



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 955 881
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND OFFSHORE CREWING AS
Forretningsadresse: Stålhaugen 12
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 09.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 31.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,5	195 492 811	255 091 904
Sum inntekter		195 492 811	255 091 904
Kostnader			
Lønnskostnad	3,4	194 922 085	254 341 664
Annen driftskostnad	3	741 210	922 764
Sum kostnader		195 663 295	255 264 428
Driftsresultat		-170 484	-172 524
Finansinntekter og finanskostnader			
Annen renteinntekt		16 138	83 632
Sum finansinntekter		16 138	83 632
Annen rentekostnad		101 222	
Annen finanskostnad			8 487
Sum finanskostnader		101 222	8 487
Netto finans		-85 085	75 145
Ordinært resultat før skattekostnad		-255 569	-97 378
Skattekostnad på ordinært resultat	6	-56 225	-21 423
Ordinært resultat etter skattekostnad		-199 344	-75 955
Årsresultat	7	-199 344	-75 955
Totalresultat		-199 344	-75 955
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-199 344	-75 955
Sum overføringer og disponeringer		-199 344	-75 955



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	2 400 010	2 343 785
Sum immaterielle eiendeler		2 400 010	2 343 785
Varige driftsmidler			
Sum varige driftsmidler		0	0
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		2 400 010	2 343 785
Omløpsmidler			
Varer			
Sum varer		0	0
Fordringer			
Kundefordringer		14 029 182	16 616 531
Andre fordringer		2 408 598	4 257 392
Sum fordringer	5	16 437 780	20 873 923
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	13 464 106	9 214 779
Sum bankinnskudd, kontanter og lignende		13 464 106	9 214 779
Sum omløpsmidler		29 901 886	30 088 703
SUM EIENDELER		32 301 896	32 432 488

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	100 000	100 000
Overkurs		3 000	3 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		103 000	103 000
Opptjent egenkapital			
Annen egenkapital		1 273 504	1 472 848
Sum opptjent egenkapital		1 273 504	1 472 848
Sum egenkapital	7	1 376 504	1 575 848
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	4		5 917 139
Sum avsetninger for forpliktelser		0	5 917 139
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		425 199	3 848 391
Skyldige offentlige avgifter		20 334 749	14 774 409
Annen kortsiktig gjeld	5	10 165 445	6 316 701
Sum kortsiktig gjeld		30 925 392	24 939 501
Sum gjeld		30 925 392	30 856 640
SUM EGENKAPITAL OG GJELD		32 301 896	32 432 488



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.

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skatteetaten.no/sendepost

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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



**Financial Statements
2020**

Island Offshore Crewing AS



ISLAND OFFSHORE



Annual report 2020
Island Offshore Crewing AS
Org nr: 995 955 881

Business description

The Company is owned by Island Offshore Management AS (“Parent”) and employs offshore crew for hire to the Mobile Offshore Units (MOU) owned by the Island Offshore Shipholding LP Group and managed by Island Offshore Management AS.

The business is managed from Ulsteinvik.

Statement on results

Revenue in 2020 totals NOK 195.5 mill compared with NOK 255.5 mill in 2019 and the reduction is due to less MOU activity and the assignment of crew to TIOS in connection with the transaction made effective in 2018. In addition, 50 employees received notice of resignation in October 2019 following end of contract for one the MOUs operating on the Norwegian Continental Shelf (NCS).

Average number of employees in 2020 was 104 compared with 157 in 2019; the reduction is explained by the factors above. The net loss in 2020 is NOK -199.344 compared with loss NOK -75.955 in 2019.

Net equity at 31.12.2020 is NOK 1.376.504 after including this year’s net loss.

The company does not have any ongoing research and development activities.

Going concern

The Company does not have external loans, however is dependent on the financial development of the Parent company and its main customers.

Due to the continued state of the market and the implications for earnings and cash flow, the major customer of the Parent company, the Island Offshore Group, is negotiating with stakeholders for agreements effective post 2020. The objective is to conclude the process as soon as possible, but additional time is required due to the complexity of the restructuring. The discussions are constructive and progressing; however, no assurances can be given as to when a conclusion is attainable involving all companies and stakeholders. The Island Offshore Group is in a challenging financial position, and the viability of the Island Offshore Group will require a long-term agreement with secured and unsecured creditors to strengthen the financial situation.

Further, market state in 2020 has been significantly impaired by the COVID-19 pandemic and the immediate effect on market activity and cost of operations. The assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base to continue being a going concern.

Island Offshore Crewing AS
Org nr: 995 955 881



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 31.12.2020, and the condition that a new restructuring agreement for the Island Offshore Group is agreed and made effective with secured and unsecured lenders.

Working environment and equality

The number of employees was 92 at 31.12.2020 whereof 15 are women. The Board of Directors and management promote gender equality in all aspects of the business. Further, the Company strongly focuses on HSE and systematically tries to improve the offshore work environment with a target of zero absences due to personnel injury. Both in 2020 and 2019, there were no incidents requiring medical treatment. The Company is a member of the IA agreement (“Inclusive Work Environment”) whereby focus on work environment is further strengthened. Sick leave was 7.2% in 2020 compared to 5.6% in 2019.

The Board of Directors comprises owner representatives.

Environment

The Company’s operations do not pollute the environment beyond what is normal in this line of business.

Financial risk

The Company is exposed to market risk, specifically the demand for offshore crew for the MOUs management by the Group. Contract coverage the vessels for 2021 and 2022 is limited thus additional vessel work must be awarded to secure future employment for crew.

The company does not have external debt.

Other matters

The COVID-19 pandemic is causing operational disruptions to vessel activity and increases the overall risk of activity deferrals and cancellations. Accordingly, the demand for vessels has also declined across markets and there is increased risk of negative future financial implications for the Company.

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

The Board 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 and notes.

Island Offshore Crewing AS
Org nr: 995 955 881



Income statement

ISLAND OFFSHORE CREWING AS

Tekst	Note	2020	2019
Operating income	2,5	195 492 811	255 091 904
Operating income		195 492 811	255 091 904
Payroll expenses	3,4	194 922 085	254 341 664
Other operating expenses	3	741 210	922 764
Total operating expenses		195 663 295	255 264 428
Operating profit		-170 484	-172 524
Interest income		16 138	83 632
Interest expenses		101 222	0
Other financial expenses		0	8 487
Total financial income & expenses		-85 085	75 145
Ordinary result before tax		-255 569	-97 378
Tax on ordinary result	6	-56 225	-21 423
Net profit for the year	7	-199 344	-75 955
Allocated as follows			
Transfer to other equity		-199 344	-75 955
Total transfers		-199 344	-75 955



Balance sheet

ISLAND OFFSHORE CREWING AS

Tekst	Note	2020	2019
Assets			
Fixed assets			
Intangible fixed assets			
Deferred tax asset	6	2 400 010	2 343 785
Total intangible assets		2 400 010	2 343 785
Financial fixed assets			
Total fixed assets		2 400 010	2 343 785
Current assets			
Accounts receivables		14 029 182	16 616 531
Other receivables		2 408 598	4 257 392
Total debtors	5	16 437 780	20 873 923
Cash and bank deposits	3	13 464 106	9 214 779
Total current assets		29 901 886	30 088 703
Total assets		32 301 896	32 432 488

**Balance sheet****ISLAND OFFSHORE CREWING AS**

Tekst	Note	2020	2019
Liabilities and equity			
Equity			
Paid in equity			
Share capital	8	100 000	100 000
Share premium reserve		3 000	3 000
Total paid in equity		103 000	103 000
Retained earnings			
Other equity		1 273 504	1 472 848
Total retained earnings		1 273 504	1 472 848
Profit not allocated		0	0
Total equity	7	1 376 504	1 575 848
Liabilities			
Provision for liabilities			
Pension liability	4	0	5 917 139
Total long term liabilities		0	5 917 139
Current liabilities			
Trade creditors		425 199	3 848 391
Unpaid government fees/taxes		20 334 749	14 774 409
Other short term liabilities	5	10 165 445	6 316 701
Total current liabilities		30 925 392	24 939 501
Total liabilities		30 925 392	30 856 640
Total equity and liabilities		32 301 896	32 432 488

Ulsteinvik, 31.12.2020 / 09.07.21

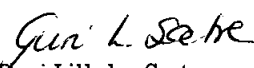
Board of Directors ISLAND OFFSHORE CREWING AS



Håvard Ulstein
Chairman of the Board



Jan Rise
Board Member



Guri Lillebø Sætre
Managing Director



Cash Flow Statement

Island Offshore Crewing AS

	2020	2019
<i>Cash Flow from Operating Activities</i>		
Profit before tax	-255 569	-97 378
- Taxes paid	0	0
-/+ Change in accounts receivable	2 587 349	11 047 679
+/- Change in accounts payable	-3 423 192	2 273 101
+/- Change in pension liabilities	-5 917 139	294 052
+/- Change in other accruals, prepaid expenses	11 257 878	-25 191 713
= Net cash flow from operating activities	<u>4 249 327</u>	<u>-11 674 259</u>
<i>Cash Flow from Investing Activities</i>		
= Net cash flow from investments activities	<u>0</u>	<u>0</u>
<i>Cash Flow from Financing Activities</i>		
- Net received group contribution	0	0
= Net cash flow from financing activities	<u>0</u>	<u>0</u>
= <i>Net change in cash and cash equivalents</i>	<u>4 249 327</u>	<u>-11 674 259</u>
+ <i>Cash Reserve 01.01</i>	<u>9 214 779</u>	<u>20 889 038</u>
= <i>Cash Reserve 31.12</i>	<u>13 464 106</u>	<u>9 214 779</u>



Notes to the financial statements 2020

Island Offshore Crewing AS

NOTE 1 ACCOUNTING PRINCIPLES

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

Revenue recognition

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

Classification and valuation of balance sheet items

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

Current assets are valued at the lower of acquisition cost and market value. Fixed assets are capitalized and depreciated over the expected economic life of the asset if the expected lifetime exceeds 3 years and the acquisition cost exceeds NOK 15.000. Maintenance of assets is expenses as other operating expenses.

Receivables

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

Pensions

Pension costs and liabilities are estimated linearly based upon assumptions regarding discount rate, future payroll adjustment, pensions and contributions from National Insurance schemes, expected return on pension assets, in addition to actuarial assumptions regarding mortality rates, voluntarily retirement etc. Changes in the pension liability as a result of changes in assumptions and estimates are expensed systematically over the remaining earning period. Social security tax is accrued in accordance with changes in the pension liability.

Taxes

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

Currency

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

Cash and bank deposits

Cash and bank deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. The Company presents its cash flows using the indirect method.

**Notes to the financial statements 2020**

Island Offshore Crewing AS

NOTE 2 BUSINESS DESCRIPTION

The Company provides crewing services including hire out of maritime personnel to mobile offshore units in the Island Offshore Group. Revenue is related to hire out of crew to mobile offshore units to Island Offshore vessels trading in Norway and UK.

NOTE 3 PAYROLL, EMPLOYEES

Payroll cost	2020	2019
Salaries	150 526 168	185 515 539
Social security tax	24 275 667	31 785 747
Pension costs	17 154 934	29 069 467
Other / travel / benefits/ courses	2 965 316	7 970 911
Total	194 922 085	254 341 664
Average number of employees	104	157
Auditor		
Specification of remuneration:		
Audit fee	25 000	13 300
Other services	625	333
Audit fees expensed	25 625	13 633
Secured deposits		
Payroll tax withheld	9 643 658	8 288 096

Remuneration has not been paid to the Managing Director or the Board of Directors in 2020.

NOTE 4 PENSIONS

The company's pension plan included 141 employees in 2019. The plan gave the employees a right to a defined future pension benefit. The collective pension plan was financed by funds deposited to an insurance company.

In 2020, the tariff parties decided to terminate the collective pension plan and introduce pension contribution scheme for all employees financed by the operation of the Company. In addition, introduction for mandatory early retirement pension scheme (AFP). In accordance with Norwegian law, the Company is obliged to offer a pension scheme and this scheme satisfies the requirements in the law. The pension plans offered complies with laws and regulations hereto applicable tariffs.

As a consequence of the discontinuation of the collective pension plan, the pension liability NOK 5.9 mill recorded as per 31.12.19 is reversed in the balance sheet.

**Notes to the financial statements 2020**

Island Offshore Crewing AS

Summary of pension costs in 2019:

	TOTAL
NOK	2019
Accrued annual pension cost	7 886 159
Interest expense pension liability	2 678 739
Administration expenses	862 229
Return on pension assets	-4 097 036
Expensed calculated loss/gain	0
Gain-/loss+ on pension calculations	36 474
Transition to defined contribution pension scheme	0
Social security tax	1 033 543
Net pension cost	8 400 108

Economical assumptions: 2019

Discount rate	2,30 %
Expected return on pension assets	4,20 %
Expected annual salary increase	2,25 %
Annual G-regulation	2,00 %
Annual adjustment of pension paid out	0,50 %

Pension liability 2019

Accrued pension liability	78 519 365
Pension assets at market value	69 583 073
Net pension liability excluding social security tax	-8 936 292
Social security tax	-1 260 017
Accruals	-3 749 999
Net pension liability including social security tax	-13 946 308
Calculated actuarial loss not expensed	7 036 958
Estimate deviation social security costs	992 211
Book value net pension liability including social security tax	-5 917 139

The economic assumptions are based on general assumptions used within insurance related as regards to demographical factors.

NOTE 5 RELATED PARTIES

	2020	2019
Accounts receivable	14 029 182	16 616 531
Other short term receivables	161 267	4 257 267

Accounts receivable are mainly crew costs charged to related companies Island Offshore Shipholding LP, Island Offshore III KS and Island Offshore Subsea UK Limited.
Other short term receivables are towards the parent company IOM AS.

**Notes to the financial statements 2020**

Island Offshore Crewing AS

	<u>2020</u>	<u>2019</u>
Sales income: Crew hire	195 492 811	255 091 905

Crew expenses are mainly recharged to related companies Island Offshore Shipholding LP and Island Offshore III K.S. Reduction from 2019 is mainly due to employees working with RLWI were transferred to a subsidiary of TIOS AS, in addition to 50 employees received notice of resignation in October 2019 following end of contract for one the MOUs operating on the Norwegian Continental Shelf (NCS).

NOTE 6 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 has been calculated on the basis of the following temporary differences:

	<u>2020</u>	<u>2019</u>
Pensions	-	-5 917 139
Total temporary differences	-	-5 917 139
Tax loss carried forward	-10 909 142	-4 736 434
Total temporary differences and NOL	<u>-10 909 142</u>	<u>-10 653 573</u>
Deferred tax +/- asset/liability	-2 400 010	-2 343 785
Deferred tax asset/liability per financial statements	<u>-2 400 010</u>	<u>-2 343 785</u>
Tax rate	<u>22 %</u>	<u>22 %</u>

A specification of the differences between accounting profit before tax and taxable profit is presented below:



Notes to the financial statements 2020

Island Offshore Crewing AS

	2020	2019
Net result before taxes	-255 569	-97 378
<i>Change in temporary differences</i>		
Pension	-5 917 139	294 052
Use of deferred tax losses	-	-196 674
Annual tax basis	-6 172 708	-
Payable Tax basis	-6 172 708	-
Payable Tax in Balance Sheet	-	-
Payable tax rate	22 %	22 %
Specification of tax expense in Profit and Loss Accounts		
	2020	2019
Taxes payable	-	-
Change in deferred tax	-56 225	-21 423
This years tax expense	-56 225	-21 423

NOTE 7 EQUITY

	Share capital	Share premium account	Other paid in equity	Total
Equity 1.1.	100 000	3 000	1 472 848	1 575 848
<i>Change in equity:</i>				
This year's net result			-199 344	-199 344
Equity 31.12.	100 000	3 000	1 273 504	1 376 504

NOTE 8 SHARE CAPITAL AND OWNERSHIP

The share capital of NOK 100 000 comprises 1 000 shares at NOK 100.

Ownership

Shareholders at 31.12. :

Shareholder	Shares	Ownership
Island Offshore Management AS	1000	100 %
Total	1 000	100 %

The Company is included in the consolidated financial statements for Island Offshore Management AS, org nr. 984 285 310, address Stålhaugen 12, 6065 Ulsteinvik.



Notes to the financial statements 2020

Island Offshore Crewing AS

NOTE 9 GOING CONCERN

The Company does not have external loans, however is dependent on the financial development of the Parent company and its main customers.

Due to the continued state of the market and the implications for earnings and cash flow, the major customer of the Parent company, the Island Offshore Group, is negotiating with stakeholders for agreements effective post 2020. The objective is to conclude the process as soon as possible, but additional time is required due to the complexity of the restructuring. The discussions are constructive and progressing; however, no assurances can be given as to when a conclusion is attainable involving all companies and stakeholders. The Island Offshore Group is in a challenging financial position, and the viability of the Island Offshore Group will require a long-term agreement with secured and unsecured creditors to strengthen the financial situation.

Further, market state in 2020 has been significantly impaired by the COVID-19 pandemic and the immediate effect on market activity and cost of operations. The assessment is that the Island Offshore Group 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 on the basis of a going concern assumption. The basis for this assumption is the financial position of the Company at 31.12.2020, and the condition that a new restructuring agreement for the Island Offshore Group is agreed and made effective with secured and unsecured lenders.

NOTE 10 COVID-19

The COVID-19 pandemic is causing operational disruptions to vessel activity and increases the overall risk of activity deferrals and cancellations. Accordingly, the demand for vessels has also declined across markets and there is increased risk of negative future financial implications for the Company.

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



Statsautoriserte revisorer
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www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Offshore Crewing AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Island Offshore Crewing AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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.

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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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.



Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 13 July 2021
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The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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Jørn Knutsen

Statsautorisert revisor

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