



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Elise Storebø  
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, 27.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	122 922 000	90 422 000
Annen driftsinntekt	2	2 931 000	1 311 000
<b>Sum inntekter</b>		<b>125 853 000</b>	<b>91 733 000</b>
<b>Kostnader</b>			
Lønnskostnad	3	27 128 000	26 407 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	32 976 000	35 112 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6	23 000 000	20 391 000
Annen driftskostnad	3	39 238 000	38 575 000
<b>Sum kostnader</b>		<b>122 342 000</b>	<b>120 485 000</b>
<b>Driftsresultat</b>		<b>3 511 000</b>	<b>-28 752 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	4	3 000	7 000
Annen finansinntekt	4	-1 015 000	133 000
<b>Sum finansinntekter</b>		<b>-1 012 000</b>	<b>140 000</b>
Annen rentekostnad	4	18 605 000	24 470 000
Annen finanskostnad	4		0
<b>Sum finanskostnader</b>		<b>18 605 000</b>	<b>24 470 000</b>
<b>Netto finans</b>		<b>-19 617 000</b>	<b>-24 330 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-16 106 000</b>	<b>-53 082 000</b>
Skattekostnad på ordinært resultat	5	1 585 000	-193 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-17 691 000</b>	<b>-52 889 000</b>
<b>Årsresultat</b>		<b>-17 691 000</b>	<b>-52 889 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-17 692 000	-52 890 000
<b>Sum overføringer og disponeringer</b>		<b>-17 692 000</b>	<b>-52 890 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel			0
<b>Sum immaterielle eiendeler</b>			<b>0</b>
<b>Varige driftsmidler</b>			
Skip, rigger, fly og lignende	6	513 230 000	569 206 000
<b>Sum varige driftsmidler</b>		<b>513 230 000</b>	<b>569 206 000</b>
<b>Sum anleggsmidler</b>		<b>513 230 000</b>	<b>569 206 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	7	14 756 000	12 234 000
Andre fordringer	8	6 193 000	4 039 000
<b>Sum fordringer</b>		<b>20 949 000</b>	<b>16 273 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	9	21 614 000	14 190 000
Bankinnskudd, kontanter og lignende	9	10 191 000	0
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>31 805 000</b>	<b>14 190 000</b>
<b>Sum omløpsmidler</b>		<b>52 754 000</b>	<b>30 463 000</b>
<b>SUM EIENDELER</b>		<b>565 984 000</b>	<b>599 669 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	10,11	101 000	101 000
Overkurs	11	2 000	2 000



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Sum innskutt egenkapital</b>		<b>103 000</b>	<b>103 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	11	-138 246 000	-120 554 000
<b>Sum opptjent egenkapital</b>		<b>-138 246 000</b>	<b>-120 554 000</b>
<b>Sum egenkapital</b>		<b>-138 143 000</b>	<b>-120 451 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	12	0	0
Øvrig langsiktig gjeld	12	15 000 000	15 000 000
<b>Sum annen langsiktig gjeld</b>		<b>15 000 000</b>	<b>15 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>15 000 000</b>	<b>15 000 000</b>
<b>Kortsiktig gjeld</b>			
Kortsiktig andel	12	629 920 000	648 433 000
Leverandørgjeld	12	11 908 000	5 640 000
Betalbar skatt		326 000	0
Annen kortsiktig gjeld	12	46 981 000	51 047 000
Annen kortsiktig gjeld		-7 000	
<b>Sum kortsiktig gjeld</b>		<b>689 128 000</b>	<b>705 120 000</b>
<b>Sum gjeld</b>		<b>704 128 000</b>	<b>720 120 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>565 985 000</b>	<b>599 669 000</b>



**FINANCIAL STATEMENTS 2021**

**FOR**

**LOS SHIPPING I AS**



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



*Report of the Board of Directors LOS Shipping I AS 2021*

## **BOARD OF DIRECTORS REPORT LOS SHIPPING I AS**

### **INTRODUCTION**

LOS Shipping I AS ("the Company") was established in 2016 and acquired the vessels Olympic Commander and Olympic Hera in February 2017.

The subsea vessel Olympic Commander (2012), was renamed Skandi Darwin and rebuilt in 2017 before commencing a five-year contract for DOF Subsea for operation for Shell Australia associated with the Prelude FLNG facility. The Prelude FLNG facility, which is the largest of its kind, will manufacture and store liquefied natural gas and be located off the coast of Western Australia.

Olympic Hera (a 2009 built AHTS) was renamed Skandi Hera after acquisition.

The Company is owned 40 % by SigFisk AS, 40 % by Gerda Marie AS and 20 % by Kanabus AS. The Company's business address is at Storebø in Austevoll Municipality.

DOF Management AS is responsible for the marine operation of the Company's vessels, and this company is controlled by DOF ASA and is included in the DOF ASA Group ("the DOF Group").

### **OPERATIONS 2021**

The market conditions have been deeply challenging for the OSV owners over the last few years, events in 2020 and 2021 related to the COVID-19 pandemic has further increased the challenges. During 2021 Skandi Hera has been traded in the North Sea spot market The AHTS segment in the North Sea remained oversupplied throughout the year with high volatility both in rates and utilization. The vessel has had an average utilization of 59 % (51 %) in 2021.

Skandi Darwin are on long-term contract for Shell Australia and have had a stabile rate and operation during the year.

The Company has achieved a utilization rate of 79 % for its fleet in 2021.

### **SUBSTAINABILITY**

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

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

'Safe the RITE way' is the guiding philosophy by which the DOF Group safeguards its people, external environment, vessels and subsea assets. 'Safe the RITE way' is the umbrella for the safety program which brings together core values and connects them to strategic areas for sustainable operations. The ambition is to be an incident free organisation.



*Report of the Board of Directors LOS Shipping I AS 2021*

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

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

## **EMPLOYEES**

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

## **HEALTH, SAFETY AND ENVIRONMENT**

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

In 2021, the Company has not experienced any COVID-19 cases among crewmembers onboard Skandi Darwin or Skandi Hera.

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

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

## **ANTI-CORRUPTION AND ANTI-BRIBERY**

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

It is the desire of the Board of Directors that the Company shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice. There have been no confirmed incidents of corruption during 2021.



*Report of the Board of Directors LOS Shipping I AS 2021*

## **COMPLIANCE TO LAW**

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

## **RISKS**

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

## **THE BOARD**

The Company has not signed D&O insurance on behalf of the board members. However, an agreement is in place between the Company and DOF ASA that protect board members against claims which may arise from the decisions and actions taken within the scope of their regular duties.

## **FINANCIAL PERFORMANCE**

Operating income totaled NOK 125.9 million (NOK 91.7 million) and total operating expenses were NOK -66.4 million (NOK -65.0 million). The operating profit (EBITDA) was NOK 59.5 million (NOK 26.8 million). Operating profit (EBIT) after depreciation and impairment was NOK 3.5 million (NOK -28.8 million). Net financial items are NOK -19.6 million (NOK -24.3 million).

Total balance is NOK 566.0 million (NOK 599.7 million). Total liabilities are NOK 704.1 million (NOK 720.1 million) of which NOK 629.9 million (NOK 648.4 million) represents debt to financial institution.

The Company's net cash from operating activities was NOK 36.1 million (NOK 47.1 million), from investing activities NOK 0 million (NOK -13.0 million) and net cash from financing activities was NOK -18.5 million (NOK -20.6 million).

## **PROFIT & LOSS ALLOCATION**

The Board of Directors proposes to allocate the Company's net loss of NOK -17.7 million from other equity.

## **GOING CONCERN**

The Company's accounts have been prepared based on a going concern assumption. However, the challenging market situation has had a material negative impact on key financial figures of the Company, related to both solidity and earnings going forward, and the Company's equity is lost. The Company's financial position are not sustainable and there is material uncertainty related to going concern. If the Company cannot be treated as going concern the valuation of the Company's assets will be further revised and will result in significant impairment of the Company's assets.

The Company has signed a refinancing agreement with the lenders for both vessels which include a flexible amortization structure and softer financial covenants. The refinancing agreement matures on 4th November 2022. The management has started a dialogue to secure a long-term refinancing solution and if an agreement is not reached the Company cannot continue as going concern.



*Report of the Board of Directors LOS Shipping I AS 2021*

#### EVENTS AFTER BALANCE DATE

Skandi Darwin has during 1st quarter been secured an extension of the current contract with DOF Subsea

Asia Pacific Pty Ltd for a period of 3 + 2 years option with start up in 3rd quarter 2022. The end client is Esso Australia. As part of the new contract the vessel will be installed with helideck which will be funded by the Company's liquidity. Total investment is approximately NOK 20 million and the investment is approved by the lenders.

#### OUTLOOK

The O&G markets have improved with increased activity towards end of the year. The current situation in Eastern-Europe has however created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward. Hence, future earnings and asset values are difficult to forecast, and as such there is a risk for further deterioration of the vessel value and further strain the Company's financial position.

Storebø, 28th of June 2022

The Board of Directors of LOS SHIPPING I AS



Sigve Drønen  
Chairman



Lars Johan Mælingen  
Board member



Oddvar Stangeland  
Board member



## INCOME STATEMENT

### LOS SHIPPING I AS

Amounts in NOK thousand

<b>OPERATING INCOME AND OPERATING EXPENSES</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Sales income	2	122 922	90 422
Other income	2	2 931	1 311
<b>Total income</b>		<b>125 852</b>	<b>91 733</b>
Employee benefits expense	3	-27 128	-26 407
Other expenses	3	-39 238	-38 575
<b>Total expenses</b>		<b>-66 366</b>	<b>-64 982</b>
Operating profit		59 487	26 751
<b>Operating profit before depreciation (EBITDA)</b>		<b>59 487</b>	<b>26 751</b>
Depreciation	6	-32 976	-35 112
Impairment of tangible assets	6	-23 000	-20 391
<b>Operation profit - EBIT</b>		<b>3 511</b>	<b>-28 753</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Financial income	4	3	7
Financial cost	4	-18 605	-24 470
Realized gain (loss) on currencies	4	-311	-431
Unrealized gain (loss) on currencies	4	-704	564
<b>Net financial items</b>		<b>-19 618</b>	<b>-24 330</b>
<b>Profit (loss) before taxes</b>		<b>-16 107</b>	<b>-53 083</b>
Income tax expense	5	-1 585	193
<b>Profit (loss) for the year</b>		<b>-17 692</b>	<b>-52 890</b>
<b>Profit (loss) for the year</b>		<b>-17 692</b>	<b>-52 890</b>
Allocated from other equity		-17 692	-52 890
<b>Total income for the year</b>		<b>-17 692</b>	<b>-52 890</b>

LOS SHIPPING I AS

SIDE 6



## BALANCE SHEET

### LOS SHIPPING I AS

Amount in NOK thousand

ASSETS	Note	31.12.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Vessels	6	513 230	569 206
<b>Total property, plant and equipment</b>		<b>513 230</b>	<b>569 206</b>
<b>Total non-current assets</b>		<b>513 230</b>	<b>569 206</b>
<b>CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Trade receivable	7	14 756	12 234
Other current receivables	8	6 193	4 039
<b>Total receivables</b>		<b>20 949</b>	<b>16 273</b>
Restricted deposits	9	10 191	0
Cash and cash equivalents	9	21 614	14 190
<b>Total cash and bank deposits</b>		<b>31 805</b>	<b>14 190</b>
<b>Total current assets</b>		<b>52 754</b>	<b>30 463</b>
<b>Total assets</b>		<b>565 984</b>	<b>599 669</b>

**BALANCE SHEET**

## LOS SHIPPING I AS

Amount in NOK thousand

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>EQUITY</b>			
<b>PAID-IN CAPITAL</b>			
Share capital	10, 11	101	101
Share premium reserve	11	2	2
<b>Total paid-up equity</b>		<b>102</b>	<b>102</b>
<b>RETAINED EARNINGS</b>			
Other equity	11	-138 246	-120 553
<b>Total retained earnings</b>		<b>-138 246</b>	<b>-120 553</b>
<b>Total equity</b>		<b>-138 143</b>	<b>-120 451</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities	12	15 000	15 000
<b>Total of non-current liabilities</b>		<b>15 000</b>	<b>15 000</b>
<b>CURRENT LIABILITIES</b>			
Liabilities to financial institutions	12	629 920	648 433
Accounts payable		11 908	5 640
Tax payable		326	0
Public duties payable		-7	0
Funding from DOF		44 366	44 366
Other current liabilities		2 615	6 681
<b>Total current liabilities</b>		<b>689 127</b>	<b>705 119</b>
<b>Total liabilities</b>		<b>704 127</b>	<b>720 119</b>
<b>Total equity and liabilities</b>		<b>565 984</b>	<b>599 669</b>

Storebø, 28.06.2022  
The board of LOS Shipping I AS  
Sigve Drønen  
Chairman  
Lars Johan Mælingen  
Director  
Oddvar Stangeland  
Director



Notes to the financial statement

## Statement of Cash Flows

### LOS SHIPPING I AS

Amount in NOK thousand	Note	31.12.2021	31.12.2020
<b>Operating profit (ebit)</b>		<b>3 511</b>	<b>-28 753</b>
Depreciation and impairment	6	55 976	55 503
Change in trade receivables	7	-2 522	15 294
Change in accounts payable		6 268	-4 525
Change in other working capital		-6 000	19 521
Exchange rate effect on operating activities		304	133
<b>Cash from operating activities</b>		<b>57 537</b>	<b>57 174</b>
Interest received	4	3	7
Interest paid	4	-19 247	-10 198
Other finance cost	4	-69	-62
Tax paid abroad	5	-1 260	193
Other business taxes	5	-835	0
<b>Net cash from operating activities</b>		<b>36 128</b>	<b>47 113</b>
Purchase of tangible assets		0	-13 020
<b>Net cash used in investing activities</b>		<b>0</b>	<b>-13 020</b>
Proceeds from borrowings		0	0
Repayment of borrowings		-18 513	-3 964
Reward of other loans		0	-16 634
<b>Net cash flow from financing activities</b>		<b>-18 513</b>	<b>-20 598</b>
<b>Net changes in cash and cash equivalents</b>		<b>17 615</b>	<b>13 495</b>
<b>Cash at the start of period 01.01.</b>		<b>14 190</b>	<b>696</b>
<b>Cash at the end of period 31.12.</b>		<b>31 805</b>	<b>14 190</b>



## Notes to the financial statement

### 1 Accounting principles

#### Accounting principles

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

The accounting period is from 01.01.2021 to 31.12.2021 and presented in NOK thousand.

#### Foreign currencies

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

#### Going concern

The Company's accounts have been prepared based on a going concern assumption. However, the challenging market situation has had a material negative impact on key financial figures of the Company, related to both solidity and earnings going forward, and the Company's equity is lost.

The Company has signed a refinancing agreement with the lenders for both vessels which include a flexible amortization structure and softer financial covenants. The refinancing agreement matures on 4th November 2022. The management has started a dialogue to secure a long-term refinancing solution and if an agreement is not reached the Company cannot continue as going concern.

#### Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current when:

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

All other liabilities are classified as non-current liabilities.

#### Tangible Assets

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

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

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

#### Periodic maintenance

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

#### Revenue recognition

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



## Notes to the financial statement

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

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

## Trade receivables

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

## Equity

Ordinary shares are classified as equity.

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

## Loan

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

## Tax

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

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

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

## Statement of cash flows

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

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

## Subsequent events

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

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

## 2 Operating income

	2021	2020
Freight income	122 922	90 422
Other operating income	2 931	1 311
<b>Total operating income</b>	<b>125 852</b>	<b>91 733</b>



## Notes to the financial statement

### 3 Payroll, auditor and operating expenses

	2021	2020
Payroll and other remuneration	23 546	22 759
Travel costs	1 754	2 147
Other personnel costs	1 828	1 501
<b>Total</b>	<b>27 128</b>	<b>26 407</b>

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

There were no remunerations or other compensations paid to Board members in 2021 or 2020.

Specification of auditor's fee	2021	2020
Audit	80	93
Fee for other services	82	37
<b>Total</b>	<b>162</b>	<b>130</b>

Auditor's fees are exclusive VAT.

Other operating expenses consists of:	2021	2020
Maintenance and repair services	6 024	6 780
Management fees for ship management	3 196	3 122
Electronic communication expenses	1 327	1 180
Bunkers costs	211	4 042
Insurance	3 109	2 612
ROV	21 262	17 845
Other expenses	4 109	2 956
<b>Total</b>	<b>39 238</b>	<b>38 538</b>

### 4 Finance income and expenses

	2021	2020
Other interest income	3	7
<b>Financial income</b>	<b>3</b>	<b>7</b>
Interest cost loan	-19 247	-24 409
Late payment interest	-1	-3
Other financial costs	-68	-59
<b>Financial costs</b>	<b>-19 316</b>	<b>-24 470</b>
Net gain (loss) on operational items	-293	-659
Net gain (loss) on current items	-19	227
<b>Net realized gain (loss) on currencies</b>	<b>-311</b>	<b>-431</b>
Net unrealized gain (loss) on operational items	8	564
<b>Net unrealized gain (loss) on currencies</b>	<b>8</b>	<b>564</b>
<b>Net financial items</b>	<b>-19 618</b>	<b>-24 330</b>



## Notes to the financial statement

### 5 Tax

<b>Tax income (expense) comprises:</b>	<b>2021</b>	<b>2020</b>
<b>Current tax on profit for the year</b>		
Change in deferred taxes	0	0
Tax payable abroad	-1 585	-193
<b>Tax income (expense)</b>	<b>-1 585</b>	<b>-193</b>
<b>Reconciliation of nominal and effective tax rate</b>		
Profit before tax	-16 107	-53 083
Tax calculated at domestic tax rates 22% (22%)	-3 543	-11 678
Tax effect of:		
Tax effect on deductible expenses	0	0
Tax effect on items not included in deferred tax	3 543	11 722
Tax effect on other items	0	-44
Effect of change of tax regime	-1 585	193
<b>Total tax income (expense)</b>	<b>-1 585</b>	<b>193</b>
<b>Deferred tax</b>		
<b>Basis of deferred tax</b>	<b>2021</b>	<b>2020</b>
Tangible assets	181 348	183 297
<b>Total temporary differences</b>	<b>181 348</b>	<b>183 297</b>
Loss carried forward	-315 792	-301 634
- hereof tax deficit not included in basis for calculation of deferred tax/deferred tax assets	134 443	118 336
<b>Basis for calculation of deferred tax/deferred tax assets (-)</b>	<b>0</b>	<b>0</b>
<b>Total deferred tax/deferred tax assets (-)</b>	<b>0</b>	<b>0</b>



Notes to the financial statement

**6 Tangible assets**

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

  

<b>2020</b>	<b>Vessels</b>	<b>Periodical maintenance</b>	<b>Total</b>
Cost at 01.01	672 727	30 058	702 785
Additions	0	13 021	13 021
Capitalization	0	0	0
<b>Cost at 31.12</b>	<b>672 727</b>	<b>43 079</b>	<b>715 806</b>
Depreciation and impairment at 01.01	81 376	9 721	91 096
Depreciation for the year	29 180	5 933	35 112
Depreciation on disposals	0	0	0
<b>Depreciation at 31.12</b>	<b>110 556</b>	<b>15 653</b>	<b>126 209</b>
Impairment 01.01.	0	0	0
Impairment	20 391	0	20 391
<b>Impairment 31.12.</b>	<b>20 391</b>	<b>0</b>	<b>20 391</b>
<b>Book value at 31.12</b>	<b>541 780</b>	<b>27 425</b>	<b>569 206</b>
Asset lifetime (years)	30 years	30-60 months	
Depreciation schedule	Straight line	Straight line	

**7 Trade receivables**

	<b>2021</b>	<b>2020</b>
Trade receivable	9 865	12 122
Earned not invoiced	4 891	112
Provision for bad debts	0	0
<b>Trade receivables at 31.12</b>	<b>14 756</b>	<b>12 234</b>

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

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

<b>Year</b>	<b>Total</b>	<b>Not matured</b>	<b>&lt;30d</b>	<b>30-90d</b>	<b>&gt;90d</b>
2021	9 881	5 069	4 813	0	0

**8 Other current receivables**

	<b>2021</b>	<b>2020</b>
Prepaid expences	505	833
Settlement VAT	1 187	1 157
Other current receivables	4 501	2 049
<b>Other current receivables at 31.12.</b>	<b>6 193</b>	<b>4 039</b>



## Notes to the financial statement

### 9 Restricted cash

	2021	2020
Restricted cash	10 191	0
<b>Restricted cash at 31.12.</b>	<b>10 191</b>	<b>0</b>

Restricted cash Skandi Hera.

### 10 Share capital and share information

2021	Total shares	Nominal value	Ownership	Vote share
Sigfisk AS	960	40	40%	40%
Kanabus AS	480	20	20%	20%
Gerda Marie AS	960	40	40%	40%
	<b>2400</b>	<b>101</b>	<b>100%</b>	<b>100%</b>

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

### 11 Equity

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

  

Amounts in NOK	Share Capital	Share premium	Retained earnings	Total Equity
Balance at 01.01.2020	101	2	-67 663	-67 560
Profit (loss) for the year	0	0	-52 890	-52 890
<b>Balance 31.12.2020</b>	<b>101</b>	<b>2</b>	<b>-120 553</b>	<b>-120 451</b>

### 12 Debt to credit institution

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

Interest-bearing debt	2021	2020
Non-current debt to financial institution	0	0
Current debt to financial institution	629 920	648 433
<b>Total interest-bearing debt</b>	<b>629 920</b>	<b>648 433</b>

  

<b>Average interest</b>	<b>2,89%</b>	<b>3,68%</b>
-------------------------	--------------	--------------

The Company's debt to financial institution is secured by mortgages in the vessels.

### 13 Going Concern

The Company's accounts have been prepared based on a going concern assumption. However, the challenging market situation has had a material negative impact on key financial figures of the Company, related to both solidity and earning going forward, and the Company's equity is lost. The Company's financial position are not sustainable and there is material uncertainty related to going concern. If the Company cannot be treated as going concern the valuation of the Company's assets will be further revised and will result in significant impairment of the Company's assets.

The Company has signed a refinancing agreement with the lenders for both vessels which include a flexible amortization structure and softer financial covenants. The refinancing agreement matures on 4th November 2022. The management has started a dialogue to secure a long-term refinancing solution and if an agreement is not reached the Company cannot continue as going concern.



*Notes to the financial statement*

#### **14 Subsequent events**

The O&G markets have improved with increased activity towards end of the year. The current situation in Eastern-Europe has however created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward. Hence, future earnings and asset values are difficult to forecast, and as such there is a risk for future deterioration of the vessel value and further strain the Company's financial position.



To the General Meeting of Los Shipping I AS

## *Independent Auditor's Report*

### *Opinion*

We have audited the financial statements of Los Shipping I AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 13 in the financial statements and the Board of Directors' report, which indicates that the Company incurred a net loss of NOK 17 692 thousand during the year ended December 31, 2021 and, as of that date, the Company's current liabilities exceeded its total assets by NOK 138 143 thousand. As stated in Note 13 and the Board of Directors' report, these events or conditions, along with other matters as set forth in the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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



Independent Auditor's Report - Los Shipping I AS



---

## *Other Information*

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

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

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

- is consistent with the financial statements and
- contains the information required by applicable 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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

---

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

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

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

(2)



Independent Auditor's Report - Los Shipping I AS



---

*Other Matter*

The Board of Directors are obliged to arrange a meeting with the Company's auditor without the presence of the Managing Director or other members of the executive management annually, in accordance with Aksjeloven § 7-5 a (1). Such a meeting was not arranged last year.

Bergen, 28 June 2022  
**PricewaterhouseCoopers AS**

Marius Kaland Olsen  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Olsen, Marius Kaland	BANKID	2022-06-28 15:41

**This document package contains:**

- Closing page (this page)  
- The original document(s)  
- The electronic signatures. These are not visible in the document but are electronically integrated



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity of the document.



24 SEPT. 2018  
Sov.B.

Our date  
07.08.2018

Din dato  
17.09.2018

Inquiries to  
Torstein Kinden Helleland

800 80 000  
Tax Administration  
Norway.no

Din referanse  
Hiide Drønen

Telephone  
22078139

Org.nr  
996250318

Our reference  
2018/962056

Postal address  
P.O. Box 9200 Grønland  
0134 Oslo

DOF ASA  
Alfabygget  
5392 STOREBØ

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

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

**LOS Shipping I AS    org.nr. 917 751 862**

**LOS Shipping II AS    org.nr. 917 807 361**

### Conclusion

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

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

### Background

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

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

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



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

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

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

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

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

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

Best regards

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

Torstein Kinden Helleland

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

Side 2 / 2