



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 129 819
Organisasjonsform: Aksjeselskap
Foretaksnavn: AVIUM SUBSEA AS
Forretningsadresse: Karenslyst allé 57
0277 OSLO

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: Shuju Shang
Dato for fastsettelse av årsregnskapet: 28.06.2022

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, 31.08.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2,11	60 100	9 297 141
Sum inntekter		60 100	9 297 141
Kostnader			
Depreciation and impairment	6	17 597 174	33 437 092
Other operating expenses	3,11	360 121	394 314
Sum kostnader		17 957 295	33 831 406
Driftsresultat		-17 897 195	-24 534 265
Finansinntekter og finanskostnader			
Annen renteinntekt		186	19 200
Foreign exchange gain		16 393	42 673
Sum finansinntekter		16 579	61 873
Annen rentekostnad	7	9 361 535	9 267 750
Foreign exchange loss		13 771	42 366
Other financial expenses		227 332	207 905
Sum finanskostnader		9 602 638	9 518 021
Netto finans		-9 586 059	-9 456 148
Ordinært resultat før skattekostnad		-27 483 254	-33 990 413
Skattekostnad på ordinært resultat	5	1 519	
Ordinært resultat etter skattekostnad		-27 484 773	-33 990 413
Årsresultat		-27 484 773	-33 990 413
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	-27 484 773	-33 990 413
Sum overføringer og disponeringer		-27 484 773	-33 990 413



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	6	103 073 985	120 671 159
Sum varige driftsmidler		103 073 985	120 671 159
Sum anleggsmidler		103 073 985	120 671 159
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	10	60 100	
Andre fordringer		95 296	55 588
Konsernfordringer	10	1 357 402	1 357 402
Sum fordringer		1 512 798	1 412 990
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4	5 052 161	8 842 842
Sum bankinnskudd, kontanter og lignende		5 052 161	8 842 842
Sum omløpsmidler		6 564 959	10 255 832
SUM EIENDELER		109 638 944	130 926 991
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	11 723	11 723
Overkurs	9	27 588 277	27 588 277
Sum innskutt egenkapital		27 600 000	27 600 000



Balanse

Beløp i: USD	Note	2021	2020
Opptjent egenkapital			
Annen egenkapital	9	-41 253 177	-13 768 404
Sum opptjent egenkapital		-41 253 177	-13 768 404
Sum egenkapital		-13 653 177	13 831 596
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	7	29 250 000	29 250 000
Sum annen langsiktig gjeld		29 250 000	29 250 000
Sum langsiktig gjeld		29 250 000	29 250 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	7	93 699 704	87 467 150
Betalbar skatt		1 519	
Annen kortsiktig gjeld	10	340 898	378 245
Sum kortsiktig gjeld		94 042 121	87 845 395
Sum gjeld		123 292 121	117 095 395
SUM EGENKAPITAL OG GJELD		109 638 944	130 926 991



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To the General Meeting of Avium Subsea AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avium Subsea AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its 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 as required by laws and regulations 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 the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation of financial statements that give a true and fair view 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in

Oslo	Elverum	Mo i Rana	Stord
Atta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Kharvik	Sandnessjøen	Tynset
Drammer	Kristiansand	Stavanger	Alesund



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. We 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 a true and fair view.

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.

Oslo, 28 June 2022
KPMG AS

Monica Hansen
State Authorised Public Accountant



Year-end financial statements
2021

Avium Subsea AS

Org Nr: 917 129 819 mva

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INCOME STATEMENT 01.01 - 31.12

Avium Subsea AS

Amounts i USD	Note	2021	2020
OPERATING REVENUES			
Sales revenue	2,11	60 100	9 297 141
Total operating revenues		60 100	9 297 141
OPERATING EXPENSES			
Depreciation and impairment	6	(17 597 174)	(33 437 092)
Other operating expenses	3,11	(360 121)	(394 314)
Total operating expenses		(17 957 295)	(33 831 406)
OPERATING PROFIT/LOSS		(17 897 195)	(24 534 265)
FINANCIAL INCOME AND EXPENSES			
Interest income		186	19 200
Foreign exchange gain		16 393	42 673
Interest expense	7	(9 361 535)	(9 267 750)
Foreign exchange loss		(13 771)	(42 366)
Other financial expenses		(227 332)	(207 905)
Net financial items		(9 586 059)	(9 456 148)
ORDINARY PROFIT/LOSS BEFORE TAX		(27 483 254)	-33 990 413
Tax on ordinary profit/loss	5	(1 519)	
YEAR'S NET PROFIT/LOSS		(27 484 773)	-33 990 413
Transfers and allocations:			
Other equity	9	(27 484 773)	-33 990 413
Net transfers		(27 484 773)	-33 990 413

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ASSETS 31.12

Avium Subsea AS

Amounts i USD	Note	2021	2020
NON-CURRENT ASSETS			
Property, plant & equipment			
Property, plant & equipment	6	103 073 985	120 671 159
Total property, plant & equipment		103 073 985	120 671 159
Total non-current assets		103 073 985	120 671 159
CURRENT ASSETS			
Receivables			
Other current receivables from group comp:	10	1 357 402	1 357 402
Trade receivables	10	60 100	
Other receivables		95 296	55 588
Bank deposits	4	5 052 161	8 842 842
Total receivables		6 564 959	10 255 832
Total current assets		6 564 959	10 255 832
TOTAL ASSETS		109 638 944	130 926 991

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EQUITY AND LIABILITIES 31.12

Avium Subsea AS

Amounts i USD	Note	2021	2020
EQUITY			
Paid-in equity			
Share capital	8,9	11 723	11 723
Share premium fund	9	27 588 277	27 588 277
Total paid-in equity		27 600 000	27 600 000
Retained earnings			
Other equity	9	(41 253 177)	(13 768 404)
Total retained earnings		(41 253 177)	-13 768 404
Total equity		(13 653 177)	13 831 596
LIABILITIES			
Other non-current liabilities			
Other long-term debt	7	29 250 000	29 250 000
Total other non-current liabilities		29 250 000	29 250 000
Current liabilities			
Short-term debt	7	93 699 704	87 467 150
Other current liabilities	10	340 898	378 245
Total current liabilities		94 042 121	87 845 395
Total liabilities		123 292 121	117 095 395
TOTAL EQUITY AND LIABILITIES		109 638 944	130 926 991

Oslo 27.06.2022


Geir Atle Sjøberg
Styrets leder


Claus Feginn
Styremedlem


Fredrik Nøvik Hunstad
Styremedlem

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STATEMENT OF CASH FLOWS
01.01 - 31.12

Avium Subsea AS

Amounts i USD	2021	2020
Operating activities		
Profit/loss before tax	(27 483 254)	-33 990 413
Depreciation and impairment	17 597 174	33 437 092
Net interest cost	3 166 690	4 520 901
Tax Payable	(1 519)	
Changes in trade receivables and trade payables	-	(1 330 115)
Change in other time-limited items	6 096 918	3 517 087
Net cash flow from operating activities	-623 990	6 154 552
Investing activities		
Acquisitions of tangible fixed assets	-	-
Net cash flow from investing activities	-	-
Financing activities		
Proceeds from issuance of debt	83 000 000	83 000 000
Loan repayment	(83 000 000)	(81 389 228)
Payment of interests	(3 166 690)	(4 520 901)
Net cash flow from financing activities	(3 166 690)	(2 910 129)
Net change in cash and cash equivalents through the year	(3 790 680)	3 244 423
Cash and bank deposits as at 01.01	8 842 842	5 598 419
Cash and bank deposits as at 31.12	5 052 161	8 842 842

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Note 1 - Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Revenue recognition

Revenues from the sale of services are recognised in the income statement according to the service performance. Revenues for future services are booked to balance sheet as unearned income and will be recognised in line with performance.

Income tax

Norwegian Tonnage Tax regime is applicable for tax calculations. Within this scheme there is 0% tax rate on ordinary profit/loss. Tax calculation is based on financial items and applicable tax rate is 22%. Any tax from this scheme will be presented as permanent differences. Tax loss carried forward does not create a deferred tax. Tonnage tax is calculated based on the vessel's net weight and is presented as an operating expense.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted and used.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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Note 2 - Income revenue

Amounts in USD

	2021	2020
Area of business		
Offshore service	60 100	9 297 141
Geographical allocation		
Norway		9 297 141
Brazil	60 100	

The company has a charter agreement with Norskan in Brazil for the vessel Skandi Santos. The charter period commenced in December 2021 and will end in June 2022. AKOFS 1 AS commence a new contract for the vessel with Petrobras in December 2022 and a new lease agreement will be signed during 2022.

Note 3 - Salary and personnel costs, number of employees, loans to employees and auditor's fee

Amounts in USD

Number of employees has been zero throughout the year.

The company has no employees and is therefore not required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Remunerations to CEO and board

The company does not have a CEO. There is no remuneration to board members.

Loans and guarantees to management and share holders etc.

No loans or guarantees have been given to Board Members or shareholders.

Specification of auditor's fee:

	2021	2020
Ordinary assurance	13 673	16 783
Other assurance	0	0
Total fee to auditor	13 673	16 783

VAT is not included in the fee specified above.

Note 4 - Bank deposits

The company has no bank deposits with restrictions.

Note 5 - Income taxes

Amounts in USD

Calculations of tax basis

	2021	2020
Ordinary profit/(loss) before tax	(27 483 254)	(33 990 413)
Tax basis	(27 483 254)	(33 990 413)
Calculated tax payable (0%)	-	-
Taxable financial result within Norwegian Tonnage Tax regime	6 904	-
22% tax payable	1 519	-

Note 6 - Property, plant & equipment

Amounts in USD

	Vessels	Machinery, equipment, IT hardware	Total
Acquisition cost at 01.01.	107 500 000	81 155 618	188 655 618
Additions	-	-	-
Disposals	-	-	-
Acquisition cost 31.12.	107 500 000	81 155 618	188 655 618
Accumulated depreciation 31.12.	(27 265 917)	(25 145 809)	(52 411 726)
Accumulated impairment loss 31.12.	-	(33 169 908)	(33 169 908)
Net carrying value at 31.12.	80 234 083	22 839 901	103 073 984
Depreciation for the year	5 277 273	2 089 259	7 366 532
Impairment loss for the year	-	10 230 643	10 230 643
Useful economic life	25 years	4-25 years	
Amortisation plan	Linear	Linear	

An impairment loss of USD 10,2 million was recognized in 2021 writing down the vessel Skandi Santos to its recoverable amount. The impairment was mainly a result of a reassessment of the cash flow forecast for the Skandi Santos vessel as a result of the contract with Petrobras expiring in

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Note 7 - Loans

Avium Subsea AS has two loans currently outstanding.

Amounts in USD			Total
1) Subordinated Loan Agreement with Mitsui & Co. Ltd. and Samba Offshore S.A.			29 250 000
Maturity:	March 2025	Other long-term debt	29 250 000
Interest payable quarterly at 17%			
2) Loan facility with Sumitomo Mitsui Banking corporation Europe Limited			93 699 704
Maturity:	February 2022	Short-term debt	93 699 704

Interest payable quarterly at LIBOR + 1% margin

The loan facility with Sumitomo Mitsui Banking corporation Europe Limited was refinanced February 2022 with maturity February 2023. In addition, a guarantee on the Sumitomo facility is given by Mitsui & Co. Ltd. and Mitsui O.S.K. Lines, Ltd. for which Avium Subsea AS pays a 2.5% guarantee fee on a quarterly basis calculated on the remaining outstanding loan.

Note 8 - Share capital and shareholders

Amounts in USD

The share capital comprises:

	No.	Face value	Book value
Ordinary shares	100 000	0,12	11 723
Shareholders as at 31.12			
Share class	Shares	Shareholding	Voting share
AKOFS Offshore AS class A shares	25 000	25,00 %	25,00 %
AKOFS Offshore AS class B shares	25 000	25,00 %	25,00 %
AKOFS Offshore AS class C shares	47 000	47,00 %	47,00 %
AKOFS 1 AS class C shares	3 000	3,00 %	3,00 %
Total	100 000	100 %	100 %

The company is included in the consolidated financial statement of AKOFS Offshore AS and the accounts are shared on request. The company is located at Karenslyst allé 57, Skøyen, Oslo.

Note 9 - Equity

Amounts in USD

	Share capital	Share premium fund	Other equity	Total equity
Equity as at 01.01	11 723	27 588 277	(13 768 404)	13 831 596
Year's net loss			(27 484 773)	(27 484 773)
Equity as at 31.12	11 723	27 588 277	(41 253 177)	(13 653 177)

Note 10 - Intercompany balances with group companies and related parties

Amounts in USD

Receivables	2021	2020
Trade receivables from group companies	1 357 402	1 357 402
Trade receivables	60 100	-
Total	1 417 502	1 357 402

Note 11 - Transactions with group companies and related parties

Amounts in USD

Sale of goods and services	2021	2020
Group companies	0	9 297 141
Other related parties	-	-
Sum	0	9 297 141
Purchase of goods and services	2021	2020
Group companies	0	83 600
Other related parties	-	-
Sum	0	83 600

Sale of goods and services relates to bareboat charter to AKOFS 1 AS. Bareboat rate for 2021 was zero. All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

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Avium Subsea AS

Board of Directors report 2021

Avium Subsea AS

Address: Karenslyst Allé 57, 0213 Oslo

Registration no: 917129819 VAT

Operations and locations

Avium Subsea AS' operation is to own, hire and operate vessels and equipment for the offshore oil and gas industry. The company is located in Oslo.

True and fair view

The Board of Directors is of the opinion that the statutory accounts give a true and fair view of Avium Subsea AS' assets and equity, financial position and result.

Market outlook

Through 2021, the Skandi Santos operated on contracts with Petrobras in Brazil for subsea equipment installation work. In December 2021, the contract of Skandi Santos expired after almost twelve years of operations in Brazil. Also in December, AKOFS Offshore signed a firm three-year contract with Petrobras for Skandi Santos. The new contract is expected to commence in Q4 2022, under which the vessel will perform a broad scope of subsea services in Brazil. The total contract value is USD 107 million, of which USD 53 million was booked as order intake in AKOFS Offshore in the quarter, while the remaining value will go through separate contracts between the end-client and sub-suppliers of AKOFS Offshore.

Avium Subsea currently have a short term bareboat on the Skandi Santos to a third party in Brazil, before it will go to yard in the third quarter to prepare for the new contract with Petrobras. Avium Subsea will sign a new bareboat agreement with AKFOS 1 to cover the upcoming contract with Petrobras.

COVID-19 impacts

AKOFS Offshore has operated during the COVID-19 pandemic for nearly two years and adapted to the new "normal" of working under severe restrictions, logistical challenges and the risk of COVID-19 onboard our vessels.

In January and February of 2021 the Skandi Santos accumulated downtime do to positive COVID-19 tests onboard the vessels. It seems however as if the regulatory bodies in both Norway and Brazil are taking steps to l

War in Ukraine

At the time of issuing this report, there is global geopolitical uncertainty caused by the Russian invasion of Ukraine which has given rise to a large number of global sanctions aimed at impacting any business activities in Russia or towards Russian companies. AKOFS Offshore has no direct activities towards Russia and in the short-term operational impacts from these sanctions are therefore expected to be relatively limited. However, the situation has so far resulted in severe effects on the prices of key commodities including oil and gas and other materials that AKOFS is budgeting to purchase in 2021. In the longer term AKOFS expect to see both slower global growth rates and higher inflation as a direct result of the situation. AKOFS is also taking measures to proactively monitor the situation with suppliers and order parts as early as possible to mitigate longer lead time in the market.

Profit, cash flow, financing and liquidity

The results and financial positions are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rate at the reporting date (USD/NOK 8,80847)



Avium Subsea AS

- Income statements are translated at average exchange rate for the year, calculated on the basis of 12 monthly rates (USD/NOK 8,599079).

Operating profit was negative with USD 17.9 million in 2021 compared to a negative profit of USD 24.5 million in 2020. Profit before tax was negative with USD 34.0 million in 2020 compared with a negative amount of USD 27.5 million in 2021. The change is related to a lower impairment USD 10.2 million in 2021 compared to USD 22.9 million in 2020. Avium Subsea AS has not charged any bareboat charter to AKOFS 1 in 2021 for the Skandi Santos vessel.

Total cash flow from operating activities was negative with USD 624 thousand in 2021 (positive USD 6.2 million in 2020)

The company's liquidity reserve at year end amounted to USD 5 million.

In February 2022 the company refinanced its senior bank debt maturing in February 2022, with a new one-year bank facility of USD 83.0 million with SMBC Tokyo maturing in February 2023.

Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk in different areas, especially interest rate risk. The goal is to reduce the financial risk as much as possible. This is continuously assessed by the Board of Directors.

Exchange rate risk

The company operates in a USD driven market and has USD as its functional currency. There is a minor exposure against other currencies, mainly as a consequence of the local currency being NOK. However, this risk is accepted and local expenditure is limited. The company's presentation currency is USD.

Interest rate risk

The company is exposed to changes in the interest rate and follow up to have an acceptable risk in this area. The majority of the company's debt has a floating interest rate and is therefore exposed to changes in short term interest rates.

Liquidity risk

The company has an investment plan linked to the Skandi Santos that requires the continued support of the owners in 2022. Besides this, Avium Subsea is dependent on the refinancing of the USD 83 million short term debt with SMBC in February of 2023.

Credit risk

The risk for losses on receivables is considered to be low.

Research and innovation

The company had no activities related to research and innovation in 2021.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on future profit forecasts.

The financing structure of Avium Subsea AS originate from the establishment of the company in 2016 whereby the Skandi Santos hull and topside was acquired for a total value of USD 189.5 million. The financing of the project was put in place and guaranteed in full by the owners of the company.

In 2020 and 2021 the income of the company has been negatively influenced as the Skandi Santos ended its



Avium Subsea AS

SESV contract with Petrobras in early 2020 and has been operating under contracts with a lower compensation and scope of work. This situation will continue throughout 2022 until the Skandi Santos commence its new 1155 days contract with Petrobras. As a result of this the BoD estimate that Avium Subsea will still have a negative equity by the end of 2022.

The BoD is actively working together with the guarantors of the debt in Avium Subsea to find ways of addressing the negative equity in the company.

Allocation of net income

The Board of Directors has proposed the net profit negative of USD 27.5 million of Avium Subsea AS to be attributed to:

Other equity	USD 27.5 million
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The working environment and the employees

The company has no employees.

Equal opportunities

The Board of Directors consists of three men. The Board of Directors is aware of the society's expectations for activities to promote equal opportunities in both the company and the Board of Directors and strives to meet those expectations.

Environmental report

The company's vessel operates offshore. The vessel is equipped with modern technology and solutions to prevent negative impact on the environment.

The vessel is operated by AKOFS 1 AS and follows AKOFS HSE policy and operational systems for follow up and reporting. The company had no incidents to report to authorities in 2021.

Oslo, 27.06.2022

Board of Directors of Avium Subsea AS



Geir Arle Sjøberg
Chairman/CEO



Claus Feginn
Board member



Fredrik Nøvik Hunstad
Board member



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
29.11.2016

Vår dato
16.12.2016

Telefon
977 59 464

Deres referanse
Camilla Gonsholt Hov

Vår referanse
2016/1172919

AKOFS OFFSHORE AS
Postboks 244 , Skøyen
0213 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Avium Subsea AS, org.nr. 917 129 819

- Vi viser til brev av 29. november 2016 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Avium Subsea AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Avium Subsea AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysninger 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

Avium Subsea AS er et nyetablert joint venture mellom AKOFS Offshore AS, Mitsui O.S.K. Lines, Ltd. og Mitsui & Co. Ltd, registrert i Brønnøysund 21.10.2016. Selskapet er 50 % eid av norske AKOFS Offshore AS (som er et heleid datterselskap av Akastor ASA), 25 % av Mitsui O.S.K. Lines, Ltd. og 25 % av Mitsui & Co. Ltd. Årsregnskap på engelsk er et krav fra Mitsui og bankforbindelser til selskapet. Selskapet opererer i det internasjonale olje- og gassmarkedet, og eier en båt som er for tiden leid ut til sin eneste kunde AKOFS 1 AS på kontrakt i Brasil. Selskapet har ingen ansatte. Selskapets leverandører er svært begrenset, hovedsakelig knyttet til norske leverandører for regnskaps- og revisjonstjenester. All korrespondanse mellom selskapets kunde, bank og eier foregår på engelsk.

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 m.v., 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

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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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et joint venture med tre eiere, hvorav to av de er utenlandske selskaper. Videre er det lagt vekt på at selskapet opererer innen en internasjonal bransje og at all korrespondanse mellom selskapets kunde, bank og eier foregår på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer