



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 920 243 630
Organisasjonsform: Aksjeselskap
Foretaksnavn: AKOFS OFFSHORE AS
Forretningsadresse: Karenslyst allé 57
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

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, 05.08.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	2	4 240 000	3 657 000
Sum kostnader		4 240 000	3 657 000
Driftsresultat		-4 240 000	-3 657 000
Finansinntekter og finanskostnader			
Finance income	3	4 334 000	12 111 000
Sum finansinntekter		4 334 000	12 111 000
Finance expenses	3	40 471 000	59 822 000
Sum finanskostnader		40 471 000	59 822 000
Netto finans		-36 137 000	-47 711 000
Ordinært resultat før skattekostnad		-40 377 000	-51 368 000
Ordinært resultat etter skattekostnad		-40 377 000	-51 368 000
Årsresultat		-40 377 000	-51 368 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	7	-40 377 000	-51 368 000
Sum overføringer og disponeringer		-40 377 000	-51 368 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	255 312 000	293 159 000
Sum finansielle anleggsmidler		255 312 000	293 159 000
Sum anleggsmidler		255 312 000	293 159 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables		4 000	3 000
Konsernfordringer	9	72 446 000	61 637 000
Sum fordringer		72 450 000	61 640 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	6	68 000	71 000
Sum bankinnskudd, kontanter og lignende		68 000	71 000
Sum omløpsmidler		72 518 000	61 711 000
SUM EIENDELER		327 830 000	354 870 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7,8	7 210 000	7 175 000
Annen innskutt egenkapital	7	374 886 000	367 221 000
Sum innskutt egenkapital		382 096 000	374 396 000
Opptjent egenkapital			



Balanse

Beløp i: USD	Note	2021	2020
Other equity	7	-97 166 000	-56 789 000
Sum opptjent egenkapital		-97 166 000	-56 789 000
Sum egenkapital		284 930 000	317 607 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	10	24 619 000	20 477 000
Sum annen langsiktig gjeld		24 619 000	20 477 000
Sum langsiktig gjeld		24 619 000	20 477 000
Kortsiktig gjeld			
Kortsiktig konserngjeld	9	2 848 000	3 523 000
Current borrowings	10	1 132 000	1 175 000
Other current liabilities	9	14 301 000	12 088 000
Sum kortsiktig gjeld		18 281 000	16 786 000
Sum gjeld		42 900 000	37 263 000
SUM EGENKAPITAL OG GJELD		327 830 000	354 870 000



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4	146 914 000	105 696 000
Other income	4	116 000	975 000
Sum inntekter		147 030 000	106 671 000
Kostnader			
Materials, goods and services		62 504 000	37 747 000
Salaries, wages and social security cost	5	36 793 000	16 456 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,10	42 293 000	35 539 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	10 231 000	22 939 000
Total other operating expenses	6	10 857 000	8 208 000
Sum kostnader		162 678 000	120 889 000
Driftsresultat		-15 648 000	-14 218 000
Finansinntekter og finanskostnader			
Finance income	7	1 970 000	5 452 000
Sum finansinntekter		1 970 000	5 452 000
Finance expenses	7	38 820 000	39 463 000
Sum finanskostnader		38 820 000	39 463 000
Netto finans		-36 850 000	-34 011 000
Ordinært resultat før skattekostnad		-52 498 000	-48 229 000
Income tax benefit(expense)	8	7 605 000	1 689 000
Ordinært resultat etter skattekostnad		-60 103 000	-49 918 000
Årsresultat		-60 103 000	-49 918 000
Andre resultatkomponenter for IFRS-foretak		-1 452 000	-3 982 000
Sum resultatkomponenter for IFRS-foretak		-1 452 000	-3 982 000
Totalresultat		-61 555 000	-53 900 000
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
Overføringer til/fra annen egenkapital	13	-61 555 000	-53 899 000
Sum overføringer og disponeringer		-61 555 000	-53 899 000



Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	7 706 000	15 074 000
Sum immaterielle eiendeler		7 706 000	15 074 000
Varige driftsmidler			
Property, plant and equipment	9	474 239 000	522 138 000
Sum varige driftsmidler		474 239 000	522 138 000
Finansielle anleggsmidler			
Other non-current assets		229 000	229 000
Sum finansielle anleggsmidler		229 000	229 000
Sum anleggsmidler		482 174 000	537 441 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	11,12	69 738 000	79 433 000
Sum fordringer		69 738 000	79 433 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	38 200 000	28 747 000
Sum bankinnskudd, kontanter og lignende		38 200 000	28 747 000
Sum omløpsmidler		107 938 000	108 180 000
SUM EIENDELER		590 112 000	645 621 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Konsernets balanse

Beløp i: USD	Note	2021	2020
Share capital	13,14	7 210 000	7 175 000
Annen innskutt egenkapital	13	374 886 000	367 221 000
Sum innskutt egenkapital		382 096 000	374 396 000
Opptjent egenkapital			
Other equity	13	-209 969 000	-148 329 000
Sum opptjent egenkapital		-209 969 000	-148 329 000
Sum egenkapital		172 127 000	226 067 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	502 000	545 000
Utsatt skatt	8	230 000	208 000
Non-current finance lease obligations	15,21	103 461 000	111 314 000
Other non-current liabilities	15	130 964 000	149 931 000
Sum avsetninger for forpliktelser		235 157 000	261 998 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		235 157 000	261 998 000
Kortsiktig gjeld			
Current borrowings	15	111 083 000	90 612 000
Leverandørgjeld	17,18, 21	29 141 000	25 813 000
Current finance lease obligations	15	27 739 000	28 176 000
Other current liabilities		14 865 000	12 956 000
Sum kortsiktig gjeld		182 828 000	157 557 000
Sum gjeld		417 985 000	419 555 000
SUM EGENKAPITAL OG GJELD		590 112 000	645 622 000



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To the General Meeting of AKOFS Offshore AS

Independent Auditor's Report

Opinion

We have audited the financial statements of AKOFS Offshore AS, which comprise:

- The financial statements of the parent company AKOFS Offshore AS (the Company), which comprise the statement of financial position as at 31 December 2021, the income statement and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of AKOFS Offshore AS and its subsidiaries (the Group), which comprise the statement of financial position at 31 December 2021, the income statement, the statement of comprehensive income and the 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,
- the financial statements of the parent company 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 and the Group 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.

Other Information

The Board of Directors and the Managing Director (management) are 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.

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
Alta	Finnishes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Tromsø
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Alesund



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 legal requirements.

Responsibilities of Management for the Financial Statements

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 the preparation and true and fair view of the consolidated financial statements of the Group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. 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 or the Group'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 and the Group'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 and the Group to cease to continue as a going concern.



Independent Auditor's Report - AKOFS Offshore AS

- 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



Skatteetaten

Vår dato	Din dato	Saksbehandler
29.11.2018	24.10.2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten.no	Camilla Gonsholt Hov	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1228660	Postboks 9200 Grønland 0134 Oslo

AKOFS OFFSHORE AS
Postboks 244 Skøyen
0213 OSLO

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk for AKOFS Offshore AS, org.nr. 920 243 630

Vi viser til deres brev av 24. oktober 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for AKOFS Offshore AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering AKOFS Offshore AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

AKOFS Offshore AS (org nr: 920 243 630) søker om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk fra og med regnskapsåret 2018 for selskapsregnskap og konsernregnskap. Dette selskapet er nytt holdingselskap i AKOFS Offshore konsernet som følge av at Akastor har solgt 50% av selskapet. AKOFS Offshore AS er nå et joint venture mellom Akastor ASA (50%), Mitsui O.S.K. Lines, Ltd. (25%) og Mitsui & Co. Ltd. (25%). Det er et krav fra MOL og Mitsui om årsregnskap og konsernregnskap på engelsk.

AKOFS Offshore AS er morselskap i konsernet. Selskapet har ingen eksterne kunder og et fåtall leverandører, hovedsakelig knyttet til norske regnskaps- og revisjonstjenester og advokater. Det er ingen ansatte i AKOFS Offshore AS. Selskapets styresammensetning vil reflektere eierforholdet og styredokumentasjon vil være på engelsk.

AKOFS Offshore konsernet opererer i det internasjonale olje- og gassmarkedet og har selskaper i Norge og i Brasil. Konsernet har to pågående kontrakter med Petrobras i Brasil og inngikk i 2018 en kontrakt med Equinor på norsk sokkel med oppstart i 2020. Datterselskapene som har ansatte, AKOFS Offshore Operations AS i Norge og AK Operacoes do Brasil Ltda i Brasil, har årsregnskap på lokalt språk.

Konsernet har eksterne långivere hvor kommunikasjon foregår på engelsk. Konsernets største leverandører er i hovedsak leverandører til det internasjonale olje- og gassmarkedet, hovedsakelig leverandører i Norge, Brasil, USA og UK.

En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller 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 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 skjævt 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 eid av utenlandske selskaper. Eierkretsen er begrenset. Videre er det lagt vekt på at selskapet opererer i det internasjonale olje- og gassmarkedet, og at alle brukerne av regnskapet benytter eller behersker engelsk som arbeidsspråk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



AKOFS Offshore

Board of Directors report 2021

Operations and locations

AKOFS Offshore AS (hereinafter referred to as "AKOFS Offshore", "AKOFS" or "the Group") is a global provider of vessel-based subsea well construction and intervention services to the oil and gas industry, covering all phases from conceptual development to project execution and offshore operations. The company operates three specialized offshore vessels, Skandi Santos, Aker Wayfarer and AKOFS Seafarer. The company's head office is located in Oslo, Norway.

Highlights 2021

2021 continued to be affected by the COVID-19 virus. AKOFS Offshore has continued to focus on mitigating any operational effects of the ongoing COVID-19 pandemic, among other initiatives through strict controls and follow up of crew before crew changes. Despite these efforts operations was affected through reduced utilization because of virus outbreaks on board our vessels. However, 2021 also brought positive market development as well as increasing crude oil price through the year followed by higher offshore upstream investments and demand for the services provided by AKOFS compared to 2020.

Through 2021, both of the vessels Skandi Santos and Aker Wayfarer have 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 4th quarter of 2021, while the remaining value will go through separate contracts between the end-client and sub-suppliers of AKOFS Offshore. Skandi Santos is currently operating on a shorter contract in Brazil with a third party, before it will go to yard in the 3rd quarter of 2022 to prepare for the new contract with Petrobras.

The Brazilian fleet was affected by certain periods of downtime related to outbreaks of COVID-19 onboard Wayfarer, however utilization for the two vessels was in general high throughout the year, with revenue utilization of Wayfarer and Santos of approximately 96 and 98 percent respectively, adjusted for the planned SPS on Wayfarer in the 1st quarter of 2021.

In October 2020, AKOFS Seafarer commenced its five-year contract with Equinor for Light Well Intervention services on the Norwegian Continental Shelf and has through 2021 operated on this contract delivering solid operational performance. The vessel recorded a revenue utilization above 90 percent in 2021, which is deemed satisfactory considering that the vessel had limited operational experience going into the year and the very challenging weather conditions on the Norwegian Continental Shelf in the 2021/2022 winter season, as the vessel receives a reduced day rate when waiting on weather.

Going forward, AKOFS will continue to focus on delivering high uptime on its existing contracts. Further, evaluation of options regarding the AKOFS Wayfarer vessel, for which the contract expires per year end 2022, will be a key focus area in 2022. Also, the company is continuously evaluating opportunities to grow through further leveraging its competencies within subsea well construction and intervention services as well as exploring opportunities within the offshore wind sector.

Group Financial Performance

Income statement

Total revenue for 2021 increased by 37,8%, from USD 106,7 million to USD 147.0 million. The increase is mainly related to full operation with AKOFS Seafarer which delivered a high revenue utilization performance. EBITDA decreased by USD 7.4 million to USD 36.9 million.

Depreciation and amortization were USD 42.3 million in 2021, compared to USD 35.6 million in the previous year. Also, an impairment of USD 10.2 million mainly related to Skandi Santos is booked in 2021.

Net financial expenses were USD 36.9 million in 2021 compared to USD 34 million in the previous year. The pre-tax loss for the year was USD 52.5 million, compared to a loss of USD 48.3 million the previous year.

The income tax expense for 2021 was USD 7.6 million, compared to a tax expense of USD 1.7 million in 2020.

The group had a total loss of USD 60.1 million for the year.

Financial position

Total assets of AKOFS Offshore amounted to USD 590.1 million as of December 31, 2021 compared with USD 645.6 million at year-end 2020.

Total long-term liabilities decreased with USD 26.8 million. The changes reflect decreases in the long-term debt of AKOFS Seafarer with USD 17.1 million, the long-term shareholder debt with USD 1.9 million, and a reduction in the lease liabilities towards Ocean Yield of USD 7.9 million. Total short-term debt increased with USD 25.3 million. The changes reflect increases in the short-term debt of AKOFS Seafarer



AKOFS Offshore

with USD 15.3 million, increase in short-term debt of Subordinated loan with USD 6.2 million.

Total equity amounted to USD 172.1 million at year-end 2021, compared to USD 226.1 million the year before. The equity ratio was 29 percent as of December 31, 2021, a decrease from 30 percent in 2020.

In 2020 AKOFS Offshore has issued USD 7.7 million in new liquidity.

Cash flow

As of December 31, 2021, AKOFS Offshore had cash of USD 38.2 million, compared to USD 28.7 million in 2020. The net cash flow from operating activities was positive USD 43.5 million, comprising of net cash inflow from operating activities of USD 51.7 million and payments of USD 8.9 million for income tax and interest cost.

Net cash flow from investing activities was negative USD 5.9 million compared to negative USD 19.5 million in 2020. The cash flow from investing activities was related to capex investments of total USD 6.0 million primarily related to the upgrade of the AKOFS Seafarer vessel.

Net cash flow from financing activities amounted to USD 26.1 million reflecting additional borrowings of USD 86.0 million mainly related to refinancing Avium Subsea and upgrade of AKOFS Seafarer, debt and lease repayments of USD 119.8 million, and equity injection of USD 7.7 million.

Going concern

The Board of Directors confirms that the going concern assumption, on which the consolidated financial statements have been prepared, is appropriate.

Subsequent events

Debt refinancing

In February 2022 Avium Subsea refinanced its USD 83.0 million facility with SMBC with one year.

Equity issue

In the January, February and July of 2021 AKOFS Offshore completed three equity issues of USD 2.7 million, USD 3.0 million, and USD 2.0 million respectively.

Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk in different areas, especially interest rate risk and exchange 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

AKOFS Offshore operates primarily in a USD driven market and has USD as its functional currency. The presentation currency for the consolidated accounts is USD. Both Skandi Santos and Aker Wayfarer have split contracts with one BRL element for service to the Brazilian legal entity which has BRL as its functional currency and one USD element for the charter to the Norwegian legal entities which have USD as functional currency. The group include the use of financial instruments on a case by case basis. This is continuously being assessed by the Board of Directors.

Interest rate risk

The company is exposed to changes in the interest rate and follow up to have an acceptable risk in this area. A large part 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, AKOFS is dependent on sound operations and existing credit lines to meet its obligations

Credit risk

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

Research, Innovation and Technology Development

AKOFS Offshore did not capitalize cost related to development in 2021.

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.

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.



AKOFS Offshore

In January and February of 2021 both vessels in Brazil accumulated downtime due 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

True and fair view

The Board of Directors is of the opinion that the statutory accounts give a true and fair view of AKOFS Offshore assets and equity, financial position and result.

Parent company results and allocation of net profit

AKOFS Offshore AS is the ultimate parent company in the AKOFS Offshore group, and its business is the ownership and management of all subsidiaries. AKOFS Offshore AS has outsourced all management functions to group company AKOFS Offshore Operations AS. AKOFS Offshore AS had a net loss of USD 40 377 thousand in 2021 (net loss of USD 51 368 thousand in 2020).

The Board of Directors has proposed the net loss of USD 40 377 thousand of AKOFS Offshore AS to be allocated to:

Other equity	USD 40 377 thousand
--------------	---------------------

The working environment and the employees

Leave of absence due to illness was in total 2,97 percent, 1,77 percent short term and 1,2 percent long term. The split of sick leave on offshore and onshore was 3,6 percent and 0,49 percent respectively.

The group had one reportable personnel injury during the year. The Lost Time Incident Frequency (LTIF) was zero and the Total Recordable Incident Frequency (TRIF) was 1.5 for the year.

The Board of Directors consider the working environment as good, and this is also reflected in the results of employee survey. The group's working environment committees held regular meetings in 2021.

Equal opportunities and discrimination

AKOFS Offshore group had a total of 225 employees as of December 31, 2021. The female/male ratio were as follows:

	Onshore	Offshore
Female	41%	1%
Male	59%	99%

The average salary for female employees is on the same level as the average salary for male employees for similar positions. The Board of Directors consists of four 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. The Board of Directors regard the situations as satisfactory and that it is not necessary to execute special actions within the area of equal opportunities and discrimination.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

Environmental report

The company operates vessels performing offshore construction and well support work. The vessels are equipped with modern technology according to regulatory requirements to prevent negative environmental impact. The company policy for health, safety and environment (HSE) demonstrates the commitment to safe and environmentally sound operations. For systematically managing HSE, the company has established an HSE management system based on internal requirements, regulatory requirements, and the requirements of the international HSE standards ISO14001 (Environmental management system) and ISO 45001 (Health and Safety management system). The HSE management system also ensures that the company operates in compliance to local rules and regulations. The company has committed to a vision of zero incidents, which commits our offshore crew to work systematically to prevent situations that can negatively impact health, safety or the environment. There were no significant environmental incidents during the year.

Board of Directors Liability insurance

The principal insurances for AKOFS Offshore are arranged by Aker Insurance Services AS as part of the Aker ASA group insurances. These group insurances protect the group activities in a number of territories. The Board of Directors liability insurance of AKOFS Offshore is insured by the D&O gruppeforsikring at the TRG group level.

Skøyen, June 27, 2022
Board of Directors of AKOFS Offshore AS



AKOFS Offshore

Paal Espen Johnsen
Chairman

Yuji Aibara
Board member

Motoshi Asahara
Board member

Eirik Thomassen
Board member



Geir Atle Sjøberg
CEO



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Consolidated Financial Statements

AKOFS Offshore

For the year ended December 31, 2021

Consolidated Income statement

Consolidated Statement of comprehensive income

Consolidated Statement of financial position

Consolidated Statement of cash flow

Notes

- 1 Corporate information
- 2 Basis for preparation
- 3 Significant accounting policies
- 4 Operating revenue and other income
- 5 Salaries, wages and social security cost
- 6 Other operating expenses
- 7 Net finance expenses
- 8 Income tax
- 9 Property, plant and equipment
- 10 Intangible assets
- 11 Trade and other receivables
- 12 Cash and cash equivalents
- 13 Capital and reserves
- 14 Share capital and shareholders
- 15 Borrowings
- 16 Employee benefits - pension
- 17 Provisions
- 18 Trade and other payables
- 19 Financial risk
- 20 Operating leases
- 21 Related parties
- 22 Group companies
- 23 Events after reporting date



NOTES

NOTE 1 - Corporate information

AKOFS Offshore AS is a limited company which is a joint venture of Akastor ASA (50%) and Mitsui & Co., Ltd. & Mitsui O.S.K. Lines, Ltd. (25% respectively). The registered office is Karenslyst Allé 57, Oslo, Norway.

The consolidated financial statements of AKOFS Offshore AS and its subsidiaries (collectively referred as AKOFS Offshore or the group) for the year ended December 31, 2021 were approved by the board of directors and CEO on June 21, 2022. The consolidated financial statements will be authorized by the Annual General Meeting on June 21, 2022.

NOTE 2 - Basis for preparation

Basis of accounting

The consolidated financial statements have been prepared in accordance with the accounting act §3-9 and the regulation (forskrift) for simplified use of International Financial Reporting Standards (IFRS) as established by the Norwegian Securities and Exchange Commission (Finanstilsynet) March 4, 2008. Principles for measurement and recognition are in accordance with IFRS and principles for presentation and disclosure in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items, which are measured on an alternative basis on each reporting date:

- Net defined benefit (asset) liability is recognized at fair value of plan assets less the present value of the defined benefit obligation.

Functional and presentation currency

The consolidated financial statements are presented in USD, which is AKOFS Offshore AS' functional currency. All financial information presented in USD has been rounded to the nearest thousand (USD thousand), except when otherwise stated. The subtotals and totals in some of the tables in these consolidated financial statements may not equal the sum of the amounts shown due to rounding.

When the functional currency in a reporting unit is changed, the effect of the change is accounted for prospectively.

Use of estimates and judgements

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.



CONSOLIDATED FINANCIAL STATEMENTS for AKOFS Offshore

For the year ended December 31,

CONSOLIDATED INCOME STATEMENT

<i>Amounts in USD thousands</i>	<i>Note</i>	2021	2020
Operating revenue	4	146 914	105 696
Other income	4	116	976
Total revenue and other income		147 030	106 671
Materials, goods and services		(62 504)	(37 747)
Salaries, wages and social security cost	5	(36 793)	(16 456)
Total other operating expenses	6	(10 857)	(8 208)
Operating expenses		(110 154)	(62 411)
Operating profit before depreciation, amortization and impairment		36 876	44 260
Depreciation and amortization	9, 10	(42 293)	(35 539)
Impairment	9	(10 231)	(22 939)
Operating profit (loss)		(15 648)	(14 218)
Finance income	7	1 970	5 452
Finance expenses	7	(38 820)	(39 462)
Net finance expenses		(36 850)	(34 011)
Profit (loss) before tax		(52 498)	(48 229)
Income tax benefit (expense)	8	(7 605)	(1 689)
Profit (loss) for the period		(60 103)	(49 918)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31

<i>Amounts in USD thousands</i>	2021	2020
Profit (loss) for the period	(60 103)	(49 918)
Other comprehensive income		
Currency translation differences - foreign operations	(1 917)	(5 109)
Deferred tax of currency translation differences - foreign operations	422	1 124
Total items that may be reclassified to profit or loss	(1 496)	(3 985)
Remeasurement gain (loss) net defined benefit liability	55	4
Deferred tax of remeasurement gain (loss) net defined benefit liability	(12)	(1)
Total items that will not be reclassified to profit or loss	43	3
Total other comprehensive income	(1 452)	(3 982)
Total comprehensive income (loss)	(61 555)	(53 899)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2021	2020
Deferred tax assets	8	7 706	15 074
Intangible assets	10	-	-
Property, plant and equipment	9	474 239	522 138
Other non-current assets		228	229
Total non-current assets		482 173	537 441
Trade and other receivables	11,21	69 738	79 433
Cash and cash equivalents	12	38 200	28 747
Total current assets		107 939	108 180
Total assets		590 112	645 622
<hr/>			
Share capital	13,14	7 210	7 175
Other capital paid in	13	374 886	367 221
Other equity	13	(209 969)	(148 329)
Total equity		172 127	226 067
Deferred tax liabilities	8	230	208
Employee benefit obligations	16	502	545
Non-current finance lease obligations	15,21	103 461	111 314
Other non-current liabilities	15	130 965	149 931
Total non-current liabilities		235 157	261 998
Current borrowings	15	111 083	90 612
Current finance lease obligations	15	27 739	28 176
Trade and other payables	17,18,21	29 141	25 813
Other current liabilities		14 865	12 956
Total current liabilities		182 828	157 557
Total liabilities and equity		590 112	645 622

Skøyen, June 27, 2022 Board of Directors of AKOFS Offshore AS

Paal Espen Johnsen
Chairman

Yuji Aibara
Board member

Motoshi Asahara
Board member

Eirik Thomassen
Board member



Geir Ate Sjøberg
CEO



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31

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CEO



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

<i>Amounts in USD thousands</i>	2021	2020
Profit (loss) for the period	(60 103)	(49 918)
Adjustments for:		
Income tax expense	7 605	1 689
Net interest cost and unrealized foreign exchange	8 309	5 615
Depreciation, amortization and impairment	52 524	58 478
(Profit) loss on disposals of assets	(116)	(976)
Other non-cash effects	-	-
Changes in net operating assets	43 517	(3 133)
Cash generated from operating activities	51 736	11 756
Interest paid	(8 903)	(8 783)
Interest received	675	163
Income taxes paid	-	(211)
Net cash from operating activities	43 508	2 925
Acquisition of property, plant and equipment	9	(6 033)
Payment for capitalized development	-	-
Proceeds from sale of property, plant and equipment	9	116
Cash flow from other investing activities	-	-
Net cash from investing activities	(5 918)	(19 542)
Proceeds from borrowings	15	85 995
Repayment of borrowings	15	(91 665)
Payment of finance lease liabilities	15	(28 149)
Equity injection from owners	7 700	24 904
Cash flow from other financing activities	-	-
Net cash from financing activities	(26 119)	17 401
Effect of exchange rate changes on cash and cash equivalents	(2 019)	(2 947)
Net increase (decrease) in cash and cash equivalents	9 453	(2 162)
Cash and cash equivalents at the beginning of the period	28 747	30 909
Cash and cash equivalents at the end of the period	38 200	28 747



NOTE 4 - Operating revenue and other income

Amounts in USD thousands	2021	2020
Area of business		
Service revenue	100 610	33 675
Lease revenue	46 304	72 021
Total operating revenue	146 914	105 696
Insurance compensation	-	600
Gain on disposal of assets	116	376
Total other income	116	976
Geographical allocation based on customer localisation		
Brazil	68 702	93 532
Norway	78 212	12 164
Total operating revenue	146 914	105 696

NOTE 5 - Salaries, wages and social security costs

Amounts in USD thousands	2021	2020
Salaries and wages	24 100	20 909
Social security tax	4 469	3 039
Pension cost	2 145	1 151
Other employee cost	6 076	(9 583)
Salaries, wages and social security costs	36 793	16 456

Employees 225 228

Management remunerations

Amounts in USD thousands	Base salary	Variable pay	Other benefits	Total taxable remuneration	Pension
CEO	342	421	1	765	37

The company practices standard employment contracts and standard terms and conditions regarding notice period and severance pay. The notice period is three months. CEO has an agreement for assumption of alternative duties. Variable pay is based on the performance of AKOFS Offshore.

Board of directors

The board of directors did not receive board fees for the period.

NOTE 6 - Other operating expenses

Amounts in USD thousands	2021	2020
Rental and other costs for buildings and premises	363	263
External consultants and hired-ins inclusive audit fees	4 391	2 634
Office supplies	1 810	1 636
Travel expenses	2 331	1 582
Insurance cost	2 080	2 137
Other cost	(729)	(345)
Total other operating expenses	10 657	8 208

Fees to the auditors

The table below summarizes audit fees, as well as fees for audit related services, tax services and other services incurred by the group during 2021 and 2020.

Amounts in USD thousands	2021	2020
Audit fee - ordinary assurance	182	187
Audit fee - other assurance	28	5
Total	210	192



NOTE 7 - Net finance expenses

Amounts in USD thousands	2021	2020
Interest income on bank deposits measured at amortized cost	43	163
Foreign exchange gain	1 188	2 132
Other finance income	760	13
Finance income	1 970	2 308
Interest expense on financial liabilities measured at amortized cost	(16 592)	(12 917)
Finance charges under financial leases	(20 784)	(23 157)
Foreign exchange loss	(1 327)	-
Other financial income	(137)	(245)
Finance expenses	(38 820)	(36 318)
Net finance expenses recognized in profit and loss	(36 850)	(34 011)

NOTE 8 - Income tax

Income tax expense	2021	2020
Amounts in USD thousands		
<i>Current tax expense</i>		
Current year	(606)	(64)
Total current tax expense	(606)	(64)
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	2 282	4 048
Adjustments for prior years	(16)	-
Write-down (or reversal) of deferred tax assets	(9 285)	(5 673)
Total deferred tax income (expense)	(6 999)	(1 625)
Tax on group contributions	-	-
Total tax income (expense)	(7 605)	(1 689)

Effective tax rate
The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate in Norway.

Amounts in USD thousands	2021	2020
Profit (loss) before tax	(52 498)	(48 229)
Tax income/(expense) using the company's domestic tax rate	11 560	10 610
<i>Tax effects of:</i>		
Tax rate different from 22%	(213)	321
Permanent differences	89	(168)
Deferred tax from write down (or reversal) of deferred tax assets	(13 609)	(9 215)
Effect of functional currency different from currency in tax reporting	758	796
Shipping tax regime	(6 231)	(5 067)
Other	51	64
Income tax income (expense)	(7 605)	(1 689)
Effective tax rate	-14 %	-4 %

AKOFS 1 AS qualified for entry into Norwegian Tonnage Tax (NTT) regime for 2018. Entry tax has been calculated and 20% is included in tax basis for tax calculation. Remaining balance is included in net deferred tax liabilities. Tax on financial result under the NTT is included in tax expenses.

AKOFS Offshore impaired deferred tax asset in 2018 due to remaining entities within ordinary corporate tax regime cannot utilize the total tax losses carry-forward.

Avium Subsea AS has been in the NTT regime from year of establishment and has no entry tax. Tonnage tax is included in operating expenses.

Akofs 3 has impaired deferred tax assets in 2021 due to the tax regime cannot utilize tax losses carry forward.

Change in net recognized deferred tax assets (liabilities)

Amounts in USD thousands	Property, plant and equipment	Financial lease	Other liabilities	Tax loss carry-forward	Total
Balance as of December 31, 2020	881	1 890	6 940	8 934	14 666
Recognized in profit and loss	10	466	313	(8 205)	(7 377)
Recognized in OCI	-	-	(12)	-	(12)
Currency translation differences	-	-	-	(1)	(1)
Balance as of December 31, 2021	901	1 395	7 241	729	7 476

Tax loss carry-forwards

Expiry date of unrecognized tax loss carry-forwards

Amounts in USD thousands	2021	2020
Expiry in 2021	-	-
Expiry in 2022 and later	10 405	8 467
Indefinite	319 287	285 366
Total	329 692	293 833



NOTE 9 - Property, plant and equipment

Amounts in USD thousands	Vessels	Machinery, equipment, IT hardware	Assets under construction	Right-of use assets	Total
<i>Historical cost</i>					
Balance as of January 1, 2020	758 902	27 176	86 405	210 201	1 082 686
Additions at cost	70	-	22 760	519	23 348
Transfer from Asset under construction	95 677	259	(95 936)	-	0
Transfer and scrapping	(2 260)	1 702	-	-	(588)
Remeasurement	-	-	-	(2 642)	(2 642)
Currency translation differences	10 253	(36)	(4 825)	(51)	5 339
Balance as of December 31, 2020	862 610	29 103	8 404	208 026	1 108 143
Additions at cost	55	-	11 134	-	11 189
Transfer from Asset under construction	(213)	13 942	(13 729)	-	0
Transfer and scrapping	(205 560)	(10 816)	(500)	(222)	(217 159)
Remeasurement	(5 068)	-	-	(203)	(5 298)
Currency translation differences	1 824	(13)	(113)	-	1 798
Balance as of December 31, 2021	653 720	32 216	5 136	207 600	898 672
<i>Accumulated depreciation and impairment</i>					
Balance as of January 1, 2020	(464 459)	(20 445)	-	(49 931)	(524 835)
Depreciation this period	(21 514)	(4 382)	-	(9 371)	(35 267)
Impairment this period	(22 939)	-	-	-	(22 939)
Transfer and scrapping	933	(345)	-	-	588
Currency translation differences	(3 804)	34	-	20	(3 551)
Balance as of December 31, 2020	(501 544)	(25 138)	-	(59 283)	(586 005)
Depreciation this period	(27 529)	(5 531)	-	(9 138)	(42 197)
Impairment this period	(10 231)	-	-	-	(10 231)
Transfer and scrapping	205 560	10 816	-	222	216 598
Currency translation differences	(2 607)	8	-	-	(2 589)
Balance as of December 31, 2021	(336 389)	(19 845)	-	(68 198)	(424 433)
Book value as of December 31, 2020	361 027	3 965	8 404	148 743	522 139
Book value as of December 31, 2021	317 330	12 371	5 136	139 402	474 239

As of December 31, 2021, AKOFS had entered into contractual commitments for the acquisition of property, plant and equipment amounting to USD 18,9 million (USD 8,9 million in 2020), mainly related to the upgrade of the AKOFS Seafarer vessel and Skandi Santos vessel.

Depreciation

Estimates for useful life, depreciation method and residual value are reviewed annually. Assets are mainly depreciated on a straight-line basis over the expected economic lives as follows:

Machinery, equipment and IT hardware
Vessels

3-15 years
20-25 years

Impairment

An impairment loss of USD 10 million was recognized in 2021 writing down the vessel Skandi Santos to its recoverable amount of USD 109. 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 2021.

The COVID-19 virus will have negative impact on the global economy and the operational activities also in 2021. The financial impact as a result of this remains uncertain, but the realized impairment loss, expected delay in upcoming tenders and reduced activity levels for the Skandi Santos vessel is reflected. The recordable amount of USD 109 million is based on continuous operations for the vessel however on reduced day-rates.

Security

The Skandi Santos vessel and the AKOFS Seafarer, with total carrying amount of USD 313 million as of December 31, 2021, is pledged as security for borrowings in the group.



NOTE 10 - Intangible assets

Amounts in USD thousands	IT software	Total
<i>Historical cost</i>		
Balance as of January 1, 2020	2 421	2 421
Balance as of December 31, 2020	2 421	2 421
Balance as of December 31, 2021	2 421	2 421
<i>Accumulated amortization and impairment</i>		
Balance as of January 1, 2020	(2 132)	(2 132)
Amortisation this period	(272)	(272)
Currency translation difference	(17)	(17)
Balance as of December 31, 2020	(2 421)	(2 421)
Amortisation for this period	-	-
Currency translation difference	-	-
Balance as of December 31, 2021	(2 421)	(2 421)
Book value as of December 31, 2020	0	0
Book value as of December 31, 2021	-	-

Amortization

Intangible assets are amortized over the expected economic life (three years).

NOTE 11 - Trade and other receivables

Amounts in USD thousands	2021	2020
Trade receivables	8 843	13 662
Other receivables	150	1 013
Trade and other receivables	8 999	15 305
Prepaid expenses and incurred income	5 487	8 229
Accrued lease revenue	5 757	5 041
Capitalized contract costs	41 040	41 003
Public duties and tax refunds	8 458	9 856
Total	69 738	79 434

Book value of trade and other receivables are approximately equal to fair value.

Trade receivables are related to major customer and not overdue per December 31, 2021.

NOTE 12 - Cash and cash equivalents

Amounts in USD thousands	2021	2020
Cash pool	34 889	28 270
Interest-bearing deposits	3 312	2 477
Total cash and cash equivalents	38 200	28 747

The group has no credit facilities. TUSD 1,478 is restricted cash.



NOTE 13 - Capital and reserves

Amounts in USD thousands	Share capital	Other capital paid in	Other equity	Total equity
Equity as of January 1, 2020	7 131	329 265	94 423	241 972
Profit (loss) for the period	-	-	49 918	49 918
Capital increase ¹⁾	43	37 957	-	38 000
Changes in pension reserve	-	-	3	3
Currency translation differences	-	-	3 085	3 085
Equity as of December 31, 2020	7 175	367 221	148 329	228 067
Profit (loss) for the period	-	-	(60 103)	(60 103)
Capital increase ¹⁾	35	7 685	-	7 700
Changes in pension reserve	-	-	(42)	(42)
Currency translation differences	-	-	(1 496)	(1 496)
Equity as of December 31, 2021	7 210	374 886	(209 969)	172 127

¹⁾ Capital increase of USD 35 000 in cash.

Currency translation differences

The currency translation reserve includes exchange differences arising from the translation of the subsidiaries in other currencies than group currency USD.

NOTE 14 - Share capital and shareholders

AKOFS Offshore AS

Amounts in USD thousands	No.	Face value	Book value
A-shares	25 000	0,07	1 794
B-shares	25 000	0,07	1 794
C-shares	50 000	0,07	3 587
Total share capital	100 000		7 175

Shareholders as per December 31, 2021

	Share class	Shares	Shareholding	Voting share
Mitsui & Co., Ltd.	A-shares	25 000	25 %	25 %
Mitsui O.S.K. Lines, Ltd.	B-shares	25 000	25 %	25 %
Akastor AS	C-shares	50 000	50 %	50 %
Total shares		100 000	100 %	100 %

AKOFS Offshore AS has ordinary shares, divided in three classes for the shareholders in the joint venture. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings. All shares are pledged in favour of Mitsui and MOL on first priority.

NOTE 15- Borrowings

Long-term interest bearing liabilities

Amounts in USD thousands	Currency	Interest rate	Maturity	2021	2020
Senior loan ¹⁾	USD	5,1 %	July 2025	83 339	100 432
Subordinated loan	USD	17,0 %	March 2025	29 250	29 250
Long-term loan to shareholders		5,7 %	June 2025	18 375	20 249
Lease liability ²⁾	USD		2027	103 461	111 314
Total				234 425	261 244

Short-term interest bearing liabilities

Amounts in USD thousands	Currency	Interest rate	Maturity	2021	2020
Senior loan ¹⁾	USD	5,1 %	2022	9 261	-
Senior loan ²⁾	USD	1,24 %	Feb 2022	83 000	83 965
Subordinated loan	USD	17,00 %	2022	10 700	4 467
Short-term loan related party	USD	7,6 %	2022	7 376	1 403
Lease liability ³⁾	USD		2027	28 485	28 922
Total				138 822	118 758

¹⁾ Senior loan interest is based on NIBOR + 3,5% margin.

²⁾ Senior loan interest is based on LIBOR + 1,0% margin. In addition a guarantee fee of 2,5% is paid (split equally between Mitsui and MOL). The loan is refinanced in 2022 with new maturity in February 2023.

³⁾ Represents lease liabilities recognized under IFRS 16.



NOTE 16 - Pension

AKOFS Offshore's pension costs represent the future pension entitlement earned by employees in the financial year. In a defined contribution plan the company is responsible for paying an agreed contribution to the employee's pension assets. In such a plan this annual contribution is also the cost. In a defined benefit plan it is the company's responsibility to provide a certain pension. The measurement of the cost and the pension liability for such arrangements is subject to actuarial valuations. AKOFS Offshore has over a long time period gradually moved from defined benefit arrangements to defined contribution plans. Consequently, the impact of the remaining defined benefit plans is gradually reduced.

Pension plans in Norway

The main pension arrangement in Norway is a general pension plan organized by the Norwegian Government. This arrangement provides the main general pension entitlement of all Norwegians. All pension arrangements by employers consequently represent limited additional pension entitlements. Norwegian employers are obliged to provide an employment pension plan, which can be organized as a defined benefit plan or as a defined contribution plan. The Norwegian companies in AKOFS Offshore have closed the earlier defined benefit plans in 2010 and are now providing defined contribution plans for all of their employees under 61 years of age.

Defined benefit plan

The company has defined benefit plan for early retirement.

Compensation plan

To ensure that the employees were treated fairly on the change over to the new plan, the company has introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined benefit plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced. The compensation plan has 9 members from AKOFS Offshore as per year end 2021.

AFP / IKL – early retirement arrangement

AFP and IKL are early retirement arrangements organized by Norwegian employers, the main Labor Union organization in Norway (LO) and the Norwegian Government. The AFP plan is providing additional lifelong pensions to employees that retire before the general retirement age, to compensate for the reduction of the ordinary pension entitlements. The employees are given a choice of retirement age, with lower pension at earlier retirement.

The Norwegian Accounting Standards Board has issued a comment concluding that the AFP and IKL plans are a multi-employer defined benefit plan. The AFP plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting and the AFP and IKL plan is accounted for as a defined contribution plan. Contributions to the AFP scheme is included in salary expenses and was in 2021 USD 0.4 million (2020: USD 0.05 million). The AFP has 129 members from AKOFS Offshore as per year end 2021 (2020: 29 members). Contributions to the IKL scheme is included in salary expenses and was in 2021 USD 0,08 million (2020: USD 0). The IKL has 13 members from AKOFS Offshore as per year end 2021 (2020: 0 members).

Pension plans in Brazil

Pension plans in Brazil are defined contributions plan.

Amounts in USD thousands	2021	2020
Contributions to defined benefit plans	8	27
Contributions to defined contributions plans	1 803	1 164
Total pension cost	1 811	1 191

Net defined benefit liability

Amounts in USD thousands	2021	2020
Balance as of January 1	545	504
Included in profit or loss		
Service cost	9	31
Interest cost	6	9
Sum	15	40

Included in OCI

Actuarial loss (gain) arising from		
- financial assumption	2	2
- experience adjustments	(60)	(7)
Effects of movement in exchange rates	(2)	6
Sum	(59)	2

Balance as of December 31

502 545

Defined benefit obligations - actuarial assumptions

	2021	2020
Discount rate	1,50 %	1,40 %
Salary progression	2,50 %	2,00 %
Pension indexation	0-1,82%	0-1,82%
Mortality table	K2013	K2013



NOTE 17 - Provisions

Amounts in USD thousands	Warranties provisions
Balance as of January 1, 2021	418
Provisions utilized	-
Currency translation differences	(41)
Balance as of December 31, 2021	377
<i>Expected timing of payment</i>	
Within the next twelve months	377
After the next twelve months	-
Total	377

The provisions for warranties relates to the possibility that AKOFS, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. The warranties relates to Akastor legacy projects in Brazil which are not related to AKOFS ordinary operations.

NOTE 18 - Trade and other payables

Amounts in USD thousands	2021	2020
Trade creditors	5 014	8 672
Accrued operating costs	20 810	14 131
Trade and other payables	25 633	22 803
Public duty and tax payable	3 131	2 562
Other	377	418
Total	29 141	25 813

Trade creditors are due within one year.
Book value of trade and other payables are approximately equal to fair value.

NOTE 19 - Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk in different areas, especially interest rate risk and exchange 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

AKOFS Offshore operates primarily in a USD driven market and has USD as its functional currency. The presentation currency for the consolidated accounts is USD. Both Skandi Santos and Aker Wayfarer have split contracts with one BRL element for service to the Brazilian legal entity which has BRL as its functional currency and one USD element for the charter to the Norwegian legal entities which have USD as functional currency. The Seafarer has a contracted dayrate that consist of a NOK element and USD element to mitigate exchange rate exposure. Both the vessel owner entity and vessel operating entity have NOK as its functional currency. The Group actively manage currency and interest rate exposures, either by matching the funding and cost base to the revenue or by use of financial instruments.

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

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. The group manages its liquidity to ensure that it will always have sufficient liquidity reserves to meet its liabilities when due.

The liquidity of the group is assessed as satisfying.

Credit risk

Credit risk is the risk of financial losses to the group if customers fails to meet contractual obligations and arise mainly from accounts receivables.

The group has one customer which is followed up closely. The risk for losses on receivables is considered to be low.

NOTE 20 - Operating leases

Future lease commitments under non-cancellable lease period

Group as lessor

Future minimum lease income commitment under non-cancellable lease period

Amounts in USD thousands	2021	2020
Due in one year	137 720	149 791
Due in two year	85 380	134 328
Due in three year	85 380	86 770
Due in four year	84 590	86 770
Due in five year	1 290	33 376
Due in more than five years	-	-
Total	394 359	451 034

Lease income reflects the expected contracted lease revenue for Aker Wayfarer from Petrobras for the respective contracts until December 2022, AKOFS Seafarer for Equinor until Nov 2025.



NOTE 21 - Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions with related parties to AKOFS Offshore have been based on arm's length terms.

Akastor holds 50% of the shares in AKOFS Offshore AS. The largest shareholder of Akastor, Aker Holding AS, is wholly owned by Aker ASA, which in turn is controlled by Kjell Inge Røkke through TRG Holding AS and the Resource Group TRG AS. All subsidiaries and associates of Akastor ASA, are considered related parties to AKOFS.

Amounts in USD thousands	2021	2020
<i>Income statement</i>		
Operating revenues	-	11
Operating costs	107	1 051
Net financial items	(24 325)	(27 559)
<i>Assets (liabilities)</i>		
Interest-bearing short term loans	90 378	85 390
Interest-bearing long term loans	47 826	46 469
Trade payables	-	2 669
Finance lease liability (Aker Wayfarer)	-	138 566

Below are descriptions of significant related party agreements.

Akastor

As of December 31, 2021, AKOFS Offshore has a long-term interest-bearing loans of USD 9.2 against Akastor (LIBOR 0,13 percent + margin 5.5 percent). This consists of a shareholder loan of USD 9.2. In addition AKOFS Offshore has a short-term loan of USD 3.2 drawn on a working capital facility. See note 15 Borrowings. Further, Akastor, together with Mitsui and MOL has made available a NOK 100 million revolving facility to AKOFS Offshore AS from contract commencement with Equinor. As of December 31, 2021 in total NOK 27.5 million is drawn. This is included in the interest-bearing loans.

As part of the joint venture shareholders agreement, the other two investors, Mitsui and MOL, are entitled to a guaranteed preferred equity return, in respect of the operations of AKOFS Seafarer, amounting to a total of USD 46 million over a 6 year's period. The payment of preferred return will be settled firstly by ordinary dividend from AKOFS Offshore, yet any shortfall is guaranteed by Akastor. Akastor ASA has issued a bank guarantee for payment of preferred return, the remaining guarantee amount is NOK 185 million.

Akastor has issued a financial guarantee of NOK 132 million in favour of finance institutions for fulfillment of lease obligations related to Avium Subsea AS. Akastor has issued a financial parent company indemnity guarantee of NOK 1.4 billion in favour of OCY Wayfarer Limited for fulfillment of lease obligations related to AKOFS 3 AS. In addition, Akastor is guaranteeing the performance of AKOFS Norway Operations AS (operating AKOFS Seafarer) under the 5 year charter agreement with Equinor. The total contract value of this charter agreement is NOK 2.3 billion. Avium Subsea AS, AKOFS 3 AS and AKOFS Seafarer AS are wholly owned subsidiaries of AKOFS Offshore.

Mitsui and MOL

AKOFS Offshore has a long-term interest-bearing loan of USD 9.2 million to Mitsui and MOL as of December 31, 2021. This consists of a shareholder loan of USD 9.2 million. In addition AKOFS Offshore has a short-term loan of USD 3.2 million drawn on a working capital facility as of December 31, 2021. See note 15 Borrowings. Further, Mitsui and MOL, together with Akastor has made available a NOK 100 million revolving facility to AKOFS Offshore AS from contract commencement with Equinor. As of December 31, 2021 in total NOK 27.5 million is drawn. This is included in the interest-bearing loans.

OCY Wayfarer Limited (Ocean Yield)

As of December 31, 2021 Akastor ASA no longer considered Aker ASA a related party, OCY Wayfarer limited is no longer considered a related party to AKOFS offshore.

Mitsui and Samba Offshore S.A. (a MOL company)

Avium Subsea AS has a long-term interest bearing loan (subordinated loan) to Mitsui and Samba Offshore S.A. of USD 29.3 million as of December 31, 2021. See note 15 Borrowings.

Guarantee fee on senior loan of 2.5% is paid (split equally between Mitsui and MOL).

NOTE 22 - Group companies

Company	Location	Country	Percentage owner- involving share	
			2021	2020
AKOFS Offshore AS	Oslo	Norway		
AKOFS 1 AS	Oslo	Norway	100 %	100 %
AKOFS 2 AS	Oslo	Norway	100 %	100 %
AKOFS 3 AS	Oslo	Norway	100 %	100 %
Avium Subsea AS	Oslo	Norway	100 %	100 %
AKOFS Offshore Operations AS	Oslo	Norway	100 %	100 %
AKOFS Norway Operations AS	Oslo	Norway	100 %	100 %
AKOFS Brazil Operations AS	Oslo	Norway	100 %	100 %
Ak Operações do LTDA	Maceo	Brazil	100 %	100 %



NOTE 23 - Events after reporting date

Short term interest bearing loan of USD 83 million related to financing of Avium Vessel has been refinanced in 2022 with new maturity in February 2023.



AKOFS Offshore AS

Annual report 2021



Financial Statements

AKOFS Offshore AS

For the year ended December 31, 2021

Income statement

Statement of financial position

Statement of cash flow

Notes

- 1 Significant accounting policies
- 2 Operating revenue and expenses
- 3 Net finance expenses
- 4 Income tax
- 5 Investments in subsidiaries
- 6 Cash and cash equivalents
- 7 Equity
- 8 Share capital and shareholders
- 9 Intercompany balances with group companies
- 10 Related parties



INCOME STATEMENT

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2021	2020
Operating revenue		-	-
Total revenue and other income		-	-
Other operating expenses	2	(4 240)	(3 657)
Operating expenses		(4 240)	(3 657)
Operating profit (loss)		(4 240)	(3 657)
Finance income	3	4 334	12 111
Finance expenses	3	(40 472)	(59 822)
Net finance expenses		(36 138)	(47 711)
Profit (loss) before tax		(40 377)	(51 368)
Income tax benefit (expense)	4	-	-
Profit (loss) for the period		(40 377)	(51 368)



STATEMENT OF FINANCIAL POSITION

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2021	2020
Shares in subsidiaries	5	255 312	293 159
Total non-current assets		255 312	293 159
Short term interest bearing receivables, internal	9	72 446	61 637
Trade receivables on group companies	9	-	-
Other receivables		4	3
Cash and cash equivalents	6	68	71
Total current assets		72 518	61 711
Total assets		327 830	354 870
Share capital	7,8	7 210	7 175
Other capital paid in	7	374 886	367 221
Other equity	7	(97 166)	(56 789)
Total equity		284 930	317 607
Other non-current liabilities	10	24 619	20 477
Total non-current liabilities		24 619	20 477
Current borrowings	10	1 132	1 175
Trade and other payables		-	-
Accounts payable to group companies	9	2 848	3 523
Other current liabilities to group companies	9	14 301	12 088
Total current liabilities		18 281	16 786
Total liabilities and equity		327 830	354 870

Skøyen, June 27, 2022 Board of Directors of AKOFS Offshore AS

Paal Espen Johnsen
Chairman

Yuji Aibara
Board member

Motoshi Asahara
Board member

Eirik Thomassen
Board member


Geir Atle Sjøberg
CEO

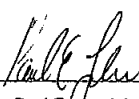


STATEMENT OF FINANCIAL POSITION

For the year ended December 31

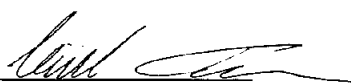
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Chairman

Yuji Aibara
Board member

Motoshi Asahara
Board member


Eirik Thomassen
Board member

Geir Atle Sjøberg
CEO



STATEMENT OF FINANCIAL POSITION

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STATEMENT OF FINANCIAL POSITION

For the year ended December 31

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Skøyen, June 27, 2022 Board of Directors of AKOFS Offshore AS

<hr/> <p>Paal Espen Johnsen Chairman</p>	<hr/> <p><i>Yuji Aibara</i> Yuji Aibara Board member</p>
<hr/> <p>Motoshi Asahara Board member</p>	<hr/> <p>Eirik Thomassen Board member</p>
<hr/> <p>Geir Atle Sjøberg CEO</p>	



STATEMENT OF CASH FLOW

For the year ended December 31

<i>Amounts in USD thousands</i>	2021	2020
Profit (loss) for the period	(40 377)	(51 368)
Adjustments for:		
Other non-cash effects	37 847	49 259
Changes in net operating assets	1 453	(4 536)
Cash generated from operating activities	(1 077)	(6 645)
Net cash from operating activities	(1 077)	(6 645)
Proceeds from borrowings	(9 271)	15 646
Borrowings internal	-	(37 528)
Borrowings related parties	2 995	3 249
Capital increase	7 700	24 904
Cash flow from other financing activities	(351)	(200)
Net cash from financing activities	1 073	6 071
Net increase (decrease) in cash and cash equivalents	(3)	(574)
Cash and cash equivalents at the beginning of the period	71	646
Cash and cash equivalents at the end of the period	68	71



Note 1 - Accounting Principles

The financial statements have been prepared in accordance with Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP).

Revenue recognition

Operation revenue comprises operating cost recharged within the group. The revenue is recognized over the period when the cost occurs.

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 recognized in the income statement as they occur during the accounting period.

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

Income tax

The tax expense comprises tax payable and the change in deferred tax. Deferred tax assets/liabilities are calculated on the difference between the carrying amount and tax base of assets and liabilities. Deferred tax is calculated at the rate of 22 percent on the basis of the temporary differences which exist between the carrying amount and tax base, as well as tax losses to be carried forward at the close of the financial year. Deferred tax assets are recognized in the balance sheet to the extent that it is probable that these may be utilized.

When calculating temporary differences in NOK, historic exchange rates from the date of conversion to the functional currency USD are used. For subsequent transactions, the average exchange rate is used, with the exception of material transactions, which are translated at the rate in effect on the date of the actual transaction. When translating accumulated tax loss carryforwards, the closing rate is used.

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.

Long term liabilities are recognized at nominal value.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the parent company accounts, less any impairment losses. The investments are impaired to fair value if the impairment is not considered temporary. Impairment losses are reversed if the basis for the impairment loss is no longer present. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment.

Dividends, group contributions and other distributions from subsidiaries are recognized as income the same year as they are recognized in the financial statement of the provider. If the dividends or group contributions exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and is recognized as a reduction of carrying value of the investment.

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.



Note 2 - Operating revenue and expenses

There are no operating revenue in 2021. (There are no operating revenue in 2020)

There are no employees in AKOFS Offshore AS hence no salary or pension related costs. There is no remuneration to board members. CEO receives remuneration from AKOFS Offshore Operations AS. There is no loan or guarantees related to the Board members or shareholders.

Other operating expenses mainly include AMC, legal and audit fees. AMC costs USD 4,140 thousands against USD 3,523 thousands in 2020. The increase caused by higher total costs of AMC in the group. Fees to KPMG for statutory audit amounted to USD 50 thousands. (USD 58 Thousands in 2020)

Note 3 - Net finance expenses

Amounts in USD thousands	2021	2020
Interest income intercompany interest bearing receivables	3 960	2 368
Interest income on bank deposits measured at amortized cost	0	1
Dividend	69	8 963
Net foreign exchange gain	305	779
Finance income	4 334	12 111
Interest expense related parties	(1 455)	(1 361)
Interest expenses intercompany interest bearing loans	(762)	(238)
Net foreign exchange loss	(407)	-
Impairment internal shares	(37 847)	(58 222)
Other financial expenses	(0)	(1)
Financial expenses	(40 472)	(59 822)
Net finance expenses recognized in profit and loss	(36 138)	(47 711)

An impairment loss of USD 58,2 million was recognized in 2020 writing down the investments in Avium Subsea AS (USD 22,2 million) and AKOFS 1 AS (USD 36 million). The impairment was mainly a result of reassessment of the cash flow for the two entities as a result of the Skandi Santos vessel contract with Petrobras expiring in 2021

An impairment loss of USD 37,8 million was recognized in 2021. AKOFS 1(USD 0,7 million) and Avium Subsea AS (USD 15,6 million) were mainly a result of reassessment of the cash flow forecast for the Skand Santos vessel and negative result in 2021. An impairment in AKOFS 2(USD 9,1 million) was an evaluation based on the cashflow forecast and PBT. An impairment in AKOFS Offshore Operations(USD 12,5 million) was a reflect of the impairment in AKOFS Brazil Operations which was caused by reduced AK Operacoes do Brasil LTDA(an impairment of NOK 152 million).

Note 4 - Income taxes

Amounts in USD thousands	2021	2020
Current tax expense		
Current year	-	-
Adjustments for prior years	-	-
Total current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	469	962
Write-down (or reversal) of deferred tax assets	(469)	(962)
Total deferred tax income (expense)	-	-
Tax on group contributions	-	-
Total tax income (expense)	-	-

The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate in Norway.

Amounts in USD thousands	2021	2020
Profit (loss) before tax	(40 377)	(51 368)
Permanent differences	37 783	49 259
Tax income(expense) using the company's domestic tax rate (22%)	8 883	11 301
Tax effects of:		
Deferred tax from write down (or reversal) of deferred tax assets	(469)	(962)
Effect of permanent differences	(8 312)	(10 837)
Effect of functional currency different from currency in tax reporting	(102)	498
Other	-	-
Income tax income (expense)	(0)	(0)
Effective tax rate	0 %	0 %

Loss carried forward is not recognized for deferred tax asset.



Note 5 - Investments in subsidiaries

Amounts in USD thousands

Subsidiary	Location	Percentage owner- /voting share	Book value	Equity	Result
AKOFS 1 AS	Oslo	100 %	18 670	18 670	(670)
AKOFS 2 AS	Oslo	100 %	175 165	121 435	(11 237)
AKOFS 3 AS	Oslo	100 %	39 075	17 467	(7 653)
AKOFS Offshore Operations AS	Oslo	100 %	22 402	22 402	(17 552)
Avium Subsea AS	Oslo	97 %	(0)	(13 653)	(27 483)
Sum investments			255 312	166 321	(84 595)

An impairment loss of USD 37,8 million of internal shares was recognized in 2021. see Note 3.

Note 6 - Cash and cash equivalents

Amounts in USD thousands	2021	2020
Cash pool	68	71
Total cash and cash equivalents	68	71

The group has no credit facilities and no restricted cash.

Note 7 - Equity

Amounts in USD thousands	Share capital	Other capital paid in	Other equity	Total equity
Opening balance January 1, 2021	7 175	367 221	(56 789)	317 607
Capital injection	35	7 665		7 700
Profit (loss) for the period	-	-	(40 377)	(40 377)
Equity as of December 31, 2021	7 210	374 886	(97 166)	284 930



Note 8 - Share capital and shareholders

Amounts in USD thousands	No.	Face value	Book value
A-shares	25 000	0,07	1 803
B-shares	25 000	0,07	1 803
C-shares	50 000	0,07	3 605
Total share capital	100 000		7 210

Shareholders as per December 31, 2019	Share class	Shares	Shareholding	Voting share
Mitsui & Co., Ltd.	A-shares	25 000	25 %	25 %
Mitsui O.S.K. Lines, Ltd.	B-shares	25 000	25 %	25 %
Akastor AS	C-shares	50 000	50 %	50 %
Total shares		100 000	100 %	100 %

AKOFS Offshore AS has ordinary shares, divided in three classes for the shareholders in the joint venture. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings. All shares are pledged in favour of Mitsui and MOL on first priority.

Note 9 - Intercompany balances with group companies

Amounts in USD thousands	2021	2020
Interest bearing receivables	72 446	61 637
Trade receivables on group companies	-	-
Total receivables from group companies	72 446	61 637
Accounts payable to group companies	2 848	3 523
Interest bearing loans	14 301	12 088
Group contribution	-	-
Total payables to group companies	17 149	15 611

Interest-bearing receivables on and interest bearing loans to group companies have maturity in 2022 unless the loan balance is rolled forward. All IC balances are rolled forward with one year maturity from 01.01.2022

Note 10 - Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions with related parties to AKOFS Offshore have been based on arm's length terms.

Amounts in USD thousands	2021	2020
<i>Income statement</i>		
Operating cost	-	-
Net financial items	(1 455)	(1 361)
<i>Assets (liabilities)</i>		
Non-current interest bearing loans	(24 619)	(20 477)
Current interest-bearing loans	(1 132)	(1 175)

AKOFS Offshore AS has a non-current interest-bearing loan, shareholder loan, to Akastor ASA and Mitsui & Co. LTD and Mitsui O.S.K Lines. Ltd with interest rate LIBOR + margin 5,5 %. The loan matures in 2025

AKOFS Offshore AS has a working capital facility agreement-loan, as a non current interest-bearing loan to Akastor ASA and Mitsui & Co. LTD and Mitsui O.S.K Lines. Ltd with interest rate with interest rate LIBOR + margin 5,5 %. The loan matures in 2025.