



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 751 862
Organisasjonsform: Aksjeselskap
Foretaksnavn: LOS SHIPPING I AS
Forretningsadresse: Thormøhlens gate 53C
5006 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: Elise Storebø
Dato for fastsettelse av årsregnskapet: 30.06.2023

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, 03.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	177 761 000	122 922 000
Annen driftsinntekt	2	19 345 000	2 931 000
Sum inntekter		197 106 000	125 853 000
Kostnader			
Lønnskostnad	3	33 043 000	27 128 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	33 601 000	32 976 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4	-17 500 000	23 000 000
Annen driftskostnad	3	63 674 000	39 238 000
Sum kostnader		112 818 000	122 342 000
Driftsresultat		84 288 000	3 511 000
Finansinntekter og finanskostnader			
Annen renteinntekt	5	154 000	3 000
Annen finansinntekt	5	-505 000	-1 015 000
Sum finansinntekter		-351 000	-1 012 000
Annen rentekostnad	5	27 428 000	18 605 000
Annen finanskostnad	5		0
Sum finanskostnader		27 428 000	18 605 000
Netto finans		-27 779 000	-19 617 000
Ordinært resultat før skattekostnad		56 509 000	-16 106 000
Skattekostnad på ordinært resultat	6	1 439 000	1 585 000
Ordinært resultat etter skattekostnad		55 070 000	-17 691 000
Årsresultat		55 070 000	-17 691 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		55 070 000	-17 692 000
Sum overføringer og disponeringer		55 070 000	-17 692 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel			0
Sum immaterielle eiendeler			0
Varige driftsmidler			
Skip, rigger, fly og lignende	4	514 899 000	513 230 000
Sum varige driftsmidler		514 899 000	513 230 000
Sum anleggsmidler		514 899 000	513 230 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	7	56 090 000	14 756 000
Andre fordringer	8	4 955 000	6 193 000
Sum fordringer		61 045 000	20 949 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	3 362 000	21 614 000
Bankinnskudd, kontanter og lignende	9	9 000	10 191 000
Sum bankinnskudd, kontanter og lignende		3 371 000	31 805 000
Sum omløpsmidler		64 416 000	52 754 000
SUM EIENDELER		579 315 000	565 984 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	101 000	101 000
Overkurs	11	2 000	2 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		103 000	103 000
Opptjent egenkapital			
Annen egenkapital	11	-83 176 000	-138 246 000
Sum opptjent egenkapital		-83 176 000	-138 246 000
Sum egenkapital		-83 073 000	-138 143 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		0	0
Øvrig langsiktig gjeld	12	15 000 000	15 000 000
Sum annen langsiktig gjeld		15 000 000	15 000 000
Sum langsiktig gjeld		15 000 000	15 000 000
Kortsiktig gjeld			
Kortsiktig andel	12	585 632 000	629 920 000
Leverandørgjeld	12	10 612 000	11 908 000
Betalbar skatt		0	326 000
Annen kortsiktig gjeld	12	50 974 000	46 981 000
Annen kortsiktig gjeld		171 000	-7 000
Sum kortsiktig gjeld		647 389 000	689 128 000
Sum gjeld		662 389 000	704 128 000
SUM EGENKAPITAL OG GJELD		579 316 000	565 985 000



24 SEPT. 2018
Sov.B.

Our date
07.08.2018

Din dato
17.09.2018

Inquiries to
Torstein Kinden Helleland

800 80 000
Tax Administration
Norway.no

Din referanse
Hiide Drønen

Telephone
22078139

Org.nr
996250318

Our reference
2018/962056

Postal address
P.O. Box 9200 Grønland
0134 Oslo

DOF ASA
Alfabygget
5392 STOREBØ

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 23 January 2017 and e-mail of 14 September 2018, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the following companies.

LOS Shipping I AS org.nr. 917 751 862

LOS Shipping II AS org.nr. 917 807 361

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that the companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

LOS Shipping I AS and LOS Shipping II AS are owned by Sigfisk AS (40 %), Gerd Marie AS (40 %) and Kanabus AS (20 %). LOS Shipping I AS and LOS Shipping II are international vessel companies, which owns and operates modern offshore-/subsea vessels globally. The working language is English. Furthermore, the companies are highly international in the sense that it operates throughout the world. English is clearly the dominant language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.



Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration that the ultimate when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the companies are owned by three limited companies. The companies are operating in an international industry. Furthermore, the companies uses English as the main language between the group companies.

Please state "our reference" (see above) in all written communication with
The Norwegian Tax Authorities.

Best regards

Jeanette Munkvold Skovholt
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures.

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FINANCIAL STATEMENTS 2022

FOR

LOS SHIPPING I AS



Business Manager: DOF Management AS, Alfabygget, N-5392 STOREBØ
+47 56 18 10 00 / www.dof.com



Report of the Board of Directors LOS Shipping I AS 2022

BOARD OF DIRECTORS REPORT LOS SHIPPING I AS

INTRODUCTION

LOS Shipping I AS ("the Company") was established in 2016 and owns Skandi Hera (AHTS) and Skandi Darwin (CSV).

After balance date, in April 2023, the shareholders of the Company (SigFisk AS 40 %, Gerda Marie AS 40 % and Kanabus AS 20 %) sold all their shares to DOF Subsea AS. DOF Subsea AS is part of the DOF Group ASA ("the Group"). DOF Management AS is responsible for the marine operation of the Company's vessels, and this company is controlled by the Group.

OPERATIONS 2022

The O&G market have further improved during 2022. For the AHTS North Sea market the summer season was close to levels not seen since 2013/2014, but with seasonal variations rest of the year with lower rates in 3rd and 4th quarter.

Skandi Hera has been working in the North Sea spot market and as a project vessel for DOF Subsea Group. In October the vessel started on a contract in Equatorial Guinea with DOF Subsea USA and has operated on this contract until the date of this report. Skandi Hera achieved utilization of 73 % (59 %) in 2022 and also better rates compared to 2021.

Skandi Darwin has been working on firm contract with DOF Subsea Australia all of 2022, and has during the year been upgraded before commencing a new B/B contract which commenced in August. Esso Australia is the end client on this contract.

SUBSTAINABILTY

Having sustainable operations is important for the Company. The successful balance between social, environmental and economic elements allows the Company to develop 'Sustainable Operations'. This ensures that Company remain commercially feasible, socially acceptable and works within the capacity of the external environment.

The Company acts responsibly and ethically everywhere it operates, and the Company's operations and decisions are guided by the values Respect, Integrity, Teamwork, Excellence - RITE - and above all we are Safe. This ensures honest, fair and equitable operations, protecting and building the Company's reputation.

'Safe the RITE way' is the guiding philosophy by which the Company safeguards its people, external environment, vessels and subsea assets. 'Safe the RITE way' is the umbrella for the safety program which brings together core values and connects them to strategic areas for sustainable operations.

The Company is guided by the articles of association, the Corporate Governance and Group policies, combined with the DOF Group's Code of Business Conduct, ensuring that the Company's operations consider the interests of all stakeholders.



Report of the Board of Directors LOS Shipping I AS 2022

The Company promotes transparency and standard disclosure of information relating to key sustainability aspects. Defining and measuring environmental sustainability and risks associated with the Company's business activities are important. Investments in systems and equipment have been made to record, understand and improve environmental performance.

EMPLOYEES

The Company has no employees and all personnel are hired through management agreements with DOF Management AS.

ALIGNMENT TOWARDS THE NORWEGIAN TRANSPARENCY ACT

On 1st of July 2022 the Norwegian Transparency Act entered into force and the Group was part of the official hearing process on the new law and gave concrete proposal on practical means to obey the intention of Transparency Act based on our experience on how we deal with fundamental human right and decent working conditions globally. After the transaction in April 2023 the Company is a fully owned subsidiary of DOF Subsea AS and the Company is aligned and prepared for the new requirements. The Group's Transparency Act statement is published on the Company's website.

HEALTH, SAFETY AND ENVIRONMENT

DOF Management is certified to ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018. The certificates are issued at DOF Group level, and valid until December 2023.

The Company's ambition is to be an incident free organisation. Through the DOF Group's 'Safe the RITE way' program, the Company has been able to establish a unified safety culture, as well as a stronger safety cooperation with clients, industry partners and suppliers.

The Board of Directors is not aware of that the Company's operation or vessel have contaminated the external environment beyond what is common for this type of business. The DOF Group's environmental management system ensures that the operations are effectively managed, and that continuous improvement of environmental performance is achieved. The energy efficiency program of DOF Group's is continuously challenged with the aim to improve environmental performance. DOF Management AS has the goal of having a good working environment and keeping sickness absence at an acceptable level. DOF Management AS has focus on diversity and strives to create equal opportunities for all employees, regardless of their ethnic background, nationality, descent, colour, language, religion, lifestyle or gender. It is not known that any crew experiences discrimination on grounds of gender, ethnic background or other conditions.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Company has a zero-tolerance policy for bribery and corruption. The Company's policy is to conduct all business in an honest and ethical manner.

It is the desire of the Board of Directors that the Company shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice. There have been no confirmed incidents of corruption during 2022.



Report of the Board of Directors LOS Shipping I AS 2022

COMPLIANCE TO LAW

The Company acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance therefore is a key topic for Company. Compliance with both international and local laws and regulations and industry standards is important for the Company.

RISKS MANAGEMENT

The Company is exposed to foreign exchange risk arising from various currency exposures. In addition, the Company is exposed to interest rate risk if the terms on loans would be significantly changed. The Company is also exposed to market risk as the market conditions for Skandi Hera and Skandi Darwin may change.

THE BOARD

The Company has signed D&O insurance on behalf of the board members in all subsidiaries to protect against claims which may arise from the decisions and actions taken within the scope of their regular duties. The insurance policy is signed with international reputable companies.

FINANCIAL PERFORMANCE

Operating income totaled NOK 197,1 million (NOK 125,9 million) and total operating expenses were NOK -96,7 million (NOK -66,4 million). The operating profit (EBITDA) was NOK 100,4 million (NOK 59,5 million). Operating profit (EBIT) after depreciation and impairment was NOK 84,3 million (NOK 3,5 million). Net financial items are NOK -27,8 million (NOK -19,6 million).

Total balance is NOK 580,0 million (NOK 566,0 million). Total liabilities are NOK 662,4 million (NOK 704,1 million) of which NOK 585,6 million (NOK 629,9 million) represents debt to financial institution.

The Company's net cash from operating activities was NOK 33,6 million (NOK 36,1 million), from investing activities NOK -17,8 million (NOK 0,0 million) and net cash from financing activities was NOK -44,3 million (NOK -18,5 million).

PROFIT & LOSS ALLOCATION

The Board of Directors proposes to allocate the Company's net profit of NOK 55,0 million to other equity.

EVENTS AFTER BALANCE DATE

In April 2023 DOF Subsea AS has purchased all outstanding shares in the Company. After this transaction DOF Subsea AS owns 100 % of the shares in the Company. Further to the purchase of the shares in the Company, DOF Subsea AS has acquired the vessels Skandi Hera and Skandi Darwin in addition to purchase of two ROVs and W2W system to be mounted on Skandi Darwin and an offshore crane to be mounted on Skandi Hera.

GOING CONCERN

The financial statements are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act. This is based on an improved balance sheet and that a long-term financing has been secured for the Skandi Hera and Skandi Darwin after balance date. Both vessels are owned via two subsidiaries fully owned by the Company. The new owner DOF Subsea AS has further secured new equity in



Report of the Board of Directors LOS Shipping I AS 2022
the Company after balance date.


OUTLOOK

The strong markets with O&G have continued into 2023 and in parallel the demand for vessels has increased within the renewable markets as several projects have started or are underway in 2023.


The completion of the Restructuring has created a stable and viable financial platform for the Group through a substantial conversion of debt into equity. The reinstated debt terms support liquidity and provide significant maturity runway. The Restructuring leaves the Group well positioned to support its operations, secure new contracts and to continue to deliver on the Group's strategy.

The Company will continue in focus on operational and cost efficiency improvements.

Storebø, 30th of June 2023
The Board of Directors of LOS SHIPPING I AS


Mons Aase (Jul 3, 2023 16:26 GMT+2)
Mons Aase
Chairman of the Board


Hilde Drønen (Jul 3, 2023 15:37 GMT+2)
Hilde Drønen
Board member


Martin Lundberg (Jul 3, 2023 15:50 GMT+2)
Martin Lundberg
Board member



INCOME STATEMENT

LOS SHIPPING I AS

Amounts in NOK thousand

OPERATING INCOME AND OPERATING EXPENSES	Note	31.12.2022	31.12.2021
Sales income	2	177 761	122 922
Other income	2	19 345	2 931
Total income		197 106	125 852
Employee benefits expense	3	-33 043	-27 128
Other expenses	3	-63 674	-39 238
Total expenses		-96 717	-66 366
Operating profit		100 389	59 487
Operating profit before depreciation (EBITDA)		100 389	59 487
Depreciation	4	-33 601	-32 976
Impairment of tangible assets	4	17 500	-23 000
Operation profit - EBIT		84 288	3 511
FINANCIAL INCOME AND EXPENSES			
Financial income	5	154	3
Financial cost	5	-27 428	-18 605
Realized gain (loss) on currencies	5	15	-311
Unrealized gain (loss) on currencies	5	-520	-704
Net financial items		-27 779	-19 618
Profit (loss) before taxes		56 509	-16 107
Income tax expense	6	-1 439	-1 585
Profit (loss) for the year		55 070	-17 692
Profit (loss) for the year		55 070	-17 692
Allocated to (from) other equity		55 070	-17 692
Total income for the year		55 070	-17 692

LOS SHIPPING I AS

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BALANCE SHEET

LOS SHIPPING I AS

Amount in NOK thousand

ASSETS	Note	31.12.2022	31.12.2021
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Vessels	4	514 899	513 230
Total property, plant and equipment		514 899	513 230
Total non-current assets		514 899	513 230
CURRENT ASSETS			
DEBTORS			
Trade receivable	7	56 090	14 756
Other current receivables	8	4 955	6 193
Total receivables		61 045	20 949
Restricted deposits	9	9	10 191
Cash and cash equivalents	9	3 362	21 614
Total cash and bank deposits		3 371	31 805
Total current assets		64 416	52 754
Total assets		579 315	565 984


**BALANCE SHEET**

LOS SHIPPING I AS


Amount in NOK thousand

EQUITY AND LIABILITIES	Note	31.12.2022	31.12.2021
EQUITY			
PAID-IN CAPITAL			
Share capital	10, 11	101	101
Share premium reserve	11	2	2
Total paid-up equity		102	102
RETAINED EARNINGS			
Other equity	11	-83 176	-138 246
Total retained earnings		-83 176	-138 246
Total equity		-83 073	-138 143
NON-CURRENT LIABILITIES			
Other non-current liabilities	12	15 000	15 000
Total of non-current liabilities		15 000	15 000
CURRENT LIABILITIES			
Liabilities to financial institutions	12	585 632	629 920
Accounts payable		10 612	11 908
Tax payable		0	326
Public duties payable		171	-7
Funding from DOF		44 366	44 366
Other current liabilities		6 608	2 615
Total current liabilities		647 389	689 127
Total liabilities		662 389	704 127
Total equity and liabilities		579 315	565 984

Storebø, 30.06.2023
The board of LOS Shipping I AS


Mons Aase (Jul 3, 2023 16:26 GMT+2)
Mons Aase
chairman of the board


Hilde Drønen (Jul 3, 2023 15:37 GMT+2)
Hilde Drønen
member of the board


Martin Lundberg (Jul 3, 2023 15:50 GMT+2)
Martin Lundberg
member of the board



Notes to the financial statement

Statement of Cash Flows

LOS SHIPPING I AS

Amount in NOK thousand	Note	31.12.2022	31.12.2021
Operating profit (ebit)		84 288	3 511
Depreciation and impairment	4	16 101	55 976
Change in trade receivables	7	-41 334	-2 522
Change in accounts payable		-1 296	6 268
Change in other working capital		29	-6 000
Exchange rate effect on operating activities		556	304
Cash from operating activities		58 344	57 537
Interest received	5	154	3
Interest paid	5	-23 425	-19 247
Other finance cost	5	-10	-69
Tax paid abroad	6	-23	-1 260
Other business taxes	6	-1 416	-835
Net cash from operating activities		33 624	36 128
Purchase of tangible assets		-17 770	0
Net cash used in investing activities		-17 770	0
Proceeds from borrowings		0	0
Repayment of borrowings		-44 288	-18 513
Reward of other loans		0	0
Net cash flow from financing activities		-44 288	-18 513
Net changes in cash and cash equivalents		-28 434	17 615
Cash at the start of period 01.01.		31 805	14 190
Cash at the end of period 31.12.		3 371	31 805



Notes to the financial statement

1 Accounting principles

Accounting principles

The financial statements for the Company have been prepared and presented in accordance with the Accounting Act and generally accepted accounting principles.

The accounting period is from 01.01.2022 to 31.12.2022 and presented in NOK thousand.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as financial income or costs.

Going concern

The financial statement are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act.

The restructuring of the Group was completed in March 2023. In an Extraordinary General Meeting (EGM) in DOF Group ASA on 22nd of March approximately NOK 5 billion of the Group's debt was decided to be converted into equity.

In addition to the purchase of 100 % of the shares in the Company, DOF Subsea AS has exercised an option to acquire the vessels Skandi Hera and Skandi Darwin. In connection with the planned purchase of the vessels DOF Subsea AS has given a short-term loan to the Company of NOK 150 million securing the financing of the Company.

Classification of assets and liabilities

Assets are classified as current assets when:

- the asset forms part of the entity's service cycle, and is expected to be realised or consumed over the course of the entity's normal operations; or
- the asset is held for trading; or
- the asset is expected to be realised within 12 months of consolidated statement of financial position date; or

All other assets are classified as non-current assets.

Liabilities are classified as current when:

- the liability forms part of the entity's service cycle, and is expected to be settled in the course of normal production time; or
- the liability is held for trading; or
- settlement of the liability has been agreed upon within 12 months of the consolidated statement of financial position date; or
- the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after the consolidated statement of financial position date.

All other liabilities are classified as non-current liabilities.

Tangible Assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible asset comprises its purchase price, borrowing costs and any directly attributable costs of bringing the asset to working condition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other repairs and maintenance are recognized in the period when the expense is incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset. Each part of the tangible asset where the value constitutes a substantial part of the total cost is depreciated separately and linearly over the estimated useful life of the asset.

The assets are valued when events or changes in circumstances indicate that the book value is not recoverable. Difference between capitalized value and recoverable amount is recognized as an impairment loss.

Periodic maintenance

Periodic maintenance is capitalized as part of the ship and amortized on a straight-line basis over the period up to the next periodic maintenance, usually after 5 years.

Revenue recognition

The Company recognises income when it is probable that future economic benefits will flow to the entity and when the amount of



Notes to the financial statement

income can be reliably measured.

Lease income related to the vessels is recorded on a linear basis over the lease period. The lease period starts from the time the vessels is made available to the customer and expires on the agreed return date. Crew rental and compensation for coverage of other operating costs are recorded over the contract period on a linear basis.

Operating income is shown net of discounts, value-added tax and other taxes on gross rates.

Trade receivables

Trade receivable are subject to value adjustments where their recovery are uncertain. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

Equity

Ordinary shares are classified as equity.

Transaction costs related to equity transactions, including tax effect of transaction costs, are directly charges against equity.

Loan

Loan are accounted for at fair value when payment of the loan takes place, minus transaction costs. In subsequent periods, loans at amortized cost are calculated using effective interest rates.

Tax

The tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated using the current tax rate on the basis of the temporary differences that exist between accounting an tax values, as well as any possible loss carry-forwards at the end of the fiscal year.

Tax-increasing and tax-reducing temporary differences that reverse or may reverse during the same period are offset. The recognition of deferred tax asset on net tax-reducing differences that are not offset and under write-downs for carrying forward is justified by assumed future earnings.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity.

Statement of cash flows

The cash flow statement shows the total cash flow divided by operational operations, investment and financing activities. The statement shows the impact of the individual activities on the liquid portfolio.

The cash flow statement has been prepared in accordance with the indirect model.

Subsequent events

New information regarding the Company's financial position at the statement of financial position date is included in the accounts.

Events occurring after the statement of financial position date, which do not impact the Company's financial position, but which have a significant impact on future periods, are presented in the notes to the accounts.

2 Operating income

	2022	2021
Freight income	177 761	122 922
Other operating income	19 345	2 931
Total operating income	197 106	125 852



Notes to the financial statement

3 Payroll, auditor and operating expenses

	2022	2021
Payroll and other remuneration	27 788	23 546
Travel costs	3 266	1 754
Other personnel costs	1 988	1 828
Total	33 043	27 128

The Company has no employees, but leases crew from other group companies and external companies. The Company is not obliged to have an occupational pension plan (OTP).

There were no remunerations or other compensations paid to Board members in 2022 or 2021.

Specification of auditor's fee	2022	2021
Audit	122	80
Fee for other services	0	82
Total	122	162

Auditor's fees are exclusive VAT.

Other operating expenses consists of:	2022	2021
Maintenance and repair services	12 015	6 024
Management fees for ship management	3 174	3 196
Electronic communication expenses	2 120	1 327
Bunkers costs	12 860	211
Insurance	2 733	3 109
ROV	19 468	21 262
Other expenses	11 304	4 109
Total	63 674	39 238



Notes to the financial statement

4 Tangible assets

2022	Vessels	Periodical maintenance	Total
Cost at 01.01	672 727	43 079	715 806
Additions	0	17 770	17 770
Capitalization	0	0	0
Cost at 31.12	672 727	60 849	733 576
Depreciation and impairment at 01.01	139 430	19 755	159 185
Depreciation for the year	28 255	5 346	33 601
Depreciation on disposals	0	0	0
Depreciation at 31.12	167 685	25 101	192 786
Impairment 01.01.	43 391	0	43 391
Reversal of impairment	-17 500	0	-17 500
Impairment 31.12.	25 891	0	25 891
Book value at 31.12	479 151	35 748	514 899
Asset lifetime (years)	30 years	30-60 months	
Depreciation schedule	Straight line	Straight line	

2021	Vessels	Periodical maintenance	Total
Cost at 01.01	672 727	43 079	715 806
Additions	0	0	0
Capitalization	0	0	0
Cost at 31.12	672 727	43 079	715 806
Depreciation and impairment at 01.01	110 556	15 653	126 209
Depreciation for the year	28 875	4 101	32 976
Depreciation on disposals	0	0	0
Depreciation at 31.12	139 430	19 755	159 185
Impairment 01.01.	20 391	0	0
Impairment	23 000	0	23 000
Impairment 31.12.	43 391	0	43 391
Book value at 31.12	489 906	23 324	513 230
Asset lifetime (years)	30 years	30-60 months	
Depreciation schedule	Straight line	Straight line	

5 Finance income and expenses

	2022	2021
Other interest income	154	3
Financial income	154	3
Interest cost loan	-27 418	-19 247
Late payment interest	-1	-1
Other financial costs	-10	-68
Financial costs	-27 428	-19 316
Net gain (loss) on operational items	351	-293
Net gain (loss) on current items	-336	-19
Net realized gain (loss) on currencies	15	-311
Net unrealized gain (loss) on operational items	-520	8
Net unrealized gain (loss) on currencies	-520	8
Net financial items	-27 779	-19 618



Notes to the financial statement

6 Tax

Tax income (expense) comprises:	2022	2021
Current tax on profit for the year		
Change in deferred taxes	0	0
Tax payable abroad	-1 439	-1 585
Tax income (expense)	-1 439	-1 585

Reconciliation of normal and effective tax rate

Profit before tax	56 509	-16 107
Tax calculated at domestic tax rates 22% (22%)	12 432	-3 543
Tax effect of:		
Tax effect on deductible expenses	0	0
Tax effect on items not included in deferred tax	-12 432	3 543
Tax effect on other items	0	0
Effect of different tax regime	1 439	-1 585
Total tax income (expense)	1 439	-1 585

Deferred tax

Basis of deferred tax	2022	2021
Tangible assets	165 248	181 348
Total temporary differences	165 248	181 348

Loss carried forward	-243 182	-315 792
- hereof tax deficit not included in basis for calculation of deferred tax/deferred tax assets	77 935	134 443
Basis for calculation of deferred tax/deferred tax assets (-)	0	0
Total deferred tax/deferred tax assets (-)	0	0

7 Trade receivables

	2022	2021
Trade receivable	53 352	9 865
Earned not invoiced	2 738	4 891
Provision for bad debts	0	0
Trade receivables at 31.12.	56 090	14 756

The Company's credit exposure is mainly towards customers who historically have good financial capability to meet their obligations.

The credit risk to clients is considered low. The current demanding market have increased the credit risk, however it is still considered to be acceptable.

Year	Total	Not matured	<30d	30-90d	>90d
2022	53 352	27 892	17 337	8 121	2

8 Other current receivables

	2022	2021
Prepaid expenses	1 929	505
Settlement VAT	1 117	1 187
Other current receivables	1 909	4 501
Other current receivables at 31.12.	4 955	6 193



Notes to the financial statement

9 Restricted cash

	2022	2021
Restricted cash	9	10 191
Restricted cash at 31.12.	9	10 191

Restricted cash Skandi Hera.

10 Share capital and share information

2022	Total shares	Share capital	Ownership	Vote share
Sigfisk AS	960	40	40%	40%
Kanabus AS	480	20	20%	20%
Gerda Marie AS	960	40	40%	40%
	2400	101	100%	100%

The Company share capital is totaling NOK 100 800 and consists of 2400 shares, each with nominal value of NOK 42. All company's shares have the same rights.

11 Equity

Amounts in NOK	Share Capital	Share premium	Retained earnings	Total Equity
Balance at 01.01.2022	101	2	-138 246	-138 143
Profit (loss) for the year	0	0	55 070	55 070
Balance 31.12.2022	101	2	-83 176	-83 073

Amounts in NOK	Share Capital	Share premium	Retained earnings	Total Equity
Balance at 01.01.2021	101	2	-120 553	-120 451
Profit (loss) for the year	0	0	-17 692	-17 692
Balance 31.12.2021	101	2	-138 246	-138 143

12 Debt to credit institution

The Company has debt to financial institution linked to tangible asset.

Interest-bearing debt	2022	2021
Non-current debt to financial institution	0	0
Current debt to financial institution	585 632	629 920
Total interest-bearing debt	585 632	629 920

Average interest	4,45%	2,89%
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The Company's debt to financial institution is secured by mortgages in the vessels. A long-term financing has been secured for the Skandi Hera and Skandi Darwin after balance date. Both vessels are owned via two subsidiaries fully owned by the Company.

13 Subsequent events

The strong markets with O&G have continued into 2023 and in parallel the demand for vessels has increased within the renewable markets as several projects have started or are underway in 2023

The completion of the Restructuring has created a stable and viable financial platform for the Group through a substantial conversion of the debt into equity. The reinstated debt terms support liquidity and provide significant maturity runway. The Restructuring leaves the Group well positioned to support its operations, secure new contracts and to continue to deliver on the Group's strategy.

The Company will continue its focus on operational cost efficiency improvements.



LOS Shipping I AS

Final Audit Report

2023-07-03

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To the General Meeting of Los Shipping I AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Los Shipping I AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 30 June 2023
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Olsen, Marius Kaland	BANKID	2023-06-30 18:00

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