



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 924 922 494  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND DISCOVERER 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, 31.07.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Varekostnad	4,5	852 451	
Sum kostnader		852 451	0
Driftsresultat		-852 451	0
<b>Finansinntekter og finanskostnader</b>			
Anna renteinntekt		50	
Sum finansinntekter		0	0
Sum finanskostnader		0	0
Netto finans		50	0
Ordinært resultat før skattekostnad		-852 401	0
Ordinært resultat etter skattekostnad		0	0
Årsresultat		-852 401	0
Totalresultat		-852 401	
<b>Overføringer og disponeringar</b>			
Udekt tap		-852 401	
Sum overføringer og disponeringar	7	-852 401	



### 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>			
Maskinar og anlegg	3	1 726 786	
Sum varige driftsmiddel		1 726 786	0
<b>Finansielle anleggsmiddel</b>			
Sum finansielle anleggsmiddel		0	0
Sum anleggsmiddel		1 726 786	0
<b>Omløpsmiddel</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Krav</b>			
Andre krav		507 655	
Sum krav		507 655	0
<b>Investeringar</b>			
Sum investeringar		0	0
<b>Bankinnskot, kontantar og liknande</b>			
Bankinnskot, kontantar og liknande		50 050	
Sum bankinnskot, kontantar og liknande		50 050	
Sum omløpsmiddel		557 705	0
<b>SUM EIGEDELAR</b>		<b>2 284 491</b>	<b>0</b>

### BALANSE - EIGENKAPITAL OG GJELD



### Balanse

Beløp i: NOK	Note	2020	2019
<b>Eigenkapital</b>			
<b>Innskoten egenkapital</b>			
Selskapskapital	8	44 430	
Annan innskoten egenkapital		0	0
<b>Sum innskoten egenkapital</b>		<b>44 430</b>	<b>0</b>
<b>Opptent egenkapital</b>			
Annan egenkapital		-852 401	
<b>Sum opptent egenkapital</b>		<b>-852 401</b>	
<b>Sum egenkapital</b>	7	<b>-807 971</b>	<b>0</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>			
<b>Sum anna 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	5	312 084	
Anna kortsiktig gjeld	5	2 780 378	
<b>Sum kortsiktig gjeld</b>		<b>3 092 462</b>	<b>0</b>
<b>Sum gjeld</b>		<b>3 092 462</b>	<b>0</b>
<b>SUM EIGENKAPITAL OG GJELD</b>		<b>2 284 491</b>	<b>0</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 756890

#### Enheten

Organisasjonsnummer: 924 922 494  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE XII PSV 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

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: 924 922 494  
ISLAND OFFSHORE XII PSV AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Varekostnad	4, 5	852 451	
Sum kostnader		852 451	0
<b>Driftsresultat</b>		-852 451	0
<b>Finansinntekter og finanskostnader</b>			
Anna renteinntekt		50	
Sum finansinntekter		0	0
Sum finanskostnader		0	0
<b>Netto finans</b>		50	0
<b>Ordinært resultat før skattekostnad</b>		-852 401	0
<b>Ordinært resultat etter skattekostnad</b>		0	0
<b>Årsresultat</b>		-852 401	0
<b>Totalresultat</b>		-852 401	
<b>Overføringer og disponeringar</b>			
Udekt tap		-852 401	
Sum overføringer og disponeringar	7	-852 401	



Organisasjonsnr: 924 922 494  
ISLAND OFFSHORE XII PSV AS

## BALANSE

Beløp i: NOK	Note	2020	2019
--------------	------	------	------

### BALANSE - EIGEDELAR

#### Anleggsmiddel

##### Immaterielle egedelar

Sum immaterielle egedelar

0

0

##### Varige driftsmiddel

Maskinar og anlegg 3

1 726 786

Sum varige driftsmiddel

1 726 786

0

##### Finansielle anleggsmiddel

##### Sum finansielle

anleggsmiddel

0

0

Sum anleggsmiddel

1 726 786

0

#### Omløpsmiddel

##### Varer

Sum varer

0

0

##### Krav

Andre krav

507 655

Sum krav

507 655

0

##### Investeringar

Sum investeringar

0

0

##### Bankinnskot, kontantar og liknande

Bankinnskot, kontantar og liknande

50 050

Sum bankinnskot,

kontantar og liknande

50 050

Sum omløpsmiddel

557 705

0

SUM EIGEDELAR

2 284 491

0

### BALANSE - EIGENKAPITAL OG GJELD

#### Eigenkapital

##### Innskoten eigenkapital

Selskapskapital 8

44 430

Annan innskoten

eigenkapital

0

0

Sum innskoten eigenkapital

44 430

0

Opptent eigenkapital



Annan egenkapital		-852 401	
Sum opptent egenkapital		-852 401	
Sum egenkapital	7	-807 971	0
Gjeld			
Langsiktig gjeld			
Sum avsetjinger for plikter		0	0
Anna langsiktig gjeld		0	0
Sum anna langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	5	312 084	
Anna kortsiktig gjeld	5	2 780 378	
Sum kortsiktig gjeld		3 092 462	0
Sum gjeld		3 092 462	0
SUM EIGENKAPITAL OG GJELD		2 284 491	0



Organisasjonsnr: 924 922 494  
ISLAND OFFSHORE XII PSV AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**

1

**Rekneskapsprinsipp**

Island Offshore XII PSV 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. 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. Shipbuilding contracts Instalments to the yard for new buildings are recorded as fixed assets. Supervision and other investments not included in the contracted price are capitalized. 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	50.00	1000.00	50000.00

<u>Aksjeeigare - fritekst</u>	<u>Antall</u>	<u>Eigarpart</u>	<u>Aksjeklasse</u>
-------------------------------	---------------	------------------	--------------------



Island Offshore XIII Ship AS	50.00	100.00%
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eigarpart</u>
	50.00	100.00%

**Note**  
4

**Lønn og ytingar**

**Note**  
4

**Ytingar til leiande personer**

**Note**  
4

**Ytingar til andre leiande personer**

**Note**  
4

**Ytingar til revisjon**

**Note**  
4

**Antall årsverk i regnskapsåret**

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

**Note**  
4

**Obligatorisk tenestepensjon**

Er verksemda pliktig til å ha tenestepensjonsordning etter lov: Nei

Oppfyller pensjonsordninga krava etter lov: Nei



# **Financial Statements 2020**

## **Island Offshore XII PSV AS**



**ISLAND OFFSHORE**



## Income Statement

### Island Offshore XII PSV AS

	Note	2020
Operating expenses vessel	4,5	852 451
<b>Operating expenses</b>		<b>852 451</b>
<b>Operating profit</b>		<b>-852 451</b>
Other interest income		50
<b>Net financial income and expenses</b>		<b>50</b>
<b>Ordinary result before tax</b>		<b>-852 401</b>
<b>Annual net profit</b>		<b>-852 401</b>
Distributed to loss in equity		-852 401
<b>Net distributed</b>	7	<b>-852 401</b>



---

**Balance sheet**

---

**Island Offshore XII PSV AS**

	Note	2020
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
<b>Tangible fixed assets</b>		
Ships	3	1 726 786
<b>Total tangible assets</b>		<b>1 726 786</b>
<b>Total fixed assets</b>		<b>1 726 786</b>
<b>Current assets</b>		
<b>Debtors</b>		
Other receivables		507 655
<b>Total debtors</b>		<b>507 655</b>
<b>Investments</b>		
Cash and bank deposits		50 050
<b>Total current assets</b>		<b>557 705</b>
<b>Total assets</b>		<b>2 284 491</b>

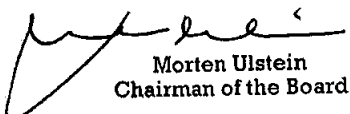



**Balance sheet**

**Island Offshore XII PSV AS**

	Note	2020
<b>Liabilities and equity</b>		
<b>Equity</b>		
<b>Paid in equity</b>		
Paid in capital	8	44 430
<b>Total paid in equity</b>		<b>44 430</b>
<b>Other equity</b>		<b>-852 401</b>
<b>Total retained earnings</b>		<b>-852 401</b>
<b>Total equity</b>	7	<b>-807 971</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade creditors	5	312 084
Other short term liabilities	5	2 780 378
<b>Total current liabilities</b>		<b>3 092 462</b>
<b>Total liabilities</b>		<b>3 092 462</b>
<b>Total equity and liabilities</b>		<b>2 284 491</b>

Ulsteinvik, 31.12.2020 / 29.04.2021  
Board of Directors Island Offshore XII PSV AS

  
Morten Ulstein  
Chairman of the Board

  
Howard Ulstein  
Board Member

  
Fredrik Mordal Hessen  
Board Member



## Notes to the financial statements 2020

### Island Offshore XII PSV AS

#### NOTE 1 ACCOUNTING PRINCIPLES

Island Offshore XII PSV 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.

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 and costs related to vessel operations are recorded based upon the number of journey days before and after the end of the accounting year.

##### Shipbuilding contracts

Installments to the yard for new buildings are recorded as fixed assets. Supervision and other investments not included in the contracted price are capitalized.

##### 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 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 Offshore XII PSV AS

**NOTE 2 THE COMPANY BUSINESS AND GEOGRAPHICAL SPLIT OF REVENUE**

The company was formed 09.03.2020 and its main business is to own vessels and carry out shipping activities. The intention is that the Company will be the shipowner of the PSV Island Discoverer, currently owned by the Vard Group AS.

**NOTE 3 FIXED ASSETS**

	<b>Ships</b>	<b>Total</b>
Acquisition costs 1.1	0	0
Additions	1 726 786	1 726 786
Accumulated depreciation	0	0
<b>Net book value 31.12</b>	<b>1 726 786</b>	<b>1 726 786</b>
This years' depreciation	0	0

In connection with delivery and financing of the M/V Island Victory from Vard Group to Island Victory AS in February 2020 the parent company Island Offshore XII Ship AS entered into an Investment and Shareholders agreement with Vard Group. In addition, the Investment and Shareholders Agreement regulated a share issue directed towards Vard Group by way of a contribution in kind from Vard Group of the vessel M/V Island Defender – a vessel that Island Offshore XII Ship AS subsequently contributed as payment-in-kind in a share issue in Island Defender AS. As part of the agreement, there are also plans to adopt a share issue in the parent company again directed towards the Vard Group, whereby Vard's vessel M/V Island Discoverer is first contributed as an in kind contribution to the Parent company and immediately thereafter contributed as an in kind contribution in a corresponding share issue in the Island Offshore XII PSV AS.

The amount of NOK 1.726.786 is related to supervision expenses and owner supplies capitalized in the Balance Sheet and will be expensed during the vessel depreciation plan when the vessel is delivered to the Company.

Agreed delivery for the Island Discoverer to the Company is planned to be in second quarter of 2021 and the value of the vessel is expected to be NOK 207 mill.

Due to changes in circumstances, a discussion has been initiated between Island Offshore XII Ship AS and Vard Group in relation to the Shareholder and Investment Agreement. Consequently the agreement may be significantly amended as far as the Island Discoverer transaction is concerned.



## Notes to the financial statements 2020

### Island Offshore XII PSV AS

#### NOTE 4 PAYROLL, EMPLOYEES, AUDIT

The Company does not have employees and has no obligation to have pension funds. There has not been paid any compensation to the Board of Directors. Payroll expenses in the financial statements relate to hired crew.

##### Auditor

Audit fee has not been expensed in the profit and loss accounts as per 31.12.20.

#### NOTE 5 RELATED PARTIES

Items in Balance Sheet:

Transactions with related parties:	<u>2020</u>
Other short term liabilities Island Offshore Management AS	-2 780 378
Trade Creditors toward Borgstein AS	-312 084

Items in profit and loss accounts:

Transactions with related parties	<u>2020</u>
Purchase of management services	-852 451

The company has entered into management agreements with Island Offshore Management AS and business administration agreement with Borgstein AS to carry out technical and commercial services for the vessels. The services include crewing, purchase, administration, sales, accounting and technical operations. According to the management agreement, the ship owning company will refund all direct costs related to the vessels, to the management company. An annual fee is paid based on arm's length principle.

In addition, the Manager supervise the new build process on the yard and the expenses relating to this is capitalized as new build expenditure in the balance sheet.

#### 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.



## Notes to the financial statements 2020

### Island Offshore XII PSV AS

Deferred tax / tax asset (-) has been calculated as follows:

	2020	
Temporary differences:		
Fixed assets	-	-
Deferred tax losses	-	857 971
<b>Basis for deferred tax</b>	-	<b>857 971</b>
<b>Deferred tax</b>	-	<b>188 754</b>
Tax rate		22 %

As it will take some time for the company to utilize deferred tax losses, it has been decided not to record any tax in the Financial Statement as per 31.12.20.

#### NOTE 7 EQUITY

	Paid in Capital	Other Paid in Capital	Other Equity	Total
Equity as per 01.01	-	-	-	-
<i>This year change in equity:</i>				
Equity contribution	50 000			50 000
Formation expenses		-5 570		-5 570
Profit+ / Loss - for the year	-	-	-852 401	-852 401
<b>Equity as per 31.12.</b>	<b>50 000</b>	<b>-5 570</b>	<b>-852 401</b>	<b>-807 971</b>

#### NOTE 8 OWNERSHIP

The share capital of NOK 50.000 consist of 50 shares a NOK 1.000,-.

Owners at 31.12:

Shareholders	Number of share: Ownershare	
Island Offshore XII Ship AS	50	100 %
<b>Total number of shares</b>	<b>50</b>	<b>100 %</b>



## Notes to the financial statements 2020

### Island Offshore XII PSV AS

#### NOTE 9 GOING CONCERN

The financial results of the Company are dependent on the parent company Island Offshore XII Ship AS.

Due to the continued state of the market and the implications for earnings and cash flow, the Island Offshore Group, including Island Offshore XII Ship AS, 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.

#### NOTE 10 COVID-19 AND SUBSEQUENT EVENTS

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.

As mentioned in note 3, a discussion has been initiated between Island Offshore XII Ship AS and Vard Group in relation to the Shareholder and Investment Agreement between the parties. Consequently the agreement may be significantly amended as far as the Island Discoverer transaction is concerned.

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 XII PSV AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Island Offshore XII PSV 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 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

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: H86EE-UW7NT-UJCT5-NKJ50-VCWZ6-80YYD



Building a better  
working world

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 XII PSV AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: H86EE-UW1NT-U0C1-S-NKJ50-Y0WZ6-BOYYD



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"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

IP: 84.214.xxx.xxx

2021-05-03 14:27:31Z



Penneo Dokumentnøkkel: H86EE-UW11NT-U0C15-NKJ50-Y0WZ6-BOYYD

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe.CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



Skatteetaten

Vår dato 03.02.2021	Din/Deres dato 22.01.2021	Saksbehandler Kjell Knutsen
800 80 000 Skatteetaten.no	Din/Deres referanse AR412070926	Telefon 51825856
Org.nr 974761076	Vår referanse 2021/5085739	Postadresse Postboks 9200 Grønland 0134 OSLO

ISLAND DEFENDER AS  
Postboks 370  
6067 ULSTEINVIK

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for 922593116 Island Defender AS og 924922494 Island Offshore XII PSV AS

Vi viser til søknad av 22.01.2021 om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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

Fra søknaden siteres:

Viser til brev fra skattedirektoratet datert 29.10.2013, brev datert 23.02.2015, brev datert 23.02.2016, brev datert 27.04.17, brev datert 12.03.19 (referanse 2019/5531837) der vi fikk tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for flere av våre selskaper. Bakgrunnen er at selskapene er majoritetseid av en felles utenlandsk aksjonær og der andre vesentlige eiere er familiemedlemmer, eiet direkte eller gjennom selskaper, hhv av en amerikansk og en norsk familie.

Vi ønsker å søke om å få utvide dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk (regnskapsloven § 3-4) til også å omfatte følgende selskap:

Island Defender AS: Org.nr. 922 593 116  
Island Offshore XII PSV AS: Org.nr. 924 922 494

Dette er norske private aksjeselskap.  
Island Defender AS og Island Offshore XII PSV AS er selskaper som er 100% eid av det norske selskapet Island Offshore XII Ship AS som er indirekte er majoritetseid av Island Offshore



Shipholding, L.P. et Cayman Island selskap som er eid 50% av Gary Chouest m/familie og 50% av Morten Ulstein m/familie.

Borgstein AS er forretningsfører for selskapene. Selskapenes forretningsspråk er engelsk, som også er arbeidsspråket i styrene. Kundene og leverandørene er i hovedsak internasjonale og norske virksomheter med leveranser til offshore industrien, mens kreditorene er finansinstitusjoner med internasjonal virksomhet. Engelske regnskaper vil fullt ut dekke det informasjonsbehov som de vesentlige regnskapsbrukerne måtte ha. Selskapene må uansett utarbeide regnskap på engelsk, og vi mener det vil påføre en unødvendig byrde gjennom økte kostnader og tidsbruk og også være nødt til å utarbeide det på norsk.

## Skattekontorets 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."*

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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at både selskapenes forretningsspråk og arbeidsspråket i styrene er engelsk. Videre at kundene og leverandørene i hovedsak er internasjonale og norske virksomheter med leveranser til offshoreindustrien, mens kreditorene er finansinstitusjoner med internasjonal virksomhet. Ifølge søknadene vil engelske regnskaper fullt ut dekke det informasjonsbehov som de vesentlige regnskapsbrukerne måtte ha. Det er også vist til at konsernet allerede har tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for flere av konsernets selskaper.



Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Kjell Knutsen

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