



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	914 405 025
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ISLAND OFFSHORE INTERNATIONAL SHIPPING AS
Forretningsadresse:	Stålhaugen 5 6065 ULSTEINVIK

### Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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### Konsern

Morselskap i konsern:	Nei
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### 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:	Mai-Britt Myklebust
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
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annan driftskostnad	2,4,5	29 165	19 290
Sum kostnader		29 165	19 290
<b>Driftsresultat</b>		<b>-29 165</b>	<b>-19 290</b>
<b>Finansinntekter og finanskostnader</b>			
Anna renteinntekt		1	145
Anna finansinntekt	3	1 960 620	3 203 675
Sum finansinntekter		0	0
Rentekostnad til føretak i same konsern		50 677	54 869
Annan finanskostnad	3	1 960 640	3 203 002
Sum finanskostnader		0	0
<b>Netto finans</b>		<b>-50 696</b>	<b>-54 051</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-79 861</b>	<b>-73 342</b>
Skattekostnad på ordinært resultat	6		1 098 067
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>-79 861</b>	<b>-1 171 408</b>
<b>Totalresultat</b>		<b>-79 861</b>	<b>-1 171 408</b>
<b>Overføringer og disponeringar</b>			
Udekt tap		-79 861	-1 171 409
Sum overføringer og disponeringar	7	-79 861	-1 171 409



## Balanse

Beløp i: NOK	Note	2021	2020
<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>			
Sum finansielle anleggsmiddel		0	0
Sum anleggsmiddel		0	0
<b>Omløpsmiddel</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Krav</b>			
Kundekrav		18 145 067	10 228 488
Sum krav		18 145 067	10 228 488
<b>Investeringar</b>			
Sum investeringar		0	0
<b>Bankinnskot, kontantar og liknande</b>			
Bankinnskot, kontantar og liknande		17 043	44 121
Sum bankinnskot, kontantar og liknande		17 043	44 121
Sum omløpsmiddel		18 162 110	10 272 609
<b>SUM EIGEDELAR</b>		<b>18 162 110</b>	<b>10 272 609</b>

## BALANSE - EIGENKAPITAL OG GJELD

### Eigenkapital



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Innskoten egenkapital</b>			
Selskapskapital	8	100 000	100 000
Overkurs		-5 666	-5 666
Annan innskoten egenkapital		0	0
<b>Sum innskoten egenkapital</b>		<b>94 334</b>	<b>94 334</b>
<b>Opptent egenkapital</b>			
Annan egenkapital		-3 531 179	-3 451 318
<b>Sum opptent egenkapital</b>		<b>-3 531 179</b>	<b>-3 451 318</b>
<b>Sum egenkapital</b>	7	<b>-3 436 845</b>	<b>-3 356 984</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>0</b>	<b>0</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		4 796	2 691
Anna kortsiktig gjeld	5	21 594 159	13 626 902
<b>Sum kortsiktig gjeld</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>Sum gjeld</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>SUM EIGENKAPITAL OG GJELD</b>		<b>18 162 110</b>	<b>10 272 609</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 736238

#### Enheten

Organisasjonsnummer: 914 405 025  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ISLAND OFFSHORE INTERNATIONAL SHIPPING AS  
Forretningsadresse: Stålhaugen 5  
6065 ULSTEINVIK

#### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

#### 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: Mai-Britt Myklebust  
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: 914 405 025  
ISLAND OFFSHORE INTERNATIONAL  
SHIPPING AS

## RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>RESULTATREKNESKAP</b>			
<b>Inntekter</b>			
Sum inntekter		0	0
<b>Kostnader</b>			
Annan driftskostnad	2,4,5	29 165	19 290
Sum kostnader		29 165	19 290
<b>Driftsresultat</b>		<b>-29 165</b>	<b>-19 290</b>
<b>Finansinntekter og finanskostnader</b>			
Anna renteinntekt		1	145
Anna finansinntekt	3	1 960 620	3 203 675
Sum finansinntekter		0	0
Rentekostnad til foretak i same konsern		50 677	54 869
Annan finanskostnad	3	1 960 640	3 203 002
Sum finanskostnader		0	0
<b>Netto finans</b>		<b>-50 696</b>	<b>-54 051</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-79 861</b>	<b>-73 342</b>
Skattekostnad på ordinært resultat	6		1 098 067
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>0</b>
<b>Årsresultat</b>		<b>-79 861</b>	<b>-1 171 408</b>
<b>Totalresultat</b>		<b>-79 861</b>	<b>-1 171 408</b>
<b>Overføringer og disponeringar</b>			
Udekt tap		-79 861	-1 171 409
Sum overføringer og disponeringar	7	-79 861	-1 171 409



Organisasjonsnr: 914 405 025  
ISLAND OFFSHORE INTERNATIONAL  
SHIPPING AS

## BALANSE

Beløp i: NOK	Note	2021	2020
<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>			
Sum finansielle anleggsmiddel		0	0
Sum anleggsmiddel		0	0
<b>Omløpsmiddel</b>			
<b>Varer</b>			
Sum varer		0	0
<b>Krav</b>			
Kundekrav		18 145 067	10 228 488
Sum krav		18 145 067	10 228 488
<b>Investeringar</b>			
Sum investeringar		0	0
<b>Bankinnskot, kontantar og liknande</b>			
Bankinnskot, kontantar og liknande		17 043	44 121
Sum bankinnskot, kontantar og liknande		17 043	44 121
Sum omløpsmiddel		18 162 110	10 272 609
<b>SUM EIGEDELAR</b>		<b>18 162 110</b>	<b>10 272 609</b>
<b>BALANSE - EIGENKAPITAL OG GJELD</b>			
<b>Eigenkapital</b>			
<b>Innskoten eigenkapital</b>			
Selskapskapital	8	100 000	100 000
Overkurs		-5 666	-5 666
Annan innskoten eigenkapital		0	0
Sum innskoten eigenkapital		94 334	94 334



<b>Opptent egenkapital</b>			
Annan egenkapital		-3 531 179	-3 451 318
<b>Sum opptent egenkapital</b>		<b>-3 531 179</b>	<b>-3 451 318</b>
<b>Sum egenkapital</b>	<b>7</b>	<b>-3 436 845</b>	<b>-3 356 984</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Sum avsetjinger for plikter		0	0
Anna langsiktig gjeld		0	0
<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		4 796	2 691
Anna kortsiktig gjeld	5	21 594 159	13 626 902
<b>Sum kortsiktig gjeld</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>Sum gjeld</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>SUM EIGENKAPITAL OG GJELD</b>		<b>18 162 110</b>	<b>10 272 609</b>



Organisasjonsnr: 914 405 025  
ISLAND OFFSHORE INTERNATIONAL  
SHIPPING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**

1

**Rekneskapsprinsipp**

Island Offshore International Shipping AS is included in the consolidated financial statements for Island Offshore Shipholding LP, 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. 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. 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 Receivables 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 liabilities are recorded at the exchange rate at the balance sheet date. When the company enters into long term charter hire contracts in foreign currency, the normal procedure is to hedge contract revenue 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 usikkerheit om vidare drift?: Nei

**Note**

**Tal på årsverk i rekneskapsåret**

0.00

**Note**



4

## Spesifisering av resultatregnskapen

### Lønnskostnader

Sum Beløp

Balanseført verdi 31.12. Varige driftsmiddel Immaterielle eigned.

## Konsernregnskap

### Morselskapet sitt navn

### Forretningskontor for morselskapet

Grunn til at dotterselskap ikkje er tatt med i konsolideringa

### Konsern, tilknytt selskap m.v. - krav og gjeld

#### Krav

Samla beløp - tilknytt selskap Årets Fjorårets

Samla beløp - føretak i samme konsern Årets Fjorårets

Samla beløp - føretak i samme konsern Årets Fjorårets

Samla beløp - felles kontrollert verksemd Årets Fjorårets

Pantstillingar Beløp

#### Note

8

Behaldning av eigne aksjar Tal på aksjar Pålydande Andel av aksjek.

#### Erverv

Endringar i behaldning av aksjar i løpet av rekneskapsåret

#### Avhending

Endringar i behaldning av aksjar i løpet av rekneskapsåret



Samvirkeføretak

Vedtektsavgjerd/årsmøtevedtak/forslag til vedtak knytt til medlemskapskonti

Meir om aksjar

Note

4

Lån og sikkerheitsstilling til medlem

Er det gitt lån eller sikkerheitsstilling til leiande personar: Nei

Opplysingar om:

Medlem av:

Meir om lån og sikkerheitsstilling



**Financial Statements  
2021**

**Island Offshore International Shipping AS**



**ISLAND OFFSHORE**



## Income statement

### Island Offshore International Shipping AS

	Note	2021	2020
Other operating expenses	2,4,5	29 165	19 290
<b>Total operating expenses</b>		<b>29 165</b>	<b>19 290</b>
<b>Operating profit</b>		<b>-29 165</b>	<b>-19 290</b>
Interest income		1	145
Other financial income	3	1 960 620	3 203 675
Interest expenses, intercompany		50 677	54 869
Other financial expenses	3	1 960 640	3 203 002
<b>Total financial income &amp; expenses</b>		<b>-50 696</b>	<b>-54 051</b>
<b>Ordinary result before tax</b>		<b>-79 861</b>	<b>-73 342</b>
<b>Tax on ordinary result</b>	6	0	1 098 067
<b>Net profit for the year</b>		<b>-79 861</b>	<b>-1 171 408</b>
Transfer to valuation reserves		-79 861	-1 171 409
<b>Total transfers</b>	7	<b>-79 861</b>	<b>-1 171 409</b>



**Balance sheet**

**Island Offshore International Shipping AS**

	Note	2021	2020
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
<b>Financial fixed assets</b>			
<b>Current assets</b>			
Accounts receivables		18 145 067	10 228 488
<b>Total debtors</b>		<b>18 145 067</b>	<b>10 228 488</b>
<b>Cash and bank deposits</b>		<b>17 043</b>	<b>44 121</b>
<b>Total current assets</b>		<b>18 162 110</b>	<b>10 272 609</b>
<b>Total assets</b>		<b>18 162 110</b>	<b>10 272 609</b>

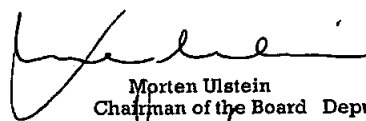


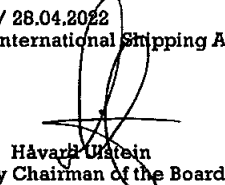
**Balance sheet**


**Island Offshore International Shipping AS**


	Note	2021	2020
<b>Liabilities and equity</b>			
<b>Equity</b>			
<b>Paid in equity</b>			
Share capital	8	100 000	100 000
Share premium reserve		-5 666	-5 666
<b>Total paid in equity</b>		<b>94 334</b>	<b>94 334</b>
<b>Retained earnings</b>			
Other equity		-3 531 179	-3 451 318
<b>Total retained earnings</b>		<b>-3 531 179</b>	<b>-3 451 318</b>
Profit not allocated		0	0
<b>Total equity</b>	7	<b>-3 436 845</b>	<b>-3 356 984</b>
<b>Liabilities</b>			
<b>Provision for liabilities</b>			
<b>Current liabilities</b>			
Trade creditors		4 796	2 691
Other short term liabilities	5	21 594 169	13 626 902
<b>Total current liabilities</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>Total liabilities</b>		<b>21 598 955</b>	<b>13 629 593</b>
<b>Total equity and liabilities</b>		<b>18 162 110</b>	<b>10 272 609</b>

Ulsteinvik, 31.12.2021 / 28.04.2022  
Board of Directors, Island Offshore International Shipping AS

  
Morten Ulstein  
Chairman of the Board

  
Håvard Ulstein  
Deputy Chairman of the Board

  
Gary Chouest  
Board Member

  
Dino Chouest  
Board Member



## Notes to the financial statements 2021

### Island Offshore International Shipping AS

#### NOTE 1 ACCOUNTING PRINCIPLES

Island Offshore International Shipping 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.

#### 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.

#### 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. When the company enters into long term charter hire contracts in foreign currency, the normal procedure is to hedge contract revenue 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.



## Notes to the financial statements 2021

### Island Offshore International Shipping AS

#### NOTE 2 THE COMPANY'S BUSINESS AND GEOGRAPHICAL SPLIT OF REVENUE

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, Considering the nature of the business, it is expected that revenue will fluctuate with changes in the contract portfolio and market state.

The Company entered into Agent Contract with related parties Island Offshore Shipholding L.P. , Island Offshore X KS and Green Island OI III AS regarding the operation of the LWI Island Frontier and the SCV Ocean Intervention III. Back to back agreement hence no risk for the Company, thus all expenses relating to the vessel are recharged to related party. Thus, net income NOK 72.230.432 is netted off vessel expenses NOK 72.230.432 in the Income Statement reference note 5.

#### NOTE 3 SPECIFICATIONS OTHER FINANCIAL ITEMS

Other financial income comprises:

	2021	2020
Foreign exchange gain	1 960 620	3 203 675
<b>Total other financial income</b>	<b>1 960 620</b>	<b>3 203 675</b>

Other financial expenses comprises:

	2021	2020
Foreign exchange loss	1 960 640	3 203 002
<b>Total other financial expenses</b>	<b>1 960 640</b>	<b>3 203 002</b>

#### NOTE 4 PAYROLL, EMPLOYEES

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

#### Auditor

Audit fee has been paid with NOK 24.388 excluding VAT during 2021.



## Notes to the financial statements 2021

### Island Offshore International Shipping AS

#### NOTE 5 RELATED PARTIES

Transactions with related parties

	2021	2020
<b>Account receivable</b>		
Other short term liabilities Island Offshore Management AS	-3 351 610	-3 351 610
Other short term liabilities Island Offshore Shipholding, L.P.	-11 389 024	-42 458
Other short term liabilities Island Offshore X KS	0	-10 228 488
Other short term liabilities Green Island OI III AS	-6 798 501	0

Intercompany liabilities are charged with interests according to transfer pricing rules.

	2021	2020
Outlay agent revenue	72 230 432	56 584 385
Outlay agent expenses	- 72 230 432	- 56 584 385

As regards to agent contracts please refer to note 2.

The Company entered into management agreements with Island Offshore Management AS to carry out technical and commercial services for the vessels. The services included crewing, purchase, administration, sales, accounting and technical operations.

According to the management agreement, the ship operating companies will refund all direct costs related to the vessels, to the management company. An annual fee is paid based on arm's length principle. Since the Company has been on agent contract in 2020 and 2021, no administration services has been charged from the Manager.

#### 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 2021

### Island Offshore International Shipping AS

Deferred tax / tax asset has been calculated as follows:

	2021	2020
Total temporary differences	-	-
Tax loss carried forward	-1 060 207	-980 346
<b>Basis of deferred tax</b>	<b>-1 060 207</b>	<b>-980 346</b>
Deferred tax + / deferred tax asset - in the balance sheet	-233 244	-215 675
Tax rate	22 %	22 %

Calculation of this year's tax expenses:

	2021	2020
Profit before tax	-79 862	-73 342
<i>Change in temporary differences:</i>		
Tax loss carried forward	-	-
<b>This year's payable tax basis</b>	<b>-79 862</b>	<b>-73 342</b>

Tax in Profit and Loss Accounts consists of:

	2021	2020
Paid taxes in the US	-	898 528
Change in deferred taxes	-	199 539
<b>This year's tax result</b>	<b>-</b>	<b>1 098 067</b>

In 2015 and 2016, the Company was on bareboat contract for the operation of the SCV Island Pride in the US. Taxes paid to the IRS in USA has in 2015 to 2019 been capitalized in the balance sheet pending credit refunds. However, the foreign tax paid has been expensed in the Income Statement in 2020.

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 2021 and 2020.

**Notes to the financial statements 2021**

## Island Offshore International Shipping AS

**NOTE 7 EQUITY**

	Paid in Capital	Share Premium reserve	Other Equity	Total
Equity as per 01.01.	100 000	-5 666	-3 451 318	-3 356 984
<i>This year change in equity:</i>				-
Profit + /Loss - for the year		-	-79 862	-79 862
<b>Equity as per 31.12.</b>	<b>100 000</b>	<b>-5 666</b>	<b>-3 531 180</b>	<b>-3 436 846</b>

**NOTE 8 OWNERSHIP**

The share capital of NOK 100.000 consist of 100 shares à NOK 1.000,-.

**Owners at 31.12:**

Shareholders	Number of shares	in %
Borgstein Skipsinvest AS	1	1 %
Island Offshore Shipholding, L.P.	99	99 %
<b>Total number of shares</b>	<b>100</b>	<b>100 %</b>

**NOTE 9 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 Offshore International Shipping 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 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, 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 Offshore International Shipping AS

### Opinion

We have audited the financial statements of Island Offshore International Shipping AS (the Company), which comprise the balance sheet as at 31 December 2021, 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 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 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.

### Responsibilities of management for the financial statements

Management (the board of directors) 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 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:

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- 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)

Penneo Dokumentnøkkel: MFSY-1EYRA-0MBWN-TVO0W-BFZZX-YHWZB



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**Jørn Knutsen**

**Statsautorisert revisor**

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**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 16.02.2016	Vår dato 23.02.2016
Telefon 22078139	Deres referanse Mai-Britt Myklebust	Vår referanse 2013779184

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 majoritetens 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 ultimatt 50 % av en utenlandsk familie (Gary Chouest m/familie) og ultimatt 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*