



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 887 254 982  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE X AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
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: 30.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 23.07.2024



## Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Sum kostnader		0	0
<b>Driftsresultat</b>		0	0
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		-85	
Sum finansinntekter		-85	0
Sum finanskostnader		0	0
<b>Netto finans</b>		-85	0
<b>Ordinært resultat før skattekostnad</b>		-85	0
<b>Ordinært resultat etter skattekostnad</b>		-85	0
<b>Årsresultat</b>		-85	0
<b>Overføringer og disponeringer</b>			
Udekket tap		-85	
Sum overføringer og disponeringer	7	-85	



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Sum immaterielle eiendeler		0	0
<b>Varige driftsmidler</b>			
Sum varige driftsmidler		0	0
<b>Finansielle anleggsmidler</b>			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		0	0
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Fordringer</b>			
Sum fordringer		0	0
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		5 024	4 429
Sum bankinnskudd, kontanter og lignende		5 024	4 429
Sum omløpsmidler		5 024	4 429
<b>SUM EIENDELER</b>		<b>5 024</b>	<b>4 429</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

#### Innskutt egenkapital



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Selskapskapital	8	26 772 320	26 772 320
Annen innskutt egenkapital		0	0
<b>Sum innskutt egenkapital</b>		<b>26 772 320</b>	<b>26 772 320</b>
<b>Opptjent egenkapital</b>			
Fond		10 346 032	10 346 032
Annen egenkapital		-37 401 254	-37 401 169
<b>Sum opptjent egenkapital</b>		<b>-27 055 222</b>	<b>-27 055 137</b>
<b>Sum egenkapital</b>	7	<b>-282 902</b>	<b>-282 817</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Sum avsetninger for forpliktelser		0	0
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	6	282 902	282 902
<b>Sum annen langsiktig gjeld</b>		<b>282 902</b>	<b>282 902</b>
<b>Sum langsiktig gjeld</b>		<b>282 902</b>	<b>282 902</b>
<b>Kortsiktig gjeld</b>			
Annen kortsiktig gjeld		5 024	4 344
<b>Sum kortsiktig gjeld</b>		<b>5 024</b>	<b>4 344</b>
<b>Sum gjeld</b>		<b>287 926</b>	<b>287 246</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>5 024</b>	<b>4 429</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 720323

#### Enheten

Organisasjonsnummer: 887 254 982  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE X AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

#### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

Regler for små foretak benyttet: Ja  
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: 30.06.2023

#### 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

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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

Brønnøysundregistrene, 30.08.2023



Organisasjonsnr: 887 254 982  
ISLAND OFFSHORE X AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
Inntekter			
Sum inntekter		0	0
Kostnader			
Sum kostnader		0	0
Driftsresultat		0	0
Finansinntekter og finanskostnader			
Annen renteinntekt		-85	
Sum finansinntekter		-85	0
Sum finanskostnader		0	0
Netto finans		-85	0
Ordinært resultat før skattekostnad		-85	0
Ordinært resultat etter skattekostnad		-85	0
Årsresultat		-85	0
Overføringer og disponeringer			
Udekket tap		-85	
Sum overføringer og disponeringer	7	-85	



Organisasjonsnr: 887 254 982  
ISLAND OFFSHORE X AS

## BALANSE

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
<b>Varige driftsmidler</b>			
Sum varige driftsmidler		0	0
<b>Finansielle anleggsmidler</b>			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		0	0
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Fordringer</b>			
Sum fordringer		0	0
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		5 024	4 429
Sum bankinnskudd, kontanter og lignende		5 024	4 429
Sum omløpsmidler		5 024	4 429
<b>SUM EIENDELER</b>		<b>5 024</b>	<b>4 429</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	26 772 320	26 772 320
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		26 772 320	26 772 320
<b>Opptjent egenkapital</b>			
Fond		10 346 032	10 346 032
Annen egenkapital		-37 401 254	-37 401 169
Sum opptjent egenkapital		-27 055 222	-27 055 137



Sum egenkapital	7	-282 902	-282 817
<b>Gjeld</b>			
Langsiktig gjeld			
Sum avsetninger for forpliktelse		0	0
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	6	282 902	282 902
Sum annen langsiktig gjeld		282 902	282 902
<b>Sum langsiktig gjeld</b>		<b>282 902</b>	<b>282 902</b>
<b>Kortsiktig gjeld</b>			
Annen kortsiktig gjeld		5 024	4 344
Sum kortsiktig gjeld		5 024	4 344
<b>Sum gjeld</b>		<b>287 926</b>	<b>287 246</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>5 024</b>	<b>4 429</b>



Organisasjonsnr: 887 254 982  
ISLAND OFFSHORE X AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**  
2

#### Regnskapsprinsipper

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) 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 installment on secured debt which is serviced by the cash flow from fixed assets. Presentation of subsidiaries and associated companies Associated companies are accounted for by the equity method. Valuation of current assets Receivables are recorded net of expected future losses. 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. 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.

**Note**  
2

Er det usikkerhet om fortsatt drift?: Nei

**Note**

Antall årsverk i regnskapsåret  
0.00

**Note**  
3

#### Spesifisering av resultatregnskapet

#### Lønnskostnader

Sum Beløp





**Note**

3

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



**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

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60

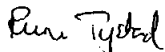


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Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene har klar overvekt av utenlandske eierinteresser og for øvrig en begrenset 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

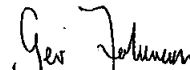


Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

  
Geir Johannessen



**Financial Statements  
2022**

**Island Offshore X AS**



**ISLAND OFFSHORE**



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**Income statement**

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**Island Offshore X AS**

	Note	2022	2021
Interest income		-85	0
<b>Total financial income &amp; expenses</b>		<b>-85</b>	<b>0</b>
<b>Ordinary result before tax</b>		<b>-85</b>	<b>0</b>
<b>Net profit for the year</b>		<b>-85</b>	<b>0</b>
<b>Allocated as follows</b>			
Transfer to uncovered loss		-85	0
<b>Total transfers</b>	<b>7</b>	<b>-85</b>	<b>0</b>



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**Balance sheet**

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**Island Offshore X AS**

	Note	2022	2021
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
<b>Current assets</b>			
<b>Cash and bank deposits</b>		5 024	4 429
<b>Total current assets</b>		5 024	4 429
<b>Total assets</b>		5 024	4 429

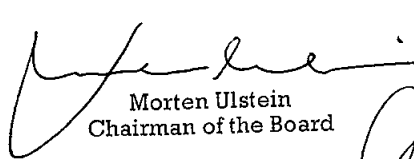


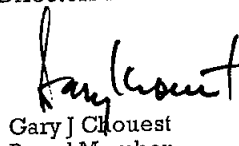
**Balance sheet**


**Island Offshore X AS**


	Note	2022	2021
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	26 772 320	26 772 320
<b>Total paid in equity</b>		<b>26 772 320</b>	<b>26 772 320</b>
<b>Retained earnings</b>			
Reserve for valuation variances		10 346 032	10 346 032
Other equity		-37 401 254	-37 401 169
<b>Total retained earnings</b>		<b>-27 055 222</b>	<b>-27 055 138</b>
<b>Total equity</b>	7	<b>-282 902</b>	<b>-282 818</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
Other long term debt	6	282 902	282 902
<b>Other longterm debt</b>		<b>282 902</b>	<b>282 902</b>
<b>Current liabilities</b>			
Other short term liabilities		5 024	4 344
<b>Total current liabilities</b>		<b>5 024</b>	<b>4 344</b>
<b>Total liabilities</b>		<b>287 927</b>	<b>287 247</b>
<b>Total equity and liabilities</b>		<b>5 024</b>	<b>4 429</b>

Ulsteinvik, 31.12.2022 / 08.06.2023  
The Board of Directors Island Offshore X AS

  
Morten Ulstein  
Chairman of the Board

  
Gary J Chouest  
Board Member

  
Dino David Chouest  
Board Member

  
Henning Sundet  
Managing Director

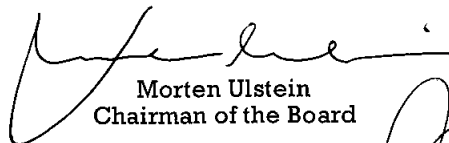


**Balance sheet**

**Island Offshore X AS**

	Note	2022	2021
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	26 772 320	26 772 320
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<b>Total equity and liabilities</b>		<b>5 024</b>	<b>4 429</b>

Ulsteinvik, 31.12.2022 / 08.06.2023  
The Board of Directors Island Offshore X AS

  
Morten Ulstein  
Chairman of the Board

Gary J Chouest  
Board Member

Dino David Chouest  
Board Member

  
Håvard Ulstein  
Board Member

  
Henning Sundet  
Managing Director

Island Offshore X AS Org.nr. 887254982



## Notes to the financial statements 2022

### Island Offshore X AS

#### NOTE 1 GENERAL

The company is the general partner with 11,54% ownership in Island Offshore X KS. The participation in the partnership is accounted for by the equity method.

Island Offshore X AS is included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Island Offshore Shipping AS. P.O. Box 370, N-6067 Ulsteinvik.

#### NOTE 2 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) 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 installment on secured debt which is serviced by the cash flow from fixed assets.

##### Presentation of subsidiaries and associated companies

Associated companies are accounted for by the equity method.

##### Valuation of current assets

Receivables are recorded net of expected future losses.

##### 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.

##### 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.

#### NOTE 3 PAYROLL COST, EMPLOYEES

The company has no employees and the Board of Directors have not received any compensation.

##### Auditor

Audit fees are covered by the partnership in accordance with the Partnership Agreement.



## Notes to the financial statements 2022

### Island Offshore X AS

#### NOTE 4 INVESTMENTS

	<u>Island Offshore X KS</u>
Registered capital	51 674 130
Unpaid capital	-
Ownership	<u>11,54 %</u>
Share of fixed assets	5 646 409
Share of current assets	<u>5 817 441</u>
Share of total assets	11 463 850
Share of liabilities	<u>67 629 527</u>
Share of book value of equity	<u>-56 165 677</u>
Share of net result	<u>-1 427 211</u>
Share of net tax result	<u>-8 162 326</u>

As the general partner of Island Offshore X KS, the Company is responsible for the partnership's total liabilities of NOK 586.044.428 at 31.12.2022. Total liabilities in 2021 were NOK 850.948.881. The Partnership Island Offshore X KS sold the W2W vessel in December 2022 and the sale proceeds were used to settle vessel mortgage loans.

In addition, a portion of remaining vessel mortgage loan including accrued interests have been forgiven by the secured lenders with a total of NOK 55.1 mill of which general partner share is NOK 6.3 mill.

Due to net loss of the partnership's equity, the value of shares are written down to zero, thus further negative value is not recorded in the balance sheet according to Norwegian Accounting principles.

#### NOTE 5 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.

Temporary differences that reverse or may be reversed are offset and presented net.

Specification of temporary differences:

	<u>2022</u>	<u>2021</u>
Temporary difference, share of partnership	4 694 959	9 219 416
Permanent differences	-	-
Deferred tax loss carried forward	<u>-89 836 450</u>	<u>-88 017 431</u>
Sum temporary differences	<u><u>-85 141 491</u></u>	<u><u>-78 798 015</u></u>
Deferred tax asset	<u>-18 731 128</u>	<u>-17 335 563</u>
Tax rate	<u>22 %</u>	<u>22 %</u>



## Notes to the financial statements 2022

### Island Offshore X AS

A specification of the difference between net result before tax and the tax basis is presented below.

	<u>2022</u>	<u>2021</u>
Net result before tax	-85	0
Share of net tax result from partnership	-8 162 326	-21 364 275
Share of debt forgiveness in Partnership reduces deferred tax losses	6 343 392	25 658 173
Use of deferred tax losses	<u>0</u>	<u>-4 293 898</u>
Increase deferred tax loss	<u><u>-1 819 019</u></u>	<u><u>0</u></u>

As it will take some time for the Company 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 Company as per 31.12.22 and 31.12.21.

#### NOTE 6 RELATED PARTIES

	<u>2022</u>	<u>2021</u>
Long term payable to Island Offshore X KS	<u>282 902</u>	<u>282 902</u>
Total Intra Group Liabilities	<u><u>282 902</u></u>	<u><u>282 902</u></u>

#### NOTE 7 EQUITY

	Share capital	Reserve for valuation variances	Other equity	Sum
Equity 1.1	26 772 320	10 346 032	-37 401 169	-282 818
Net result	-	-	-85	-85
<b>Equity 31.12.</b>	<u><u>26 772 320</u></u>	<u><u>10 346 032</u></u>	<u><u>-37 401 254</u></u>	<u><u>-282 902</u></u>



## Notes to the financial statements 2022

### Island Offshore X AS

#### NOTE 8 SHARE CAPITAL AND OWNERSHIP

The share capital comprises 26.772.320 shares at face value NOK 1,0.

##### Ownership

Shareholders. 31.12. :

<u>Shareholders</u>	<u>Shares</u>	<u>Ownership</u>
Island Offshore Shipholding LP	26 772 320	100,0 %
<b>Total shares</b>	<b>26 772 320</b>	<b>100,0 %</b>

#### NOTE 9 GOING CONCERN

The Company is dependent on the financial and operational outcome of the Partnership Island Offshore X KS and the ultimate owner company Island Offshore Shipholding, L.P.

The Island Offshore Shipholding Group concluded a restructuring agreement with secured and unsecured lenders effective April 12th, 2018. The senior secured lenders agreed to extend their loans until the end of 2020 at amended terms, whilst the unsecured lenders agreed to extend until 30.06.2021. Due to the immediate worsening of the market conditions and limited visibility in terms of recovery at the time, the Group and the Partnership Island Offshore X KS announced a unilateral standstill to halt scheduled instalment payments to secured lenders in May 2020. Island Offshore serviced its debt according to the restructuring agreement until May 2020.

Since May 2020, agreement has been reached with the senior secured lenders financing the majority of the Group's ship-owning companies' vessels, whilst negotiations for an extension is still ongoing, and progressing, with the senior lenders to the Partnership. It is expected that an agreement with the lenders will be reached. Although the discussions are constructive and progressing, no assurances can be given as to when a conclusion will be in place for the Partnership. However, the senior lenders to the Partnership have accepted, and signed, the re-stated and amended subordination agreement with the senior lenders to the parent company in the Island Offshore Shipholding Group. Since formal agreement is not in place at the time of approval of the financial statements, there is uncertainty with regards to the going concern assumption.

On a separate note, the Partnership owns one PSV which is due to be sold during the summer of 2023 according to a purchase obligation under the lease agreement with an external customer. Following the sale of the vessel, there will be no activity in the Partnership, and thus the Partnership will have very limited resources to service its remaining debt.

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 31.12.2022, and the condition that a new restructuring agreement will be agreed and made effective with secured and unsecured lenders well ahead of the maturity date 31.12.23.



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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Offshore X AS

### Opinion

We have audited the financial statements of Island Offshore X AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 9 of the financial statements, which describes that the Company is dependent on an agreement with its creditors for an acceptable and sustainable restructuring to continue as going concern. These events or conditions, along with other matters as set forth in note 9, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of management for the financial statements

Management (the board of directors and the general manager) 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.

### 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.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Bergen, 15 June 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Offshore X AS 2022

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### Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

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