



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 129 819
Organisasjonsform: Aksjeselskap
Foretaksnavn: AVIUM SUBSEA AS
Forretningsadresse: Karenslyst allé 57
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: shuju shang
Dato for fastsettelse av årsregnskapet: 19.11.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 30.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2,11	5 667 675	1 383 828
Sum inntekter		5 667 675	1 383 828
Kostnader			
Depreciation and impairment	6	7 901 487	6 589 521
Other operating expenses	3,11	578 845	874 966
Sum kostnader		8 480 332	7 464 487
Driftsresultat		-2 812 657	-6 080 659
Finansinntekter og finanskostnader			
Annen renteinntekt		19 267	25 406
Foreign exchange gain		5 841	46 854
Sum finansinntekter		25 108	72 260
Rentekostnad til foretak i samme konsern		525 682	59 609
Annen rentekostnad	7	16 018 508	11 577 956
Foreign exchange loss		8 487	37 576
Other financial expenses		362 478	181 544
Sum finanskostnader		16 915 155	11 856 685
Netto finans		-16 890 047	-11 784 425
Resultat før skattekostnad		-19 702 704	-17 865 084
Skattekostnad	5	1 798	1 720
Årsresultat		-19 704 502	-17 866 804
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	-19 704 502	-17 866 804
Sum overføringer og disponeringer		-19 704 502	-17 866 804



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	6	97 124 969	102 981 816
Sum varige driftsmidler		97 124 969	102 981 816
Sum anleggsmidler		97 124 969	102 981 816
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		139 751	287 016
Konsernfordringer	10	3 303 786	3 052 938
Sum fordringer		3 443 537	3 339 954
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	4	11	2 734 509
Sum bankinnskudd, kontanter og lignende		11	2 734 509
Sum omløpsmidler		3 443 548	6 074 463
SUM EIENDELER		100 568 517	109 056 279
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	11 723	11 723
Overkurs	9	27 588 277	27 588 277
Sum innskutt egenkapital		27 600 000	27 600 000
Opptjent egenkapital			



Balanse

Beløp i: USD	Note	2023	2022
Annen egenkapital	9,12	-78 824 482	-59 119 981
Sum opptjent egenkapital		-78 824 482	-59 119 981
Sum egenkapital		-51 224 482	-31 519 981
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other long-term debt	7	130 252 609	29 250 000
Sum annen langsiktig gjeld		130 252 609	29 250 000
Sum langsiktig gjeld		130 252 609	29 250 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	7	8 686 206	101 002 609
Leverandørgjeld		2 055 487	7 457
Kortsiktig konserngjeld	10,11	5 986 401	9 074 113
Annen kortsiktig gjeld		4 812 296	1 242 081
Sum kortsiktig gjeld		21 540 390	111 326 260
Sum gjeld		151 792 999	140 576 260
SUM EGENKAPITAL OG GJELD		100 568 517	109 056 279



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
29.11.2016

Vår dato
16.12.2016

Telefon
977 59 464

Deres referanse
Camilla Gonsholt Hov

Vår referanse
2016/1172919

AKOFS OFFSHORE AS
Postboks 244 , Skøyen
0213 OSLO

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

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

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

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

Bakgrunn

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

Skattedirektoratets vurdering

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

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

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

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800 80 000
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22 17 08 60



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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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To the General Meeting of Avium Subsea AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Avium Subsea AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

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

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

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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Bodo	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

Penneo Dokumentnøkkel: H55XX-G8NYD-MHG2U-S02W8-GML11-ASFNG



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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Oslo

KPMG AS

Monica Hansen
State Authorised Public Accountant
(This document is signed electronically)

Penneo Dokumentnøkkel: H55XX-G8NYD-MHG2U-S02W8-GMLI1-ASFNG



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

Hansen, Monica

Partner

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Avium Subsea AS

Board of Directors report 2023

Avium Subsea AS

Address: Karenslyst Allé 57, 0213 Oslo

Registration no: 917129819 VAT

Operations and locations

Avium Subsea AS' operation is to own, hire and operate vessels and equipment for the offshore oil and gas industry. The company is located in Oslo as part of the AKOFS Offshore group ("AKOFS" or "AKOFS Group"). The company owns the AKOFS Santos currently rented out on a bareboat charter to AKOFS 1.

The AKOFS Santos has operated for Petrobras in Brazil since 2010. The first ten years the vessel served as an SESV vessel to Petrobras with sound operations. In direct continuation of the SESV contract, the vessel continued to operate for Petrobras through until December 2021. Almost simultaneously with the end of the contract period in AKOFS Offshore signed a new 1,155 day contract with Petrobras for AKOFS Santos. The new contract commenced in Q1 2023, after having been delayed with some three months mainly due to delays from a sub supplier. The total contract value is USD 107 million, of which USD 53 million was booked as order intake in AKOFS Offshore, while the remaining value will go through separate contracts between the end-client and sub-suppliers of AKOFS Offshore. The current contract will end in the second quarter of 2Q 2026. AKOFS Offshore has the option to continue operations for an additional 260 days if Petrobras and AKOFS mutually agree on a new day-rate.

True and fair view

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

Market outlook

The market for vessels comparable to the AKOFS Santos has strengthened during 2023. This is evident both by market rates seen by comparable vessels and through the valuation of comparable vessels. If the current market sentiment remains in the medium term, the board is of the opinion that the AKOFS Santos could receive a substantially higher day rate in 2026 after maturity of the current contract.

Profit, cash flow, financing and liquidity

Operating profit was negative with USD 2,8 million in 2023 compared to a negative result of USD 6,1 million in 2022. Profit before tax was negative with USD 19,7 million in 2023 compared with a negative amount of USD 17,9 million in 2022. Avium Subsea AS started charter agreement with AKOFS 1 AS in March 2023 when AKOFS 1 AS commenced the 1,115 day bareboat charter contract with Bravante which is a joint supplier for services to Petrobras.

Total cash flow from operating activities was positive with USD 7,3 million in 2023 (positive USD 7,6 in 2022)

The company's liquidity reserve at year-end amounted to USD 12.

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

Financial risk

Overall view on objectives and strategy

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



Avium Subsea AS

Exchange rate risk

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

Interest rate risk

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

Liquidity risk

The liquidity in the company is budgeted to improve marginally in 2024 and 2025. However, in the medium term the company has an investment plan linked to the AKOFS Santos that could require the continued support of the AKOFS Offshore group. The company is dependent on refinancing debt maturities of shareholder loans in 2025.

Credit risk

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

Research and innovation

The company had no activities related to research and innovation in 2023.

Going concern

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

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

In 2020 through 2022 the income of the company was negatively influenced as the AKOFS Santos ended its SESV contract with Petrobras in early 2020 and operated under contracts with a lower compensation and scope of work. In March 2023 the AKOFS Santos commenced a new 1,155 days MPSV contract with Petrobras, which will secure cash generation for the next three years through a bareboat with AKOFS 1 for rental of the vessel.

In the beginning of 2023, the company refinanced its USD 83 million bank loan with SMBC into a three-year USD 83 million loan facility with SMTB maturing in 2026. The facility has no amortizations, interests are paid on a monthly basis and are serviced by the revenue received under the bareboat charter with AKOFS 1.

At the end of 2023 Avium Subsea has two loan obligations. The senior bank loan of USD 83 million, and the junior loan facility originating from 2016 that has increased annually with a pay-in-kind interest of 17%. The junior loan balance at the end of 2023 was USD 55.9 million. This is a shareholder loan issued by Mitsui and MOL.

The board has through 2023 and 2024 worked closely with the creditors of the junior loan and the board in AKOFS Offshore AS to convert shareholder loans to equity. The BoD will continue to work actively together with the guarantors of the debt in Avium Subsea to finalize the documentation needed to conclude the above amendments by the first half of 2025.

The board of AKOFS Offshore AS has issued a support letter in support of Avium Subsea AS covering the fiscal year of 2024 confirming that AKOFS Offshore AS shall provide financial support to Avium Subsea AS as



Avium Subsea AS

reasonably required to settle ordinary obligations as they become due. The undertaking is irrevocable and can be called upon by the board of directors of Avium Subsea AS without any specific terms or conditions. The board is of the opinion that AKOFS Offshore AS will be in position to support Avium Subsea AS if necessary.

Allocation of net income

The Board of Directors has proposed the net profit negative of USD 19.7 million of Avium Subsea AS to be attributed to:

Other equity	USD 19.7 million
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The working environment and the employees

The company has no employees.

Equal opportunities

The Board of Directors consists of three men. The Board of Directors is aware of the new Norwegian regulations on gender balance in the board of limited liability companies that were effective 1 January 2024, and which are subject to a phased implementation. The Board of Directors will take action to ensure that these regulations are complied with the requirements.

Environmental report

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

The vessel is operated by AKOFS 1 AS and follows AKOFS HSE policy and operational systems for following up and reporting. The company had no incidents to report to authorities in 2023.

Board of Directors Liability insurance


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

Due diligence assessment

In accordance with the transparency Act, the company carries out due diligence report and the report is accessible on company's website: <https://www.akofsoffshore.com/company>.

Oslo, 19.11.2024

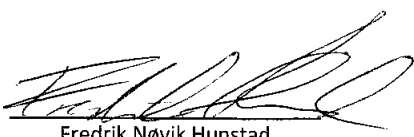
Board of Directors of Avium Subsea AS



Geir Atle Sjøberg
Chairman/CEO



Claus Feginn
Board member



Fredrik Nøvik Hunstad
Board member



Year-end financial statements
2023

Avium Subsea AS

Org Nr: 917 129 819 mva

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INCOME STATEMENT 01.01 - 31.12

Avium Subsea AS

Amounts i USD	Note	2023	2022
OPERATING REVENUES			
Sales revenue	2,11	5 667 675	1 383 828
Total operating revenues		5 667 675	1 383 828
OPERATING EXPENSES			
Depreciation and impairment	6	(7 901 487)	(6 589 521)
Other operating expenses	3,11	(578 845)	(874 965)
Total operating expenses		(8 480 332)	(7 464 486)
OPERATING PROFIT/LOSS		(2 812 657)	(6 080 659)
FINANCIAL INCOME AND EXPENSES			
Interest income		19 267	25 406
Foreign exchange gain		5 841	46 854
Interest expense	7	(16 018 508)	(11 577 956)
Interest expenses to group companies		(525 682)	(59 609)
Foreign exchange loss		(8 487)	(37 576)
Other financial expenses		(362 478)	(181 543)
Net financial items		(16 890 046)	(11 784 425)
ORDINARY PROFIT/LOSS BEFORE TAX		(19 702 703)	(17 865 083)
Tax on ordinary profit/loss	5	(1 799)	(1 720)
YEAR'S NET PROFIT/LOSS		(19 704 502)	(17 866 804)
Transfers and allocations:			
Other equity	9	(19 704 502)	(17 866 804)
Net transfers		(19 704 502)	(17 866 804)

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ASSETS 31.12

Avium Subsea AS

Amounts i USD	Note	2023	2022
NON-CURRENT ASSETS			
Property, plant & equipment			
Property, plant & equipment	6	97 124 969	102 981 816
Total property, plant & equipment		97 124 969	102 981 816
Total non-current assets		97 124 969	102 981 816
CURRENT ASSETS			
Receivables			
Other current receivables from group companies	10	3 303 786	3 052 938
Other receivables		139 751	287 016
Bank deposits	4	12	2 734 509
Total receivables		3 443 549	6 074 463
Total current assets		3 443 549	6 074 463
TOTAL ASSETS		100 568 517	109 056 279

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EQUITY AND LIABILITIES 31.12


Avium Subsea AS

Amounts i USD	Note	2023	2022
EQUITY			
Paid-in equity			
Share capital	8,9	11 723	11 723
Share premium fund	9	27 588 277	27 588 277
Total paid-in equity		27 600 000	27 600 000
Retained earnings			
Other equity	9,12	(78 824 482)	(59 119 981)
Total retained earnings		(78 824 482)	(59 119 981)
Total equity		(51 224 482)	(31 519 981)
LIABILITIES			
Other non-current liabilities			
Other long-term debt	7	130 252 609	29 250 000
Total other non-current liabilities		130 252 609	29 250 000
Current liabilities			
Short-term debt	7	8 686 206	101 002 609
Trade payables		2 055 487	7 457
Other current liabilities to group companies	10,11	5 986 401	9 074 113
Other current liabilities		4 812 297	1 242 080
Total current liabilities		21 540 391	111 326 259
Total liabilities		151 793 000	140 576 259
TOTAL EQUITY AND LIABILITIES		100 568 517	109 056 279

Oslo 19.11.2024


Geir Atle Sjøberg
Styrets leder


Claus Feginn
Styremedlem


Fredrik Nøvik Hunstad
Styremedlem

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STATEMENT OF CASH FLOWS 01.01 - 31.12

Avium Subsea AS

Amounts i USD	Note	2023	2022
Operating activities			
Profit/loss before tax		(19 702 703)	-17 865 083
Depreciation and impairment	6	7 901 487	6 589 521
Net interest cost	7	8 010 984	3 373 869
Tax Payable	5	(1 799)	-1 720
Changes in trade receivables and trade payables	10	1 797 183	(1 688 079)
Change in other time-limited items		9 315 976	17 145 061
Net cash flow from operating activities		7 321 128	7 553 569
Investing activities			
Acquisitions of tangible fixed assets	6	(2 044 640)	(6 497 352)
Net cash flow from investing activities		(2 044 640)	(6 497 352)
Financing activities			
Proceeds from issuance of debt	7	83 000 000	83 000 000
Loan repayment	7	(83 000 000)	(83 000 000)
Payment of interests		(8 010 984)	(3 373 869)
Net cash flow from financing activities		(8 010 984)	(3 373 869)
Net change in cash and cash equivalents through the year		(2 734 496)	(2 317 652)
Cash and bank deposits as at 01.01		2 734 509	5 052 160
Cash and bank deposits as at 31.12	12	2 734 509	2 734 509

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Note 1 - Accounting Principles

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

Use of estimates

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

Foreign currency translation

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

Revenue recognition

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

Income tax

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

Balance sheet classification

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

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

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

Property, plant and equipment

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

Accounts receivable and other receivables

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

Cash flow statement

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

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Note 2 - Income revenue

Amounts in USD

	2023	2022
<i>Area of business</i>		
Offshore service	5 687 675	1 383 828
<i>Geographical allocation</i>		
Norway		
Brazil	5 687 675	1 383 828

The company has a charter agreement with Norskan in Brazil for the vessel Skandi Santos. The charter period commenced in December 2021 and ended in July 2022. AKOFS 1 AS signed a new contract for the vessel with Petrobras to start in December 2022 and the commencement was in March 2023 due to delays. The new lease agreement started in March 2023.

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

Amounts in USD

Number of employees has been zero throughout the year.

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

Remunerations to CEO and board

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

Loans and guarantees to management and share holders etc.

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

Specification of auditor's fee:

	2023	2022
Ordinary assurance	28 376	14 766
Other assurance	0	0
Total fee to auditor	28 376	14 766

VAT is not included in the fee specified above.

Note 4 - Bank deposits

The company has no bank deposits with restrictions.

Note 5 - Income taxes

Amounts in USD

Calculations of tax basis

	2023	2022
Ordinary profit/(loss) before tax	(19 702 703)	(17 855 083)
Tax basis	(19 702 703)	(17 855 083)
Calculated tax payable (0%)	-	-
Taxable financial result within Norwegian Tonnage Tax regime	8 177	7 818
22% tax payable	1 799	1 720

There was no tax calculation from the Norwegian Tonnage Tax arrangement entering.

Note 6 - Property, plant & equipment

Amounts in USD

	Vessels	Machinery, equipment, IT hardware	Total
Acquisition cost at 01.01.	107 500 000	87 852 970	195 152 970
Additions		2 044 640	2 044 640
Disposals			-
Assets Under Constructure			
Acquisition cost 31.12.	107 500 000	89 697 611	197 197 610,66
Accumulated depreciation 31.12.	(37 820 462)	(29 082 272)	(66 902 734)
Accumulated impairment loss 31.12.		(33 169 909)	(33 169 909)
Net carrying value at 31.12.	69 679 538	27 445 430	97 124 968
Depreciation for the year	5 277 273	2 624 215	7 901 488
Impairment loss for the year			
Useful economic life	25 years	4-25 years	
Amorisation plan	Linear	Linear	

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Note 7 - Loans

Avium Subsea AS has two loans currently outstanding.

Amounts in USD				Total
1) Subordinated Loan Agreement with Mitsui & Co. Ltd. and Samba Offshore S.A.	Maturity:	March 2025	Other long-term debt	29 250 000
				29 250 000
Interest payable quarterly at 17%				
The unpaid interest until 2022 to Subordinated Loan has been accumulated and classified:			Other long-term debt	16 002 609
The unpaid interest for 2023 to Subordinated Loan has been accumulated and classified:			Short-term debt	8 686 206
2) Loan facility with Sumitomo Mitsui Banking corporation Europe Limited	Maturity:	February 2026	Other long-term debt	83 000 000
				83 000 000

Interest payable every month, at CME Term SOFR(1 month) + 1,43% margin

The loan facility with Sumitomo Mitsui Trust Bank Limited was refinanced February 2023 with maturity 27 February 2026

In addition, a guarantee on the Sumitomo facility is given by Mitsui & Co. Ltd. and Mitsui O.S.K. Lines, Ltd., for which Avium Subsea AS pays a 2,5% guarantee fee on a quarterly basis calculated on the remaining outstanding loan.

	2023	2022
Interest expenses	16 018 508	11 577 956

Note 8 - Share capital and shareholders

Amounts in USD

The share capital comprises:

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

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

Note 9 - Equity

Amounts in USD

	Share capital	Share premium	Other equity	Total equity
Equity as at 01.01	11 723	27 588 277	(59 119 980)	(31 519 981)
Year's net loss			(19 704 502)	(19 704 502)
Equity as at 31.12	11 723	27 588 277	(78 824 482)	(51 224 483)

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

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

In 2020 through 2022 the income of the company was negatively influenced as the AKOFS Santos ended its SESV contract with Petrobras in early 2020 and operated under contracts with a lower compensation and scope of work. In March 2023 the AKOFS Santos commenced a new 1,155 days MPSPV contract with Petrobras, which will secure cash generation for the next three years through a bareboat with AKOFS 1 for rental of the vessel.

In the beginning of 2023, the company refinanced its USD 83 million bank loan with SMBC into a three-year USD 83 million loan facility with SMTB maturing in 2026. The facility has no amortizations, interests are paid on a monthly basis and are serviced by the revenue received under the bareboat charter with AKOFS 1.

At the end of 2023 Avium Subsea has two loan obligations. The senior bank loan of USD 83 million, and the junior loan facility originating from 2016 that has increased annually with a pay-in-kind interest of 17%. The junior loan balance at the end of 2023 was USD 55,9 million. This is a shareholder loan issued by Mitsui and MDL.

The board has through 2023 and 2024 worked closely with the creditors of the junior loan and the board in AKOFS Offshore AS to convert shareholder loans to equity. The BoD will continue to work actively together with the guarantors of the debt in Avium Subsea to finalize the documentation needed to conclude the above amendments by the first half of 2025.

The board of AKOFS Offshore AS has issued a support letter in support of Avium Subsea AS covering the fiscal year of 2024 confirming that AKOFS Offshore AS shall provide financial support to Avium Subsea AS as reasonably required to settle ordinary obligations as they become due. The undertaking is irrevocable and can be called upon by the board of directors of Avium Subsea AS without any specific terms or conditions. The board is of the opinion that AKOFS Offshore AS will be in position to support Avium Subsea AS if necessary.

Note 10 - Intercompany balances with group companies and related parties

Amounts in USD

	2023	2022
Receivables		
Trade receivables from group companies	3 303 786	3 052 938
Trade receivables		
Total	3 303 786	3 052 938
Payables		
Trade payables to group companies	2 051 748	5 014 504
Other current liabilities	5 986 401	4 059 609
Total	8 038 149	9 074 113

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Note 11 - Transactions with group companies and related parties

Amounts in USD

Sale of goods and services	2023	2022
Group companies	5 839 558	1 695 536
Other related parties	-	-
Sum	5 839 558	1 695 536

Purchase of goods and services	2023	2022
Group companies	3 069 631	5 014 504
Other related parties	-	-
Sum	3 069 631	5 014 504

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

Note 12 - Events after reporting date

Akastor ASA (OSE: AKAST) and Mitsui & Co., Ltd. ("Mitsui") on 8th November 2024 have signed an agreement for the transfer of all of Mitsui's interests in AKOFS Offshore AS ("AKOFS Offshore") to Akastor. Agreed purchase price, after certain adjustments, is USD 22.5 million, of which USD 15 million is payable at closing and remaining USD 7.5 million is payable in two equal tranches in June and December 2025. The agreement is entered into on an "as is" basis and includes all of Mitsui's interests in AKOFS Offshore, which includes both equity and shareholder loans. As part of the transaction, Akastor also assumes Mitsui's exposure under the guarantee structure related to the financing of "AKOFS Santos".

Following completion of the transaction, Akastor will hold 75% of the shares in AKOFS Offshore while the remaining 25% will remain owned by Mitsui O.S.K. Lines, Ltd. ("MOL"). As part of the transaction, Akastor and MOL, as remaining shareholders will negotiate and enter into a new shareholders agreement, on substantially similar terms but suitably adjusted to reflect the changed ownership.

After completion of the transaction between Akastor and Mitsui, Akastor will replace Mitsui as a creditor in the shareholder loan. The shareholder loan will then be Amended and Restated. The agreement with the owners is to sign the Amended and Restated agreement as soon as the transaction with Mitsui and Akastor is closed, expected early 2025.

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