



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 997 571 290
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND VENTURES 4 AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 09.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		42 458 565	43 296 984
Sum inntekter	2	42 458 565	43 296 984
Kostnader			
Varekostnad	2,6	9 645 114	6 938 874
Lønnskostnad	5,6	19 290 641	19 621 352
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	901 765	901 765
Annen driftskostnad	5,6	23 845 261	24 432 297
Sum kostnader		53 682 780	51 894 288
Driftsresultat		-11 224 215	-8 597 304
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		115 863	349 402
Annen renteinntekt		275	843
Annen finansinntekt	3	2 618 334	2 634 703
Sum finansinntekter		0	0
Rentekostnad til foretak i samme konsern		824 999	963 157
Annen finanskostnad	3	2 271 455	2 352 983
Sum finanskostnader		0	0
Netto finans		-361 982	-331 192
Ordinært resultat før skattekostnad		-11 586 197	-8 928 496
Skattekostnad på ordinært resultat	7		11 471 914
Ordinært resultat etter skattekostnad		0	0
Årsresultat		-11 586 197	-20 400 410
Totalresultat		-11 586 197	-20 400 410
Overføringer og disponeringer			
Udekket tap		-11 586 197	-20 400 410



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-11 586 197	-20 400 410



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Skip, rigger, fly og lignende	4	4 719 257	2 672 840
Sum varige driftsmidler		4 719 257	2 672 840
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler		4 719 257	2 672 840
Omløpsmidler			
Varer			
Varer		1 150 470	416 634
Sum varer		0	0
Fordringer			
Kundefordringer		10 571 930	7 469 873
Andre fordringer	6	5 373 508	30 605 273
Sum fordringer		15 945 438	38 075 146
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		22 222	687 406
Sum bankinnskudd, kontanter og lignende		22 222	687 406
Sum omløpsmidler		17 118 129	39 179 185
SUM EIENDELER		21 837 386	41 852 025



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9	100 800	100 800
Overkurs		380	380
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital		101 180	101 180
Opptjent egenkapital			
Annen egenkapital		-35 746 720	-24 160 523
Sum opptjent egenkapital		-35 746 720	-24 160 523
Sum egenkapital	8	-35 645 540	-24 059 343
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		3 859 161	1 818 440
Annen kortsiktig gjeld	6	53 623 765	64 092 928
Sum kortsiktig gjeld		57 482 926	65 911 368
Sum gjeld		57 482 926	65 911 368
SUM EGENKAPITAL OG GJELD		21 837 386	41 852 025



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 736350

Enheten

Organisasjonsnummer: 997 571 290
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND VENTURES 4 AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Asbjørn Hasund
Dato for fastsettelse av årsregnskapet: 30.06.2022

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 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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, 30.07.2022



Organisasjonsnr: 997 571 290
ISLAND VENTURES 4 AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		42 458 565	43 296 984
Sum inntekter	2	42 458 565	43 296 984
Kostnader			
Varekostnad	2,6	9 645 114	6 938 874
Lønnskostnad	5,6	19 290 641	19 621 352
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	901 765	901 765
Annen driftskostnad	5,6	23 845 261	24 432 297
Sum kostnader		53 682 780	51 894 288
Driftsresultat		-11 224 215	-8 597 304
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern			
		115 863	349 402
Annen renteinntekt		275	843
Annen finansinntekt	3	2 618 334	2 634 703
Sum finansinntekter		0	0
Rentekostnad til foretak i samme konsern			
		824 999	963 157
Annen finanskostnad	3	2 271 455	2 352 983
Sum finanskostnader		0	0
Netto finans		-361 982	-331 192
Ordinært resultat før skattekostnad			
		-11 586 197	-8 928 496
Skattekostnad på ordinært resultat			
	7		11 471 914
Ordinært resultat etter skattekostnad		0	0
Årsresultat		-11 586 197	-20 400 410
Totalresultat		-11 586 197	-20 400 410
Overføringer og disponeringer			
Udekket tap		-11 586 197	-20 400 410
Sum overføringer og disponeringer		-11 586 197	-20 400 410



Organisasjonsnr: 997 571 290
ISLAND VENTURES 4 AS

BALANSE

Beløp i: NOK **Note** **2021** **2020**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Sum immaterielle eiendeler 0 0

Varige driftsmidler

Skip, rigger, fly og

lignende 4 4 719 257 2 672 840

Sum varige driftsmidler 4 719 257 2 672 840

Finansielle anleggsmidler

Sum finansielle

anleggsmidler 0 0

Sum anleggsmidler 4 719 257 2 672 840

Omløpsmidler

Varer

Varer 1 150 470 416 634

Sum varer 0 0

Fordringer

Kundefordringer 10 571 930 7 469 873

Andre fordringer 6 5 373 508 30 605 273

Sum fordringer 15 945 438 38 075 146

Investeringer

Sum investeringer 0 0

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 22 222 687 406

Sum bankinnskudd,
kontanter og lignende 22 222 687 406

Sum omløpsmidler 17 118 129 39 179 185

SUM EIENDELER 21 837 386 41 852 025

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 9 100 800 100 800

Overkurs 380 380

Annen innskutt egenkapital 0 0



Sum innskutt egenkapital		101 180	101 180
Opptjent egenkapital			
Annen egenkapital		-35 746 720	-24 160 523
Sum opptjent egenkapital		-35 746 720	-24 160 523
Sum egenkapital	8	-35 645 540	-24 059 343
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld		0	0
Sum annen langsiktig gjeld		0	0
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		3 859 161	1 818 440
Annen kortsiktig gjeld	6	53 623 765	64 092 928
Sum kortsiktig gjeld		57 482 926	65 911 368
Sum gjeld		57 482 926	65 911 368
SUM EGENKAPITAL OG GJELD		21 837 386	41 852 025



Organisasjonsnr: 997 571 290
ISLAND VENTURES 4 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

Island Ventures 4 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 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. Recording of rent agreements Rent agreements are recorded in accordance with the transaction principle and is in accordance with the economic content of the agreement. Operating agreements are accounted for as expenses and are collocated with the corresponding revenue in the corresponding period. Capitalized periodical maintenance (dry docking) The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking. Normal maintenance expenses are expensed as 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. 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. The company has long term charter hire contracts in foreign currency. Contract revenue in foreign currency is hedged by use of forward FX contracts. The maturity of these contracts are aligned with the monthly cash flow thus are recognized as incurred. 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. Cash flow statement The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term cash equivalents.

Note

1

Er det usikkerhet om fortsatt drift?: Nei



Note

Antall årsverk i regnskapsåret

0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



**Financial Statements
2021**

Island Offshore Ventures 4 AS



ISLAND OFFSHORE



Annual Report 2021
Island Ventures 4 AS
Organization number 997 571 290

Business activities

The Company's business comprises operation of offshore service vessels for end-clients in the oil and gas and renewables industry worldwide. The vessels are hired from both related party ship owners and external ship owners on bareboat terms. The vessels are managed by Island Offshore Management AS, and the business is operated from Ulsteinvik.

Statement on results

The Company had one vessel on bareboat contract with 87% utilization in 2021 compared with 100% utilization in 2020. The vessel ended a 15 years firm contract on 04.05.21, and has traded the spot market after completion date. Revenue in 2021 totalled NOK 42.5 mill compared with NOK 43.3 in 2020.

Operating profit is negative at NOK -11.2 mill in 2021 compared with NOK -8.6 mill in 2020. At present, the vessel does not generate sufficient profit from operations to fully cover the bareboat hire expenses. However, it is a strategic decision to keep the vessel in operation in order to minimize the loss and maintain client relationships pending improved markets state.

Cash flow from operational activities is positive with NOK 2.3 mill in 2021. Capital expenditure in 2021 amounts to NOK 2.9 mill for a main engine overhaul and preparation for 15 year class renewal in 2022. Thus, cash flow is negative with NOK 0.7 mill in 2021.

The net result for the year amounts to a loss of NOK -11.6 mill compared with a loss of NOK -20.4 mill in 2020. The 2020 year's loss include reversal of deferred tax asset with NOK -11.5 as it will take some time for the company to utilize the deferred tax losses. Net equity is negative with NOK -35.6 mill as per 31.12.21 compared with loss NOK -24.1 mill as per 31.12.20. The change in equity corresponds to this year's loss.

The Company does not have ongoing research and development activities.

Going concern

The Company is dependent on receiving financial support in order to finance further operations of the Company as a 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 senior secured lenders agreed to extend their loans until the end of 2020 at amended terms, whilst the unsecured lenders agreed to extend until 30.06.2021. Due to the immediate worsening of the market conditions and limited visibility in terms of recovery at the time, the Group announced a unilateral standstill to halt scheduled instalment payments to secured lenders in May 2020.

Island Ventures 4 AS
Organization number : 997 571 290



Island Offshore serviced its debt according to the restructuring agreement until May 2020. Since May 2020, agreement has been reached with the senior secured lenders financing the majority of the ship-owning companies' vessels, whilst negotiations for an extension is still ongoing, and progressing, with the senior lenders to Island Offshore Shipholding, L.P. Although discussions are constructive and progressing; no assurances can be given as to when a conclusion is reached with the the ultimate parent company and stakeholders. Due to the complexity of the restructuring, additional time is required to ensure a holistic long-term solution. The IOSH Group is in a challenging financial position, and the viability of the IOSH Group requires a long-term agreement with secured and unsecured creditors to strengthen the financial situation.

There are signs of improvement in the offshore market in 2022 and the assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base for the Company 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 31.12.2021, and the condition that a new restructuring agreement is agreed and made effective with secured and unsecured lenders before or short after 28.4.2022.

Work environment and gender equality

The Company does not have employees. The crew is hired from the management company. The Board comprises representatives from the largest participants in the partnerships.

External environment

The Company's operations do not pollute the external environment beyond what is normal for this type of business.

Financial risk

The Company does not have external interest bearing loans. The Company is exposed to market risks with respect to utilization of vessels on hire and thus the overall demand for offshore service vessels. Financial instruments, in the means of Forward Currency Contracts, are used to reduce this risk.

The vessel will be at yard stay for a 15 year class renewal early 2022. Funding for the capital expenditure costs will be provided from the ultimate owners of the Company.

Future outlook

The current spot markets are expected to be volatile and with limited visibility. The Company is dependent on securing additional vessel work to increase activity and profits from operation and was successful early 2022 in securing a term contract for the Island Champion for one year.

The COVID-19 implications may impair market recovery further until the pandemic is under control and economic activity increases. Continued operational disruptions increases the overall risk of activity deferrals and cancellations thus also the risk of negative future financial implications for the Company. Overall, it is emphasized that there is uncertainty with regards to the estimation of future results.



The Board of Directors continue to monitor the financial situation of the Company closely and will assess the need for capital contributions going forward.

Other matters

The board members are covered by a director and officers liability insurance purchased and maintained by the company. The insurance policy is issued by a reputable insurer with an appropriate rating.

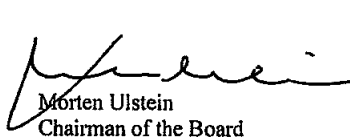
Beyond the above, The Board of Directors is not aware of any subsequent events that could be significant for the evaluation of the Company's financial position and results. Reference is made to the income statement, balance sheet cash flow statement and notes.

Allocation of results

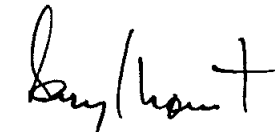
The Board proposes the following allocation of the 2021 net loss of NOK -11 586 197


Transferred to other equity NOK -11 586 197

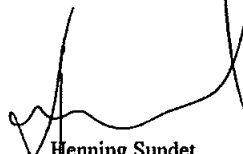
Ulsteinvik, 28 April 2022


Morten Ulstein
Chairman of the Board


Håvard Ulstein
Board Member


Gary Chouest
Board Member


Dino Chouest
Board Member


Henning Sundet
Managing Director



Income Statement

Island Ventures 4 AS

	Note	2021	2020
Freight income		42 458 565	43 296 984
Total operating income	2	42 458 565	43 296 984
Operating expenses vessel	2,6	9 645 114	6 938 874
Crew expenses	5,6	19 290 641	19 621 352
Other operating expenses	5,6	23 845 261	24 432 297
Depreciation	4	901 765	901 765
Operating expenses		53 682 780	51 894 288
Operating profit		-11 224 215	-8 597 304
Interest Income from Group companies		115 863	349 402
Other interest income		275	843
Other financial income	3	2 618 334	2 634 703
Interest paid to Group Companies		824 999	963 157
Other financial expenses	3	2 271 455	2 352 983
Net financial income and expenses		-361 982	-331 192
Ordinary result before tax		-11 586 197	-8 928 496
Tax	7	0	11 471 914
Annual net profit		-11 586 197	-20 400 410
Distributed to loss in equity		-11 586 197	-20 400 410
Net distributed		-11 586 197	-20 400 410



Balance sheet

Island Ventures 4 AS

	Note	2021	2020
Assets			
Fixed assets			
Intangible fixed assets			
Tangible fixed assets			
Capitalized maintenance	4	4 719 257	2 672 840
Total tangible assets		4 719 257	2 672 840
Total fixed assets		4 719 257	2 672 840
Current assets			
Stock of supplies		1 150 470	416 634
Debtors			
Accounts receivables		10 671 930	7 469 873
Other receivables	6	5 373 508	30 605 273
Total debtors		15 945 438	38 075 146
Investments			
Cash and bank deposits		22 222	687 406
Total current assets		17 118 129	39 179 185
Total assets		21 837 386	41 852 025

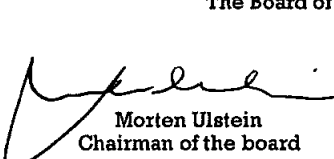



Balance sheet

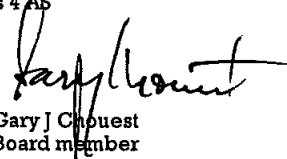
Island Ventures 4 AS


	Note	2021	2020
Liabilities and equity			
Equity			
Paid in equity			
Paid in capital	8	100 800	100 800
Share premium reserve		380	380
Total paid in equity		101 180	101 180
Other equity		-35 748 720	-24 160 523
Total retained earnings		-35 746 720	-24 160 523
Total equity	8	-35 645 540	-24 059 343
Liabilities			
Current liabilities			
Trade creditors		3 889 161	1 818 440
Other short term liabilities	8	63 623 785	64 092 928
Total current liabilities		67 512 946	65 911 368
Total liabilities		67 512 946	65 911 368
Total equity and liabilities		21 837 386	41 852 025


Ulsteinvik, 31.12.2021 / 28.04.2022
The Board of Directors Island Ventures 4 AS


Morten Ulstein
Chairman of the board


Håvard Ulstein
Board member


Gary J Chouest
Board member


Dino David Chouest
Board member


Henning Sundet
Managing Director



Cash Flow Statement

Island Ventures 4 AS

	2021	2020
<i>Cash flow from operational activities:</i>		
Profit before tax	-11 586 197	-8 928 496
-/+ Taxes paid- / Norwegian tax credit+	0	0
+ Depreciation	901 765	901 765
-/+ Change in inventory	-733 836	-62 867
-/+ Change in accounts receivable	-3 102 057	-1 475 927
+/- Change in accounts payable	2 040 721	-390 981
+/- Change in accruals	14 762 602	10 571 981
= Cash flow from operational activities	2 282 998	615 475
<i>Cash flow from investment activities</i>		
- Payments purchase of fixed assets	-2 948 182	0
= Cash flow from investment activities	-2 948 182	0
<i>Cash flow from financing activities</i>		
= Net cash flow from financing activities	0	0
= <i>Net change in cash and cash equivalents</i>	-665 184	615 475
+ <i>Cash reserve 1.1</i>	687 406	71 931
= <i>Cash reserve 31.12</i>	22 222	687 406



Notes to the financial statements 2021

Island Ventures 4 AS

NOTE 1 ACCOUNTING PRINCIPLES

Island Ventures 4 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 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.

Recording of rent agreements

Rent agreements are recorded in accordance with the transaction principle and is in accordance with the economic content of the agreement. Operating agreements are accounted for as expenses and are collocated with the corresponding revenue in the corresponding period.

Capitalized periodical maintenance (dry docking)

The Company has a program for maintenance and classification of machinery, equipment and hulls. Expenses are capitalized and expensed over the period to the next scheduled dry docking. Normal maintenance expenses are expensed as 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.

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. The company has long term charter hire contracts in foreign currency. Contract revenue in foreign currency is hedged by use of forward FX contracts. The maturity of these contracts are aligned with the monthly cash flow thus are recognized as incurred.

Taxes

Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities.



Notes to the financial statements 2021

Island Ventures 4 AS

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.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term cash equivalents.

NOTE 2 THE COMPANY BUSINESS AND GEOGRAPHICAL SPLIT OF REVENUE

In NOK mill	2021	2020
UK	16,8	43,3
Denmark	3,5	-
Germany	8,1	
USA	14,0	
Total Operating Income	42,5	43,3

The vessel Island Champion, operated by the Company, has performed work in UK, Germany, Denmark and US in 2021. The vessel ended a 15 years firm contract on 04.05.21, and has traded the spot market after completion date. The vessel achieved in average 87% utilization during 2021 compared with 100% utilization previous years thus higher average charter rates awarded in 2021 than compared with 2020.

The vessel main activity throughout the year has been transport of cargo for the petroleum industry. The vessel Island Champion is rented on bareboat contract from an external party.

In 2021, the Company entered into Agent Contract with parent company Island Offshore Shipholding, L.P. regarding the operation of the Walk to Work vessel Island Crown with customers in the Netherlands and UK. The vessel was operating in international waters and considering back to back agreement there were no commercial risk for the Company, thus all expenses relating to the vessel are recharged to related party. Thus, net income NOK 32,765,915.- is netted off vessel expenses NOK 32,765,915.- in the Income Statement.

NOTE 3 SPECIFICATIONS OTHER FINANCIAL ITEMS AND INFORMATION ABOUT FINANCIAL INSTRUMENTS

Other financial income comprises:

	2021	2020
Realized currency gain	1 849 136	2 242 312
Hedging gain+/loss- on foreign currency	769 198	392 391
Other financial income	2 618 334	2 634 703



Notes to the financial statements 2021

Island Ventures 4 AS

Other financial expenses comprise:

	2021	2020
Realized Currency loss	2 271 455	2 352 983
Other financial costs	2 271 455	2 352 983

Financial Instruments

The company has a strategy to hedge contracted revenue in foreign currency when contracts are entered for a longer period of time. The financial instrument is linked to a specific revenue cash flow and can be measured in respect of success rate according to strategy. The estimated net unrealized loss or gain is not recorded in the financial statement in accordance with the Norwegian Accounting Act and NGAAP.

There are no forward contracts used to hedge future freight revenue as per 31.12.21.

NOTE 4 FIXED ASSETS

In NOK

	Periodic maintenance	Total
Acquisition cost 1.1	4 508 825	4 508 825
Additions	2 948 182	2 948 182
Disposals at costs	-	-
Acc. Depreciation 31.12	-2 737 750	-2 737 750
Book value 31.12	4 719 257	4 719 257
Annual depreciation	901 765	901 765
Economic life	5	
Depreciation plan	Linear	

According to Bareboat agreement entered into with external party, the Company has the maintenance and repair responsibility for the vessel Island Champion. Acquisitions year to date are mainly related to a main engine overhaul and prepayments for a 15 year class renewal scheduled with yard stay in early 2022. Budgeted capital expenditure costs are NOK 10.0 mill.

The periodical maintenance program has an estimated term of 5 years hence the capitalized periodic maintenance is depreciated over a period of 5 years.



Notes to the financial statements 2021

Island Ventures 4 AS

NOTE 5 PAYROLL, EMPLOYEES

The Company does not have employees and has no obligation to have pension funds. Crew is hired from Island Offshore Management AS. 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 been expensed with NOK 51.250,- excluding VAT in 2021.

NOTE 6 RELATED PARTIES

Transactions with related parties:	2021	2020
Other short term receivables Island Offshore Shipholding, L.P.	0	25 353 774
Other short term receivables Island Offshore Management AS	4 200 000	4 200 000
Other short term liabilities Island Offshore Shipholding L.P.	-431 204	
Other short term liabilities Island Offshore Management AS	-52 488 005	-63 403 638

Short term receivables are prepayments as per 31.12.21 to the manager Island Offshore Management AS.

Island Offshore Management AS has granted a short term loan to the company due to restricted liquidity in the company.

The receivables and short term loan are interest bearing based on transfer pricing rules.

Transactions with related parties	2021	2020
Purchase of management services	2 088 453	2 035 424
Crew hire	19 290 641	19 621 352

The company has entered into management agreements with Island Offshore Management AS and Borgstein AS to carry out technical and commercial services for the vessel. The services include business management, 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.



Notes to the financial statements 2021

Island Ventures 4 AS

NOTE 7 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:

	2021	2020
Total temporary differences	-	-
Tax loss carried forward	-72 658 737	-61 073 053
Basis for deferred tax	-72 658 737	-61 073 053
Deferred tax	-15 984 921	-13 436 072
Deferred tax rate	22 %	22 %

Calculation of this years tax expense:

	2021	2020
Profit before tax	-11 586 197	-8 928 496
Permanent differences	513	513
Annual tax basis	-11 585 684	-8 927 983
Change in temporary differences	-	-
Use of tax loss carried forward	-	-
Basis for tax payable	-11 585 684	-8 927 983
Tax percentage	22 %	23 %
Changes deferred tax asset	-	11 471 914
Tax expense	-	11 471 914

As it will take some time for the Company to utilize the accumulated deferred tax losses it has been decided not to capitalize deferred tax asset in 2020 and 2021.

NOTE 8 EQUITY

	Paid in Capital	Share premium reserve	Other Equity	Total
Equity as per 01.01	100 800	380	-24 160 523	-24 059 343
<i>This year change in equity:</i>				
Profit+ / Loss - for the year	-	-	-11 586 197	-11 586 197
Equity as per 31.12.	100 800	380	-35 746 720	-35 645 540



Notes to the financial statements 2021

Island Ventures 4 AS

NOTE 9 OWNERSHIP

The share capital of NOK 100.800 consist of 2 400 shares a NOK 42,-.

Owners at 31.12:

Shareholders	Number of shares	Ownershare
Island Offshore UK Limited	2 400	100 %
Total number of shares	2 400	100 %

Island Offshore UK Limited is a wholly owned subsidiary of Island Offshore Shipholding L.P. which is the parent company in the Island Offshore Group.

NOTE 10 GOING CONCERN

The Company is dependent on receiving financial support in order to finance further operations of the Company as a 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 senior secured lenders agreed to extend their loans until the end of 2020 at amended terms, whilst the unsecured lenders agreed to extend until 30.06.2021. Due to the immediate worsening of the market conditions and limited visibility in terms of recovery at the time, the Group announced a unilateral standstill to halt scheduled instalment payments to secured lenders in May 2020.

Island Offshore serviced its debt according to the restructuring agreement until May 2020. Since May 2020, agreement has been reached with the senior secured lenders financing the majority of the ship-owning companies' vessels, whilst negotiations for an extension is still ongoing, and progressing, with the senior lenders to Island Offshore Shipholding, L.P. Although discussions are constructive and progressing; no assurances can be given as to when a conclusion is reached with the the ultimate parent company and stakeholders. Due to the complexity of the restructuring, additional time is required to ensure a holistic long-term solution. The IOSH Group is in a challenging financial position, and the viability of the IOSH Group requires a long-term agreement with secured and unsecured creditors to strengthen the financial situation.

There are signs of improvement in the offshore market in 2022 and the assessment is that the Island Offshore Group has the resources, organization, competence, assets and customer base for the Company to continue being a going concern.



Notes to the financial statements 2021

Island Ventures 4 AS

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 31.12.2021, and the condition that a new restructuring agreement is agreed and made effective with secured and unsecured lenders before or short after 28.4.2022.

NOTE 11 COVID-19

The COVID-19 pandemic is still causing operational disruptions to vessel activity and increases the overall risk of activity deferrals and cancellations. Accordingly, there is increased risk of negative future financial implications for the Company.

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, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Ventures 4 AS

Opinion

We have audited the financial statements of Island Ventures 4 AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer (management)) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

A member firm of Ernst & Young Global Limited

Pennep Dokumentnr: AS/11/17; EY/G3M-LGKEX-MM51W-FBPSN-D/SEI



going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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

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

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

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

Bergen, 4 July 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Island Ventures 4 AS 2021
A member firm of Ernst & Young Global Limited

Penneo Dokumentnr: A51VW1 FYG3M-LGKX-MM5 1W-FBPSN-DY3EI



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

Serienummer: 9578-5992-4-3012515

IP: 213.52.xxx.xxx

2022-07-04 14:57:35 UTC



Penneo Dokumentnøkkel: A5VW1 EYG3M-LGK5X-MM5TW-F8P5N-DY3EI

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>



Skattedirektoratet

Saksbehandler Geir Johannessen	Deres dato 16.02.2015	Vår dato 23.02.2015
Telefon 22 07 73 25/22 68 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 språk

Det vises til deres brev av 16. februar 2015, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Amnor Bergen AS	org.nr. 994 787 365
Amnor Bergen KS	org.nr. 994 787 381
Island Ventures 4 AS	org.nr. 997 571 290
Agat Technology AS	org.nr. 997 109 198
Island Offshore Subsea AS	org.nr. 988 626 392
Island Offshore Subsea Crewing AS	org.nr. 996 266 591

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.

Bakgrunn

Skattedirektoratet har tidligere gitt tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for flere sammenhengende selskaper i deres portefølje. Bakgrunnen er at disse selskapene er majoritets eid av en felles utenlandsk aksjonær og der andre vesentlige eiere er familiemedlemmer, eiet direkte eller gjennom selskaper, hhv av en utenlandsk og en norsk familie.

De selskapene det søkes for nå er norske private aksjeselskaper og et kommandittselskap. Amnor Bergen AS og Amnor Bergen KS er eid 100 % av et amerikansk selskap Amnor II LLC. Island Offshore Management AS (org.nr. 984 285 310) har tidligere fått tillatelse til å utarbeide årsregnskap og årsberetning på engelsk. Dette selskapet er morselskap i Island Offshore Subsea AS som eier 100 % av Island Offshore Subsea Crewing AS og er samtidig majoritets eier i Agat Technology AS. Island Ventures 4 AS er majoritets eid av familiemedlemmer, eiet indirekte gjennom selskaper, hhv av en utenlandsk familie (Gary Chouest m/familie) og norsk familie (Morten Ulstein m/familie). Øvrige eierposter består av mindre poster eiet av bekjente til den norske familien. 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. Engelske regnskaper vil fullt ut dekke det informasjonsbehov som de vesentlige regnskapsbrukerne måtte ha.

Postadresse
Postboks 8200 Grønland
0134 Oslo

Besøksadresse:
Se www.ekallestalen.no
Org.nr: 998260318
E-post: ekallestalen.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 00 80



2013/779164 Side 2 av 2

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."

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 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, forotaksskatt
Skattedirektoratet

Geir Johannessen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer