



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 915 143 407  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND NAVIGATOR HOLDING 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, 01.10.2021



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annan driftskostnad		1	1 200
Sum kostnader		1	1 200
<b>Driftsresultat</b>		<b>-1</b>	<b>-1 200</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i dotterselskap og i tilknytt selskap	4	-1 496 327	-351 029
Renteinntekt frå føretak i same konsern		65 447	
Anna renteinntekt		54	245
Anna finansinntekt			54
Sum finansinntekter		<b>-1 430 826</b>	<b>-350 730</b>
Rentekostnad til føretak i same konsern		53 868	69 045
Annan rentekostnad			3 816
Annan finanskostnad		125	117
Sum finanskostnader		<b>53 993</b>	<b>72 978</b>
<b>Netto finans</b>		<b>-1 484 819</b>	<b>-423 708</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Årsresultat</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Totalresultat</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Overføringer og disponeringar</b>			
Overføring til/frå annan eigenkapital		-1 484 819	-424 908
Sum overføringer og disponeringar	7	<b>-1 484 819</b>	<b>-424 908</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIGEDELAR</b>			
<b>Anleggsmiddel</b>			
<b>Immaterielle egedelar</b>			
Sum immaterielle egedelar		0	0
<b>Varige driftsmiddel</b>			
Sum varige driftsmiddel		0	0
<b>Finansielle anleggsmiddel</b>			
Investeringar i tilknytt selskap			1 496 327
Sum finansielle anleggsmiddel		0	1 496 327
Sum anleggsmiddel		0	1 496 327
<b>Omløpsmiddel</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Krav</b>			
Andre krav	5	3 983 633	3 918 186
Sum krav		3 983 633	3 918 186
<b>Investeringar</b>			
Sum investeringar		0	0
<b>Bankinnskot, kontantar og liknande</b>			
Bankinnskot, kontantar og liknande		23 416	23 487
Sum bankinnskot, kontantar og liknande		23 416	23 487
Sum omløpsmiddel		4 007 050	3 941 673
<b>SUM EIGEDELAR</b>		<b>4 007 050</b>	<b>5 438 000</b>

## BALANSE - EIGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Eigenkapital</b>			
<b>Innskoten egenkapital</b>			
Selskapskapital	8	200 000	200 000
Annan innskoten egenkapital		0	0
<b>Sum innskoten egenkapital</b>		<b>200 000</b>	<b>200 000</b>
<b>Opptent egenkapital</b>			
Annan egenkapital		454 718	1 939 537
<b>Sum opptent egenkapital</b>		<b>454 718</b>	<b>1 939 537</b>
<b>Sum egenkapital</b>	7	<b>654 718</b>	<b>2 139 537</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Sum avsetjingar for plikter</b>		<b>0</b>	<b>0</b>
<b>Anna langsiktig gjeld</b>			
Øvrig langsiktig gjeld	5	3 224 952	3 224 952
<b>Sum anna langsiktig gjeld</b>		<b>3 224 952</b>	<b>3 224 952</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Anna kortsiktig gjeld		127 380	73 512
<b>Sum kortsiktig gjeld</b>		<b>127 380</b>	<b>73 512</b>
<b>Sum gjeld</b>		<b>3 352 332</b>	<b>3 298 463</b>
<b>SUM EIGENKAPITAL OG GJELD</b>		<b>4 007 050</b>	<b>5 438 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 757132

#### Enheten

Organisasjonsnummer: 915 143 407  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND NAVIGATOR HOLDING 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

#### 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.

*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, 30.09.2021



Organisasjonsnr: 915 143 407  
ISLAND NAVIGATOR HOLDING AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annan driftskostnad		1	1 200
Sum kostnader		1	1 200
<b>Driftsresultat</b>		-1	-1 200
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og i tilknyttet selskap	4	-1 496 327	-351 029
Renteinntekt frå føretak i same konsern		65 447	
Anna renteinntekt		54	245
Anna finansinntekt			54
Sum finansinntekter		-1 430 826	-350 730
Rentekostnad til føretak i same konsern		53 868	69 045
Annan rentekostnad			3 816
Annan finanskostnad		125	117
Sum finanskostnader		53 993	72 978
<b>Netto finans</b>		-1 484 819	-423 708
<b>Ordinært resultat før skattekostnad</b>		-1 484 819	-424 908
<b>Ordinært resultat etter skattekostnad</b>		-1 484 819	-424 908
<b>Årsresultat</b>		-1 484 819	-424 908
<b>Totalresultat</b>		-1 484 819	-424 908
<b>Overføringar og disponeringar</b>			
Overføring til/frå annan eigenkapital		-1 484 819	-424 908
Sum overføringar og disponeringar	7	-1 484 819	-424 908



Organisasjonsnr: 915 143 407  
ISLAND NAVIGATOR HOLDING AS

## BALANSE

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIGEDELAR</b>			
<b>Anleggsmiddel</b>			
Immaterielle egedelar			
Sum immaterielle egedelar		0	0
<b>Varige driftsmiddel</b>			
Sum varige driftsmiddel		0	0
<b>Finansielle anleggsmiddel</b>			
Investeringar i tilknytt selskap			1 496 327
Sum finansielle anleggsmiddel		0	1 496 327
Sum anleggsmiddel		0	1 496 327
<b>Omløpsmiddel</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Krav</b>			
Andre krav	5	3 983 633	3 918 186
Sum krav		3 983 633	3 918 186
<b>Investeringar</b>			
Sum investeringar		0	0
<b>Bankinnskot, kontantar og liknande</b>			
Bankinnskot, kontantar og liknande		23 416	23 487
Sum bankinnskot, kontantar og liknande		23 416	23 487
Sum omløpsmiddel		4 007 050	3 941 673
<b>SUM EIGEDELAR</b>		<b>4 007 050</b>	<b>5 438 000</b>
<b>BALANSE - EIGENKAPITAL OG GJELD</b>			
<b>Eigenkapital</b>			
<b>Innskoten eigenkapital</b>			
Selskapskapital	8	200 000	200 000
Annan innskoten eigenkapital		0	0
Sum innskoten eigenkapital		200 000	200 000



<b>Opptent egenkapital</b>			
Annan egenkapital		454 718	1 939 537
<b>Sum opptent egenkapital</b>		<b>454 718</b>	<b>1 939 537</b>
<b>Sum egenkapital</b>	<b>7</b>	<b>654 718</b>	<b>2 139 537</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Sum avsetjinger for plikter		0	0
<b>Anna langsiktig gjeld</b>			
Øvrig langsiktig gjeld	5	3 224 952	3 224 952
<b>Sum anna langsiktig gjeld</b>		<b>3 224 952</b>	<b>3 224 952</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Anna kortsiktig gjeld		127 380	73 512
<b>Sum kortsiktig gjeld</b>		<b>127 380</b>	<b>73 512</b>
<b>Sum gjeld</b>		<b>3 352 332</b>	<b>3 298 463</b>
<b>SUM EIGENKAPITAL OG GJELD</b>		<b>4 007 050</b>	<b>5 438 000</b>



Organisasjonsnr: 915 143 407  
ISLAND NAVIGATOR HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**

1

**Rekneskapsprinsipp**

Island Navigator Holding AS is included in the consolidated financial statement for Island Offshore Shipholding L.P., c/o Island Offshore Shipping AS, Stålhaugen 12, 6065 Ulsteinvik, Norway. Island Navigator Holding AS (the Company) is the General Partner in the partnership Island Navigator Holding KS. The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small business (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. Same principles are assumed for liabilities. Valuation of current assets Current assets are recorded net of expected future losses and the lowest value of cost price and market value. Bunkers and lube oil balances are accrued in the balance sheet based upon consumption and purchase price. 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. Taxes Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities. Deferred tax is estimated with 22% rate based on the temporary differences between tax and accounting values, as well as deferred tax loss carried forward at the end of the accounting year. In accordance with NGAAP, deferred tax/tax asset is not recorded for participation taxed companies. Receivables Account Receivables and other Receivables are recorded in the balance sheet at face value after deduction of expected loss. Loss on debtors are accounted for on basis of individual assessment of the receivables.

**Note**

1

Er det usikkerheit om vidare drift?: Nei

**Note**

8

**Tal på aksjar og aksjeeigarar**

<u>Aksjeklasse</u>	<u>Ant. aksjar</u>	<u>Pålydande</u>	<u>Bokført verdi</u>
Ordinære	200.00	1000.00	200000.00
<u>Aksjeeigare - fritekst</u>	<u>Antall</u>	<u>Eigarpart</u>	<u>Aksjeklasse</u>



Island Offshore Shipholding Lp	200.00	100.00%	Ordinære
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eigarpart</u>	
	200.00	100.00%	

**Note**  
3

**Lønn og ytingar**

**Note**  
3

**Ytingar til leiande personer**

**Note**  
3

**Ytingar til andre leiande personer**

**Note**  
3

**Ytingar til revisjon**

**Note**  
3

**Antall årsverk i regnskapsåret**

**Verksemda har hatt følgjende tal på årsverk:**  
0.00

**Note**  
3

**Obligatorisk tenestepensjon**

Er verksemda pliktig til å ha tenestepensjonsordning etter lov: Nei

Oppfyller pensjonsordninga krava etter lov: Nei



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 16.02.2016	Vår dato 23.02.2016
Telefon 22078139	Deres referanse Mai-Britt Myklebust	Vår referanse 2013/779184

ISLAND OFFSHORE MANAGEMENT AS  
Postboks 370  
6067 ULSTEINVIK

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk**

Det vises til deres brev av 16. februar 2016, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Island Offshore International Shipping AS	org.nr. 914 405 025
Island Navigator Holding AS	org.nr. 915 143 407
Island Navigator Holding KS	org.nr. 915 143 415
Island Navigator I AS	org.nr. 815 143 442
Island Navigator I KS	org.nr. 915 143 466
Island Navigator Shipping AS	org.nr. 915 143 512

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.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

Selskapene er norske private aksjeselskaper og kommandittselskaper. Alle selskapene er majoritets eid direkte eller indirekte av en utenlandsk aksjonær Island Offshore Shipholding, L.P. som er et Cayman Island selskap med NUF registrering 990 035 903 i Norge. Island Offshore Shipholding, L.P. kontrolleres ultimt 50 % av en utenlandsk familie (Gary Chouest m/familie) og ultimt 50 % av en norsk familie (Morten Ulstein m/familie). Skattedirektoratet har tidligere gitt tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for flere sammenlignbare selskaper i deres portefølje. Selskapenes forretningspråk er engelsk, som også er arbeidsspråket i styrene. Leverandørene er i hovedsak internasjonale og norske virksomheter med leveranser til offshore industrien, mens kreditorene er finansinstitusjoner med internasjonal virksomhet. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org.nr: 996250318 E-post: <a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	Sentraltbord 800 80 000 Telefaks 22 17 08 60
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I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

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 er eiet av et utenlandsk selskap. Eierkretsen er begrenset. Selskapenes forretningspråk er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



**Financial Statements  
2020**

**Island Navigator Holding AS**



**ISLAND OFFSHORE**



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## Income statement

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### Island Navigator Holding AS

Tekst	Note	2020	2019
Other operating expenses		1	1 200
<b>Total operating expenses</b>		<b>1</b>	<b>1 200</b>
<b>Operating profit</b>		<b>-1</b>	<b>-1 200</b>
Income on investments in associated companies	4	-1 496 327	-351 029
Interest income, intercompany		65 447	0
Interest income		54	245
Other financial income		0	54
Interest expenses, intercompany		53 868	69 045
Interest expenses		0	3 816
Other financial expenses		125	117
<b>Total financial income &amp; expenses</b>		<b>-1 484 819</b>	<b>-423 708</b>
<b>Ordinary result before tax</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Net profit for the year</b>		<b>-1 484 819</b>	<b>-424 908</b>
<b>Allocated as follows</b>			
Transfer to other equity		-1 484 819	-424 908
<b>Total transfers</b>	7	<b>-1 484 819</b>	<b>-424 908</b>



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**Balance sheet**

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**Island Navigator Holding AS**

Tekst	Note	2020	2019
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
Investments associated companies		0	1 496 327
<b>Total financial fixed assets</b>		<b>0</b>	<b>1 496 327</b>
<b>Total fixed assets</b>		<b>0</b>	<b>1 496 327</b>
<b>Current assets</b>			
Other receivables	5	3 983 633	3 918 186
<b>Total debtors</b>		<b>3 983 633</b>	<b>3 918 186</b>
<b>Cash and bank deposits</b>		<b>23 416</b>	<b>23 487</b>
<b>Total current assets</b>		<b>4 007 050</b>	<b>3 941 673</b>
<b>Total assets</b>		<b>4 007 050</b>	<b>5 438 000</b>



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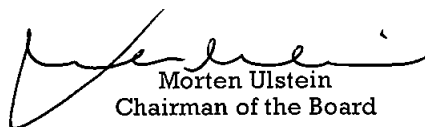
**Balance sheet**


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**Island Navigator Holding AS**

Tekst	Note	2020	2019
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	200 000	200 000
<b>Total paid in equity</b>		<b>200 000</b>	<b>200 000</b>
<b>Retained earnings</b>			
Other equity		454 718	1 939 537
<b>Total retained earnings</b>		<b>454 718</b>	<b>1 939 537</b>
Profit not allocated		0	0
<b>Total equity</b>	7	<b>654 718</b>	<b>2 139 537</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
Other long term debt	5	3 224 952	3 224 952
<b>Other longterm debt</b>		<b>3 224 952</b>	<b>3 224 952</b>
<b>Current liabilities</b>			
Other short term liabilities		127 380	73 512
<b>Total current liabilities</b>		<b>127 380</b>	<b>73 512</b>
<b>Total liabilities</b>		<b>3 352 332</b>	<b>3 298 463</b>
<b>Total equity and liabilities</b>		<b>4 007 050</b>	<b>5 438 000</b>

ULSTEINVIK, 31.12.2020 / 29.04.2021  
The Board of Directors Island Navigator Holding AS

  
Morten Ulstein  
Chairman of the Board

  
Håvard Ulstein  
Board member



## Notes to the financial statements 2020

### Island Navigator Holding AS

#### NOTE 1 ACCOUNTING PRINCIPLES

Island Navigator Holding AS is included in the consolidated financial statement for Island Offshore Shipholding, L.P. , c/o Island Offshore Shipping AS, Stålhaugen 12, 6065 Ulsteinvik, Norway.

Island Navigator Holding AS (the Company) is the General Partner in the partnership Island Navigator Holding KS..

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.

#### Revenue and expense recognition

Revenue is recognized at the time of the earned income principle and expenditure should be expensed in the same period as the corresponding income. Other costs are expensed when incurred.

#### 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. Same principles are assumed for liabilities. Value of investment in associated companies are recognized by use of equity method.

#### Valuation of current assets

Current assets are recorded net of expected future losses and at the lowest value of cost price and market value.

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

#### Receivables

Account Receivables and other Receivables are recorded in the balance sheet at face value after deduction of expected loss. Loss on debtors are accounted for on basis of individual assessment of the receivables.

#### Currency

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

#### 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. Deferred tax asset is based on taxable loss to be utilized in future taxable profit.



## Notes to the financial statements 2020

### Island Navigator Holding AS

#### NOTE 2 THE COMPANY BUSINESS

The Company's main purpose is to be general partner in Island Navigator Holding KS, a limited partnership. The Partnership's main purpose was to be owner of Island Navigator I KS, the ship-owner of Island Navigator a UT777 Top-hole Drilling vessel. The partnership had a contract with Kawasaki Heavy Industries to build the vessel and planned delivery was in January 2019. In January 2018, the parties agreed a termination agreement whereby the shipbuilding contract was terminated. The Partnership received a compensation for the cancelled contract by way of repayment of instalment paid, annulment of seller financing and the receipt of project specific equipment purchased by the builder.

In October 2020, the Company decided to sell the project specific equipment to its manager Island Offshore Management AS. The Manager has in employment, employees with the expertise, know-ledge and the necessary relations to the market in order to realize the stock.

#### NOTE 3 PAYROLL, EMPLOYEES

The company has no employees and has no obligation to have pension funds. No fees or remuneration has been paid to the Board of Directors. Administrative expenses and audit fees are paid by the partnership.

#### NOTE 4 INVESTMENT IN ISLAND NAVIGATOR HOLDING KS

	<u>Island Navigator Holding KS</u>
Total committed capital	2 000 000
Committed capital not paid in	400 000
Ownership	<u>10 %</u>
Share financial assets	-
Share of current assets	1 165 304
Share of liabilities	<u>-2 392 758</u>
Share of book value equity KS	<u>-1 227 454</u>
Income from investments in associated companies	<u>-1 496 327</u>
Share of tax profit / loss	<u>-2 723 782</u>

The net book value of shares in Island Navigator Holding KS has been written down to zero considering negative equity as per 31.12.20.

**Notes to the financial statements 2020**

## Island Navigator Holding AS

As the General Partner of Island Navigator Holding KS the Company is responsible for total liabilities of NOK 23.927.584 owed by the Partnership. Of this, NOK 3,9 mill is towards the General Partner and the majority of the rest is loan from related parties.

**NOTE 5 RELATED PARTIES**

Transactions with related parties:	<u>2020</u>	<u>2019</u>
Short term receivable towards Island Navigator Holding KS	3 983 633	3 918 186
Other long term liabilities from Island Offshore Shipholding, L.P.	-3 224 952	-3 224 952
Short term loan from Island Investment LLC	-4 467	-4 467

Short term receivable relates to the liquidation settlement regarding Island Navigator I KS as 10% of the settlement belongs to the general partner.

**NOTE 6 TAXES**

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

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

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

	<u>2020</u>	<u>2019</u>
Total temporary differences Partnership shares	1 228 098	-
Tax loss carried forward	- 3 137 182	- 424 908
Basis for deferred tax	<u>- 1 909 084</u>	<u>- 424 908</u>
<b>Deferred tax asset</b>	-	-
Deferred tax rate	22 %	22 %

**Calculation of this year's tax expenses:**

	<u>2020</u>	<u>2019</u>
Profit before tax	- 1 484 819	- 424 908
Reversed accounting loss Partnership	1 496 327	351 029
Taxable loss on Partnership	<u>- 2 723 782</u>	<u>- 351 029</u>
<b>Basis for tax payable</b>	<b>-2 712 274</b>	<b>- 424 908</b>
Payable tax	0	0
Tax rate	22 %	22 %

It was decided not to record deferred tax asset in the balance sheet of the Company as per 31.12.20 and 31.12.19.

**Notes to the financial statements 2020**

## Island Navigator Holding AS

**NOTE 7 EQUITY**

	Paid in Capital	Other Equity	Total
Equity as per 01.01	200 000	1 939 537	2 139 537
<i>This year change in equity:</i>			
Loss for the year	-	-1 484 819	-1 484 819
Equity as per 31.12	200 000	454 718	654 718

**NOTE 8 OWNERSHIP**

The share capital of NOK 200.000 consist of 200 shares a NOK 1.000.

Owners at 31.12:

Shareholders	Number of shares	Ownershare
Island Offshore Shipholding, L.P.	200	100 %
<b>Total number of shares</b>	<b>200</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 ultimate parent company Island Offshore Shipholding, L.P. concluded a restructuring agreement with secured and unsecured lenders effective April 12th 2018. 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



## Notes to the financial statements 2020

### Island Navigator Holding AS

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.

#### **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.



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Statsautoriserte revisorer  
Ernst & Young AS

Thornøhlens 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

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Navigator Holding AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Island Navigator Holding 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 (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 Navigator Holding AS

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## Jørn Knutsen

Statsautorisert revisor

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