



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 987 845 325
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND OFFSHORE XI AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 08.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 24.07.2024



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|-------------------|-----------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Sum inntekter | | 0 | 0 |
| Kostnader | | | |
| Annen driftskostnad | | 6 | |
| Sum kostnader | | 6 | 0 |
| Driftsresultat | | -6 | 0 |
| Finansinntekter og finanskostnader | | | |
| Inntekt på investering i datterselskap og tilknyttet selskap | 4 | -1 634 336 | -748 574 |
| Annen renteinntekt | | 364 473 | 171 809 |
| Annen finansinntekt | | 675 | |
| Sum finansinntekter | | -1 269 188 | -576 765 |
| Annen finanskostnad | | 675 | |
| Sum finanskostnader | | 675 | 0 |
| Netto finans | | -1 269 863 | -576 765 |
| Ordinært resultat før skattekostnad | | -1 269 868 | -576 765 |
| Ordinært resultat etter skattekostnad | | -1 269 868 | -576 765 |
| Årsresultat | 7 | -1 269 868 | -576 765 |
| Totalresultat | | -1 269 868 | -576 765 |
| Overføringer og disponeringer | | | |
| Overføringer til/fra annen egenkapital | | -1 269 868 | -576 765 |
| Sum overføringer og disponeringer | | -1 269 868 | -576 765 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Sum immaterielle eiendeler | | 0 | 0 |
| Varige driftsmidler | | | |
| Sum varige driftsmidler | | 0 | 0 |
| Finansielle anleggsmidler | | | |
| Lån til foretak i samme konsern | 6 | 11 534 595 | 11 362 787 |
| Investeringer i tilknyttet selskap | 4 | 40 758 160 | 36 024 296 |
| Sum finansielle anleggsmidler | | 52 292 755 | 47 387 083 |
| Sum anleggsmidler | | 52 292 755 | 47 387 083 |
| Omløpsmidler | | | |
| Varer | | | |
| Sum varer | | 0 | 0 |
| Fordringer | | | |
| Andre fordringer | | 364 468 | 171 808 |
| Sum fordringer | | 364 468 | 171 808 |
| Investeringer | | | |
| Sum investeringer | | 0 | 0 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | | 94 080 | 93 405 |
| Sum bankinnskudd, kontanter og lignende | | 94 080 | 93 405 |
| Sum omløpsmidler | | 458 548 | 265 214 |
| SUM EIENDELER | | 52 751 303 | 47 652 297 |

BALANSE - EGENKAPITAL OG GJELD



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|-------------------|-------------------|
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Selskapskapital | 8 | 31 055 876 | 26 885 876 |
| Overkurs | | 9 689 605 | 9 689 605 |
| Annen innskutt egenkapital | | 0 | 0 |
| Sum innskutt egenkapital | | 40 745 481 | 36 575 481 |
| Opptjent egenkapital | | | |
| Fond | | 12 061 772 | 12 061 772 |
| Annen egenkapital | | -60 973 | -989 305 |
| Sum opptjent egenkapital | | 12 000 798 | 11 072 467 |
| Sum egenkapital | 7 | 52 746 279 | 47 647 948 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 5 | | |
| Sum avsetninger for forpliktelser | | 0 | 0 |
| Annen langsiktig gjeld | | | |
| Sum annen langsiktig gjeld | | 0 | 0 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Annen kortsiktig gjeld | | 5 024 | 4 349 |
| Sum kortsiktig gjeld | | 5 024 | 4 349 |
| Sum gjeld | | 5 024 | 4 349 |
| SUM EGENKAPITAL OG GJELD | | 52 751 303 | 47 652 297 |



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 508220

Enheten

Organisasjonsnummer: 987 845 325
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISLAND OFFSHORE XI AS
Forretningsadresse: Stålhaugen 9
6065 ULSTEINVIK

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 08.06.2023

Revisjon

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

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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, 26.06.2023



Organisasjonsnr: 987 845 325
ISLAND OFFSHORE XI AS

RESULTATREGNSKAP

| Beløp i: NOK | Note | 2022 | 2021 |
|--|-------------|-------------|-------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Sum inntekter | | 0 | 0 |
| Kostnader | | | |
| Annen driftskostnad | | 6 | |
| Sum kostnader | | 6 | 0 |
| Driftsresultat | | -6 | 0 |
| Finansinntekter og finanskostnader | | | |
| Inntekt på investering i datterselskap og tilknyttet selskap | 4 | -1 634 336 | -748 574 |
| Annen renteinntekt | | 364 473 | 171 809 |
| Annen finansinntekt | | 675 | |
| Sum finansinntekter | | -1 269 188 | -576 765 |
| Annen finanskostnad | | 675 | |
| Sum finanskostnader | | 675 | 0 |
| Netto finans | | -1 269 863 | -576 765 |
| Ordinært resultat før skattekostnad | | -1 269 868 | -576 765 |
| Ordinært resultat etter skattekostnad | | -1 269 868 | -576 765 |
| Årsresultat | 7 | -1 269 868 | -576 765 |
| Totalresultat | | -1 269 868 | -576 765 |
| Overføringer og disponeringer | | | |
| Overføringer til/fra annen egenkapital | | -1 269 868 | -576 765 |
| Sum overføringer og disponeringer | | -1 269 868 | -576 765 |



Organisasjonsnr: 987 845 325
ISLAND OFFSHORE XI AS

BALANSE

| Beløp i: NOK | Note | 2022 | 2021 |
|--|------|-------------------|-------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Sum immaterielle eiendeler | | 0 | 0 |
| Varige driftsmidler | | | |
| Sum varige driftsmidler | | 0 | 0 |
| Finansielle anleggsmidler | | | |
| Lån til foretak i samme konsern | 6 | 11 534 595 | 11 362 787 |
| Investeringer i tilknyttet selskap | 4 | 40 758 160 | 36 024 296 |
| Sum finansielle anleggsmidler | | 52 292 755 | 47 387 083 |
| Sum anleggsmidler | | 52 292 755 | 47 387 083 |
| Omløpsmidler | | | |
| Varer | | | |
| Sum varer | | 0 | 0 |
| Fordringer | | | |
| Andre fordringer | | 364 468 | 171 808 |
| Sum fordringer | | 364 468 | 171 808 |
| Investeringer | | | |
| Sum investeringer | | 0 | 0 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | | 94 080 | 93 405 |
| Sum bankinnskudd, kontanter og lignende | | 94 080 | 93 405 |
| Sum omløpsmidler | | 458 548 | 265 214 |
| SUM EIENDELER | | 52 751 303 | 47 652 297 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Selskapskapital | 8 | 31 055 876 | 26 885 876 |
| Overkurs | | 9 689 605 | 9 689 605 |
| Annen innskutt egenkapital | | 0 | 0 |



| | | | |
|--|----------|-------------------|-------------------|
| Sum innskutt egenkapital | | 40 745 481 | 36 575 481 |
| Opptjent egenkapital | | | |
| Fond | | 12 061 772 | 12 061 772 |
| Annen egenkapital | | -60 973 | -989 305 |
| Sum opptjent egenkapital | | 12 000 798 | 11 072 467 |
| Sum egenkapital | 7 | 52 746 279 | 47 647 948 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 5 | | |
| Sum avsetninger for forpliktelseser | | 0 | 0 |
| Annen langsiktig gjeld | | 0 | 0 |
| Sum annen langsiktig gjeld | | 0 | 0 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Annen kortsiktig gjeld | | 5 024 | 4 349 |
| Sum kortsiktig gjeld | | 5 024 | 4 349 |
| Sum gjeld | | 5 024 | 4 349 |
| SUM EGENKAPITAL OG GJELD | | 52 751 303 | 47 652 297 |



Organisasjonsnr: 987 845 325
ISLAND OFFSHORE XI AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper

NOTE 2 ACCOUNTING PRINCIPLES The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) in Norway. Classification criteria Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets. Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets. Presentation of subsidiaries and associated companies Associated companies are accounted for by the equity method. Valuation of current assets Receivables are recorded net of expected future losses. Currency Transactions in foreign currency are recorded at the exchange rate at the transaction date. Current assets and liabilities are recorded at the exchange rate at the balance sheet date. Taxes The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax is calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable. NOTE 3 PAYROLL COST, EMPLOYEES The company has no employees and the Board of Directors have not received any compensation. Auditor Audit fees are covered by the partnership in accordance with the Partnership Agreement.

Note
2

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

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

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.

Note

3

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



**Financial Statements
2022**

Island Offshore XI AS



ISLAND OFFSHORE



Income statement

Island Offshore XI AS

| | Note | 2022 | 2021 |
|---|----------|-------------------|-----------------|
| Other operating expenses | | 6 | 0 |
| Total operating expenses | | 6 | 0 |
| Operating profit | | -6 | 0 |
| Income on investments in associated companies | 4 | -1 634 336 | -748 574 |
| Interest income | | 364 473 | 171 809 |
| Other financial income | | 675 | 0 |
| Other financial expenses | | 675 | 0 |
| Total financial income & expenses | | -1 269 863 | -576 765 |
| Ordinary result before tax | | -1 269 869 | -576 765 |
| | | | |
| Net profit for the year | | -1 269 869 | -576 765 |
| | | | |
| Allocated as follows | | | |
| Transfer to other equity | | -1 269 869 | -576 765 |
| Total transfers | 7 | -1 269 869 | -576 765 |



Balance sheet

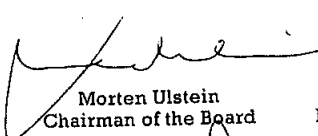
Island Offshore XI AS

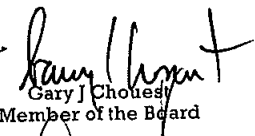
| | Note | 2022 | 2021 |
|-------------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Fixed assets | | | |
| Intangible fixed assets | | | |
| Financial fixed assets | | | |
| Loan to subsidiaries | 6 | 11 534 595 | 11 362 787 |
| Investments associated companies | 4 | 40 758 160 | 36 024 296 |
| Total financial fixed assets | | 52 292 755 | 47 387 083 |
| Total fixed assets | | 52 292 755 | 47 387 083 |
| Current assets | | | |
| Other receivables | 6 | 364 468 | 171 808 |
| Total debtors | | 364 468 | 171 808 |
| Cash and bank deposits | | 94 080 | 93 405 |
| Total current assets | | 458 548 | 265 214 |
| Total assets | | 52 751 303 | 47 652 297 |

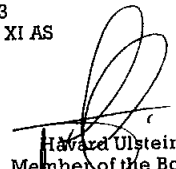
**Balance sheet****Island Offshore XI AS**


| | Note | 2022 | 2021 |
|-------------------------------------|------|-------------------|-------------------|
| Liabilities and equity | | | |
| Equity | | | |
| Paid in equity | | | |
| Share capital | 8 | 31 055 876 | 26 885 876 |
| Share premium reserve | | 9 689 605 | 9 689 605 |
| Total paid in equity | | 40 745 481 | 36 575 481 |
| Retained earnings | | | |
| Reserve for valuation variances | | 12 061 772 | 12 061 772 |
| Other equity | | -60 973 | -989 305 |
| Total retained earnings | | 12 000 798 | 11 072 467 |
| Total equity | 7 | 52 746 279 | 47 647 948 |
| Liabilities | | | |
| Provision for liabilities | | | |
| Deferred tax | 5 | 0 | 0 |
| Total long term liabilities | | 0 | 0 |
| Current liabilities | | | |
| Other short term liabilities | | 5 024 | 4 349 |
| Total current liabilities | | 5 024 | 4 349 |
| Total liabilities | | 5 024 | 4 349 |
| Total equity and liabilities | | 52 751 303 | 47 652 297 |

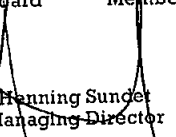
Ulsteinvik,, 31.12.2022 / 27.04.2023
The Board of Directors Island Offshore XI AS


Morten Ulstein
Chairman of the Board


Gary J. Choues
Member of the Board


Harald Ulstein
Member of the Board


Arne Loen
Member of the Board


Henning Sundet
Managing Director

Island Offshore XI AS Org.nr. 987845325



Notes to the financial statements 2022

Island Offshore XI AS

NOTE 1 GENERAL

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

Island Offshore XI AS is included in the consolidated financial statements for Island Offshore Shipholding LP, c/o Island Offshore Shipping AS. P.O. Box 370, N-6067 Ulsteinvik.

NOTE 2 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles for small businesses (NRS 8) in Norway.

Classification criteria

Assets to be owned or utilized permanently, and receivables falling due later than one year from the end of the accounting year, are classified as fixed assets. Other assets are classified as current assets.

Liabilities due later than one year from the end of the accounting year are classified as long term liabilities. Other debts and liabilities are classified as short term, with the exception of the first installment on secured debt which is serviced by the cash flow from fixed assets.

Presentation of subsidiaries and associated companies

Associated companies are accounted for by the equity method.

Valuation of current assets

Receivables are recorded net of expected future losses.

Currency

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

Taxes

The tax expense in the income statement includes both taxes payable and change in deferred tax. Deferred tax is calculated as 22% of the temporary differences between tax and accounting values, and eventual tax losses carried forward at the end of the accounting year. Tax reducing and tax increasing differences are offset if reversible. Any net deferred tax asset is recorded in the balance sheet if expected future profitability makes utilization probable.

NOTE 3 PAYROLL COST, EMPLOYEES

The company has no employees and the Board of Directors have not received any compensation.

Auditor

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



Notes to the financial statements 2022

Island Offshore XI AS

NOTE 4 INVESTMENTS

| | <u>Island Offshore III KS</u> |
|-------------------------|-------------------------------|
| Registered capital | 61 700 000 |
| Unpaid capital | - |
| Ownership | <u>10 %</u> |
| Share of vessels | 58 487 090 |
| Share of current assets | 5 678 916 |
| Share of liabilities | -23 543 256 |
| Excess value | <u>135 411</u> |
| Book value | <u>40 758 160</u> |
| Share of net result | <u>-1 634 336</u> |
| Share of net tax result | <u>-968 531</u> |

As the general partner of Island Offshore III KS, the Company is responsible for the partnership's total liabilities of NOK 235.432.557 at 31.12.2022.

The restructuring agreement with the banks was effective in January 2022 and included partial buy back of the loan at a discount of NOK 22 mill recorded as direct booking towards equity. Reference to note 7 and 9.

NOTE 5 TAXES

Deferred tax/tax asset is calculated on the basis of all differences between accounting and tax values for assets and liabilities. Deferred tax is estimated with 22% rate based on the temporary differences between tax and accounting values, as well as deferred tax loss carried forward at the end of the accounting year.

Temporary differences that reverse or may be reversed are offset and presented net.

Specification of temporary differences:

| | <u>2022</u> | <u>2021</u> |
|--|--------------------------|--------------------------|
| Temporary difference, share of partnership | 27 543 700 | 30 271 024 |
| Other differences: | | |
| Gains and loss account | -56 632 | -70 790 |
| Deferred tax loss carried forward | <u>-35 204 548</u> | <u>-36 784 526</u> |
| Sum temporary differences | <u>-7 717 480</u> | <u>-6 584 292</u> |
| Deferred tax | <u>-1 697 845</u> | <u>-1 448 543</u> |
| Tax rate | <u>22 %</u> | <u>22 %</u> |

As it will take some time for the Company to utilize tax loss carried forward to offset future payable tax, it is decided not to record deferred tax asset in the balance sheet of the Company as per 31.12.22 and 31.12.21.



Notes to the financial statements 2022

Island Offshore XI AS

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

| | <u>2022</u> | <u>2021</u> |
|---|------------------------|------------------------|
| Profit before tax | -1 269 869 | -576 765 |
| Share of net tax result from partnership | -968 531 | -442 474 |
| Reversed share of net accounting result from partnership | 1 634 336 | 748 574 |
| Change in temporary differences | <u>-14 158</u> | <u>-17 698</u> |
| Annual tax basis | <u>-618 222</u> | <u>-288 362</u> |
| Part of extinguish debt in Partnership reducing deferred tax loss carried forward | 2 198 200 | |
| Deferred tax loss carried forward | -35 204 548 | -36 784 526 |

Specification of taxes in Profit and Loss Accounts:

| | <u>2022</u> | <u>2022</u> |
|---------------------------|-----------------|-----------------|
| Taxes payable | - | - |
| Change in deferred tax | - | - |
| Annual tax expense | <u>-</u> | <u>-</u> |

NOTE 6 RELATED PARTIES

| | <u>2022</u> | <u>2021</u> |
|-----------------------|-------------|-------------|
| Long term receivables | 11 534 595 | 11 362 787 |
| Accrued interests | 364 468 | 171 808 |

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

NOTE 7 EQUITY

| | Share Capital | Share premium reserve | Reserve for valuation variances | Other Equity | Total |
|--|--------------------------|-------------------------|---------------------------------|-----------------------|--------------------------|
| Equity 1.1 | 26 885 876 | 9 689 605 | 12 061 772 | -989 305 | 47 647 948 |
| Issue of Share Capital | 4 170 000 | - | - | - | 4 170 000 |
| Part of extinguish debt in Partnership | - | - | - | 2 198 200 | 2 198 200 |
| Net result | - | - | - | -1 269 869 | -1 269 869 |
| Equity 31.12 | <u>31 055 876</u> | <u>9 689 605</u> | <u>12 061 772</u> | <u>-60 973</u> | <u>52 746 279</u> |

The Partnership's restructuring agreement with the banks was effective in January 2022 and included partial buy back of the loan at a discount of NOK 22 mill recorded as direct booking towards equity. The General Partner's share of the discount i.e. NOK 2.198.200 is correspondingly booked direct towards equity.



Notes to the financial statements 2022

Island Offshore XI AS

As part of the agreed restructuring agreement for the Partnership, the Partnership issued a capital increase in January 2022 with NOK 41,700,000 from NOK 20,000,000 to NOK 61,700,000.

In order for the General Partner to be able to subscribe for 10% of the capital increase in the Partnership, the Company's share capital was in January 2022 increased with NOK 4,170,000 from NOK 26,885,876 to NOK 31,055,877 by way of issuing 35,850,344 new shares in the Company. Existing shareholders participated on the share capital increase with the exception of Island Offshore Shipholding LP. Borgstein Skipsinvest AS and Island Investment LLC subscribed for the relevant amount of shares.

NOTE 8 SHARE CAPITAL AND OWNERSHIP

As per 31.12.22, the share capital comprises 266.993.736 shares at face value NOK 0,116.

Ownership

Shareholders as per 31.12. :

| Shareholder | Shares | Share capital | Ownership |
|-----------------------------------|--------------------|-------------------|--------------|
| Island Offshore Shipholding, L.P. | 146 933 214 | 17 090 812 | 55,03 % |
| Sneingen AS | 52 231 886 | 6 075 450 | 19,56 % |
| EMAR Invest AS | 4 961 798 | 577 141 | 1,86 % |
| Inger M. Kristensen AS | 4 961 799 | 577 141 | 1,86 % |
| DUK Invest AS | 4 961 798 | 577 141 | 1,86 % |
| Island Offshore Invest AS | 19 308 460 | 2 245 900 | 7,23 % |
| Ingus AS | 3 595 295 | 418 193 | 1,35 % |
| Beeline AS | 3 595 295 | 418 193 | 1,35 % |
| HUK Invest AS | 3 654 847 | 425 120 | 1,37 % |
| Borgstein Skipsinvest AS | 11 394 672 | 1 325 393 | 4,27 % |
| Island Investment LLC | 11 394 672 | 1 325 393 | 4,27 % |
| Total | 266 993 736 | 31 055 876 | 100 % |

NOTE 9 GOING CONCERN

The General Partner is dependent on the financial results of the Partnership Island Offshore III KS. The current Restructuring Agreement with secured lenders was agreed in December 2021 and made effective in January 2022. The senior secured lenders agreed to extend their loans until the end of 2024 at amended terms. The Partnership has serviced its debt according to the agreed revised amortization plan. In addition, the market is showing signs of improvement and the backlog for the vessel is increasing. In addition, the Partnership has received waiver from the bank regarding minimum cash requirement until August 2023.

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 and the Partnership at 31.12.2022, and the condition that a new restructuring agreement was agreed in December 2021 and made effective in January 2022 with secured lenders.



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Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Island Offshore XI AS

Opinion

We have audited the financial statements of Island Offshore XI AS (the Company), which comprise the balance sheet as at 31 December 2022, 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 2022 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 and the general manager) 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, 3 May 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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

Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-3012515

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Skattedirektoratet

| | | |
|-----------------------------------|-----------------------------------|------------------------------|
| Saksbehandler Geir Johannessen | Deres dato 11.10.2013 | Vår dato 29.10.2013 |
| Telefon 22 66 11 14 | Deres referanse Tommy Walaunet | Vår referanse 2013/779184 |

ISLAND OFFSHORE MANAGEMENT AS
Postboks 370
6067 ULSTEINVIK

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Det vises til deres brev av 11. oktober 2013, samt telefonsamtale i sakens anledning, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

| | |
|-------------------------------|--------------------|
| Island Offshore Management AS | org nr 984 285 310 |
| Island Offshore Crewing AS | org nr 995 955 881 |
| Island Offshore XI AS | org nr 987 845 325 |
| Island Offshore III KS | org nr 982 411 408 |
| Island Offshore VIII AS | org nr 987 156 783 |
| Island Offshore VIII KS | org nr 987 156 805 |
| Island Offshore X AS | org nr 887 254 982 |
| Island Offshore X KS | org nr 987 255 188 |
| Island Offshore LNG AS | org nr 996 393 844 |
| Island Offshore LNG KS | org nr 996 393 739 |
| Island Offshore LNG Invest AS | org nr 996 357 813 |
| Island Offshore LNG Invest KS | org nr 996 357 848 |
| Island Offshore XII AS | org nr 888 271 392 |
| Island Offshore XII Ship AS | org nr 994 289 764 |
| Island Pioneer AS | org nr 992 611 634 |
| Istand Pioneer KS | org nr 992 611 588 |

For Island Offshore Management AS omfatter søknaden også konsernregnskapet, der Island Offshore Crewing inngår med 100 %.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentrålbord
800 80 000
Telefaks
22 17 08 60



2013/779184 Side 3 av 3

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene har klar overvekt av utenlandske eierinteresser og for øvrig en begrenset eierkrets. Selskapenes forretningspråk er engelsk. Videre er det vektlagt at selskapene driver virksomhet i en bransje der aktørene forutsettes å beherske engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Geir Johannessen