



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

|                      |                                 |
|----------------------|---------------------------------|
| Organisasjonsnummer: | 917 129 819                     |
| Organisasjonsform:   | Aksjeselskap                    |
| Foretaksnavn:        | AVIUM SUBSEA AS                 |
| Forretningsadresse:  | Karenslyst allé 57<br>0277 OSLO |

### 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: | Shuju Shang |
| Dato for fastsettelse av årsregnskapet:  | 23.08.2023  |

### 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, 29.11.2024



### Resultatregnskap

| Beløp i: USD                                 | Note | 2022               | 2021               |
|--|------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                      |      |                    |                    |
| <b>Inntekter</b>                             |      |                    |                    |
| Sales revenue                                | 2,11 | 1 383 828          | 60 100             |
| <b>Sum inntekter</b>                         |      | <b>1 383 828</b>   | <b>60 100</b>      |
| <b>Kostnader</b>                             |      |                    |                    |
| Depreciation and impairment                  | 6    | 6 589 521          | 17 597 174         |
| Other operating expenses                     | 3,11 | 874 966            | 360 121            |
| <b>Sum kostnader</b>                         |      | <b>7 464 487</b>   | <b>17 957 295</b>  |
| <b>Driftsresultat</b>                        |      | <b>-6 080 659</b>  | <b>-17 897 195</b> |
| <b>Finansinntekter og finanskostnader</b>    |      |                    |                    |
| Annen renteinntekt                           |      | 25 406             | 186                |
| Foreign exchange gain                        |      | 46 854             | 16 393             |
| <b>Sum finansinntekter</b>                   |      | <b>72 260</b>      | <b>16 579</b>      |
| Rentekostnad til foretak i samme konsern     |      | 59 609             |                    |
| Annen rentekostnad                           | 7    | 11 577 956         | 9 361 535          |
| Foreign exchange loss                        |      | 37 576             | 13 771             |
| Other financial expenses                     |      | 181 544            | 227 332            |
| <b>Sum finanskostnader</b>                   |      | <b>11 856 685</b>  | <b>9 602 638</b>   |
| <b>Netto finans</b>                          |      | <b>-11 784 425</b> | <b>-9 586 059</b>  |
| <b>Ordinært resultat før skattekostnad</b>   |      | <b>-17 865 084</b> | <b>-27 483 254</b> |
| Skattekostnad på ordinært resultat           | 5    | 1 720              | 1 519              |
| <b>Ordinært resultat etter skattekostnad</b> |      | <b>-17 866 804</b> | <b>-27 484 773</b> |
| <b>Årsresultat</b>                           |      | <b>-17 866 804</b> | <b>-27 484 773</b> |
| <b>Overføringer og disponeringer</b>         |      |                    |                    |
| Overføringer til/fra annen egenkapital       | 9    | -17 866 804        | -27 484 773        |
| <b>Sum overføringer og disponeringer</b>     |      | <b>-17 866 804</b> | <b>-27 484 773</b> |



### Balanse

| Beløp i: USD                                   | Note | 2022               | 2021               |
|--|------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                     |      |                    |                    |
| <b>Anleggsmidler</b>                           |      |                    |                    |
| <b>Immaterielle eiendeler</b>                  |      |                    |                    |
| <b>Varige driftsmidler</b>                     |      |                    |                    |
| Skip, rigger, fly og lignende                  | 6    | 102 981 816        | 103 073 985        |
| <b>Sum varige driftsmidler</b>                 |      | <b>102 981 816</b> | <b>103 073 985</b> |
| <b>Sum anleggsmidler</b>                       |      | <b>102 981 816</b> | <b>103 073 985</b> |
| <b>Omløpsmidler</b>                            |      |                    |                    |
| <b>Varer</b>                                   |      |                    |                    |
| <b>Fordringer</b>                              |      |                    |                    |
| Kundefordringer                                | 10   |                    | 60 100             |
| Andre fordringer                               |      | 287 016            | 95 296             |
| Konsernfordringer                              | 10   | 3 052 938          | 1 357 402          |
| <b>Sum fordringer</b>                          |      | <b>3 339 954</b>   | <b>1 512 798</b>   |
| <b>Bankinnskudd, kontanter og lignende</b>     |      |                    |                    |
| Cash and cash equivalents                      | 4    | 2 734 509          | 5 052 161          |
| <b>Sum bankinnskudd, kontanter og lignende</b> |      | <b>2 734 509</b>   | <b>5 052 161</b>   |
| <b>Sum omløpsmidler</b>                        |      | <b>6 074 463</b>   | <b>6 564 959</b>   |
| <b>SUM EIENDELER</b>                           |      | <b>109 056 279</b> | <b>109 638 944</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b>          |      |                    |                    |
| <b>Egenkapital</b>                             |      |                    |                    |
| <b>Innskutt egenkapital</b>                    |      |                    |                    |
| Selskapskapital                                | 8,9  | 11 723             | 11 723             |
| Overkurs                                       | 9    | 27 588 277         | 27 588 277         |
| <b>Sum innskutt egenkapital</b>                |      | <b>27 600 000</b>  | <b>27 600 000</b>  |



## Balanse

| Beløp i: USD                      | Note  | 2022               | 2021               |
|-----------------------------------|-------|--------------------|--------------------|
| <b>Opptjent egenkapital</b>       |       |                    |                    |
| Annen egenkapital                 | 9     | -59 119 981        | -41 253 177        |
| <b>Sum opptjent egenkapital</b>   |       | <b>-59 119 981</b> | <b>-41 253 177</b> |
| <b>Sum egenkapital</b>            |       | <b>-31 519 981</b> | <b>-13 653 177</b> |
| <b>Gjeld</b>                      |       |                    |                    |
| <b>Langsiktig gjeld</b>           |       |                    |                    |
| <b>Annen langsiktig gjeld</b>     |       |                    |                    |
| Øvrig langsiktig gjeld            | 7     | 29 250 000         | 29 250 000         |
| <b>Sum annen langsiktig gjeld</b> |       | <b>29 250 000</b>  | <b>29 250 000</b>  |
| <b>Sum langsiktig gjeld</b>       |       | <b>29 250 000</b>  | <b>29 250 000</b>  |
| <b>Kortsiktig gjeld</b>           |       |                    |                    |
| Gjeld til kredittinstitusjoner    | 7,12  | 101 002 609        | 93 699 704         |
| Leverandørgjeld                   |       | 7 457              |                    |
| Betalbar skatt                    |       |                    | 1 519              |
| Kortsiktig konserngjeld           | 10,11 | 9 074 113          |                    |
| Annen kortsiktig gjeld            |       | 1 242 081          | 340 898            |
| <b>Sum kortsiktig gjeld</b>       |       | <b>111 326 260</b> | <b>94 042 121</b>  |
| <b>Sum gjeld</b>                  |       | <b>140 576 260</b> | <b>123 292 121</b> |
| <b>SUM EGENKAPITAL OG GJELD</b>   |       | <b>109 056 279</b> | <b>109 638 944</b> |



## Skattedirektoratet

Saksbehandler  
Rune Tystad

Deres dato  
29.11.2016

Vår dato  
16.12.2016

Telefon  
977 59 464

Deres referanse  
Camilla Gonsholt Hov

Vår referanse  
2016/1172919

AKOFS OFFSHORE AS  
Postboks 244 , Skøyen  
0213 OSLO

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

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

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

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

### Bakgrunn

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

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan*

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



*foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



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Postboks 7000 Majorstuen  
0306 Oslo

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Fax  
Internet www.kpmg.no  
Enterprise 935 174 627 MVA

To the General Meeting of Avium Subsea AS

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

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

#### In our opinion

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

#### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

|         |              |              |           |
|---------|--------------|--------------|-----------|
| Oslo    | Elverum      | Mo i Rana    | Stord     |
| Alta    | Finnsnes     | Molde        | Straume   |
| Arendal | Hamar        | Skien        | Tromsø    |
| Bergen  | Haugesund    | Sandefjord   | Trondheim |
| Bodo    | Knarvik      | Sandnessjøen | Tynset    |
| Drammen | Kristiansand | Stavanger    | Alesund   |

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 28th August 2023  
KPMG AS

Monica Hansen  
State Authorised Public Accountant

*(This report is signed electronically)*

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# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Monica Hansen

Partner

On behalf of: KPMG AS

Serial number: 9578-5999-4-1810180

IP: 80.232.xxx.xxx

2023-08-28 12:26:47 UTC



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**Avium Subsea AS**

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## Board of Directors report 2022

### Avium Subsea AS

Address: Karenslyst Allé 57, 0213 Oslo

Registration no: 917129819 VAT

#### Operations and locations

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

#### True and fair view

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

#### Market outlook

In December 2021, the contract of AKOFS Santos ended its SESV contract with Petrobras after almost twelve years of operations in Brazil. Also in December, AKOFS Offshore signed a firm three-year contract with Petrobras for AKOFS Santos. The new contract commenced in Q1 2023, after having been delayed with some three months mainly due to delays from a sub supplier. The total contract value is USD 107 million, of which USD 53 million was booked as order intake in AKOFS Offshore in the quarter, while the remaining value will go through separate contracts between the end-client and sub-suppliers of AKOFS Offshore.

During the second half of 2022 AKOFS Offshore prepared the AKOFS Santos for the upcoming contract with Petrobras. The vessel has undergone a significant upgrades and maintenance including a yard stay.

Avium Subsea currently have a three year bareboat on the AKOFS Santos to AKOFS 1 AS to cover the upcoming contract with Petrobras.

#### 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 2022. In the longer term AKOFS expect to see both slower global growth rates and higher inflation as a direct result of the situation. AKOFS is also taking measures to proactively monitor the situation with suppliers and order parts as early as possible to mitigate longer lead time in the market.

#### Profit, cash flow, financing and liquidity

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

- Assets and liabilities are translated at the closing exchange rate at the reporting date (USD/NOK 9,76715)
- Income statements are translated at average exchange rate for the year, calculated on the basis of 12 monthly rates (USD/NOK 9,588279).

Operating profit was negative with USD 6,1 million in 2022 compared to a negative profit of USD 17,9 million in 2021. Profit before tax was negative with USD 27,5 million in 2021 compared with a negative amount of USD 17,9 million in 2022. There was no impairment in 2022 compared to the impairment USD 10,2 million in 2021. Avium Subsea AS has a charter agreement with Norskan in Brazil for the vessel Skandi Santos. The



## Avium Subsea AS

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charter period commenced in December 2021 and ended in July 2022.

Total cash flow from operating activities was positive with USD 7,6 million in 2022 (negative USD 624 thousand in 2021)

The company's liquidity reserve at year end amounted to USD 2,7 million.

In February 2023 the company refinanced its senior bank debt maturing in February 2023, with a new three-year bank facility of USD 83 million with Sumitomo Mitsui Trust Bank Ltd. maturing in February 2026.

### Financial risk

#### *Overall view on objectives and strategy*

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

#### *Exchange rate risk*

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

#### *Interest rate risk*

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

#### *Liquidity risk*

The company has an investment plan linked to the AKOFS Santos that requires the continued support of the owners in 2023. Specially the commencement delay of the contract with Petrobras gave more pressure of the liquidity situation. Thus far in 2023 AKOFS Offshore has received USD 5 million through equity injection to support the situation.

#### *Credit risk*

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

### Research and innovation

The company had no activities related to research and innovation in 2022.

### Going concern

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

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

In 2020 and 2021 the income of the company has been negatively influenced as the AKOFS Santos ended its SESV contract with Petrobras in early 2020 and has been operating under contracts with a lower compensation and scope of work. As the AKOFS Santos has commenced its new 1155 days contract with Petrobras the cash generation for the next three years is secured, however the BoD estimate that Avium Subsea will still have a negative equity by the end of 2023.

The BoD is continuing to work actively together with the guarantors of the debt in Avium Subsea to find



## Avium Subsea AS

ways of addressing the negative equity in the company. This work is expected to be significantly progressed during 2023.

Based on above assessment and assumption, a financial support letter has been issued by the parent company AKOFS Offshore AS for a period of at least twelve months from the date of the approval of the 2022 financial statements.

### Allocation of net income

The Board of Directors has proposed the net profit negative of USD 17,9 million of Avium Subsea AS to be attributed to:

|              |                  |
|--------------|------------------|
| Other equity | USD 17,9 million |
|--------------|------------------|

### The working environment and the employees

The company has no employees.

### Equal opportunities

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

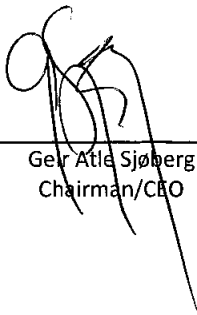
### Environmental report

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

The vessel is operated by AKOFS 1 AS and follows AKOFS HSE policy and operational systems for follow up and reporting. The company had no incidents to report to authorities in 2022.

Oslo, 23.08.2023

Board of Directors of Avium Subsea AS



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Geir Atle Sjøberg  
Chairman/CEO



---

Claus Feginn  
Board member



---

Fredrik Nøvik Hunstad  
Board member



Year-end financial statements  
2022  
Avium Subsea AS

Org Nr: 917 129 819 mva

Confidential



## INCOME STATEMENT 01.01 - 31.12

### Avium Subsea AS

| Amounts i USD                          | Note | 2022                | 2021                |
|--|------|---------------------|---------------------|
| <b>OPERATING REVENUES</b>              |      |                     |                     |
| Sales revenue                          | 2,11 | 1 383 828           | 60 100              |
| <b>Total operating revenues</b>        |      | <b>1 383 828</b>    | <b>60 100</b>       |
| <b>OPERATING EXPENSES</b>              |      |                     |                     |
| Depreciation and impairment            | 6    | (6 589 521)         | (17 597 174)        |
| Other operating expenses               | 3,11 | (874 965)           | (360 121)           |
| <b>Total operating expenses</b>        |      | <b>(7 464 486)</b>  | <b>(17 957 295)</b> |
| <b>OPERATING PROFIT/LOSS</b>           |      | <b>(6 080 659)</b>  | <b>(17 897 195)</b> |
| <b>FINANCIAL INCOME AND EXPENSES</b>   |      |                     |                     |
| Interest income                        |      | 25 406              | 186                 |
| Foreign exchange gain                  |      | 46 854              | 16 393              |
| Interest expense                       | 7    | (11 577 956)        | (9 361 535)         |
| Interest expenses to group companies   |      | (59 609)            | -                   |
| Foreign exchange loss                  |      | (37 576)            | (13 771)            |
| Other financial expenses               |      | (181 543)           | (227 332)           |
| <b>Net financial items</b>             |      | <b>(11 784 425)</b> | <b>(9 586 059)</b>  |
| <b>ORDINARY PROFIT/LOSS BEFORE TAX</b> |      | <b>(17 865 083)</b> | <b>(27 483 254)</b> |
| Tax on ordinary profit/loss            | 5    | (1 720)             | (1 519)             |
| <b>YEAR'S NET PROFIT/LOSS</b>          |      | <b>(17 866 804)</b> | <b>(27 484 773)</b> |
| <b>Transfers and allocations:</b>      |      |                     |                     |
| Other equity                           | 9    | (17 866 804)        | (27 484 773)        |
| <b>Net transfers</b>                   |      | <b>(17 866 804)</b> | <b>(27 484 773)</b> |

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## ASSETS 31.12

### Avium Subsea AS

| Amounts i USD                                  | Note | 2022               | 2021               |
|--|------|--------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>                      |      |                    |                    |
| <b>Property, plant &amp; equipment</b>         |      |                    |                    |
| Property, plant & equipment                    | 6    | 102 981 816        | 103 073 985        |
| <b>Total property, plant &amp; equipment</b>   |      | <b>102 981 816</b> | <b>103 073 985</b> |
| <b>Total non-current assets</b>                |      | <b>102 981 816</b> | <b>103 073 985</b> |
| <b>CURRENT ASSETS</b>                          |      |                    |                    |
| <b>Receivables</b>                             |      |                    |                    |
| Other current receivables from group companies | 10   | 3 052 938          | 1 357 402          |
| Trade receivables                              | 10   | -                  | 60 100             |
| Other receivables                              |      | 287 016            | 95 296             |
| Bank deposits                                  | 4    | 2 734 509          | 5 052 161          |
| <b>Total receivables</b>                       |      | <b>6 074 463</b>   | <b>6 564 959</b>   |
| <b>Total current assets</b>                    |      | <b>6 074 463</b>   | <b>6 564 959</b>   |
| <b>TOTAL ASSETS</b>                            |      | <b>109 056 279</b> | <b>109 638 944</b> |

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## EQUITY AND LIABILITIES 31.12

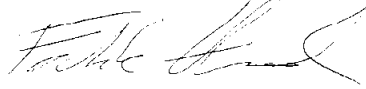
### Avium Subsea AS

| Amounts i USD                                | Note  | 2022                | 2021                |
|--|-------|---------------------|---------------------|
| <b>EQUITY</b>                                |       |                     |                     |
| <b>Paid-in equity</b>                        |       |                     |                     |
| Share capital                                | 8,9   | 11 723              | 11 723              |
| Share premium fund                           | 9     | 27 588 277          | 27 588 277          |
| <b>Total paid-in equity</b>                  |       | <b>27 600 000</b>   | <b>27 600 000</b>   |
| <b>Retained earnings</b>                     |       |                     |                     |
| Other equity                                 | 9     | (59 119 981)        | (41 253 177)        |
| <b>Total retained earnings</b>               |       | <b>(59 119 981)</b> | <b>(41 253 177)</b> |
| <b>Total equity</b>                          |       | <b>(31 519 981)</b> | <b>(13 653 177)</b> |
| <b>LIABILITIES</b>                           |       |                     |                     |
| <b>Other non-current liabilities</b>         |       |                     |                     |
| Other long-term debt                         | 7     | 29 250 000          | 29 250 000          |
| <b>Total other non-current liabilities</b>   |       | <b>29 250 000</b>   | <b>29 250 000</b>   |
| <b>Current liabilities</b>                   |       |                     |                     |
| Short-term debt                              | 7,12  | 101 002 609         | 93 699 704          |
| Tax payable                                  |       | -                   | 1 519               |
| Trade payables                               |       | 7 457               | -                   |
| Other current liabilities to group companies | 10,11 | 9 074 113           | -                   |
| Other current liabilities                    |       | 1 242 080           | 340 898             |
| <b>Total current liabilities</b>             |       | <b>111 326 259</b>  | <b>94 042 121</b>   |
| <b>Total liabilities</b>                     |       | <b>140 576 259</b>  | <b>123 292 121</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |       | <b>109 056 279</b>  | <b>109 638 944</b>  |

Oslo 23.08.2023

  
Geir Atle Sjøberg  
Styrets leder

  
Claus Fegnn  
Styremedlem

  
Fredrik Nøvik Hunstad  
Styremedlem

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## STATEMENT OF CASH FLOWS 01.01 - 31.12

Avium Subsea AS

| Amounts i USD  | Note | 2022               | 2021               |
|--|------|--------------------|--------------------|
| <b>Operating activities</b>                              |      |                    |                    |
| Profit/loss before tax                                   |      | (17 865 083)       | -27 483 254        |
| Depreciation and impairment                              | 6    | 6 589 521          | 17 597 174         |
| Net interest cost  | 7    | 3 373 869          | 3 166 690          |
| Tax Payable  | 5    | (1 720)            | -1 519             |
| Changes in trade receivables and trade payables          | 10   | (1 688 079)        | -                  |
| Change in other time-limited items                       |      | 17 145 061         | 6 096 917          |
| <b>Net cash flow from operating activities</b>           |      | <b>7 553 569</b>   | <b>-623 991</b>    |
| <b>Investing activities</b>                              |      |                    |                    |
| Acquisitions of tangible fixed assets                    | 6    | (6 497 352)        | -                  |
| <b>Net cash flow from investing activities</b>           |      | <b>(6 497 352)</b> | <b>-</b>           |
| <b>Financing activities</b>                              |      |                    |                    |
| Proceeds from issuance of debt                           | 7    | 83 000 000         | 83 000 000         |
| Loan repayment   | 7    | (83 000 000)       | (83 000 000)       |
| Payment of interests                                     |      | (3 373 869)        | (3 166 690)        |
| <b>Net cash flow from financing activities</b>           |      | <b>(3 373 869)</b> | <b>(3 166 690)</b> |
| Net change in cash and cash equivalents through the year |      | (2 317 652)        | (3 790 681)        |
| Cash and bank deposits as at 01.01                       |      | 5 052 160          | 8 842 842          |
| <b>Cash and bank deposits as at 31.12</b>                |      | <b>2 734 509</b>   | <b>5 052 160</b>   |

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## Note 1 - Accounting Principles

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

### *Use of estimates*

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

### *Foreign currency translation*

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

### *Revenue recognition*

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

### *Income tax*

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

### *Balance sheet classification*

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

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

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

### *Property, plant and equipment*

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

### *Accounts receivable and other receivables*

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts.

Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

### *Cash flow statement*

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

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## Note 2 - Income revenue

Amounts in USD

|                         | 2022      | 2021   |
|-------------------------|-----------|--------|
| Area of business        |           |        |
| Offshore service        | 1 383 828 | 60 100 |
| Geographical allocation |           |        |
| Norway                  |           | 60 100 |
| Brazil                  | 1 383 828 |        |

The company has a charter agreement with Norskan in Brazil for the vessel Skandi Santos. The charter period commenced in December 2021 and ended in July 2022. AKOFS 1 AS commence a new contract for the vessel with Petrobras in December 2022. The commencement was delayed and a new lease agreement will start in early 2023.

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

Amounts in USD

Number of employees has been zero throughout the year.

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

### Remunerations to CEO and board

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

### Loans and guarantees to management and share holders etc.

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

### Specification of auditor's fee:

|                             | 2022          | 2021          |
|-----------------------------|---------------|---------------|
| Ordinary assurance          | 14 766        | 13 673        |
| Other assurance             | 0             | 0             |
| <b>Total fee to auditor</b> | <b>14 766</b> | <b>13 673</b> |

VAT is not included in the fee specified above.

## Note 4 - Bank deposits

The company has no bank deposits with restrictions.

## Note 5 - Income taxes

Amounts in USD

### Calculations of tax basis

|   | 2022         | 2021         |
|---|--------------|--------------|
| Ordinary profit/(loss) before tax                                   | (17 865 083) | (27 483 254) |
| Tax basis   | (17 865 083) | (27 483 254) |
| Calculated tax payable (0%)   | -            | -            |
| <b>Taxable financial result within Norwegian Tonnage Tax regime</b> | <b>7 818</b> | <b>6 904</b> |
| <b>22% tax payable</b>  | <b>1 720</b> | <b>1 519</b> |

## Note 6 - Property, plant & equipment

Amounts in USD

|                                     | Vessels           | Machinery,<br>equipment, IT<br>hardware | Total              |
|-------------------------------------|-------------------|---|--------------------|
| Acquisition cost at 01.01.          | 107 500 000       | 81 155 618                              | 188 655 618        |
| Additions                           | -                 | -                                       | -                  |
| Disposals                           | -                 | -                                       | -                  |
| Assets Under Constructure           | -                 | 6 497 352                               | 6 497 352          |
| Acquisition cost 31.12.             | 107 500 000       | 87 652 970                              | 195 152 970        |
| Accumulated depreciation 31.12.     | (32 543 189)      | (28 458 057)                            | (59 001 246)       |
| Accumulated impairment loss 31.12.  | -                 | (33 169 909)                            | (33 169 909)       |
| <b>Net carrying value at 31.12.</b> | <b>74 956 811</b> | <b>28 025 004</b>                       | <b>102 981 815</b> |
| Depreciation for the year           | 5 277 273         | 1 312 248                               | 6 589 521          |
| Impairment loss for the year        | -                 | -                                       | -                  |
| Useful economic life                | 25 years          | 4-25 years                              |                    |
| Amortisation plan                   | Linear            | Linear                                  |                    |

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## Note 7 - Loans

Avium Subsea AS has two loans currently outstanding.

| Amounts in USD   |           |               |                      | Total      |
|--|-----------|---------------|----------------------|------------|
| 1) Subordinated Loan Agreement with Mitsui & Co. Ltd. and Samba Offshore S.A.                |           |               |                      | 29 250 000 |
|  | Maturity: | March 2025    | Other long-term debt | 29 250 000 |
| Interest payable quarterly at 17%  |           |               |                      |            |
| The unpaid interest to Subordinated Loan has been accumulated and classified Short-term debt |           |               |                      | 18 002 609 |
| 2) Loan facility with Sumitomo Mitsui Banking corporation Europe Limited                     |           |               |                      | 83 000 000 |
|  | Maturity: | February 2023 | Short-term debt      | 83 000 000 |
| Interest payable quarterly at LIBOR + 1% margin  |           |               |                      |            |

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

|                   |            |           |
|-------------------|------------|-----------|
| Interest expenses | 2022       | 2021      |
|                   | 11 577 956 | 9 361 535 |

## Note 8 - Share capital and shareholders

Amounts in USD

The share capital comprises:

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

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

## Note 9 - Equity

Amounts in USD

|                           | Share capital | Share premium fund | Other equity        | Total equity        |
|---------------------------|---------------|--------------------|---------------------|---------------------|
| Equity as at 01.01        | 11 723        | 27 588 277         | (41 253 177)        | (13 653 177)        |
| Year's net loss           |               |                    | (17 866 804)        | (17 866 804)        |
| <b>Equity as at 31.12</b> | <b>11 723</b> | <b>27 588 277</b>  | <b>(59 119 980)</b> | <b>(31 519 981)</b> |

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

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

In 2020 and 2021 the income of the company has been negatively influenced as the AKOFS Santos ended its SESV contract with Petrobras in early 2020 and has been operating under contracts with a lower compensation and scope of work. As the AKOFS Santos has commenced its new 1155 days contract with Petrobras the cash generation for the next three years is secured, however the BoD estimate that Avium Subsea will still have a negative equity by the end of 2023.

The BoD is continuing to work actively together with the guarantors of the debt in Avium Subsea to find ways of addressing the negative equity in

Based on above assessment and assumption, a financial support letter has been issued by the parent company AKOFS Offshore AS for a period of at least twelve months from the date of the approval of the 2022 financial statements.

## Note 10 - Intercompany balances with group companies and related parties

Amounts in USD

| Receivables                            | 2022             | 2021             |
|--|------------------|------------------|
| Trade receivables from group companies | 3 052 938        | 1 357 402        |
| Trade receivables                      | -                | 60 100           |
| <b>Total</b>                           | <b>3 052 938</b> | <b>1 417 502</b> |
| Payables                               | 2022             | 2021             |
| Trade payables to group companies      | 5 014 504        | -                |
| Other current liabilities              | 4 059 609        | -                |
| <b>Total</b>                           | <b>9 074 113</b> | <b>-</b>         |

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## Note 11 - Transactions with group companies and related parties

Amounts in USD

|                                       | 2022             | 2021     |
|---------------------------------------|------------------|----------|
| <b>Sale of goods and services</b>     |                  |          |
| Group companies                       | 1 695 536        | -        |
| Other related parties                 | -                | -        |
| <b>Sum</b>                            | <b>1 695 536</b> | <b>-</b> |
| <b>Purchase of goods and services</b> |                  |          |
| Group companies                       | 5 014 504        | -        |
| Other related parties                 | -                | -        |
| <b>Sum</b>                            | <b>5 014 504</b> | <b>-</b> |

Sale of goods and services/purchase of goods and services, both related to relocating of project cost.  
All the transactions have been carried out as part of the ordinary operations and at arms -length prices.

## Note 12 - Events after reporting date

'Short term interest bearing loan of USD 83 million related to financing of Avium Vessel has been refinanced in 2023 to 3 years long term interest bearing loan with new maturity in February 2026.

The refinanced loan facility is with Sumitomo Mitsui Trust Bank Limited (SMTB). The interest will be paid every month and the same condition as before, a guarantee on the Sumitomo facility is given by Mitsui & Co. Ltd. and Mitsui O.S.K. Lines, Ltd. for which Avium Subsea AS pays a 2.5% guarantee fee on a quarterly basis calculated on the remaining outstanding loan.

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