



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Fredrik Hunstad
Dato for fastsettelse av årsregnskapet: 21.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 21.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating Revenue			5 000
Sum inntekter			5 000
Kostnader			
Other Operating expenses	2,10	3 657 000	5 386 000
Sum kostnader		3 657 000	5 386 000
Driftsresultat		-3 657 000	-5 381 000
Finansinntekter og finanskostnader			
Finance Income	3	12 111 000	676 000
Sum finansinntekter		12 111 000	676 000
Finance expense	3	59 822 000	640 000
Sum finanskostnader		59 822 000	640 000
Netto finans		-47 711 000	36 000
Ordinært resultat før skattekostnad		-51 368 000	-5 345 000
Income tax benefit (expense)	4		15 000
Ordinært resultat etter skattekostnad		-51 368 000	-5 360 000
Årsresultat		-51 368 000	-5 360 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	7	-51 368 000	-5 360 000
Sum overføringer og disponeringer		-51 368 000	-5 360 000



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	293 159 000	335 222 000
Sum finansielle anleggsmidler		293 159 000	335 222 000
Sum anleggsmidler		293 159 000	335 222 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	9		12 000
Other receivables		3 000	2 000
Konsernfordringer	9	61 637 000	24 109 000
Sum fordringer		61 640 000	24 123 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	6	71 000	646 000
Sum bankinnskudd, kontanter og lignende		71 000	646 000
Sum omløpsmidler		61 711 000	24 769 000
SUM EIENDELER		354 870 000	359 991 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share Capital	7,8	7 175 000	7 131 000
Annen innskutt egenkapital	7	367 221 000	329 265 000
Sum innskutt egenkapital		374 396 000	336 396 000



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital	7	-56 789 000	-5 421 000
Sum opptjent egenkapital		-56 789 000	-5 421 000
Sum egenkapital		317 607 000	330 975 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	10	20 477 000	17 000 000
Sum annen langsiktig gjeld		20 477 000	17 000 000
Sum langsiktig gjeld		20 477 000	17 000 000
Kortsiktig gjeld			
Leverandørgjeld			9 000
Kortsiktig konserngjeld	9	3 523 000	5 113 000
Current borrowings	10	1 175 000	6 143 000
Other current liabilities	9	12 088 000	751 000
Sum kortsiktig gjeld		16 786 000	12 016 000
Sum gjeld		37 263 000	29 016 000
SUM EGENKAPITAL OG GJELD		354 870 000	359 991 000



Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4	105 696 000	124 217 000
Other income	4	975 000	5 000
Sum inntekter		106 671 000	124 222 000
Kostnader			
Materials, goods and services		37 747 000	34 577 000
Salaries, wages and social security cost	5	16 456 000	15 978 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,10	35 539 000	36 681 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	22 939 000	
Total other operating expenses	6	8 208 000	10 117 000
Sum kostnader		120 889 000	97 353 000
Driftsresultat		-14 218 000	26 869 000
Finansinntekter og finanskostnader			
Finance income	7	5 452 000	842 000
Sum finansinntekter		5 452 000	842 000
Finance expenses	7	39 463 000	37 976 000
Sum finanskostnader		39 463 000	37 976 000
Netto finans		-34 011 000	-37 134 000
Ordinært resultat før skattekostnad		-48 229 000	-10 265 000
Income tax benefit (expense)	8	1 689 000	1 093 000
Ordinært resultat etter skattekostnad		-49 918 000	-11 358 000
Årsresultat		-49 918 000	-11 358 000
Andre resultatkomponenter for IFRS-foretak		-3 982 000	-2 703 000
Sum resultatkomponenter for IFRS-foretak		-3 982 000	-2 703 000
Totalresultat		-53 900 000	-14 061 000
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
Overføringer til/fra annen egenkapital	13	-53 899 000	-14 062 000
Sum overføringer og disponeringer		-53 899 000	-14 062 000



Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	10		289 000
Utsatt skattefordel	8	15 074 000	18 490 000
Sum immaterielle eiendeler		15 074 000	18 779 000
Varige driftsmidler			
Property, plant and equipment	9	522 138 000	557 850 000
Sum varige driftsmidler		522 138 000	557 850 000
Finansielle anleggsmidler			
Other non-current assets		229 000	228 000
Sum finansielle anleggsmidler		229 000	228 000
Sum anleggsmidler		537 441 000	576 857 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	11,21	79 433 000	40 849 000
Sum fordringer		79 433 000	40 849 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	28 747 000	30 909 000
Sum bankinnskudd, kontanter og lignende		28 747 000	30 909 000
Sum omløpsmidler		108 180 000	71 758 000
SUM EIENDELER		645 621 000	648 615 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: USD	Note	2020	2019
Innskutt egenkapital			
Share capital	13,14	7 175 000	7 131 000
Annen innskutt egenkapital	13	367 221 000	329 265 000
Sum innskutt egenkapital		374 396 000	336 396 000
Opptjent egenkapital			
Annen egenkapital	13	-148 329 000	-94 423 000
Sum opptjent egenkapital		-148 329 000	-94 423 000
Sum egenkapital		226 067 000	241 973 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	545 000	504 000
Utsatt skatt	8	208 000	258 000
Non-current finance lease obligations	15,21	111 314 000	118 816 000
Other non-current liabilities	15	149 931 000	118 047 000
Sum avsetninger for forpliktelser		261 998 000	237 625 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		261 998 000	237 625 000
Kortsiktig gjeld			
Current borrowings	15	90 612 000	96 191 000
Leverandørgjeld	17,18, 21	25 813 000	35 067 000
Current finance lease obligations	15	28 176 000	37 761 000
Other current liabilities		12 956 000	
Sum kortsiktig gjeld		157 557 000	169 019 000
Sum gjeld		419 555 000	406 644 000
SUM EGENKAPITAL OG GJELD		645 622 000	648 617 000



AKOFS Offshore AS

Annual report 2020



Financial Statements

AKOFS Offshore AS

For the year ended December 31, 2020

Income statement

Statement of financial position

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INCOME STATEMENT

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2020	2019
Operating revenue		-	5
Total revenue and other income		-	5
Other operating expenses	2,10	(3 657)	(5 386)
Operating expenses		(3 657)	(5 386)
Operating profit (loss)		(3 657)	(5 381)
Finance income	3	12 111	676
Finance expenses	3	(59 822)	(640)
Net finance expenses		(47 711)	36
Profit (loss) before tax		(51 368)	(5 345)
Income tax benefit (expense)	4	-	(15)
Profit (loss) for the period		(51 368)	(5 360)

Total comprehensive income equals profit (loss) for the period.



STATEMENT OF FINANCIAL POSITION

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2020	2019
Shares in subsidiaries	5	293 159	335 222
Total non-current assets		293 159	335 222
Short term interest bearing receivables, internal	9	61 637	24 109
Trade receivables on group companies	9	-	12
Other receivables		3	2
Cash and cash equivalents	6	71	646
Total current assets		61 711	24 769
Total assets		354 870	359 991
Share capital	7,8	7 175	7 131
Other capital paid in	7	367 221	329 265
Other equity	7	(56 789)	(5 421)
Total equity		317 607	330 975
Other non-current liabilities	10	20 477	17 000
Total non-current liabilities		20 477	17 000
Current borrowings	10	1 175	6 143
Trade and other payables		-	9
Accounts payable to group companies	9	3 523	5 113
Other current liabilities to group companies	9	12 088	751
Total current liabilities		16 786	12 016
Total liabilities and equity		354 870	359 991

Skøyen, May 21, 2021 Board of Directors of AKOFS Offshore AS

Paal Espen Johnsen
Chairman

Masatoshi Numano
Deputy Chairman

Motoshi Asahara
Board member

Eirik Thomassen
Board member

Geir Atle Sjøberg
CEO



STATEMENT OF CASH FLOW

For the year ended December 31

<i>Amounts in USD thousands</i>	2020	2019
Profit (loss) for the period	(51 368)	(5 345)
Adjustments for:		
Other non-cash effects	49 259	
Changes in net operating assets	(4 536)	1 274
Cash generated from operating activities	(6 645)	(4 071)
Net cash from operating activities	(6 645)	(4 071)
Proceeds from borrowings	15 646	(20 930)
Borrowings internal	(37 528)	5 113
Borrowings related parties	3 249	19 700
Capital increase	24 904	-
Cash flow from other financing activities	(200)	(366)
Net cash from financing activities	6 071	3 517
Net increase (decrease) in cash and cash equivalents	(574)	(554)
Cash and cash equivalents at the beginning of the period	646	1 200
Cash and cash equivalents at the end of the period	71	646



Note 1 - Accounting Principles

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

Revue recognition

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

Use of estimates

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

Foreign currency translation

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

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

- Assets and liabilities are translated at the closing exchange rate at the reporting date (USD/NOK 8,75723)
- Income statements are translated at average exchange rate for the year, calculated on the basis of 12 monthly rates (USD/NOK 9,344746).

Income tax

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

Balance sheet classification

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

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

Long term liabilities are recognized at nominal value.

Investments in subsidiaries

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

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

Accounts receivable and other receivables

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

Cash flow statement

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



Note 2 - Operating revenue and expenses

There are no operating revenue in 2020. (Operating revenue comprises USD 5 thousand from allocation of expenses within group in 2019)

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

Fees to KPMG for statutory audit amounted to USD 58 thousands. (USD 26 Thousands in 2019)

Note 3 - Net finance expenses

Amounts in USD thousands	2020	2019
Interest income intercompany interest bearing receivables	2 368	598
Interest income on bank deposits measured at amortized cost	1	10
Dividend	8 963	-
Net foreign exchange gain	779	-
Finance income	12 111	609
Interest expense related parties	(1 361)	(553)
Interest expenses intercompany interest bearing loans	(238)	-
Net foreign exchange loss	-	(19)
Impairment internal shares	(58 222)	-
Other financial expenses	(1)	-
Financial expenses	(59 822)	(573)
Net finance expenses recognized in profit and loss	(47 711)	36

An impairment loss of USD 58,2 million was recognized in 2020 writing down the investments in Avium Subsea AS (USD 22,2 million) and AKOFS 1 AS (USD 36 million) to the. The impairment was mainly a result of reassessment of

Note 4 - Income taxes

Amounts in USD thousands	2020	2019
Current tax expense		
Current year	-	-
Adjustments for prior years	-	-
Total current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	962	(1 176)
Write-down (or reversal) of deferred tax assets	(962)	1 176
Total deferred tax income (expense)	-	-
Tax on group contributions	-	15
Total tax income (expense)	-	15

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

Amounts in USD thousands	2020	2019
Profit (loss) before tax	(51 368)	(5 345)
Permanent differences	49 259	-
Tax income(expense) using the company's domestic tax rate (22%)	11 301	1 176
Tax effects of:		
Deferred tax from write down (or reversal) of deferred tax assets	(962)	(1 170)
Effect of permanent differences	(10 837)	-
Effect of functional currency different from currency in tax reporting	498	(3)
Other	-	12
Income tax income (expense)	(0)	15
Effective tax rate	0 %	0 %

Loss carried forward is not recognized for deferred tax asset.



Note 5 - Investments in subsidiaries

Amounts in USD thousands

Subsidiary	Location	Percentage owner- /voting share	Book value	Equity	Result
AKOFS 1 AS	Oslo	100 %	19 340	19 340	10 138
AKOFS 2 AS	Oslo	100 %	184 306	133 129	(13 183)
AKOFS 3 AS	Oslo	100 %	39 075	25 120	(2 378)
AKOFS Offshore Operations AS	Oslo	100 %	34 860	39 644	(729)
Avium Subsea AS	Oslo	97 %	15 578	13 832	(33 990)
Sum investments			293 159	231 064	(40 143)

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

Note 6 - Cash and cash equivalents

Amounts in USD thousands	2020	2019
Cash pool	71	646
Total cash and cash equivalents	71	646

The group has no credit facilities and no restricted cash.

Note 7 - Equity

Amounts in USD thousands	Share capital	Other capital paid in	Other equity	Total equity
Opening balance January 1, 2020	7 131	329 265	(5 421)	330 975
Capital contribution in-kind	43	37 957	-	38 000
Profit (loss) for the period	-	-	(51 368)	(51 368)
Equity as of December 31, 2020	7 175	367 221	(56 789)	317 607



Note 8 - Share capital and shareholders

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

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

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

Note 9 - Intercompany balances with group companies

Amounts in USD thousands	2020	2019
Interest bearing receivables	61 637	24 109
Trade receivables on group companies	-	12
Total receivables from group companies	61 637	24 121
Accounts payable to group companies	3 523	5 113
Interest bearing loans	12 088	-
Group contribution	-	63
Total payables to group companies	15 611	5 176

Interest-bearing receivables on and interest bearing loans to group companies have maturity in 2021 unless the loan balance is rolled forward. All IC balances are rolled forward with one year maturity from 01.01.2021

Note 10 - Related parties

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

Amounts in USD thousands	2020	2019
<i>Income statement</i>		
Operating cost	-	-
Net financial items	(1 361)	45
<i>Assets (liabilities)</i>		
Non-current interest bearing loans	(20 477)	(17 000)
Current interest-bearing loans	(1 175)	(6 143)

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

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



Skatteetaten

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

AKOFS OFFSHORE AS
Postboks 244 Skøyen
0213 OSLO

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

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

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

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

Bakgrunn

Fra søknaden gjengis:

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

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

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

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

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



Skattedirektoratets vurdering

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

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

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjævt fordelt informasjon.

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er eid av utenlandske selskaper. Eierkretsen er begrenset. Videre er det lagt vekt på at selskapet opererer i det internasjonale olje- og gassmarkedet, og at alle brukerne av regnskapet benytter eller behersker engelsk som arbeidsspråk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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To the General Meeting of AKOFS Offshore AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company AKOFS Offshore AS (the Company), which comprise the balance sheet as at 31 December 2020, 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, and
- The consolidated financial statements of AKOFS Offshore AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

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
Bode	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Alesund



AKOFS Offshore AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



AKOFS Offshore AS

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 21 May 2021
KPMG AS

Monica Hansen
State Authorised Public Accountant



AKOFS Offshore

Board of Directors report 2020

Operations and locations

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

Highlights 2020

During 2020, AKOFS Offshore's industry was heavily affected by the outbreak of the COVID-19 virus, declared as a global pandemic by World Health Organization. This outbreak caused significant disruption to the global economy through reduced industrial activity, extensive travel restrictions and mandatory quarantines. The oil and gas market was strongly affected by negative demand development following lower global activity as well as turmoil on the supply side, resulting in a sharp decline in oil prices in the beginning of 2020. This added additional pressure on the global economy, with direct effects on the investment level of oil companies and following consequences for the oilfield services industry.

AKOFS Offshore has, through 2020, focused strongly on mitigating operational effects of the ongoing COVID-19 pandemic through strict regulations regarding crew handling. Despite these efforts, AKOFS has been directly affected through reduced utilization because of two virus outbreaks on board one of its vessels, as well as additional costs related to controls and mitigations implemented to reduce risks. Also, the market situation for AKOFS has been negatively affected through reduced oil price following lowered investment levels among oil companies. This is affecting longer term prospects and opportunities for the company.

Both of the vessels Skandi Santos and Aker Wayfarer operate on contracts with Petrobras in Brazil for subsea equipment installation work. In March 2020, the contract of Skandi Santos expired after ten years of operations in Brazil. The contract was first extended to November 2020, and later to November 2021. However, terms for the extension reflect that the vessel is currently doing mostly ROV work and revenues from Skandi Santos were thus lower than in 2019. Utilization for both vessels in Brazil has in general been high throughout the year, however negatively affected by two separate outbreaks of COVID-19 onboard Aker Wayfarer as well as an engine issue causing some downtime for Skandi Santos in November.

In October, AKOFS Seafarer commenced its five-year contract with Equinor for Light Well Intervention services in the North Sea. The vessel and the subsea workover system have been upgraded through substantial investments, financed by a separate bank loan that was established in October 2019. The commencement was somewhat delayed due to the pandemic as well as certain specific challenges related to equipment, with effect on 2020 financials for the company.

Going forward, AKOFS will continue to focus on delivering high uptime/utilization on its existing contracts. Further, evaluation of options regarding the Skandi Santos vessel, for which the contract expires in 2021, will be a key focus area in 2021. The company is continuously evaluating opportunities to grow through further leveraging its competencies within subsea well construction and intervention services.

AKOFS will continue to focus strongly on minimizing the spread of the virus and mitigate substantial disruptions to operations. AKOFS management is cautiously optimistic that market situation will improve through 2021 as a result of increased rate of COVID-19 vaccination, which in turn should lead to increased global activity and thus increased demand for products and services offered by the company. Still, it is expected that the COVID-19 virus will have negative impact on the global economy and the operational activities also in 2021. The financial impact as a result of this remains uncertain as it still is difficult to predict the duration of the virus outbreak and the long-term impact on the financial markets and the industrial activity level. From an accounting perspective, these factors have impacted the booked value of one of our vessels as the market downturn has resulted in a somewhat less positive long-term market outlook.

Group Financial Performance

Income statement

Total revenue for 2020 decreased by 14,1 % percent to USD 106,7 million, the decrease is mainly related to new day-rates on the Skandi Santos contract with Petrobras but also two stoppages on the Aker Wayfarer related to COVID 19. EBITDA decreased by USD 19.3 million to USD 44.2 million.

Depreciation and amortization were USD 35.5 million in 2020, compared to USD 36.7 million in the previous year. Also, an impairment of USD 22.9 related to Skandi Santos is booked in 2020.

Net financial expenses were USD 34 million in 2020 compared to USD 37.1 million in the previous year. The pre-tax loss for the year was USD 48.3 million, compared to a loss of USD 10.3 million the previous year.

The income tax expense for 2020 was USD 1.7 million, compared to a tax expense of USD 1.1 million in 2019.

The group had a total loss of USD 50.0 million for the year.



AKOFS Offshore

Financial position

Total assets of AKOFS Offshore amounted to USD 645,6 million as of December 31, 2020 compared with USD 648.6 million at year-end 2019.

Total long-term liabilities increased with USD 24.4 million. The change reflects an increase in the long-term debt the funding of AKOFS Seafarer with USD 31.9 million, and a reduction in the lease liabilities towards Ocean Yield of USD 7.5 million. Total short-term debt decreased with USD 11.5 million. The changes reflect a reduction in the lease liabilities towards Ocean Yield of USD 9.6 million.

Total equity amounted to USD 226 million at year-end 2020, compared to USD 242.0 million the year before. The equity ratio was 35 percent as of December 31, 2020, a decrease from 37.3 percent in 2019.

In 2020 AKOFS Offshore completed an equity issue by converting USD 13.1 million in shareholder loans to equity and issuing USD 24.9 million in new liquidity. The equity issue increased AKOFS Offshore equity with USD 38 million.

Cash flow

As of December 31, 2020, AKOFS Offshore had cash of USD 28.7 million, compared to USD 30.9 million in 2019. The net cash flow from operating activities was positive USD 2.9 million, comprising of net cash inflow from operating activities of USD 11.8 million and payments of USD 8.8 million for income tax and interest cost.

Net cash flow from investing activities was negative USD 19.5 million compared to negative USD 50.5 million in 2019. The cash flow from investing activities was related to capex investments of total USD 19.9 million primarily related to the upgrade of the AKOFS Seafarer vessel.

Net cash flow from financing activities amounted to USD 17.4 million reflecting additional borrowings of USD 111.2 million mainly related to AKOFS Seafarer, debt and lease repayments of USD 118.7 million, and equity injection of USD 24.9 million.

Going concern

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

Subsequent events

Debt refinancing

In February 2021 AKOFS Offshore refinanced the senior debt in Avium Subsea with a one year USD 83.0 million facility with SMBC.

Equity issue

In the January and February of 2021 AKOFS Offshore completed two equity issues of USD 2.7 million and USD 3.0 million respectively.

Financial risk

Overall view on objectives and strategy

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

Exchange rate risk

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

Interest rate risk

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

Liquidity risk

The liquidity of the company is assessed as moderate. In the event that the company experience longer periods of downtime on one of the revenue generating vessels additional liquidity injections will be needed.

Credit risk

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

Research, Innovation and Technology Development

AKOFS Offshore did not capitalize cost related to development in 2020.

COVID-19 impacts

A key element of AKOFS Offshore's risk management in 2021 will be to continue to monitor the development of the COVID-19 outbreak and continuously seek to implement necessary mitigating measures.

Even though AKOFS managed the COVID-19 situation during 2020, it still remains uncertain when the situation will normalize, especially in Brazil. In the event the COVID-19 situation is prolonged and causes a full suspension of operations for an extended period, this will most likely give a liquidity constraint where further liquidity injections are needed from the owners.

Restrictions with regard to operations and travel will most likely continue until at least Q3 2021. The risk of full suspension of operations



AKOFS Offshore

is however expected to decrease as vaccinations have started and the AKFOS have adapted to the new "normal" proving a capability to work under severe restrictions.

True and fair view

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

Parent company results and allocation of net profit

AKOFS Offshore AS is the ultimate parent company in the AKOFS Offshore group and its business is the ownership and management of all subsidiaries. AKOFS Offshore AS has outsourced all management functions to group company AKOFS Offshore Operations AS. AKOFS Offshore AS had a net loss of USD 51 368 thousands in 2020 (net loss of USD 5 360 thousand in 2019).

The Board of Directors has proposed the net loss of USD 51 368 thousand of AKOFS Offshore AS to be allocated to:

Other equity USD 51 368 thousand

The working environment and the employees

Leave of absence due to illness was in total 4.19 percent, 0.95 percent short term and 3.23 percent long term. The split of sick leave on offshore and onshore was 4.61 percent and 2.6 percent respectively.

The group had one reportable personnel injury during the year. The Lost Time Incident Frequency (LTIF) was zero and the Total Recordable Incident Frequency (TRIF) was 1.4 for the year.

The Board of Directors consider the working environment as good and this is also reflected in the results of employee survey. The group's working environment committees held regular meetings in 2020.

Equal opportunities and discrimination

AKOFS Offshore group had a total of 228 employees as of December 31, 2020. The female/male ratio were as follows:

	Onshore	Offshore
Female	42%	1%
Male	58%	99%

The average salary for female employees is on the same level as the average salary for male employees for similar positions. The Board of Directors consists of four men. The Board of Directors is aware of the society's expectations for activities to promote equal opportunities in both the company and the Board of Directors and strives to meet those expectations. The Board of Directors regard the situations as satisfactory and that it is not necessary to execute special actions within the area of equal opportunities and discrimination.

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

Environmental report

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

Skøyen, May 21, 2021

Board of Directors of AKOFS Offshore AS

Paal Espen Johnsen
Chairman

Masatoshi Numano

Masatoshi Numano
Deputy Chairman

Motoshi Asahara
Board member

Eirik Thomassen
Board member

Geir Atle Sjøberg
CEO



Consolidated Financial Statements

AKOFS Offshore

For the year ended December 31, 2020

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Consolidated Statement of comprehensive income

Consolidated Statement of financial position

Consolidated Statement of cash flow

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CONSOLIDATED FINANCIAL STATEMENTS for AKOFS Offshore

For the year ended December 31,

CONSOLIDATED INCOME STATEMENT

<i>Amounts in USD thousands</i>	<i>Note</i>	2020	2019
Operating revenue	4	105 696	124 217
Other income	4	976	5
Total revenue and other income		106 671	124 222
Materials, goods and services		(37 747)	(34 577)
Salaries, wages and social security cost	5	(16 456)	(15 978)
Total other operating expenses	6	(8 208)	(10 118)
Operating expenses		(62 411)	(60 673)
Operating profit before depreciation, amortization and impairment		44 260	63 549
Depreciation and amortization	9, 10	(35 539)	(36 681)
Impairment	9	(22 939)	-
Operating profit (loss)		(14 218)	26 869
Finance income	7	5 452	842
Finance expenses	7	(39 462)	(37 976)
Net finance expenses		(34 011)	(37 134)
Profit (loss) before tax		(48 229)	(10 265)
Income tax benefit (expense)	8	(1 689)	(1 093)
Profit (loss) for the period		(49 918)	(11 358)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31

<i>Amounts in USD thousands</i>	2020	2019
Profit (loss) for the period	(49 918)	(11 358)
Other comprehensive income		
Currency translation differences - foreign operations	(5 109)	(3 387)
Deferred tax of currency translation differences - foreign operations	1 124	745
Total items that may be reclassified to profit or loss	(3 985)	(2 642)
Remeasurement gain (loss) net defined benefit liability	4	(78)
Deferred tax of remeasurement gain (loss) net defined benefit liability	(1)	17
Total items that will not be reclassified to profit or loss	3	(61)
Total other comprehensive income	(3 982)	(2 703)
Total comprehensive income (loss)	(53 899)	(14 062)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31

<i>Amounts in USD thousands</i>	<i>Note</i>	2020	2019
Deferred tax assets	8	15 074	18 490
Intangible assets	10	-	289
Property, plant and equipment	9	522 138	557 850
Other non-current assets		229	228
Total non-current assets		537 441	576 857
Trade and other receivables	11,21	79 433	40 849
Cash and cash equivalents	12	28 747	30 909
Total current assets		108 180	71 759
Total assets		645 622	648 616
Share capital	13,14	7 175	7 131
Other capital paid in	13	367 221	329 265
Other equity	13	(148 329)	(94 423)
Total equity		226 067	241 972
Deferred tax liabilities	8	208	258
Employee benefit obligations	16	545	504
Non-current finance lease obligations	15,21	111 314	118 816
Other non-current liabilities	15	149 931	118 047
Total non-current liabilities		261 998	237 625
Current borrowings	15	90 612	96 191
Current finance lease obligations	15	28 176	37 761
Trade and other payables	17,18,21	25 813	35 067
Other current liabilities		12 956	-
Total current liabilities		157 557	169 019
Total liabilities and equity		645 622	648 616

Skøyen, May 21, 2021 Board of Directors of AKOFS Offshore AS

Paal Espen Johnsen

Masatoshi Numano
Deputy Chairman

Motoshi Asahara
Board member

Eirik Thomassen
Board member

Geir Atle Sjøberg
CEO



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

<i>Amounts in USD thousands</i>	2020	2019
Profit (loss) for the period	(49 918)	(11 358)
Adjustments for:		
Income tax expense	1 689	1 093
Net interest cost and unrealized foreign exchange	5 615	10 745
Depreciation, amortization and impairment	58 478	36 681
(Profit) loss on disposals of assets	(976)	(5)
Other non-cash effects	-	-
Changes in net operating assets	(3 133)	25 770
Cash generated from operating activities	11 756	62 925
Interest paid	(8 783)	(13 574)
Interest received	163	459
Income taxes paid	(211)	(76)
Net cash from operating activities	2 925	49 734
Acquisition of property, plant and equipment	9	(19 911)
Payment for capitalized development	-	-
Proceeds from sale of property, plant and equipment	9	369
Cash flow from other investing activities	-	-
Net cash from investing activities	(19 542)	(50 454)
Proceeds from borrowings	15	111 165
Repayment of borrowings	15	(81 389)
Payment of finance lease liabilities	15	(37 279)
Equity injection from owners	24 904	-
Cash flow from other financing activities	-	-
Net cash from financing activities	17 401	12 393
Effect of exchange rate changes on cash and cash equivalents	(2 947)	863
Net increase (decrease) in cash and cash equivalents	(2 162)	12 536
Cash and cash equivalents at the beginning of the period	30 909	18 373
Cash and cash equivalents at the end of the period	28 747	30 909



NOTES

NOTE 1 - Corporate information

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

The consolidated financial statements of AKOFS Offshore AS and its subsidiaries (collectively referred as AKOFS Offshore or the group) for the year ended December 31, 2020 were approved by the board of directors and CEO on May 21, 2021. The consolidated financial statements will be authorized by the Annual General Meeting on May 21, 2021.

NOTE 2 - Basis for preparation

Basis of accounting

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

Going concern basis of accounting

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

Basis of measurement

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

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

Functional and presentation currency

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

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

Use of estimates and judgements

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

Adoption of new and revised standards and interpretations

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



Note 3 - Significant accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date of which control ceases.

Investments in joint ventures and associates

The group's interests in equity-accounted investees comprise interests in joint ventures and associates.

A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than its assets and obligations for its liabilities. Joint control is established by contractual agreement requiring unanimous consent of the ventures for strategic, financial and operating decisions. An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit and loss and other comprehensive income of the equity-accounted investees. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and further losses are not recognized except to the extent that the group incurs legal or constructive obligations or has made payments on behalf of the investee.

The purpose of the investment determines the presentation of the group's share of profit and loss of the equity-accounted investee in the income statement. When the entity is established to share risk in executing a project or is closely related to AKOFS Offshore's operating activities, the share of profit or loss is reported as part of Other income in Operating Profit. Share of the profit or loss of a financial investment is reported as part of Net finance expenses.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated to the extent of the group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rates on the date the fair value is determined.

Investments in foreign operations

The consolidated statement's presentation currency and functional currency of parent company is USD. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The results and financial positions of all the group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments, are translated at the closing exchange rate at the reporting date (USD/NOK 8,75723)
- Income statements are translated at average exchange rate for the year, calculated on the basis of 12 monthly rates (USD/NOK 9,344746).



Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are included in other comprehensive income as currency translation reserve. These translation differences are reclassified to the income statement upon disposal of the related operations or when settlement is likely to occur in the near future.

Monetary items that are receivable from or payable to a foreign operation are considered as part of the net investment in that foreign operation, when the settlement is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from these monetary items are recognized in other comprehensive income.

Current/non-current classification

An asset is classified as current when it is expected to be realized or is intended for sale or consumption in the group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realized or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period, or if the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Financial assets, financial liabilities and equity

Financial assets and liabilities in the group consist of investments in other companies, trade and other receivables, interest-bearing receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowing.

The group initially recognizes borrowings and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

Other investments

Other investments include equity and debt investments where the group has neither control nor significant influence, usually represented by less than 20 percent of the voting power. The investments are categorized as available-for-sale financial assets and are recognized initially at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented as part of fair value reserve. When an investment is derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit and loss. Impairment losses are recognized in the income statement when the decrease in fair value is significant or prolonged.

Trade and other receivables

Trade receivables are recognized at the original invoiced amount, less an allowance made for doubtful receivables. Other receivables are recognized initially at fair value. Trade and other receivables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits held at banks .

Trade and other payables

Trade payables are recognized at the original invoiced amount. Other payables are recognized initially at fair value. Trade and other payables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Share capital

Ordinary shares are classified as equity.

Derivative financial instruments

The group uses derivative financial instruments such as currency forward contracts and currency swaps to hedge its exposure to foreign exchange risks arising from operational, financial and investment activities. These derivative financial instruments are accounted for as cash flow hedges since highly probable future cash flows are hedged (rather than committed revenues and expenses).

Cash flow hedge

Hedging of the exposure to variability in cash flows that is attributable to a particular risk or a highly probable future cash flow is defined as a cash flow hedge. The effective portion of changes in the fair value is recognized in other comprehensive income as a hedge reserve. The gain or loss relating to the ineffective portion of derivative hedging instruments is recognized immediately in the income statement as



finance income or expense. Amounts accumulated in hedge reserves are reclassified to the income statement in the periods when the hedged item is recognized in the income statement.

Hedge accounting is discontinued when the hedge no longer qualifies for hedge accounting. Disqualification occurs when the hedging instrument expires, is sold, terminated or exercised, or when a forecast transaction is no longer expected, or the hedge is no longer effective. When a hedge is disqualified, the cumulative gain or loss that was recognized in the hedge reserve is recognized immediately in the income statement unless it relates to a future cash flow that is likely to occur, but don't qualify for hedge accounting, in which the accumulated hedge reserve remains in other comprehensive income until the hedged cash flow is recognized in income statement.

Finance income and expense

Finance income and expense include interest income and expense, foreign exchange gains and losses, dividend income and gains and losses on derivatives. Interest income and expenses include calculated interest using the effective interest method, in addition to discounting effects from assets and liabilities measured at fair value. Gains and losses on derivatives include effects from derivatives that do not qualify for hedge accounting and embedded derivatives, in addition to the ineffective portion of qualifying hedges.

Revenue recognition

Service revenue

Service revenue is recognized over time as the services are provided. The revenue is recognized according to progress or using the invoiced amounts when the invoiced amounts directly correspond with the value of the services that are transferred to the customers. The progress is normally measured using an input method, by the reference of costs incurred to date.

Lease revenue

Lease revenue from time charters and bareboat charters is recognized daily over the term of the charter. The company does not recognize revenue during days when the vessel is off-hire. Lease revenue from other operating leases, mainly related to office leases, is recognized on a straight-line basis over the term of the relevant lease. Lease revenue is included in operating revenue.

Other income

Share of profit and loss from associated companies and joint ventures, to the extent that these investments are related to the group's operating activities, are included in Other income, as well as gains and losses related to the sale of operating assets.

Expenses

Contract cost

Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed.

Lease payments

Lease payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term. Any lease incentives received are recognized as an integral part of the total lease expense, over the lease term.

Income tax

Income tax recognized in the income statement comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, recognized at the same time as the liability to pay the related dividend.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not recognized for:

- The initial recognition of assets or liabilities that affects neither accounting nor taxable profit
- Temporary differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the tax assets and settle the liabilities simultaneously.



Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Measurement of deferred tax assets are reviewed at each reporting date.

For entities that qualify under the Norwegian tonnage tax regime the operating results are not liable for income tax. Financial result is taxable at the current income tax rate in Norway. Taxable entry gain is calculated for entities previously taxable under ordinary corporate income tax regime and is allocated to a gain account within the NTT regime and 20% of the balance will be recognized as income annually (declining balance). Remaining entry gain is included in temporary differences and is basis for deferred tax liability.

Impairment

Trade and other receivables

Provision of doubtful debt is made when there is objective evidence that the group will be unable to recover receivables in full. Receivables are impaired when the probability of recovery is assessed as being remote. The impairment is recognized in financial items to the extent that impairment is caused by the insolvency of the customer.

Available-for-sale financial assets

Financial assets classified as available-for-sale are considered to be impaired when there is a significant (more than 20 percent) or prolonged (more than 6 months) decline in fair value of the investment below its cost. Any subsequent increase in value on available-for-sale assets is considered to be a revaluation and is recognized in other comprehensive income.

Other financial assets

The recoverable amounts of receivables carried at amortized cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of the financial assets). Impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset (a loss event) and the loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Non-financial assets

The carrying amounts of the group's non-financial assets, other than employee benefit assets, inventories, deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. Cash-generating units (CGU) containing goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in the income statement.

An impairment loss recognized in respect of CGU (or a group of CGUs) containing goodwill is allocated first to goodwill and then to the other assets in the CGU(s) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment is recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions

A provision is recognized when the group has a present obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks. The unwinding of the discount is recognized as finance expense.

Warranties

Provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.



Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs on qualifying assets, production overheads and the estimated costs of dismantling and removing the assets and restoring the site on which they are located.

If the components of property, plant and equipment have different useful lives, they are accounted for as separate components.

Subsequent costs

The group capitalizes the cost of a replacement part or a component of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation

Depreciation is normally recognized on a straight-line basis over the estimated useful lives of property, plant and equipment.

Leases

The group has applied IFRS 16 from January 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The accounting policies below are policies application from January 1, 2019 unless otherwise stated.

As a lessee

Right-of-use assets

The group recognizes right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease payments made at or before the commencement date, plus any initial direct costs. Subsequently, the right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. In addition, the right-of-asset is subject to impairment assessment of non-financial assets and adjusted for certain remeasurement of the lease liability.

Lease liabilities

At the lease commencement date, the group recognizes lease liability measured at the present value of the lease payments over the lease term, discounted using the group's incremental interest rate. Generally, the lease payments include fixed payments and variable lease payments that depend on an index or rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Short term leases and leases of low-value assets

The group applies the recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option (short-term leases). The group also applies recognition exemption to leases that are considered of low-value assets, mainly IT equipment and office equipment. Lease payments associated with the short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Lease term

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease if it is reasonably certain not to be exercised. The group applies judgment in evaluating whether it is reasonably certain to exercise extension option, considering all relevant factors that create economic incentive to exercise the extension option.

As a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.



When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The group recognizes lease payments received under operating leases as income on a straight line basis over the lease term as part of "Lease revenue".

Generally, the accounting policies applicable to the group as a lessor in the comparative period were not different from IFRS 16 except for the classification of some sub-leases that resulted in a finance lease classification.

Intangible assets

Research and development

Expenditures on research activities undertaken with the prospect of obtaining new scientific or technical knowledge and understanding is recognized in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to and has sufficient resources to complete development and to use or sell the asset. The capitalized expenditure includes cost of materials, direct labour overhead costs that are directly attributable to preparing the asset for its intended use and capitalized interest on qualifying assets. Other development expenditures are recognized in the income statement as an expense as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets

Acquired intangible assets are measured at cost less accumulated amortization and impairment losses.

Subsequent expenditures

Subsequent expenditures on intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred.

Amortization

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such useful lives are indefinite. Intangible assets are amortized from the date they are available for use.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Defined benefit plans

The group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.



NOTE 4 - Operating revenue and other income

Amounts in USD thousands	2020	2019
Area of business		
Service revenue	33 675	38 084
Lease revenue	72 021	86 133
Total operating revenue	105 696	124 217
Insurance compensation	600	-
Gain on disposal of assets	376	5
Total other income	976	5
Geographical allocation based on customer localisation		
Brazil	93 532	123 811
Norway	12 164	406
Total operating revenue	105 696	124 217

NOTE 5 - Salaries, wages and social security costs

Amounts in USD thousands	2020	2019
Salaries and wages	20 909	12 273
Social security tax	3 939	3 164
Pension cost	1 191	552
Other employee cost	(9 583)	(12)
Salaries, wages and social security costs	16 456	15 978

Employees	228	251
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Management remunerations

Amounts in USD thousands	Base salary	Variable pay	Other benefits	Total taxable remuneration	Pension
CEO	351	97	1	449	33

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

Board of directors

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

NOTE 6 - Other operating expenses

Amounts in USD thousands	2020	2019
Rental and other costs for buildings and premises	263	647
External consultants and hired-ins inclusive audit fees	2 934	2 938
Office supplies	1 636	1 167
Travel expenses	1 582	943
Insurance cost	2 137	1 755
Other cost	(345)	2 668
Total other operating expenses	8 208	10 118

Fees to the auditors

The table below summarizes audit fees, as well as fees for audit related services, tax services and other services incurred by the group during 2020 and 2019.

Amounts in USD thousands	2020	2019
Audit fee - ordinary assurance	187	128
Audit fee - other assurance	5	-
Total	192	128



NOTE 7 - Net finance expenses

Amounts in USD thousands	2020	2019
Interest income on bank deposits measured at amortized cost	163	459
Foreign exchange gain	2 132	364
Other finance income	13	19
Finance income	2 308	842
Interest expense on financial liabilities measured at amortized cost	(12 917)	(12 088)
Finance charges under financial leases	(23 157)	(25 752)
Other financial income	(245)	(136)
Finance expenses	(36 318)	(37 976)
Net finance expenses recognized in profit and loss	(34 011)	(37 134)

NOTE 8 - Income tax

Income tax expense	2020	2019
Amounts in USD thousands		
Current tax expense		
Current year	(64)	(1 490)
Total current tax expense	(64)	(1 490)
Deferred tax expense		
Origination and reversal of temporary differences	4 048	960
Write-down (or reversal) of deferred tax assets	(5 673)	(563)
Total deferred tax income (expense)	(1 625)	397
Total tax income (expense)	(1 689)	(1 093)

Effective tax rate

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

Amounts in USD thousands	2020	2019
Profit (loss) before tax	(48 229)	(10 265)
Tax income/(expense) using the company's domestic tax rate	10 610	2 259
Tax effects of:		
Tax rate different from 22%	321	(418)
Permanent differences	(168)	(28)
Deferred tax from write down (or reversal) of deferred tax assets	(8 215)	(3 833)
Effect of functional currency different from currency in tax reporting	796	(258)
Shipping tax regime	(5 097)	1 157
Other	64	28
Income tax income (expense)	(1 689)	(1 093)
Effective tax rate	-4 %	-11 %

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

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

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

AK Operacos has impaired deferred tax assets in 2020 due to the tax regime cannot utilize tax losses carry forward.

Change in net recognized deferred tax assets (liabilities)

Amounts in USD thousands	Property, plant and equipment	Financial lease	Other liabilities	Tax loss carry-forward	Total
Balance as of December 31, 2019	271	-	673	1 138	17 497
Recognized in profit and loss	611	(1 217)	5 803	(8 564)	(3 367)
Recognized in OCI	-	-	(1)	-	(1)
Currency translation differences	-	-	-	1	1
Balance as of December 31, 2020	882	-	1 890	6 940	8 934

Tax loss carry-forwards

Expiry date of unrecognized tax loss carry-forwards

Amounts in USD thousands	2020	2019
Expiry in 2021	-	-
Expiry in 2022 and later	8 467	7 841
Indefinite	285 366	225 545
Total	293 833	233 386



NOTE 9 - Property, plant and equipment

Amounts in USD thousands	Vessels	Machinery, equipment, IT hardware	Assets under construction	Right-of-use assets	Total
<i>Historical cost</i>					
Balance as of January 1, 2019	986 340	26 762	19 386	-	1 032 487
Balance as of January 1 (at implementation of IFRS16)	(207 592)	-	-	210 201	2 609
Additions at cost	1 112	347	67 340	-	68 798
Disposal and scrapping	-	(17)	-	-	(17)
Currency translation differences	(20 958)	86	(320)	-	(21 192)
Balance as of December 31, 2019	758 902	27 178	86 405	210 201	1 082 686
Additions at cost	70	-	22 760	519	23 348
Transfer from asset under construction	95 677	259	(95 936)	-	-
Transfer and scrapping	(2 290)	1 702	-	-	(588)
Remeasurement	-	-	-	(2 642)	(2 642)
Currency translation differences	10 253	(36)	(4 825)	(51)	5 339
Balance as of December 31, 2020	862 610	29 103	8 404	208 026	1 108 143
<i>Accumulated depreciation and impairment</i>					
Balance as of January 1, 2019	(492 858)	(14 658)	-	-	(507 517)
Balance as of January 1 (at implementation of IFRS16)	40 565	-	-	(40 565)	-
Depreciation this period	(21 184)	(5 550)	-	(9 366)	(36 100)
Currency translation differences	19 018	(237)	-	-	18 781
Balance as of December 31, 2019	(454 459)	(20 445)	-	(49 931)	(524 836)
Depreciation this period	(21 514)	(4 382)	-	(9 371)	(35 267)
Impairment this period	(22 939)	-	-	-	(22 939)
Transfer and scrapping	933	(345)	-	-	588
Currency translation differences	(3 604)	34	-	20	(3 551)
Balance as of December 31, 2020	(501 584)	(25 138)	-	(59 282)	(586 005)
Book value as of December 31, 2019	304 443	6 733	86 405	160 270	557 850
Book value as of December 31, 2020	361 026	3 965	8 404	148 744	522 138

Right-of-use asset

The vessel under finance lease relates to the Aker Wayfarer vessel that is under lease contract with Ocean Yield. Please refer to note 21 Related parties for more information of the agreement. From 1. January 2019 this is included in the RoU-asset.

Commitments

As of December 31, 2020, AKOFS had entered into contractual commitments for the acquisition of property, plant and equipment amounting to USD 8,9 million (USD 19,3 million in 2019), mainly related to the upgrade of the AKOFS Seafarer vessel and Aker Wayfarer vessel.

Depreciation

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

Machinery, equipment and IT hardware	3-15 years
Vessels	20-25 years

Impairment

An impairment loss of USD 23 million was recognized in 2020 writing down the vessel Skandi Santos to its recoverable amount of USD 119. The impairment was mainly a result of a reassessment of the cash flow forecast for the Skandi Santos vessel as a result of the contract with Petrobras expiring in 2021.

The COVID-19 virus will have negative impact on the global economy and the operational activities also in 2021. The financial impact as a result of this remains uncertain, but the realized impairment loss, expected delay in upcoming tenders and reduced activity levels for the Skandi Santos vessel is reflected. The recoverable amount of USD 119 million is based on continuous operations for the vessel however on reduced day-rates.

Security

The Skandi Santos vessel and the AKOFS Seafarer, with total carrying amount of USD 313 million as of December 31, 2020, is pledged as security for borrowings in the group.



NOTE 10 - Intangible assets

Amounts in USD thousands	IT software	Total
<i>Historical cost</i>		
Balance as of January 1, 2019	2 421	2 421
Balance as of December 31, 2019	2 421	2 421
Balance as of December 31, 2020	2 421	2 421
<i>Accumulated amortization and impairment</i>		
Balance as of January 1, 2019	(1 542)	(1 542)
Amortisation this period	(581)	(581)
Currency translation difference	(9)	(9)
Balance as of December 31, 2019	(2 132)	(2 132)
Amortisation for this period	(272)	(272)
Currency translation difference	(17)	(17)
Balance as of December 31, 2020	(2 421)	(2 404)
Book value as of December 31, 2019	289	289
Book value as of December 31, 2020	-	-

Amortization

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

NOTE 11 - Trade and other receivables

Amounts in USD thousands	2020	2019
Trade receivables	13 692	649
Other receivables	1 613	321
Trade and other receivables	15 305	970
Prepaid expenses and incurred income	8 229	8 535
Accrued lease revenue	5 041	10 667
Capitalized contract costs	41 003	10 432
Public duties and tax refunds	9 856	10 245
Total	79 433	40 849

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

Trade receivables are related to major customer and not overdue per December 31, 2020. Bad debts provision of USD 227 has been done per December 31, 2020.

NOTE 12 - Cash and cash equivalents

Amounts in USD thousands	2020	2019
Cash pool	26 270	24 187
Interest-bearing deposits	2 477	6 722
Total cash and cash equivalents	28 747	30 909

The group has no credit facilities. TUSD 1160 is restricted cash.



NOTE 13 - Capital and reserves

Amounts in USD thousands	Share capital	Other capital paid in	Other equity	Total equity
Equity as of January 1, 2019	7 131	329 265	(80 362)	256 033
Profit (loss) for the period	-	-	(11 358)	(11 358)
Changes in pension reserve	-	-	(61)	(61)
Currency translation differences	-	-	(2 642)	(2 642)
Equity as of December 31, 2019	7 131	329 265	(94 423)	241 972
Profit (loss) for the period	-	-	(49 918)	(49 918)
Capital increase ¹	43	37 957	-	38 000
Changes in pension reserve	-	-	(3)	(3)
Currency translation differences	-	-	(3 985)	(3 985)
Equity as of December 31, 2020	7 175	367 221	(148 329)	226 067

¹ Capital increase of USD 38 000; of which 13 096 is debt conversion and 24 904 is cash.

Currency translation differences

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

NOTE 14 - Share capital and shareholders

AKOFS Offshore AS

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

Shareholders as per December 31, 2020

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

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

NOTE 15 - Borrowings

Long-term interest bearing liabilities

Amounts in USD thousands	Currency	Interest rate	Maturity	2020	2019
Senior loan ¹	USD	5,0 %	July 2025	100 432	71 797
Subordinated loan	USD	17,0 %	March 2025	29 250	29 250
Long-term loan to shareholders		7,3 %	June 2025	20 249	17 000
Lease liability ²⁾	USD		2027	111 314	118 816
Total				261 244	236 863

Short-term interest bearing liabilities

Amounts in USD thousands	Currency	Interest rate	Maturity	2020	2019
Senior loan ²⁾	USD	2,25 %	Feb 2021	83 995	81 389
Subordinated loan	USD	17,00 %	2021	4 467	-
Short-term loan related party	USD	7,3 %	2021	1 403	13 487
Lease liability ²⁾	USD		2027	28 922	38 981
Total				118 788	133 858

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

²⁾ Senior loan interest is based on LIBOR + 1,0% margin. In addition a guarantee fee of 2,5% is paid (split equally between Mitsui and MOL). The loan is refinanced in 2021 with new maturity in February 2022.

³⁾ Represents lease liabilities recognized under IFRS 16.



NOTE 16 - Pension

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

Pension plans in Norway

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

Defined benefit plan

The company has defined benefit plan for early retirement.

Compensation plan

To ensure that the employees were treated fairly on the change over to the new plan, the company has introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined benefit plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced. The compensation plan has 9 members from AKOFS Offshore as per year end 2020.

AFP – early retirement arrangement

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

The Norwegian Accounting Standards Board has issued a comment concluding that the AFP plan is a multi-employer defined benefit plan. The AFP plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting and the AFP plan is accounted for as a defined contribution plan.

Contributions to the AFP scheme is included in salary expenses and was in 2020 USD 0.05 million (2019: USD 0.04 million). The AFP has 29 members from AKOFS Offshore as per year end 2020.

Pension plans in Brazil

Pension plans in Brazil are defined contributions plan.

Amounts in USD thousands	2020	2019
Contributions to defined benefit plans	27	43
Contributions to defined contributions plans	1 164	509
Total pension cost	1 191	552

Net defined benefit liability

Amounts in USD thousands	2020	2019
Balance as of January 1	504	373
Included in profit or loss		
Service cost	31	50
Interest cost	9	10
Sum	40	60

Included in OCI

Actuarial loss (gain) arising from

- financial assumption	2	0
- experience adjustments	(7)	75

Effects of movement in exchange rates

	6	(5)
Sum	2	71

Balance as of December 31

545 504

Defined benefit obligations - actuarial assumptions

	2020	2019
Discount rate	1,40 %	2,20 %
Salary progression	2,00 %	2,75 %
Pension indexation	0-1,82%	0-1,35%
Mortality table	K2013	K2013



NOTE 17 - Provisions

Amounts in USD thousands	Warranties provisions
Balance as of January 1, 2020	616
Provisions utilized	(75)
Currency translation differences	(123)
Balance as of December 31, 2020	418
<i>Expected timing of payment</i>	
Within the next twelve months	50
After the next twelve months	368
Total	418

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

Contingent liabilities

A provision of USD 208 thousands has been made to cover the expected outcome of a legal claim and dispute the extent negative outcomes that are likely and reliable estimates related to a dispute with Equinor for the late commencement of the Seafarer vessel.

NOTE 18 - Trade and other payables

Amounts in USD thousands	2020	2019
Trade creditors	8 672	6 801
Accrued operating costs	14 131	25 375
Trade and other payables	22 803	32 176
Public duty and tax payable	2 592	2 275
Other	418	616
Total	25 813	35 067

Trade creditors are due within one year.

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

NOTE 19 - Financial risk

Overall view on objectives and strategy

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

Exchange rate risk

AKOFS Offshore operates primarily in a USD driven market and has USD as its functional currency. The presentation currency for the consolidated accounts is USD. Both Skandi Santos and Aker Wayfarer have split contracts with one BRL element for service to the Brazilian legal entity which has BRL as its functional currency and one USD element for the charter to the Norwegian legal entities which have USD as functional currency. The Group actively manage currency and interest rate exposures, either by matching the funding and cost base to the revenue or by use of financial instruments. In 2020 the Group entered into one financial contract hedging USD against NOK.

Interest rate risk

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

Liquidity risk

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

The liquidity of the group is assessed as satisfying.

Credit risk

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

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

NOTE 20 - Operating leases

Future lease commitments under non-cancellable lease period

Group as lessor

Future minimum lease income commitment under non-cancellable lease period

Amounts in USD thousands	2020	2019
Due in one year	149 791	124 888
Due in two year	134 328	138 259
Due in three year	134 328	138 259
Due in four year	66 770	66 407
Due in five year	33 376	66 407
Due in more than five years	-	33 010
Total	518 593	567 230

Lease income reflects the expected contracted lease revenue for Skandi Santos and Aker Wayfarer from Petrobras for the respective contracts until November 2021 and December 2022 and AKOFS Seafarer for Equinor until June 2025.



NOTE 21 - Related parties

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

Akastor holds 50% of the shares in AKOFS Offshore AS. The largest shareholder of Akastor, Aker Kvæmer Holding AS, is controlled by Aker ASA (70 percent) which in turn is controlled by Kjell Inge Røkke through TRG Holding AS and the Resource Group TRG AS. Aker ASA also holds 8.5 percent of the shares in Akastor ASA directly. All subsidiaries and associates of Aker ASA, including Aker Solutions, Ocean Yield and Aker BP, are considered related parties to AKOFS.

Amounts in USD thousands	2020	2019
<i>Income statement</i>		
Operating revenues	11	60
Operating costs	1 051	81
Net financial items	(27 559)	(32 667)
<i>Assets (liabilities)</i>		
Interest-bearing short term loans	85 399	94 877
Interest-bearing long term loans	49 499	46 250
Trade payables	2 669	228
Finance lease liability (Aker Wayfarer)	138 566	156 006

Below are descriptions of significant related party agreements.

Akastor

As of December 31, 2020, AKOFS Offshore has a long-term interest-bearing loans of USD 10.1 against Akastor (LIBOR 1.9 percent + margin 5.5 percent). This consists of a shareholder loan of USD 8.5 and USD 1.6 drawn on a working capital facility. See note 15 Borrowings Further, Akastor, together with Mitsui and MOL has made available a NOK 100 million revolving facility to AKOFS Offshore AS from contract commencement with Equinor. As of December 31, 2020 in total NOK 30 million is drawn. This is included in the interest-bearing loans.

As part of the joint venture shareholders agreement, the other two investors, Mitsui and MOL, are entitled to a guaranteed preferred equity return, in respect of the operations of AKOFS Seafarer, amounting to a total of USD 46 million over a 6 year's period. The payment of preferred return will be settled firstly by ordinary dividend from AKOFS Offshore, yet any shortfall is guaranteed by Akastor. Akastor ASA has issued a bank guarantee for payment of preferred return, the remaining guarantee amount is USD 28.6 million.

Akastor has issued a financial guarantee of USD 15.5 in favour of finance institutions for fulfilment of lease obligations related to Avium Subsea AS. Akastor has issued a financial parent company indemnity guarantee of USD 190.3 in favour of OCY Wayfarer Limited for fulfilment of lease obligations related to AKOFS 3 AS. In addition, Akastor is guaranteeing the performance of AKOFS Norway Operations AS (operating AKOFS Seafarer) under the 5 year charter agreement with Equinor. The total contract value of this charter agreement is USD 302.3 million. Avium Subsea AS, AKOFS 3 AS and AKOFS Seafarer AS are wholly owned subsidiaries of AKOFS Offshore.

Mitsui and MOL

AKOFS Offshore has a long-term interest-bearing loan of USD 10.1 million to Mitsui and MOL as of December 31, 2020. This consists of a shareholder loan of USD 8.5 and USD 1.6 drawn on a working capital facility. And a working capital facility loan of USD 1.6 million as of December 31, 2020. See note 15 Borrowings. Further, Mitsui and MOL, together with Akastor has made available a NOK 100 million revolving facility to AKOFS Offshore AS from contract commencement with Equinor. As of December 31, 2020 in total NOK 30 million is drawn. This is included in the interest-bearing loans.

Aker Solutions

Aker Solutions AS and AKOFS 2 AS entered into a contract in 2018 for engineering and fabrication of riserless light well intervention system as part of the upgrade to prepare the vessel AKOFS Seafarer for Equinor contract in 2020.

MH Wirth

MHWirth AS and AKOFS 2 AS entered into a contract in 2018 for purchase of equipment for the upgrade to prepare the vessel AKOFS Seafarer for Equinor contract in 2020.

OCY Wayfarer Limited (Ocean Yield)

OCY Wayfarer Limited and AKOFS 3 AS have entered into a long term lease contract for the Aker Wayfarer vessel until 2027 with purchase options on three different dates. This lease agreement is recognized as a finance lease and the finance lease obligation as of December 31, 2020 amounts to USD 138.3 million, of which USD 28.2 million is presented as current liability, representing the lease payment to OCY Wayfarer Limited in the next twelve months. The carrying amount of the vessel under finance lease is USD 147.2 million as of December 31, 20.

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

Avium Subsea AS has a long-term interest bearing loan (subordinated loan) to Mitsui and Samba Offshore S.A. of USD 29.3 million as of December 31, 2020. See note 15 Borrowings.

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

NOTE 22 - Group companies

Group companies as of December 31	Location	Country	Percentage	
			Percentage owner-voting share	Percentage owner-voting share
Company			2020	2019
AKOFS Offshore AS	Oslo	Norway		
AKOFS 1 AS	Oslo	Norway	100 %	100 %
AKOFS 2 AS	Oslo	Norway	100 %	100 %
AKOFS 3 AS	Oslo	Norway	100 %	100 %
Avium Subsea AS	Oslo	Norway	100 %	100 %
AKOFS Offshore Operations AS	Oslo	Norway	100 %	100 %
AKOFS Norway Operations AS	Oslo	Norway	100 %	100 %
AKOFS Brazil Operations AS	Oslo	Norway	100 %	100 %
Ak Operações do LTDA	Macaé	Brazil	100 %	100 %



NOTE 23 - Events after reporting date

Short term interest bearing loan of USD 83 million related to financing of Avium Vessel has been refinanced in 2021 with new maturity in February 2022.

As stated in note 17 - provisions, a provision related to the late commencement of the vessel Sealarer has been accounted for as per 31.12.2020. After the reporting the date a discussion of future capex commitments has been initiated.



Skatteetaten

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

AKOFS OFFSHORE AS
Postboks 244 Skøyen
0213 OSLO

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

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

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

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

Bakgrunn

Fra søknaden gjengis:

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

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

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

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

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



Skattedirektoratets vurdering

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

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

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i 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 eid av utenlandske selskaper. Eierkretsen er begrenset. Videre er det lagt vekt på at selskapet opererer i det internasjonale olje- og gassmarkedet, og at alle brukerne av regnskapet benytter eller behersker engelsk som arbeidsspråk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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To the General Meeting of AKOFS Offshore AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company AKOFS Offshore AS (the Company), which comprise the balance sheet as at 31 December 2020, 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, and
- The consolidated financial statements of AKOFS Offshore AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and 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.

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
Bode	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Alesund



AKOFS Offshore AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



AKOFS Offshore AS

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 21 May 2021
KPMG AS

Monica Hansen
State Authorised Public Accountant