



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 992 611 588  
Organisasjonsform: Kommandittselskap  
Foretaksnavn: ISLAND PIONEER KS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### 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: 11.07.2021

### 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, 29.07.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annen driftskostnad	3	25 004	48 222
Sum kostnader	3	25 004	48 223
<b>Driftsresultat</b>		<b>-25 004</b>	<b>-48 223</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	2	41	219
Sum finansinntekter		0	0
Annen finanskostnad	2	9	44
Sum finanskostnader		0	0
<b>Netto finans</b>		<b>33</b>	<b>175</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-24 971</b>	<b>-48 048</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>	7	<b>-24 971</b>	<b>-48 048</b>
<b>Totalresultat</b>		<b>-24 971</b>	<b>-48 048</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-24 971	-48 048
Sum overføringer og disponeringer	7	-24 971	-48 048



## Balanse

Beløp i: NOK	Note	2020	2019
<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>			
Andre fordringer	5	126 599 175	126 602 378
Sum fordringer		126 599 175	126 602 378
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		12 125	15 947
Sum bankinnskudd, kontanter og lignende		12 125	15 947
Sum omløpsmidler		126 611 300	126 618 325
<b>SUM EIENDELER</b>		<b>126 611 300</b>	<b>126 618 325</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Innskutt egenkapital</b>			
Selskapskapital	8	100 000 000	100 000 000
Annen innskutt egenkapital		0	0
<b>Sum innskutt egenkapital</b>		<b>100 000 000</b>	<b>100 000 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		7 084 996	7 109 968
<b>Sum opptjent egenkapital</b>		<b>7 084 996</b>	<b>7 109 968</b>
<b>Sum egenkapital</b>	7	<b>107 084 996</b>	<b>107 109 968</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
<b>Sum annen langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		24 472	16 016
Annen kortsiktig gjeld		19 501 831	19 492 341
<b>Sum kortsiktig gjeld</b>	5	<b>19 526 304</b>	<b>19 508 358</b>
<b>Sum gjeld</b>		<b>19 526 304</b>	<b>19 508 358</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>126 611 300</b>	<b>126 618 325</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 764900

#### Enheten

Organisasjonsnummer: 992 611 588  
Organisasjonsform: Kommandittselskap  
Foretaksnavn: ISLAND PIONEER KS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

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#### 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: 11.07.2021

#### Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

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Brønnøysundregistrene, 02.10.2021



Organisasjonsnr: 992 611 588  
ISLAND PIONEER KS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annen driftskostnad	3	25 004	48 222
Sum kostnader	3	25 004	48 223
<b>Driftsresultat</b>		<b>-25 004</b>	<b>-48 223</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	2	41	219
Sum finansinntekter		0	0
Annen finanskostnad	2	9	44
Sum finanskostnader		0	0
<b>Netto finans</b>		<b>33</b>	<b>175</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-24 971</b>	<b>-48 048</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>	7	<b>-24 971</b>	<b>-48 048</b>
<b>Totalresultat</b>		<b>-24 971</b>	<b>-48 048</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-24 971	-48 048
Sum overføringer og disponeringer	7	-24 971	-48 048



Organisasjonsnr: 992 611 588  
ISLAND PIONEER KS

## BALANSE

Beløp i: NOK	Note	2020	2019
<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>			
Andre fordringer	5	126 599 175	126 602 378
Sum fordringer		126 599 175	126 602 378
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		12 125	15 947
Sum bankinnskudd, kontanter og lignende		12 125	15 947
Sum omløpsmidler		126 611 300	126 618 325
<b>SUM EIENDELER</b>		<b>126 611 300</b>	<b>126 618 325</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	100 000 000	100 000 000
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		100 000 000	100 000 000
<b>Opptjent egenkapital</b>			
Annen egenkapital		7 084 996	7 109 968
Sum opptjent egenkapital		7 084 996	7 109 968



Sum egenkapital	7	107 084 996	107 109 968
<b>Gjeld</b>			
Langsiktig gjeld			
Sum avsetninger for forpliktelse		0	0
Annen langsiktig gjeld		0	0
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		24 472	16 016
Annen kortsiktig gjeld		19 501 831	19 492 341
Sum kortsiktig gjeld	5	19 526 304	19 508 358
Sum gjeld		19 526 304	19 508 358
<b>SUM EGENKAPITAL OG GJELD</b>		<b>126 611 300</b>	<b>126 618 325</b>



Organisasjonsnr: 992 611 588  
ISLAND PIONEER KS

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 for small businesses (NRS 8) 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, 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. 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. 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

**Note**  
1

Er det usikkerhet om fortsatt drift?: Nei

**Note**  
8

#### Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære			

**Note**  
3

#### Lønn og ytelser

**Note**  
3

#### Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

#### Ytelser til daglig leder





**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



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  
31.12.20**

**Island Pioneer KS**



**ISLAND OFFSHORE**



## Income Statement

### Island Pioneer KS

	Note	2020	2019
Other operating expenses	3	25 004	48 223
<b>Operating expenses</b>	<b>3</b>	<b>25 004</b>	<b>48 223</b>
<b>Operating profit</b>		<b>-25 004</b>	<b>-48 223</b>
Other financial income	2	41	219
Other financial expenses	2	9	44
<b>Net financial income and expenses</b>		<b>33</b>	<b>175</b>
<b>Ordinary result before tax</b>		<b>-24 971</b>	<b>-48 048</b>
<b>Annual net profit</b>	<b>7</b>	<b>-24 971</b>	<b>-48 048</b>
Distributed to other equity		-24 971	-48 048
<b>Net distributed</b>	<b>7</b>	<b>-24 971</b>	<b>-48 048</b>



## Balance sheet

### Island Pioneer KS

	Note	2020	2019
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Tangible fixed assets</b>			
Capitalized maintenance		0	0
<b>Total tangible assets</b>		<b>0</b>	<b>0</b>
<b>Total fixed assets</b>		<b>0</b>	<b>0</b>
<b>Current assets</b>			
<b>Debtors</b>			
Other receivables	5	126 599 175	126 602 378
<b>Total debtors</b>		<b>126 599 175</b>	<b>126 602 378</b>
<b>Investments</b>			
Cash and bank deposits		12 125	15 947
<b>Total current assets</b>		<b>126 611 300</b>	<b>126 618 325</b>
<b>Total assets</b>		<b>126 611 300</b>	<b>126 618 325</b>



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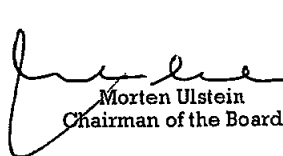
**Balance sheet**

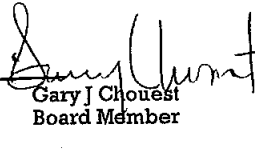
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**Island Pioneer KS**

	Note	2020	2019
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Paid in capital	8	100 000 000	100 000 000
<b>Total paid in equity</b>		<b>100 000 000</b>	<b>100 000 000</b>
Other equity		7 084 898	7 109 868
<b>Total retained earnings</b>		<b>7 084 898</b>	<b>7 109 868</b>
<b>Total equity</b>	7	<b>107 084 898</b>	<b>107 109 868</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade creditors		24 473	16 018
Other short term liabilities		19 501 831	19 492 341
<b>Total current liabilities</b>	5	<b>19 526 304</b>	<b>19 508 358</b>
<b>Total liabilities</b>		<b>19 526 304</b>	<b>19 508 358</b>
<b>Total equity and liabilities</b>		<b>126 611 300</b>	<b>126 618 325</b>

Ulsteinvik, 31.12.2020 / 29.04.2021  
Board of Directors, Island Pioneer KS

  
Morten Ulstein  
Chairman of the Board

  
Gary J Chouet  
Board Member

  
Håvard Ulstein  
Board Member



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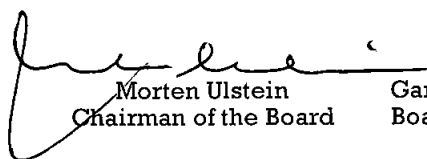
**Balance sheet**

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**Island Pioneer KS**

	Note	2020	2019
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Paid in capital	8	100 000 000	100 000 000
<b>Total paid in equity</b>		<b>100 000 000</b>	<b>100 000 000</b>
Other equity		7 084 996	7 109 968
<b>Total retained earnings</b>		<b>7 084 996</b>	<b>7 109 968</b>
<b>Total equity</b>	7	<b>107 084 996</b>	<b>107 109 968</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade creditors		24 473	16 016
Other short term liabilities		19 501 831	19 492 341
<b>Total current liabilities</b>	5	<b>19 526 304</b>	<b>19 508 358</b>
<b>Total liabilities</b>		<b>19 526 304</b>	<b>19 508 358</b>
<b>Total equity and liabilities</b>		<b>126 611 300</b>	<b>126 618 325</b>

Ulsteinvik, 31.12.2020 / 29.04.2021  
Board of Directors, Island Pioneer KS

  
Morten Ulstein  
Chairman of the Board

Gary J Chouest  
Board Member

  
Håvard Ulstein  
Board Member



## Notes to the financial statements 2020

### Island Pioneer KS

#### NOTE 1 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.

##### 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.

##### 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.

#### NOTE 2 SPECIFICATIONS

	<u>2020</u>	<u>2019</u>
Interest income, bank	41	219
<b>Total other financial income</b>	<b><u>41</u></b>	<b><u>219</u></b>

	<u>2020</u>	<u>2019</u>
Foreign exchange loss		-
Other financial expenses	9	44
<b>Total other financial expenses</b>	<b><u>9</u></b>	<b><u>44</u></b>



## Notes to the financial statements 2020

### Island Pioneer KS

#### NOTE 3 PAYROLL, EMPLOYEES

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

#### Auditor

Audit fee has been expensed with NOK 24.703 in 2020 (excluding VAT):

The fee also includes work done for the general partner Island Pioneer AS.

#### NOTE 4 FIXED ASSETS

Vessel Island Pioneer was sold 15.01.14 to Blue Pioneer Pte. LTD a subsidiary of Ocean Mexicana SA de CV.

#### NOTE 5 RELATED PARTIES

Transactions with related parties:

	2020	2019
Receivables	126 599 175	126 596 366
Short term liabilities	(19 501 831)	(19 492 341)

Loan agreements with interests terms in accordance with arms-length principle have been established for receivables and liabilities with the Company's ultimate owners Island Offshore Shipholding, L.P., Ocean Mexicana S.A. de C.V. and Pioneer AS. The intercompany loans arose from the time the vessel Island Pioneer was sold to Blue Pioneer Pte. LTD.

From 2018, interest receivable and interest payable has not been charged to the owners considering the dormant situation of the Company with no other assets than the loans. The intention for the loan structure is that future repayment of paid in capital to owners should be sufficient to cover the outstanding amount from the owners.

**Notes to the financial statements 2020**

## Island Pioneer KS

**NOTE 6 TAXES**

Deferred tax/tax asset is calculated based upon the temporary differences between accounting and tax values at the end of the accounting year.

Deferred tax/tax asset has been calculated as follows:

	2020	2019
Gain and Loss Account	67 778 692	84 723 365
<b>Total temporary differences</b>	<b>67 778 692</b>	<b>84 723 365</b>
Deferred tax	14 911 312	18 639 140
Tax rate	22 %	22 %

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

Specification of difference between accounting result before tax and tax basis:

	2020	2019
Profit before tax	-24 971	-48 048
Change in temporary differences	16 944 673	21 180 841
<i>Permanent differences:</i>		
Non-deductible expenses	-	-
<b>Tax basis</b>	<b>16 919 702</b>	<b>21 132 793</b>

**NOTE 7 EQUITY**

	2020	2019
Tied up capital	70 000 000	70 000 000
Free capital	105 000 000	105 000 000
<b>Total registered capital</b>	<b>175 000 000</b>	<b>175 000 000</b>
Uncalled capital	-75 000 000	-75 000 000
<b>Paid-in capital</b>	<b>100 000 000</b>	<b>100 000 000</b>
Retained earnings 1.1	7 109 969	7 158 017
This year's result	-24 971	-48 048
<b>Retained earnings 31.12</b>	<b>7 084 997</b>	<b>7 109 969</b>
<b>Total equity 31.12</b>	<b>107 084 996</b>	<b>107 109 968</b>

**Notes to the financial statements 2020**

## Island Pioneer KS

**NOTE 8 OWNERSHIP**

Owners at 31.12. :

<b>Participants</b>	<b>Share %</b>	<b>Share of registered capital</b>	<b>Share of paid-in capital</b>
<i>General partner:</i>			
Island Pioneer AS	10,00 %	17 500 000	10 000 000
<i>Participants:</i>			
Island Offshore Shipholding LP	63,00 %	110 250 000	63 000 000
Ocean Mexicana S.A. de C.V.	27,00 %	47 250 000	27 000 000
<b>TOTAL</b>	<b>100,00 %</b>	<b>175 000 000</b>	<b>100 000 000</b>

Ref AA §7-36. Island Pioneer KS is included in the consolidated financial statements for Island Offshore Shipholding LP.

**NOTE 9 GOING CONCERN**

The Company is dormant and have no assets nor liabilities except the intercompany loans. The Company is dependent on the partner Island Offshore Shipholding L.P. to fund its expenses.

Island Offshore Shipholding, L.P., initiated negotiations for a Standstill and Deferral Agreement with secured creditors effective 22.11.2016. Effective April 12th 2018, the refinancing was closed and effective with all parties. The term of the restructuring agreement is until end of 2020 and includes modified amortization schedules for each vessel, in addition to lifting of certain financial covenants. Negotiations with stakeholders for agreements effective post 2020 has been conducted throughout 2020 and continues in 2021. 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 IOSH Group is in a challenging financial position, and the viability of the IOSH 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 is agreed and made effective with secured and unsecured lenders before or short after 29.4.2021.

Due to the COVID-19 pandemic and outcome of the financial restructuring process, there is uncertainty for the Company to continue as a going concern over the next 12 months.



## Notes to the financial statements 2020

Island Pioneer KS

### 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 OSV vessels has also declined across markets and there is increased risk of negative future financial implications for the Company. This could impact the long-term market outlook and future assessments of recoverable amounts of Island Offshore Group's assets.

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  
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen  
Postboks 6163, NO-5892 Bergen

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

Fax:  
www.ey.no  
Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Partnership Meeting of Island Pioneer KS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Island Pioneer KS, which comprise the balance sheet as at 31 December 2020, 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 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 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.

#### Material uncertainty related to going concern

We draw attention to note 9 and note 10 in 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 and note 10, 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.

The financial statements do not reflect impairment charges or provisions that might be required if the Company was liquidated or the assets sold in a distressed situation

#### Responsibilities of management for the financial statements

The Board of Directors (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.

#### 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 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, 3 May 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Pioneer KS  
A member firm of Ernst & Young Global Limited

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## Jørn Knutsen

Statsautorisert revisor

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