<u>-77 682 606</u>
<b><i>Cash flow from financing activities</i></b>		
+ Refinancing loan from financial institutions	0	1 000 000 000
+/- Capitalized pik interests of bond loan	24 798 205	24 210 805
+/- Sale / Purchase of bonds	-12 546 977	6 215 419
- Repayment of loan	<u>-133 500 000</u>	<u>-1 136 107 646</u>
= Net cash flow from financing activities	<u>-121 248 772</u>	<u>-105 681 422</u>
= <b><i>Net change in cash and cash equivalents</i></b>	<u>-2 538 335</u>	<u>-54 554 278</u>
+ <b><i>Cash reserve 1.1</i></b>	<u>45 467 757</u>	<u>100 022 035</u>
= <b><i>Cash reserve 31.12</i></b>	<u>42 929 422</u>	<u>45 467 757</u>



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

#### NOTE 1 ACCOUNTING PRINCIPLES

Island Offshore Shipholding LP, is registered in the Cayman Islands and directly and indirectly owns the majority shareholding of several Norwegian ship owning entities. Thus, the parent company is included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Borgstein AS, Stålhaugen 9, 6065 Ulsteinvik, Norway.

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.

##### Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first instalment on secured debt which is serviced by the cash flow from fixed assets.

##### Use of estimates:

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

##### Presentation of subsidiaries and associated companies

Subsidiaries are accounted for by the equity method. Associated companies with ownership and control interests from 20% to 50% are accounted for by the equity method.

Investments in shares classified as financial fixed assets are valued at cost price considering write-down of values on shares.

##### Valuation of current assets

Receivables are recorded net of expected future losses.

Bunkers and lube oil balances are accrued in the balance sheet based upon consumption and purchase price.

##### Fixed assets and depreciation

Ships are recorded at purchase price less accumulated depreciation. The purchase price includes conversions, upgrades and other modifications. Ship value is depreciated linearly based upon expected economic life, but adjusted for individual modifications and estimated residual value after end of economic life. Adjusted for residual value, the vessels are depreciated over 20 years from delivery from the yard.

##### Shipbuilding contracts

Instalments to the yard for new buildings are recorded as fixed assets. Supervision and other investments not included in the contracted price are capitalized.

##### Capitalized periodical maintenance (dry docking)

The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking, normally every 30 months. Upon delivery of new vessels, a portion of acquisition cost is decomposed and recorded as periodic maintenance. Normal maintenance expenses are expensed as incurred.

Island Offshore Shipholding LP



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

#### Financing expenses

Expenses incurred in connection with new loans are capitalized at the date of drawdown and expensed over the expected term of the loan.

#### Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date. Currency gains/losses on revenue contracts are not offset towards gains/losses on long-term liabilities.

Contract revenue in foreign currency is hedged by use of forward FX contracts. The maturity of these contracts are aligned with the monthly cash flow thus are recognized as incurred.

#### Revenue and expense recognition

Revenue and costs related to vessel operations are recorded based upon the number of journey days before and after the end of the accounting year. Contract revenue is accrued and recognized linearly over the term of the contract irrespective of invoicing terms.

#### Taxes

Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities. Deferred tax is estimated with 22% rate based on the temporary differences between tax and accounting values, as well as deferred tax loss carried forward at the end of the accounting year. In accordance with NGAAP, deferred tax/tax asset is not recorded for participation taxed companies.

#### 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 cash equivalents.

### NOTE 2 GEOGRAPHICAL SPLIT OF REVENUE

In NOK mill	2024	2023
Norway	498,0	407,9
UK	31,9	-
Trinidad and Tobago	-	17,4
Malta	13,2	
Mexico	-	11,8
Equatorial Guinea	61,1	103,5
USA	71,2	1,0
Panama	11,6	
Ghana	-	0,4
International waters	34,2	121,5
<b>Total Freight Income</b>	<b>721,2</b>	<b>663,5</b>

Utilization for the fleet combined was in average 93% in 2024 compared with 96% in 2023.





## Notes to the financial statements 2024

### Island Offshore Shipholding LP

The fleet consists of one PSV performing Walk to Work services, one Wellstim vessel, two SCVs and one LWI vessel.

The PSV/W2W/Wellstim vessels are on firm contracts and achieved 100% utilization in 2024, same as in 2023.

The two SCV vessels are operating world-wide. One of the SCV vessels was on a 20 years class-renewal in first quarter of 2024, thus utilization in 2024 was 86% compared with 100% in 2023. The other SCV vessel had 100% utilization both in 2024 and 2023.

The LWI vessel was on an extended yard stay first quarter of 2024 for repairs, engine services and replacement of wire. Utilization in 2024 was 77% compared with 78% utilization in 2023.

In 2024, NOK 16.346.146 has been reported as recharged expenses to customer, thus reported gross in the total operating income with equivalent amount in vessel expenses. Comparable amount in 2023 was NOK 13.781.187.

#### NOTE 3 RELATED PARTIES

Transactions with related parties:

	2024	2023
Other long term receivables	55 788 546	55 788 546
Other short term receivables	26 000 000	43 464 116
Loans from shareholders	-445 585 129	-434 011 139
Other long term liabilities	-56 392 355	-54 763 624
Accounts payable	-1 133 984	-1 473 047
Other short term liabilities	-140 706 784	-40 567 092

The Company has provided a long term loan receivable of NOK 50.8 mill to Island Offshore Shipping AS. The Company has a pledge on Island Offshore Shipping AS' shares in Island Diligence as insurance for this loan. Remaining accrual NOK 5.0 mill regarding prepaid operational lease to Borgstein AS for the gangway and pedestal equipment, presented as other long term receivables.

Other short term receivables in 2024 includes prepaid monthly vessel expenses with NOK 26 mill to Manager, same amount as per 31.12.23. In addition, in 2023, the Parent Company entered into agent contracts with Island Offshore International Shipping AS and had outstanding NOK 16.1 mill in relation to this.

Loans from shareholders are related to funding in connection with capital commitments in subsidiaries and cash sweep guarantees. Accrued interests NOK 81.5 mill connected to owner loans are classified as long term debt according to terms in refinancing agreement. Maturity of unsecured loans including accrued interests are at the earliest in March 2027. Other long term liabilities is rest of a seller credit loan NOK 40.3 mill towards Island Ventures IV LLC and a long term loan from Island Offshore Management AS. Loan agreements with related parties have been established and all loans are charged at interest based on arm's length principle.

Island Offshore Shipholding LP

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## Notes to the financial statements 2024

### Island Offshore Shipholding LP

Other short term liabilities are mainly towards the subsidiary Island Offshore Crewing AS (crew provider) with NOK 13.3 mill and unpaid invoices for operating expenses to Manager NOK 125.0 mill.

	<u>2024</u>	<u>2023</u>
Agent Contracts	20 000 509	154 910 100
Crew hire	-292 329 196	-271 266 571
Management services	-19 657 767	-19 623 257

The company has entered into agent contracts with Island Offshore International Shipping AS for the operation of Island Frontier. No risk for the operation company thus revenue is reported by the shipowner.

The company has entered into management agreements with Island Offshore Management AS and Borgstein AS to carry out technical and commercial services for the vessel. The services include crewing, purchase, administration, sales, accounting and technical operations. According to the management agreement, the ship owning company will refund all direct costs related to the vessel, to the management company. An annual fee is paid based on arm's length principle.

#### NOTE 4 PAYROLL, EMPLOYEES

The Company does not have employees and has no obligation to have pension funds. There has been no consideration paid to the Board of Directors. Payroll expenses in the financial statements relate to hired crew.

##### Auditor

Remuneration of NOK 761.058,- can be specified as follows:

Statutory audit service	287.573
Tax Filing and Group tax computation	162.500
Work regarding reorganisation /dissolvement of subsidiaries	170.200
Other services	90.271
Expenditures	50.514
<b>Expensed remuneration excluding VAT</b>	<b>761.058</b>

The Company is not registered in Norwegian VAT register, thus no VAT are charged to the invoice.

Island Offshore Shipholding LP

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**Notes to the financial statements 2024**

## Island Offshore Shipholding LP

**NOTE 5 FIXED ASSETS***Tangible fixed assets:**Fixed assets*

	Ship	Projects in Progress	Drydocking / periodic maintenance	Total
Acquisition cost 1.1.	2 885 552 198	38 399 495	440 967 634	3 364 919 327
Additions	13 865 900	(35 696 404)	170 409 041	148 578 537
Disposals	-	-	-	-
Acc depreciation 31.12	(1 078 579 775)	-	(407 062 225)	(1 485 642 000)
Acc impairment provision 31.12	-	-	-	-
<b>Book value 31.12.</b>	<b>1 820 838 323</b>	<b>2 703 091</b>	<b>204 314 450</b>	<b>2 027 855 864</b>
Annual depreciation charge	76 287 358	-	42 769 856	119 057 214
Economic life	20 year		3 to 10 years	
Depreciation plan	Linear		Linear	

Addition ship relates to purchase of an ESS battery system equipment for the W2W vessel (previously leased).

Additions periodic maintenance mainly relates to 20 year class renewal for one of the SCV vessel completed in February 2024, and extended yard stay in Q1-24 for the LWI vessel for engine services and main wire replacement. The other SCV vessel completed a 10 year class renewal in first quarter of 2024.

The market values obtained from independent ship brokers are higher than book value on the vessels. The vessel values are also subject to an impairment test. The analysis does not indicate any need to write down the book value of the vessels in 2024. In 2023, previous years' impairment provision on vessel value was reversed with NOK 126.5 mill in the income statement and net book value of the vessel is in accordance with the Company's ordinary depreciation plan from 31.12.23.

In 2024, the European Union (EU) implemented the Corporate Sustainability Reporting Directive (CSRD), which has been incorporated into the Norwegian Accounting Act. Norway is aligned with the EU's timeline for the implementation of this directive. Recent developments within the EU have indicated potential changes to the CSRD and its implementation timeline. Notably, on April 3rd, the EU Parliament endorsed the "stop the clock" Directive, which postpones the CSRD reporting requirements for companies subject to the CSRD from the originally scheduled 2025 reporting period to 2027. It is important to note that this new Directive has not yet been adopted into Norwegian law. We will continue to monitor the situation closely to ensure compliance with any future changes.

In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs).



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

The increasing reporting requirements will lead to increased expenses related to reporting efforts but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements.

#### NOTE 6 SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS IN SHARES

Investments in subsidiaries are accounted for by the equity method. (Figures in NOK thousands).

##### Partnerships:

NOK 1000	Island Offshore VIII KS	Island Offshore X KS
Business office	Ulstein	Ulstein
Date of acquisition	2004/2007/ 2017	2004
Acquisition cost	342 694	427 311
Committed capital	391 342	51 674
Uncalled capital	-	-
Ownership	65,94 %	88,46 %
Opening balance 1.1	440 918	-
Share of net result 2024	44 524	-
Closing balance Partnerships 31.12.	485 443	-

Value of shares in the partnership Island Offshore X KS have been tested on the partnership's value adjusted equity and the analysis indicated zero as book value of the investment. A short term receivable of NOK 124.8 million was written down to zero in financial expenses in the Income Statement in 2020. In 2023, and in accordance with refinancing agreement, the Company took over the B-facility loan of NOK 162.5 mill from the Partnership. The corresponding loan receivables were written down in financial expenses with same amount. Thus, in total NOK 287.3 has been written down as funds paid to the Partnership Island Offshore X KS.



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

*Limited liability companies:*

Company	Island Offshore VIII AS	Island Offshore X AS	Island Offshore XI AS	Island Offshore XII AS	Island Offshore International Shipping AS	Island Offshore UK Ltd	Total
Business adress	Ulstein	Ulstein	Ulstein	Ulstein	Ulstein	Aberdeen	
Date of acquisition	2005/2017	2004/2007	2004	2007	2015	2015	
Acquisition cost	28 567	24 825	20 432	154 245	99	12	
Ownership	72,90 %	100,00 %	55,03 %	61,65 %	99,00 %	100,00 %	
Opening balance 01.01	55 546	0	31 038	422 284	0	0	508 869
Share of net result 2024	4 856	0	1 418	-3 036	0	0	3 238
Closing balance 31.12	60 402	0	32 456	419 248	0	0	512 106
Total profit in Income Statement for partnerships, and limited liability companies							47 762
Dividend received from Island Offshore III KS							9 272
Dividend received from Island Offshore XI AS							2 545
<b>Income from investments in subsidiaries and associated companies</b>							<b>59 579</b>
<b>Net book value investments in subsidiaries and associated companies</b>							<b>997 549</b>

Profit or loss relating to investments in subsidiaries and associates are not recorded in accordance with the Norwegian Accounting Act and NGAAP, when total equity for the subsidiary is a loss. Booked equity in Island Offshore X AS, Island Offshore International Shipping AS and Island Offshore UK Limited are with losses, hence the value of shares are written down to zero.

The Company's owner interests in the Partnership Island Offshore III KS was in 2022 diluted from 57.2% to 18.5%, thus classified as investment in shares and units with NOK 79.594.766 as per 31.12.24 and 31.12.23. The shares are kept at equivalent cost price, however continuous tested on the value adjusted equity amount. There are no indication of impairment on value of the shares. The Partnership distributed NOK 50 mill as dividend to its owners in June 2024 of which Island Offshore XI AS as General Partner received NOK 5 mill. The General Partner distributed the same amount to its owners according to owner share.

NOK 1000	Island Offshore III KS
Business office	Ulstein
Date of acquisition	2005
Acquisition cost	130 757
Committed capital	288 700
Uncalled capital	-
Ownership	18,50 %
<b>Net book value Investment on Partnership</b>	<b>79 595</b>
<b>Equity as per 01.01. (100%)</b>	<b>557 155</b>
Dividend distributed (100%)	-50 000
Partnership's results in 2024 (100%)	13 245
<b>Equity as per 31.12. (100%)</b>	<b>520 400</b>

Island Offshore Shipholding LP

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**Notes to the financial statements 2024**

## Island Offshore Shipholding LP

**NOTE 7 SPECIFICATION OF ITEMS****Other financial income:**

	<u>2024</u>	<u>2023</u>
Interest income bank and bond asset	2 342 983	5 688 081
Foreign exchange gain realized	10 582 862	9 553 144
Foreign exchange gain+ / loss - unrealized	921 176	-414 762
Hedging gain+ / loss -	-10 392 246	-3 113 738
Interests income related party	6	922 409
<b>Total other financial income</b>	<b><u>3 454 781</u></b>	<b><u>12 635 134</u></b>

**Other financial expenses comprise:**

	<u>2024</u>	<u>2023</u>
Deprecation of capitalized financial expenses	4 370 395	7 230 716
Interest cost related party	13 930 538	12 618 184
Interest cost long term loans	130 197 641	111 099 630
Foreign exchange loss realized	8 663 894	9 713 885
Reversed loss sale of bonds	-6 155 885	6 155 885
Other financial expenses+/-income -	221 746	3 697
<b>Total other financial expenses</b>	<b><u>151 228 330</u></b>	<b><u>146 821 997</u></b>

**NOTE 8 PLEDGE OF ASSETS**

	<u>2024</u>	<u>2023</u>
<b>Liabilities secured by pledge</b>	<b>866 500 000</b>	<b>988 214 587</b>
<b>Book value of pledged assets:</b>		
Ships	2 027 855 862	1 998 334 539
Factoring	151 153 933	113 244 380
Cash deposits	42 929 423	45 467 757
<b>Total</b>	<b><u>2 221 939 218</u></b>	<b><u>2 157 046 676</u></b>

In addition eventual future insurance payouts are pledged.



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

#### NOTE 9 LONG-TERM LIABILITIES

The current Restructuring Agreement with secured and unsecured lenders was made effective in December 2023, whereby secured lenders agreed to extend facilities until the end of 2026 at amended interest terms. The number of financial institutions financing the Company is reduced. All ship owning entities within the IOSH Group has serviced all debt in accordance with the Restructuring Agreement, including both amortization and interest.

The parent company took over facility B from the subsidiary Island Offshore X KS and owes NOK 162.5 mill to the bank. The loan is not interest bearing and no installments are due until maturity on 31.03.2027. Bonds and Seller Credits has extended maturity until March 2027. Accrued interest payable connected to owner loans, bonds and seller credits are classified as long term as per 31.12.2024 considering that the maturity of unsecured loans are in March and June 2027.

Financing expenses are capitalized and expensed over the expected term of the loan. The remaining balance is NOK 8.1 mill at 31.12.2024.

#### NOTE 10 FINANCIAL INSTRUMENTS

Currency forward and option contracts are used to hedge contracted revenue in foreign currencies. Outstanding contracts at 31.12.2024 expire from January 2025 to December 2026 depending on the underlying contract cash flow. The estimated net unrealized loss is NOK 28.943.705 for sale of future USD hedging as per 31.12.24 (average spot rate USDNOK 11.353, average maturity rate USDNOK 10.649).

The Company has a strategy to hedge contracted revenue in foreign currency when contracts are entered for a longer period of time. The financial instrument is linked to a specific revenue cash flow and can be measured in respect of success rate according to strategy. The unrealized loss of total NOK 28.973.705 is not recorded in the financial statements as per 31.12.24 in accordance with the Norwegian Accounting Act and NGAAP.

#### NOTE 11 TAXES – NORWAY

Deferred tax/tax asset is calculated based upon the temporary differences between accounting and tax values at the end of the accounting year. Negative temporary differences and positive temporary differences that reverse or may reverse in the same period are offset and recorded net.

Deferred tax/tax asset has been calculated as follows:

	2024	2023
Fixed asset	1 600 597 410	1 480 105 003
Gain/loss account	88 407 052	110 508 814
<b>Total temporary differences</b>	<b>1 689 004 462</b>	<b>1 590 613 817</b>
<b>Deferred tax/tax asset</b>	<b>371 580 982</b>	<b>349 935 040</b>
Tax rate	22 %	22 %

Island Offshore Shipholding LP

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## Notes to the financial statements 2024

### Island Offshore Shipholding LP

In accordance with Norwegian GAAP, deferred tax/tax asset is not recorded for participation taxed companies.

A specification of the differences between net accounting result and net tax result is presented below:

	<u>2024</u>	<u>2023</u>
Profit before tax	64 491 787	347 270 149
<i>Permanent differences:</i>		
Non-deductible expenses	592 597	175 463
Reversed dividend received less 3% taxable income	-11 462 480	-
Reversed loss related to write down on financial loans to subsidiaries	-	171 738 386
Net accounting result - partnerships and limited liability companies	-47 761 979	-386 887 200
<i>Change in temporary differences:</i>		
Fixed assets	-120 492 407	-191 225 012
Gain/loss account	22 101 763	27 627 204
Denied deduction for internal interests expenses	13 924 943	11 695 775
Annual tax basis	<u>-78 605 776</u>	<u>-19 605 235</u>

The Partnership is transparent as regards to tax liability, thus Company's partners are liable for the tax liability in accordance to owner share.

#### NOTE 12 EQUITY

	<u>Paid in capital</u>	<u>Other equity</u>	<u>Total</u>
Equity 1.1	895 548 243	-433 471 550	462 076 693
<i>Change in equity</i>			
Net result		64 491 787	64 491 787
<b>Equity 31.12.</b>	<u>895 548 243</u>	<u>-368 979 763</u>	<u>526 568 480</u>



## Notes to the financial statements 2024

### Island Offshore Shipholding LP

#### NOTE 13 OWNERSHIP

<u>Owners</u>	<u>Owner Share %</u>	<u>Paid in capital</u>
Amnor LLC	1,00 %	8 955 471
Island Investment LLC	49,50 %	443 296 386
Borgstein Skipsinvest AS	49,50 %	443 296 386
<b>Totalt</b>	<b>100,00 %</b>	<b>895 548 243</b>

#### NOTE 14 GOING CONCERN

Since December 2023, agreement was reached with the senior secured lenders and unsecured lenders financing the ship-owning companies. The agreements included extended runway on maturity on loans and amended terms regarding installments and interest terms.

Negotiations for an extension also included the subsidiary Island Offshore X KS. The parent company had originally issued a guarantee in favour of the banks providing the ship mortgage. The current restructuring agreement had the condition that the Parent Company took over the B-facility loan of NOK 162.5 mill from the Island Offshore X KS. The loan is not interest bearing and no installments are due until maturity on 31.03.2027.

The Company has serviced debt obligations in accordance with the provisions of the loan agreement. The Group has a satisfactory backlog for its fleet. The assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base for the Company to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared on the basis of a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2024, and that a sustainable restructuring agreement has been agreed and made effective with secured and unsecured lenders.



Statsautoriserte revisorer  
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Medlemmer av Den norske Revisorforening

To the General Meeting in Island Offshore Shipholding Lp

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Island Offshore Shipholding Lp (the Company) which comprise:

- The financial statements of 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, and
- The financial statements of the Group, 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,
- 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group 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 and the Group 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 (management) is 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



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- 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 error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial



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statements. We are responsible for the direction, supervision and performance of the group audit.  
We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 30 April 2025  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Fenneco Dokumentmøkket: KUJ2T0-HQV5L-74Z37-6UOAF-LJVF-W-9AU1YM



## 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

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Island Offshore XII Ship AS

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## **Annual report 2024**

### **Board of directors' report**

#### **Annual accounts**

- Income statement
- Balance sheet
- Cash flow statement
- Notes

### **Auditors' Report**



**Annual Report 2024**  
**Island Offshore XII Ship AS**  
Org. no 994 289 764

**Business activities**

The Company owns two AHTS vessels which operate primarily in the North Sea. The subsidiary Island Victory AS owns the vessel Island Victory, a Deep Water Installation and AHTS vessel delivered from Vard Langsten in 2020. The subsidiary Island Defender AS previously owned the PSV vessel Island Defender which was sold in October 2022.

Technical and commercial management for the vessels is carried out by Island Offshore Management AS and Borgstein AS respectively, from Ulsteinvik, Norway.

**Statement on results**

Revenue in 2024 totals NOK 350.5 mill, an increase from NOK 246.6 mill in 2023. Average utilization was 68% in 2024, same level as in 2023. The vessels achieved increased average daily charter rates in 2024 which also included increased ROV revenue. The operating result in 2024 is a profit of NOK 111.6 mill compared with a profit of NOK 74.9 mill in 2023 thus a significant improvement. Financial items total a profit of NOK 19.0 mainly due to interests on loan receivables from affiliates and net effect on group contribution from a subsidiary. This year's net result is NOK 105.2 mill.

Cash flow from operational activities is NOK 139.6 mill. Capital expenditure totals NOK 25.4 mill in 2024. The Company established a new loan facility of NOK 300 mill in 2024. An inter-company loan of NOK 144,1 mill from Island Victory AS was also repaid. The Company has paid NOK 15.0 mill of loan installments and also repaid shareholders loans of NOK 233.8 mill. As part of financing the new building program, the Company has provided loan financing of NOK 340.8 mill to the Parent Company. Thus, net cash flow is negative with NOK 31.3 mill in 2024 resulting in a net cash reserve of NOK 30.1 mill at 31.12.2024.

Net equity is NOK 1,139.8 mill as at 31.12.24 compared to NOK 1,034.6 mill at 31.12.2023. The change in equity is due to this year's profit of NOK 105.2 mill.

The Company does not have ongoing research and development activities.

**Going concern**

The Company is in compliance with financial covenants at 31.12.2024 and has serviced its debt according to the agreement. The assessment is that the Company has the resources, organization, competence, assets and customer base to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared based on a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2024.



## Work environment and gender equality

The Company does not have employees. The crew is hired from the Vessel Manager Island Offshore Management AS. The Manager continuously works to promote gender equality in all aspects of the business with the objective of securing equal opportunities irrespective of gender, ethnicity, nationality or religious orientation. The Board of directors are all men and comprises representatives from the largest participants in the Company.

As employer the Vessel Manager has the responsibility to maintain, complete and report on progress with the work to promote and secure basic human rights and decent working conditions (Norwegian Transparency Act; "Openhetsloven"). The 2023 report is available on Island Offshore's webpage [www.islandoffshore.com](http://www.islandoffshore.com) and this year's report will be available on the webpage before 30.06.2025.

## External environment

The Company's operations do not pollute the external environment beyond what is normal for this type of business. Annual environmental and emission reduction plans are prepared for each vessel and systematic work is carried out to reduce the risk of GHG emission, chemicals or other oil containing substances. Key performance targets are set, validated and monitored in an annual QHSE plan. Prioritized energy efficiency efforts for each vessel are continuously explored and assessed. This will continue to ensure reduced fleet emission in coming years.

Focus areas are:

- Reductions in emissions by use of alternative fuel and introducing retrofit technology
- Reduction in baseline fuel consumption by optimization of operations and planning
- Selection and handling of chemicals
- Waste management
- Handling of environmentally harmful substances from marine and subsea operations

The Corporate Sustainability Reporting Directive (CSRD) has been implemented in Norway following the EU model. The CSRD implies a significant increase in sustainability reporting requirements within the Norwegian Accounting Act. However, should the "Stop-the-clock" Directive be implemented in the Norwegian Accounting Act, the implementation of these reporting requirements will be postponed, with an effective date shifted to the accounting year 2027. In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs). The increasing reporting requirements will lead to increased expenses related to reporting efforts but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements.



### Financial risk

The Company's financial position as at 31.12.2024 is satisfactory and the Company has a positive working capital. The Company's customers are mainly large oil companies with a low to moderate credit risk. Financial instruments are employed to hedge foreign currency exposure.

The Company's cash position and forecast is satisfactory going forward considering based on operations in the first quarter for 2025 as well as awarded project work.

The Company's liabilities total NOK 495.6 mill as of 31.12.2024. Inter-company debt is NOK 80.3 mill of which NOK 69.6 mill as liable group contribution will be netted off group contribution receivable in 2025.

### Future outlook

The vessels operate in the project and spot market in 2025 and the outlook is positive based on awarded work. Seasonal variations in activity levels and rates is expected. The Company has resolved to provide financing of the the new building program initiated within the Group.

The Board of Directors will continue to monitor the financial situation of the Company closely and will assess the need for capital contributions going forward.

### Other matters

The CEO and the board members are covered by a director and officers liability insurance maintained by the company. The insurance policy is issued by a reputable insurer with an appropriate rating.

Beyond the above, the Board of Directors is not aware of any subsequent events that could be significant for the evaluation of the Company's financial position and results. Reference is made to the income statement, balance sheet, notes and cash flow analysis.

### Allocation of results

The Board proposes the following transfer of the 2024 profit of NOK 105.191.434

Transferred to other equity	NOK 105.191.434
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Ulsteinvik, 28.04.25

 Morten Ulstein Chairman of the Board	 Dino D. Chouest Board Member
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Island Offshore XII Ship AS  
Org. no 994 289 764



## Island Offshore XII Ship AS

### Income statement

	Note	2024	2023
<b>Revenue</b>			
Freight income	2	<u>350 469 267</u>	<u>246 640 797</u>
Total revenue		<u>350 469 267</u>	<u>246 640 797</u>
<b>Operating expenses</b>			
Vessel expenses	2,9	111 123 515	56 193 348
Crew expenses	3,9	75 522 685	71 193 214
Depreciation of tangible and intangible fixed assets	5	46 715 275	40 499 086
Other operating expenses	3	<u>5 522 989</u>	<u>3 825 354</u>
Total operating expenses		<u>238 884 464</u>	<u>171 711 002</u>
Operating result		<u>111 584 803</u>	<u>74 929 795</u>
<b>Financial income and expenses</b>			
Other financial income	4,6,9	34 943 359	15 245 608
Write-down on other financial assets	6	0	8 680 494
Interest paid to group companies	9	2 660 047	6 662 779
Other financial expenses	4	<u>13 324 435</u>	<u>15 845 305</u>
Net financial items		<u>18 958 877</u>	<u>-15 942 970</u>
Ordinary result before tax		<u>130 543 680</u>	<u>58 986 825</u>
Tax on ordinary result	10	<u>25 352 346</u>	<u>14 650 055</u>
<b>Net profit or loss for the year</b>		<u>105 191 434</u>	<u>44 336 770</u>
<b>Allocated as follows</b>			
Transferred to other equity	11	105 191 434	44 336 770



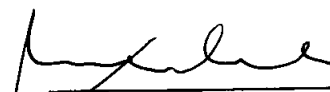
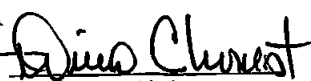
## Island Offshore XII Ship AS

### Balance sheet as of December 31

	Note	2024	2023
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Ships	5,8	584 302 935	605 636 837
<i>Financial assets</i>			
Investments in subsidiaries	6	518 739 822	518 739 822
Loans to group companies	8,9	341 644 360	144 908 338
Total financial assets		<u>860 384 181</u>	<u>663 648 160</u>
Total fixed assets		<u>1 444 687 116</u>	<u>1 269 284 997</u>
<b>Current assets</b>			
Inventories		<u>11 204 392</u>	<u>14 534 627</u>
<i>Receivables</i>			
Trade receivables	8	37 273 519	21 242 195
Other receivables	9	112 209 549	34 054 380
Total accounts receivable		<u>149 483 068</u>	<u>55 296 575</u>
Cash and cash equivalents	8	<u>30 109 781</u>	<u>61 419 955</u>
Total current assets		<u>190 797 241</u>	<u>131 251 157</u>
Total assets		<u>1 635 484 358</u>	<u>1 400 536 154</u>

**Island Offshore XII Ship AS****Balance sheet as of December 31**

	Note	2024	2023
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	12	404 097 000	404 097 000
Share premium reserve		<u>328 188 318</u>	<u>328 188 318</u>
Total paid-in capital		<u>732 285 318</u>	<u>732 285 318</u>
<i>Retained earnings</i>			
Other equity		407 553 428	302 361 994
Total equity	11	<u>1 139 838 746</u>	<u>1 034 647 312</u>
<b>Liabilities</b>			
<i>Provisions</i>			
Deferred tax liability	10	112 148 925	116 044 761
<i>Other long-term liabilities</i>			
Liabilities to financial institutions	7,8	281 325 000	0
Other long-term liabilities	9	<u>0</u>	<u>233 793 552</u>
Total other long term liabilities		<u>281 325 000</u>	<u>233 793 552</u>
<i>Current liabilities</i>			
Trade creditors		0	65 000
Tax payable	10	13 941 752	0
Other short-term liabilities	9	<u>88 229 936</u>	<u>15 985 529</u>
Total current liabilities		<u>102 171 688</u>	<u>16 050 529</u>
Total liabilities		<u>495 645 613</u>	<u>365 888 842</u>
Total equity and liabilities		<u>1 635 484 358</u>	<u>1 400 536 154</u>

31 December 2024  
Ulsteinvik, 28 April 2025  
Morten Ulstein  
Chairman of the Board  
Dino David Chouet  
Member of the Board



## Cash Flow Statement

### Island Offshore XII Ship AS

	2024	2023
<i>Cash flow from operational activities:</i>		
Profit before tax	130 543 680	58 986 828
- Taxes paid	0	0
-/+ Write down on other financial assets	0	8 680 494
+ Depreciation	46 715 275	40 499 086
-/+ Change in inventory	3 330 235	-1 161 065
-/+ Change in accounts receivable	-16 031 324	6 786 098
+/- Change in accounts payable	-65 000	-2 844 804
+/- Change in accruals	-24 892 093	-28 759 327
= <b>Cash flow from operational activities</b>	<b>139 600 773</b>	<b>82 187 310</b>
<i>Cash flow from investment activities</i>		
- Payments purchase of fixed assets	-25 381 373	-24 535 837
= <b>Cash flow from investment activities</b>	<b>-25 381 373</b>	<b>-24 535 837</b>
<i>Cash flow from financing activities</i>		
+ Drawdown of loan from financial institution	300 000 000	0
- Repayment of debt from owner	-233 793 552	0
- Installments of loan to financial institutions	-15 000 000	0
- Payment of loan receivables towards owner	-340 832 980	0
+/- Repayment of loan receivables from subsidiaries	144 096 958	2 571 113
= <b>Net cash flow from financing activities</b>	<b>-145 529 574</b>	<b>2 571 113</b>
= <i>Net change in cash and cash equivalents</i>	<i>-31 310 174</i>	<i>60 222 586</i>
+ <i>Cash reserve 1.1</i>	<i>61 419 955</i>	<i>1 197 369</i>
= <i>Cash reserve 31.12</i>	<i>30 109 781</i>	<i>61 419 955</i>



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 1 ACCOUNTING PRINCIPLES

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

Island Offshore XII Ship AS is the parent company of Island Victory AS and Island Defender AS, however consolidated accounts are not prepared as these companies are included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Island Offshore Shipping AS, Stålhaugen 12, 6065 Ulsteinvik, Norway.

The significant principles are described below.

##### Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets.

##### Valuation of current assets

Receivables are recorded net of expected future losses.

Bunkers and lube oil balances are accrued in the balance sheet based upon consumption and purchase price.

##### Fixed assets and depreciation

Ships are recorded at purchase price less accumulated depreciation. The purchase price includes conversions, upgrades and other modifications. Ship value is depreciated linearly based upon expected economic life, but adjusted for individual modifications and residual value. Adjusted for residual value, the vessels are depreciated over 20 years from delivery from the yard.

##### Shipbuilding contracts

Installments to the yard for new buildings are recorded as fixed assets. Supervision and other investments not included in the contracted price are capitalized.

##### Capitalized periodical maintenance (dry docking)

The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking. Normal maintenance expenses are expensed as incurred.

##### Presentation of subsidiaries and associated companies

Subsidiaries are accounted for by the cost method adjusted for capital calls payments and tested on fair value assessments. Associated companies are accounted for by the equity method.

Island Offshore XII Ship AS



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### Financing expenses

Expenses incurred in connection with new loans are capitalized at the date of drawdown and expensed over the expected term of the loan.

#### Currency

Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date.

Contract revenue in foreign currency is hedged by use of forward and option contracts. The maturity of these contracts are aligned with the monthly cash flow thus are recognized as incurred.

#### Revenue and expense recognition

Revenue and costs related to vessel operations are recorded based upon the number of journey days before and after the end of the accounting year.

#### Taxes

Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities. Deferred tax is estimated with 22% rate based on the temporary differences between tax and accounting values, as well as deferred tax loss carried forward at the end of the accounting year. In accordance with NGAAP, deferred tax/tax asset is not recorded for participation taxed companies.

#### 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 cash equivalents.

#### NOTE 2 GEOGRAPHICAL SPLIT OF REVENUE

In NOK mill	2024	2023
Norway	149,9	118,3
UK	200,5	4,0
The Netherlands	-	69,3
Georgia	-	55,0
<b>Total Revenue</b>	<b>350,5</b>	<b>246,6</b>

Both vessels operate in the spot market and have on average achieved 68% utilization in 2024, same as in 2023. The revenue includes ROV revenue of which NOK 42.7 mill is reported as ROV hire expenses under vessel expenses. Comparable ROV hire expenses in 2023 was NOK 10.6 mill.

2024 revenue includes reimbursed charterers cost of NOK 7.5 mill (NOK 1.6 mill in 2023) which is reported gross in revenue and operating vessel expenses.



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 3 PAYROLL, EMPLOYEES

The Company does not have employees and has no obligation to have pension funds. Board fee to Board of Directors was paid with NOK 82.500 in 2024. Payroll expenses in the financial statements relate to hired crew.

#### Auditor

Expenses audit fee totals NOK 150.073 in 2024. The fee is exclusive of VAT and can be specified as follows:

Audit	51.370
Advisory, going concern evaluation and tax filing	93.000
Other	5.703
<b>Total</b>	<b>150.073</b>

#### NOTE 4 SPECIFICATIONS

Other financial income comprises:

	<u>2024</u>	<u>2023</u>
Realized foreign exchange gain+ / loss-	4 938 800	3 275 560
Group contribution received (net amount)	15 306 330	1 936 707
Interest income, bank	2 967 032	1 018 534
Interest income, related party	11 731 197	9 014 807
<b>Total other interest income</b>	<b><u>34 943 359</u></b>	<b><u>15 245 608</u></b>

Other financial expenses comprise:

	<u>2024</u>	<u>2023</u>
Amortization loan costs	262 500	-
Interest expense term loans	8 783 458	-
Foreign exchange loss	848 884	5 791 844
Hedging gain -/loss +	-484 173	-44 600
Interest expenses shareholder loans	3 916 252	10 092 770
Other financial costs	-2 487	5 291
<b>Sum other financial costs</b>	<b><u>13 324 435</u></b>	<b><u>15 845 305</u></b>



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 5 FIXED ASSETS

	Ships	Projects in progress	Capitalized maintenance	Total
Acquisition costs 1.1	975 355 327	-	157 918 269	1 133 273 596
Additions	-	8 079 564	17 301 806	25 381 370
Accumulated depreciation 31.12	-455 571 131	-	-118 780 900	-574 352 031
Book Value 31.12	519 784 196	8 079 564	56 439 175	584 302 935
This years' depreciation	24 838 344		21 876 931	46 715 275
Economic life	20 yrs		3 yrs	

Additions relate to various maintenance stops with repairs and replacement of equipment for both vessels.

The market value of the two AHTS vessels obtained by independent brokers, is higher than the net book value of the vessels. The vessels are also subject to impairment test analysis.

The analysis does not indicate any need to write down the book value of the vessels.

In 2024, the European Union (EU) implemented the Corporate Sustainability Reporting Directive (CSRD), which has been incorporated into the Norwegian Accounting Act. Norway is aligned with the EU's timeline for the implementation of this directive. Recent developments within the EU have indicated potential changes to the CSRD and its implementation timeline. Notably, on April 3rd, the EU Parliament endorsed the "stop the clock" Directive, which postpones the CSRD reporting requirements for companies subject to the CSRD from the originally scheduled 2025 reporting period to 2027. It is important to note that this new Directive has not yet been adopted into Norwegian law. We will continue to monitor the situation closely to ensure compliance with any future changes.

In addition, the EU Monitoring, Reporting and Verification (MRV) regulation will apply for Offshore Service Vessels above 5000 GT from 2025 whereby emission reporting will be verified by DNV. The objective of MRV is to assess the environmental impact of maritime transport and to serve as the basis for carbon tax determination. Entry into the EU Emission Trading System (EU ETS) will apply from 2027 for the same vessels. The emissions cap-and-trade system aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions through a limited number of EU Allowances (EUAs). The increasing reporting requirements will lead to increased expenses related to reporting efforts but will likely also imply future investments required to reduce emission from the vessels in order to comply with regulatory requirements. It is not expected that the utilization or the lifetime of the vessels will be negatively impacted by the new EU and CSRD requirements.



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 6 INVESTMENTS IN SUBSIDIARIES

The Company incorporated the subsidiary Island Victory AS on 22 March 2018 and Island Defender AS on 28.05.20.

During 2024 the subsidiaries were capitalized as follows:

	Org.no. 920 718 590	Org.no. 922 593 116	
	Island Victory AS	Island Defender AS	Total
Balance as per 01.01	516 139 822	2 600 000	518 739 822
Group contribution received	69 574 225	-	69 574 225
Group contribution distributed	-69 574 225	-	-69 574 225
<b>Balance as per 31.12.24</b>	<b>516 139 822</b>	<b>2 600 000</b>	<b>518 739 822</b>
<b>This year's profit+/loss- (100%)</b>	153 961 129	19 449	
<b>Equity as per 31.12.24 (100%)</b>	830 268 604	2 782 638	
Owner share	100 %	100 %	
Address	Stålhaugen, Ulsteinvik, Norway	Stålhaugen, Ulsteinvik, Norway	

As Island Defender AS sold its only vessel in 2022, the company is dormant in 2024.

The parent company has accrued for group contribution to subsidiary Island Victory to offset payable tax position. The subsidiary Island Victory has accrued for same amount as group contribution to parent company without tax effect. Net amount of NOK 15.306.330 is recognized as group contribution received, presented as other financial income (ref Note 4) in 2024.

#### NOTE 7 LONG TERM LIABILITIES

The Company was successful to repay its secured vessel mortgage loan in 2022. In 2024 the Company established a new loan with DNB with a drawdown of NOK 300 mill. The loan has maturity in August 2029 and will be repaid with quarterly installments of NOK 15 mill.

Other long-term liabilities included in 2023 is a shareholder loan from Vard Group AS at NOK 140.5 mill and a shareholder loan from Island Offshore XII AS at NOK 93.3 mill. Both loans were settled in 2024.



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 8 PLEDGE OF ASSETS

	<u>2024</u>
Book value of debt secured by pledge	285 000 000
<b>Book value of secured assets</b>	
Vessel	584 302 935
Receivables	37 273 519
Bank deposits	<u>30 109 781</u>
<b>TOTAL</b>	<u><b>651 686 235</b></u>

In addition any insurance claims are pledged. The Bank has also security in the loan issued to parent company Island Offshore XII AS with balance NOK 340.8 mill in 2024.

#### NOTE 9 RELATED PARTIES

Transactions with related parties:	<u>2024</u>	<u>2023</u>
Other long term receivables	341 644 360	144 908 338
Other short term receivables	108 470 118	28 831 856
Other long term liabilities	0	-93 267 885
Other short term liabilities	-80 319 265	-1 936 707

The Company and the subsidiary Island Victory AS have undertaken to use excess cash to partly fund the required new building installments for the owner company Island Offshore XII AS. Thus, other long term receivables comprises an interest bearing loan to Island Offshore XII AS.

Island Victory AS has during 2024 repaid NOK 144.1 mill to its parent company, which was reported as long term receivable as per 31.12.2023.

Other short term receivables is a group contribution from Island Victory AS NOK 69.574.226 and accrued interest receivables on loan to affiliates with NOK 22.4 mill. In addition, prepayment of operating vessel expenses towards Island Offshore Management AS (Manager).

The Company has repaid long term loan from Island Offshore XII AS with NOK 93.3 mill in 2024.

Other short term liabilities in 2024 is mainly group contribution liable to Island Victory AS with NOK 69.574.226. The amount will be settled in 2025 by netting off the equivalent amount on the asset side. The remaining balance of NOK 10.7 mill comprises monthly vessel operating invoices from Island Offshore Management AS.



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

Transactions with related parties	2024	2023
Purchase of management services	-7 423 482	-7 060 507
Crew hire	-75 522 685	-71 193 213
Interest receivables related party	11 731 197	9 014 807
Interest expenses related party	-2 660 047	-6 662 779

The company has entered into management agreements with Island Offshore Management AS and Borgstein AS to carry out technical and commercial services for the vessels. The services include crewing, purchase, administration, sales, accounting and technical operations. According to the management agreement, the ship owning company will refund all direct costs related to the vessels, to the management company. An annual fee is paid based on arm's length principle.

#### NOTE 10 TAXES

Deferred tax is calculated on the basis of temporary differences between accounting and tax values existing at the end of the accounting period.

Negative temporary differences and positive temporary differences that are reversible in the same period are offset and recorded net.

**Deferred tax / tax asset has been calculated as follows:**

	2024	2023
Fixed Assets	508 239 729	526 462 269
Gains+/- losses - accounts on fixed assets	1 528 109	1 910 136
Deferred deduction internal interests	-	-896 219
Total temporary differences	509 767 838	527 476 186
Tax loss carried forward	-	-
Basis for deferred tax	<b>509 767 838</b>	<b>527 476 186</b>
<b>Deferred tax in Balance Sheet</b>	<b>112 148 925</b>	<b>116 044 761</b>
Tax rate	22 %	22 %



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### Calculation of this year's tax expense:

	2024	2023
Profit before tax	130 543 680	58 986 825
Permanent differences	132	6 743 787
Group contribution received (net)	- 15 306 330	
Disallowed+ / -deduction of interest expenses	- 896 219	860 546
Change in temporary differences	18 604 567	3 397 120
Use of deferred tax losses	-	- 68 051 571
<b>Total</b>	<b>132 945 830</b>	<b>1 936 707</b>
Group contribution	- 69 574 226	- 1 936 707

**Basis for payable tax** 63 371 604 -

**Payable tax 22% in Balance Sheet** 13 941 752 -

#### Tax Expenses in Profit and Loss

Accounts:	2024	2023
Tax payable	29 248 182	426 076
Change in deferred taxes	- 3 895 836	14 223 979
<b>Tax expenses</b>	<b>25 352 346</b>	<b>14 650 055</b>

#### NOTE 11 EQUITY

	Share capital	Share premium account	Other equity	Total
Equity 1.1	404 097 000	328 188 318	302 361 994	1 034 647 312
This year's result	-	-	105 191 434	105 191 434
<b>Equity 31.12</b>	<b>404 097 000</b>	<b>328 188 318</b>	<b>407 553 428</b>	<b>1 139 838 746</b>



## Notes to the financial statements 2024

### Island Offshore XII Ship AS

#### NOTE 12 OWNERSHIP

The share capital of NOK 404 097 000 consist of 404 097 shares a NOK 1 000,-.

Summary of owner interests as per 31.12.23:

Name and address	Number of shares	Ownership share %
Island Offshore XII AS, Stålhaugen 9, 6065 Ulsteinvik	214 541	53,09 %
Green Island Shipholding AS, Stålhaugen 9, 6065 Ulsteinvik	189 556	46,91 %
<b>TOTAL</b>	<b>404 097</b>	<b>100,00 %</b>

In accordance with a share purchase agreement, Green Island Shipholding AS, an affiliated company, purchased the 189.556 shares originally owned by the Vard Group AS in 2024.

#### NOTE 13 INFORMATION ABOUT FINANCIAL INSTRUMENTS

The company has a strategy to hedge contracted revenue in foreign currency when contracts are entered for a longer period of time. The financial instrument is linked to a specific revenue cash flow and can be measured in respect of success rate according to strategy. The estimated net unrealized loss or gain is not recorded in the financial statement in accordance with the Norwegian Accounting Act and NGAAP.

There are no forward contracts used to hedge future freight revenue as per 31.12.24.

#### NOTE 14 GOING CONCERN

The Company is in compliance with Financial Covenants and has serviced its debt according to the agreement. The assessment is that the Company has the resources, organization, competence, assets and customer base to continue being a going concern.

In accordance with the Norwegian Accounting Act § 3-3a the Board of Directors thus confirms that the financial statements are prepared based on a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2024.



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Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the General Meeting in Island Offshore XII Ship AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Island Offshore XII Ship 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 (management) is 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 error.

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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 skepticism 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, 16 May 2025  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Offshore XII Ship AS 2024

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

### Knutsen, Jørn

Statsautorisert revisor

På vegne av: Ernst & Young AS

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