



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 987 845 325  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE XI AS  
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: 11.06.2021

### 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, 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			300
Sum kostnader		0	300
<b>Driftsresultat</b>		0	-300
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	4	-9 733 176	465 224
Annen renteinntekt		265 672	203 236
Annen finansinntekt		124	
Sum finansinntekter		-9 467 380	668 460
Annen rentekostnad		83	
Annen finanskostnad		126	
Sum finanskostnader		209	0
<b>Netto finans</b>		-9 467 589	668 460
<b>Ordinært resultat før skattekostnad</b>		-9 467 589	668 160
Skattekostnad på ordinært resultat	5	-747 478	146 984
<b>Ordinært resultat etter skattekostnad</b>		-8 720 111	521 176
<b>Årsresultat</b>	7	-8 720 111	521 176
<b>Totalresultat</b>		-8 720 111	521 176
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-8 720 111	521 176
Sum overføringer og disponeringer		-8 720 111	521 176



### 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>			
Lån til foretak i samme konsern	6	11 176 106	10 893 994
Investeringer i tilknyttet selskap	4	36 772 870	46 506 046
Sum finansielle anleggsmidler		47 948 976	57 400 040
Sum anleggsmidler		47 948 976	57 400 040
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Fordringer</b>			
Andre fordringer	6	186 681	203 143
Sum fordringer		186 681	203 143
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		93 405	93 510
Sum bankinnskudd, kontanter og lignende		93 405	93 510
Sum omløpsmidler		280 087	296 652
<b>SUM EIENDELER</b>		<b>48 229 062</b>	<b>57 696 692</b>

### BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	26 885 876	26 885 876
Overkurs		9 689 605	9 689 605
Annen innskutt egenkapital		0	0
<b>Sum innskutt egenkapital</b>		<b>36 575 481</b>	<b>36 575 481</b>
<b>Opptjent egenkapital</b>			
Fond		12 061 772	12 061 772
Annen egenkapital		-412 539	8 307 571
<b>Sum opptjent egenkapital</b>		<b>11 649 232</b>	<b>20 369 343</b>
<b>Sum egenkapital</b>	7	<b>48 224 713</b>	<b>56 944 824</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		747 478
<b>Sum avsetninger for forpliktelser</b>		<b>0</b>	<b>747 478</b>
<b>Annen langsiktig gjeld</b>			
<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>			
Annen kortsiktig gjeld		4 349	4 390
<b>Sum kortsiktig gjeld</b>		<b>4 349</b>	<b>4 390</b>
<b>Sum gjeld</b>		<b>4 349</b>	<b>751 868</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>48 229 062</b>	<b>57 696 692</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 765064

#### Enheten

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Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE XI AS  
Forretningsadresse: Stålhaugen 9  
6065 ULSTEINVIK

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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: 11.06.2021

#### Revisjon

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

#### Grunnlag for avgivelse

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: 987 845 325  
ISLAND OFFSHORE XI AS

## 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			300
Sum kostnader		0	300
<b>Driftsresultat</b>		0	-300
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	4	-9 733 176	465 224
Annen renteinntekt		265 672	203 236
Annen finansinntekt		124	
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<b>Totalresultat</b>		-8 720 111	521 176
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-8 720 111	521 176
Sum overføringer og disponeringer		-8 720 111	521 176



Organisasjonsnr: 987 845 325  
ISLAND OFFSHORE XI AS

## BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2020</u>	<u>2019</u>
<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>			
Lån til foretak i samme konsern	6	11 176 106	10 893 994
Investeringer i tilknyttet selskap	4	36 772 870	46 506 046
Sum finansielle anleggsmidler		47 948 976	57 400 040
Sum anleggsmidler		47 948 976	57 400 040
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Fordringer</b>			
Andre fordringer	6	186 681	203 143
Sum fordringer		186 681	203 143
<b>Investeringer</b>			
Sum investeringer		0	0
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		93 405	93 510
Sum bankinnskudd, kontanter og lignende		93 405	93 510
Sum omløpsmidler		280 087	296 652
<b>SUM EIENDELER</b>		<b>48 229 062</b>	<b>57 696 692</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	26 885 876	26 885 876
Overkurs		9 689 605	9 689 605
Annen innskutt egenkapital		0	0



<b>Sum innskutt egenkapital</b>		<b>36 575 481</b>	<b>36 575 481</b>
<b>Opptjent egenkapital</b>			
Fond		12 061 772	12 061 772
Annen egenkapital		-412 539	8 307 571
<b>Sum opptjent egenkapital</b>		<b>11 649 232</b>	<b>20 369 343</b>
<b>Sum egenkapital</b>	<b>7</b>	<b>48 224 713</b>	<b>56 944 824</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		747 478
<b>Sum avsetninger for forpliktelse</b>		<b>0</b>	<b>747 478</b>
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>			
Annen kortsiktig gjeld		4 349	4 390
<b>Sum kortsiktig gjeld</b>		<b>4 349</b>	<b>4 390</b>
<b>Sum gjeld</b>		<b>4 349</b>	<b>751 868</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>48 229 062</b>	<b>57 696 692</b>



Organisasjonsnr: 987 845 325  
ISLAND OFFSHORE XI 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. 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  
8

#### Antall aksjer og aksjeeiere

Aksjeklasse	Ant. aksjer	Pålydende	Bokført verdi
Ordinære	231143392.00	0.11	26885876.00

Aksjeeiere - fritekst	Antall	Eierandel	Aksjeklasse
Sneingen AS	45218496.00	19.56%	Ordinære
Island Offshore Invest AS	16715834.00	7.23%	Ordinære
Island Offshore Shipholding LP	146933214.00	63.57%	Ordinære

Sum	Sum antall	Sum eierandel
	208867544.00	90.36%



Note  
3

Lønn og ytelser

Note  
3

Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note  
3

Ytelser til andre ledende personer

Note  
3

Ytelser til revisjon

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

Note  
3

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

Note  
3

Obligatorisk tjenstepensjon

Er virksomheten pliktig til å ha tjenstepensjonsordning etter lov:  
Nei

Oppfyller pensjonsordning lovkravene: Nei

Note  
3

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei



**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  
2020**

**Island Offshore XI AS**



**ISLAND OFFSHORE**



## Income statement

### Island Offshore XI AS

Tekst	Note	2020	2019
Other operating expenses		0	300
<b>Total operating expenses</b>		<b>0</b>	<b>300</b>
<b>Operating profit</b>		<b>0</b>	<b>-300</b>
Income on investments in associated companies	4	-9 733 176	465 224
Interest income		265 672	203 236
Other financial income		124	0
Interest expenses		83	0
Other financial expenses		126	0
<b>Total financial income &amp; expenses</b>		<b>-9 467 589</b>	<b>668 460</b>
<b>Ordinary result before tax</b>		<b>-9 467 589</b>	<b>668 160</b>
<b>Tax on ordinary result</b>	5	-747 478	146 984
<b>Net profit for the year</b>		<b>-8 720 111</b>	<b>521 176</b>
<b>Allocated as follows</b>			
Transfer to other equity		-8 720 111	521 176
<b>Total transfers</b>	7	<b>-8 720 111</b>	<b>521 176</b>



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**Balance sheet**

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**Island Offshore XI AS**

Tekst	Note	2020	2019
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
Loan to subsidiaries	6	11 176 106	10 893 994
Investments associated companies	4	36 772 870	46 506 046
<b>Total financial fixed assets</b>		<b>47 948 976</b>	<b>57 400 040</b>
<b>Total fixed assets</b>		<b>47 948 976</b>	<b>57 400 040</b>
<b>Current assets</b>			
Other receivables	6	186 681	203 143
<b>Total debtors</b>		<b>186 681</b>	<b>203 143</b>
<b>Cash and bank deposits</b>		<b>93 405</b>	<b>93 510</b>
<b>Total current assets</b>		<b>280 087</b>	<b>296 652</b>
<b>Total assets</b>		<b>48 229 062</b>	<b>57 696 692</b>

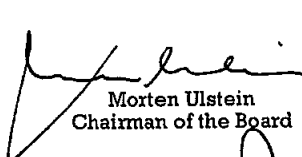


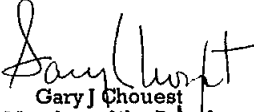
**Balance sheet**

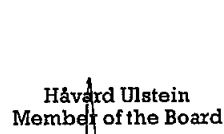
**Island Offshore XI AS**

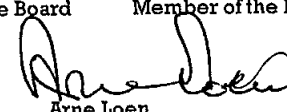
Tekst	Note	2020	2019
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	26 885 876	26 885 876
Share premium reserve		9 689 608	9 689 608
<b>Total paid in equity</b>		<b>36 575 481</b>	<b>36 575 481</b>
<b>Retained earnings</b>			
Reserve for valuation variances		12 061 772	12 061 772
Other equity		-412 539	8 307 571
<b>Total retained earnings</b>		<b>11 649 232</b>	<b>20 369 343</b>
<b>Total equity</b>	7	<b>48 224 713</b>	<b>56 944 824</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
Deferred tax	5	0	747 478
<b>Total long term liabilities</b>		<b>0</b>	<b>747 478</b>
<b>Current liabilities</b>			
Other short term liabilities		4 349	4 390
<b>Total current liabilities</b>		<b>4 349</b>	<b>4 390</b>
<b>Total liabilities</b>		<b>4 349</b>	<b>751 868</b>
<b>Total equity and liabilities</b>		<b>48 229 062</b>	<b>57 696 692</b>

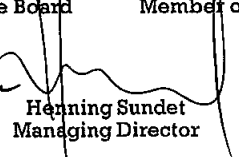
Ulsteinvik,, 31.12.2020 / 29.04.2021  
The Board of Directors Island Offshore XI AS

  
Morten Ulstein  
Chairman of the Board

  
Gary J Chouest  
Member of the Board

  
Håvard Ulstein  
Member of the Board

  
Arne Loen  
Member of the Board

  
Håning Sundet  
Managing Director

Island Offshore XI AS Org.nr. 987845325



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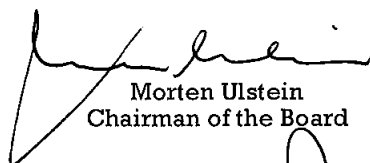
**Balance sheet**

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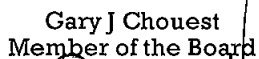
**Island Offshore XI AS**

Tekst	Note	2020	2019
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
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Share premium reserve		9 689 605	9 689 605
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Reserve for valuation variances		12 061 772	12 061 772
Other equity		-412 539	8 307 571
<b>Total retained earnings</b>		<b>11 649 232</b>	<b>20 369 343</b>
<b>Total equity</b>	<b>7</b>	<b>48 224 713</b>	<b>56 944 824</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
Deferred tax	5	0	747 478
<b>Total long term liabilities</b>		<b>0</b>	<b>747 478</b>
<b>Current liabilities</b>			
Other short term liabilities		4 349	4 390
<b>Total current liabilities</b>		<b>4 349</b>	<b>4 390</b>
<b>Total liabilities</b>		<b>4 349</b>	<b>751 868</b>
<b>Total equity and liabilities</b>		<b>48 229 062</b>	<b>57 696 692</b>

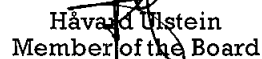
Ulsteinvik,, 31.12.2020 / 29.04.2021  
The Board of Directors Island Offshore XI AS



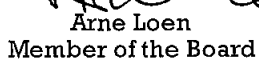
Morten Ulstein  
Chairman of the Board




Gary J Chouest  
Member of the Board



Håvard Ulstein  
Member of the Board



Arne Loen  
Member of the Board



Henning Sundet  
Managing Director



## Notes to the financial statements 2020

### Island Offshore XI AS

#### NOTE 1 GENERAL

The company is the general partner with 10% ownership in Island Offshore III KS. The participation in the partnership is accounted for by the equity method.

Island Offshore XI 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.

##### 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 2020**

## Island Offshore XI AS

**NOTE 4 INVESTMENTS**

	<u>Island Offshore III KS</u>
Registered capital	247 000 000
Unpaid capital	-
Ownership	<u>10 %</u>
Share of vessels	62 400 000
Share of current assets	8 097 362
Share of liabilities	-34 112 284
Excess value	<u>387 791</u>
<b>Book value</b>	<b><u>36 772 870</u></b>
<b>Share of net result</b>	<b><u>-9 733 176</u></b>
<b>Share of net tax result</b>	<b><u>-3 219 522</u></b>

As the general partner of Island Offshore III KS, the Company is responsible for the partnership's total liabilities of NOK 341.122.836 at 31.12.2020.

**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>2020</u>	<u>2019</u>
Temporary difference, share of partnership	30 551 090	37 028 338
Other differences:		
Gains and loss account	-88 488	-110 610
Deferred tax loss carried forward	<u>-36 496 162</u>	<u>-33 520 105</u>
<b>Sum temporary differences</b>	<b><u>-6 033 560</u></b>	<b><u>3 397 623</u></b>
<b>Deferred tax</b>	<b><u>-1 327 382</u></b>	<b><u>747 478</u></b>
Tax rate	<u>22 %</u>	<u>22 %</u>



## Notes to the financial statements 2020

### Island Offshore XI AS

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

	<u>2020</u>	<u>2019</u>
Profit before tax	-9 467 589	668 160
Share of net tax result from partnership	-3 219 522	49 752
Reversed share of net accounting result from partnership	9 733 175	-465 224
Change in temporary differences	<u>-22 122</u>	<u>-27 652</u>
<b>Annual tax basis</b>	<b><u>-2 976 058</u></b>	<b><u>225 037</u></b>
Deferred tax loss carried forward	-36 496 163	-33 520 105

#### Specification of taxes in Profit and Loss Accounts:

	<u>2020</u>	<u>2019</u>
Taxes payable	-	-
Change in deferred tax	<u>-747 478</u>	<u>146 984</u>
<b>Annual tax expense</b>	<b><u>-747 478</u></b>	<b><u>146 984</u></b>

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 31.12.20.

#### NOTE 6 RELATED PARTIES

	<u>2020</u>	<u>2019</u>
Long term receivables	11 176 106	10 893 994
Accrued interests	186 681	203 143

Long term receivable is towards Island Offshore III KS. Interests receivable are charged at market rates in accordance with transfer pricing rules.

#### NOTE 7 EQUITY

	<u>Share Capital</u>	<u>Share premium reserve</u>	<u>Reserve for valuation variances</u>	<u>Other Equity</u>	<u>Total</u>
Equity 1.1	26 885 876	9 689 605	12 061 772	8 307 571	56 944 824
Net result	-	-	-	-8 720 111	-8 720 111
<b>Equity 31.12</b>	<b><u>26 885 876</u></b>	<b><u>9 689 605</u></b>	<b><u>12 061 772</u></b>	<b><u>-412 540</u></b>	<b><u>48 224 713</u></b>



## Notes to the financial statements 2020

### Island Offshore XI AS

#### NOTE 8 SHARE CAPITAL AND OWNERSHIP

The share capital comprises 231.143.392 shares at face value NOK 0,116.

#### Ownership

Shareholders as per 31.12. :

Shareholder	Shares	Share capital	Ownership
Island Offshore Shipholding, L.P.	146 933 214	17 090 812	63,57 %
Sneingen AS	45 218 496	5 259 674	19,56 %
EMAR Invest AS	4 295 557	499 646	1,86 %
Inger M. Kristensen AS	4 295 558	499 646	1,86 %
DUK Invest AS	4 295 557	499 646	1,86 %
Island Offshore Invest AS	16 715 834	1 944 333	7,23 %
Ingus AS	3 112 540	362 041	1,35 %
Beeline AS	3 112 540	362 041	1,35 %
HUK Invest AS	3 164 096	368 038	1,37 %
<b>Total</b>	<b>231 143 392</b>	<b>26 885 876</b>	<b>100 %</b>

#### NOTE 9 GOING CONCERN

Due to the continued state of the market and the implications for earnings and cash flow, the Island Offshore Group, including the partnership Island Offshore III KS, concluded a restructuring agreement with secured and unsecured lenders effective April 12<sup>th</sup> 2018. Effective April 12<sup>th</sup> 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 Offshore XI AS

#### 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 Shareholders' Meeting of Island Offshore XI AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Island Offshore XI AS, 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 and Chief Executive Officer (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



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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 Offshore XI AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnr(kei): J7EGD-7VWNEP-YBMT3-JZ117-SLONN-YWMH-Z



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

## Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-3012515

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