



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 911 053
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG VII AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Tore Henriksen
Dato for fastsettelse av årsregnskapet: 24.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.06.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Freight income	1	28 212 631	27 702 186
Commissions		-141 063	-138 511
Sum inntekter		28 071 568	27 563 675
Kostnader			
Crew-hire	2	2 638 910	2 822 232
Ordinary depreciation	3	7 620 000	7 617 200
Other operating expenses	2	3 781 222	3 582 482
Sum kostnader		14 040 131	14 021 914
Driftsresultat		14 031 437	13 541 761
Finansinntekter og finanskostnader			
Financial income	4	4 736	496 993
Sum finansinntekter		4 736	496 993
Foreign exchange gain/loss		29 790	16 677
Financial expenses	4	12 503 290	12 800 747
Sum finanskostnader		12 533 081	12 817 424
Netto finans		-12 528 344	-12 320 431
Ordinært resultat før skattekostnad		1 503 093	1 221 330
Taxes	5		
Ordinært resultat etter skattekostnad		1 503 093	1 221 330
Årsresultat		1 503 093	1 221 330
Årsresultat etter minoritetsinteresser		1 503 093	1 221 330
Totalresultat		1 503 093	1 221 330



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	190 807 573	198 427 573
Sum varige driftsmidler		190 807 573	198 427 573
Sum anleggsmidler		190 807 573	198 427 573
Omløpsmidler			
Varer			
Inventories	6	173 667	150 712
Sum varer		173 667	150 712
Fordringer			
Other short-term receivables		585 124	781 785
Intercompany receivables		93 622	
Konsernfordringer		5 700 000	
Sum fordringer		6 378 746	781 785
Bankinnskudd, kontanter og lignende			
Bank deposits	7	8 050 311	7 900 907
Sum bankinnskudd, kontanter og lignende		8 050 311	7 900 907
Sum omløpsmidler		14 602 724	8 833 404
SUM EIENDELER		205 410 297	207 260 977
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		1 116 347	1 116 347
Overkurs		25 936 804	25 936 804



Balanse

Beløp i: USD	Note	2022	2021
Sum innskutt egenkapital		27 053 150	27 053 150
Opptjent egenkapital			
Other equity		12 016 591	4 813 498
Sum opptjent egenkapital		12 016 591	4 813 498
Sum egenkapital	8, 9	39 069 741	31 866 649
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	154 579 249	167 511 753
Langsiktig konserngjeld			397 848
Sum annen langsiktig gjeld		154 579 249	167 909 601
Sum langsiktig gjeld		154 579 249	167 909 601
Kortsiktig gjeld			
Leverandørgjeld		668 014	875 512
Kortsiktig konserngjeld		5 700 000	
Accrued interest		2 979 826	2 887 262
Other current liabilities		2 413 466	3 721 954
Sum kortsiktig gjeld		11 761 306	7 484 728
Sum gjeld		166 340 556	175 394 328
SUM EGENKAPITAL OG GJELD		205 410 297	207 260 977



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
28.10.2009

Vår dato
02.06.2010

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2009/867030

Ernst & Young AS
Postboks 6163 Postterminalen
5892 Bergen

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk

Det vises til Deres søknad av 28. oktober 2009 samt telefonsamtaler 12. desember 2009 og 31. mai 2010 i sakens anledning. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- Norspan LNG AS org. nr: 981 146 131
- Norspan LNG II AS org. nr: 982 786 126
- Norspan LNG III AS org. nr: 986 860 045
- Norspan LNG IV AS org. nr: 987 755 628
- Norspan LNG V AS org. nr: 989 970 690
- Norspan LNG VI AS org. nr: 990 224 366
- Norspan LNG VII AS org. nr: 990 911 053
- Norspan LNG VIII AS org. nr: 991 817 603

Bakgrunn:

Selskapene er eid av de tre norske selskapene TS Shipping Invest AS, Umoe Shipping & Energy AS og Gas Maroil AS. Bak sistnevnte selskap står det spanske eierinteresser. Eierandelen mellom de tre aksjonærene er noe forskjellig for de ulike Norspan selskapene. Både eierne og selskapene det søkes dispensasjon for, driver alle innen internasjonal shipping. Selskapene har engelsk som arbeids og rapporteringsspråk. Selskapenes virksomhet er finansiert gjennom flere norske og internasjonale banker. Eitersom finansieringen i all hovedsak gjøres via syndikerte banklån, er det et krav fra bankene at regnskapet oversettes til engelsk språk.

Selskapene må derfor i dag utarbeide alle regnskaper både på norsk og engelsk. Denne praksisen innebærer en vesentlig kostnad uten at man ser noen synlig nytte av den norske versjonen. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

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

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Postboks 9200 Grønland
0134 Oslo

skattedirektoratet@skatteetaten.no

Besøksadresse

Fredrik Selmers vei 4
Org. nr: 974761076

Sentralbord

800 80 000
Telefaks

22 17 08 60



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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at selskapenes aksjer eies av et begrenset antall aksjonærer som foretrekker årsregnskap og årsberetning på engelsk. Selskapene opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Finansieringen hentes fra profesjonelle institusjoner som etterspør engelsk versjon av årsregnskapet og årsberetning. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte navngitte søkere dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig. Dette inkluderer blant annet en forutsetning om at alle aksjonærer også i fortsettelsen er enig i at årsregnskap og årsberetning ikke ønskes utarbeidet på norsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

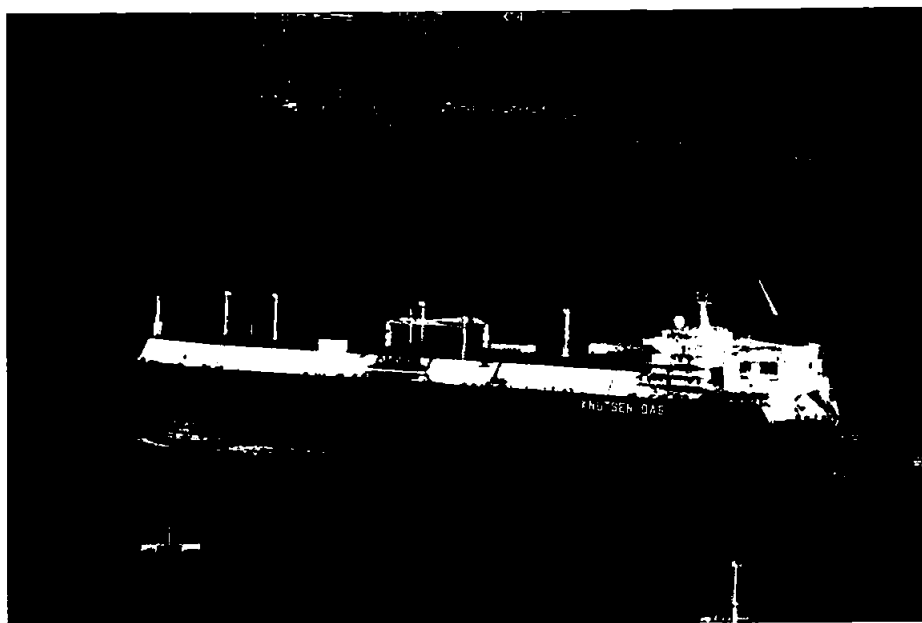
Jan Høelstad



NORSPAN LNG VII AS

ANNUAL REPORT

2022



LNG/C Valencia Knutsen



NORSPAN LNG VII AS

REPORT OF THE BOARD OF DIRECTORS 2022

Norspan LNG VII AS owns the 173,400 m³ LNG carrier Valencia Knutsen which was delivered in September 2010.

The company has no employees and Knutsen OAS Shipping in Haugesund is the company's manager and operates the vessel in accordance with a separate management agreement. Norspan LNG VII AS hires crew from Knutsen OAS Espana S.L.

The vessel entered at delivery into a 20 year fixed time charter contract with the Spanish energy company Repsol. The Royal Dutch Shell Group (Shell) finalized in 2014 the acquisition of Repsol's interests in the LNG sector including the time charter for Valencia Knutsen and the time charter previously with Repsol has been novated to Shell. The vessel transports liquefied natural gas (LNG) world-wide.

Valencia Knutsen had a satisfactory operational year with no unscheduled technical off hire. The vessel has through the entire year operated to the satisfaction of both the owners and the manager.

The Covid situation improved after the first months of the year, and most countries in the world lifted the restrictions within year end. The pandemic has however influenced the operation of the vessel by way of additional operating cost related to travel-, testing-, quarantine-, stand-by and accommodation cost. Forwarding cost and service personnel costs are still high due to Covid-19.

Result for the year

The company had an operating income of USD 28 071 568 in 2022 (USD 27 563 675 in 2021). The operating result for the year was USD 14 031 437 compared to USD 13 541 761 in 2021. Net financial expenses were USD 12 528 344 (USD 12 320 431 in 2021). The profit for the year was USD 1 503 093 compared to a profit of USD 1 221 330 in 2021.

The Board of Directors suggests that the result for the year is transferred to other equity.

Total cash flow from operating activities in the company was USD 13 785 251 compared to USD 8 174 228 in 2021.

The liquidity balance as at 31.12.22 was USD 8 050 311 (USD 7 900 907 as at 31.12.2021). The company's current debt relative to total debt was 4,27% compared to 7,08% as of 31.12.2021. The financial position is good, and the company can as of 31.12.2022 repay its current debt with its most liquid assets (current assets-inventories).

The total capital was by year end USD 205 410 297, compared to USD 207 260 977 for the previous year. The equity-asset ratio was 19,02% per 31.12.2022 compared to 15,4% per 31.12.2021.



The Company is exposed to fluctuations in exchange rates, with income in USD while a portion of the Company's expenses are in foreign currencies other than USD. However, the risk is reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in USD

The Company has entered into forward contracts in order to reduce the Company's exchange rate risk. The company has reduced the interest rate fluctuation risk through long term interest rate swaps for 87% of the balance of the loan.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern.

High operational standards

The requirements for safe and environmentally friendly operation of the vessel are increasing, and both the Company and the manager Knutsen OAS Shipping emphasize operational quality. The manager is ISO 9001, ISO 14001 and ISO 45001 certified and establishes each year Key Performance Indicators (KPIs) for improved safety and environmental operation.

LNG/c Valencia Knutsen is a modern vessel with high technical standard. The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessel.

Knutsen OAS Shipping has a policy to minimize pollution to air and sea from the operations and has established a continuous program to improve environmental impact from the operations. The Board of Directors considers the working conditions as satisfactory. All certificates are valid and Valencia Knutsen is certified in accordance with both the ISM and ISPS codes.

There have not been taken out any board of directors' liability insurance.

The company and the other companies in the Norwegian part of the group are working with the implementation and statement required in the Norwegian Transparency Act (Norw. "Åpenhetsloven") and plan to publish the statement of the work on the group web page before the reporting deadline 30 June 2023.



Future prospects

LNG/c Valencia Knutsen is on a long-term contract with a first-class charterer and the vessel's operational performance since delivery has been excellent. The Board has every reason to believe that 2023 will be a satisfactory year for the company.

Haugesund, 24 February 2023

Trygve Seglem

Managing Director/Chairman of the Board

Synnøve Seglem

Board member

Nils-Kristian Strøm

Board member

Geir Tore Henriksen

Board member



Norspan Lng VII AS

Profit & Loss Account

Numbers in USD

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Operating Income</u>			
Freight income	1	28 212 631	27 702 186
Commissions		-141 063	-138 511
<i>Total Operating income</i>		<u>28 071 568</u>	<u>27 563 675</u>
<u>Operating Expenses</u>			
Crew-hire	2	2 638 910	2 822 232
Other operating expenses	2	3 781 222	3 582 482
<i>Total Operating Expenses</i>		<u>6 420 131</u>	<u>6 404 714</u>
<i>Operating result before depreciation</i>		<u>21 651 437</u>	<u>21 158 961</u>
Ordinary depreciation	3	7 620 000	7 617 200
<i>Total depreciation and write-downs</i>		<u>7 620 000</u>	<u>7 617 200</u>
<i>Operating Result</i>		<u>14 031 437</u>	<u>13 541 761</u>
<u>Financial Income and Expenses</u>			
Financial income	4	4 736	496 993
Foreign exchange gain/loss		-29 790	-16 677
Financial expenses	4	-12 503 290	-12 800 747
<i>Net Financial Items</i>		<u>-12 528 344</u>	<u>-12 320 431</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>1 503 093</u>	<u>1 221 330</u>



Norspan Lng VII AS
Balance Sheet as of 31. December

Numbers in USD


<u>Assets</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Fixed Assets</u>			
Vessel	3	190 807 573	198 427 573
<i>Total Fixed Assets</i>		<u>190 807 573</u>	<u>198 427 573</u>
<u>Current Assets</u>			
Inventories	6	173 667	150 712
Other short-term receivables		585 124	781 785
Intercompany receivables		93 622	0
Group Contribution		5 700 000	0
Bank deposits	7	8 050 311	7 900 907
<i>Total Current Assets</i>		<u>14 602 724</u>	<u>8 833 404</u>
<i>TOTAL ASSETS</i>		<u>205 410 297</u>	<u>207 260 977</u>





Norspan Lng VII AS
Balance Sheet as of 31. December

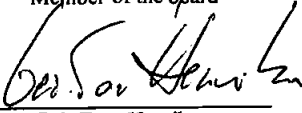
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2022	2021
Equity			
Share capital		1 116 347	1 116 347
Share premium reserve		25 936 804	25 936 804
<i>Total capital paid-in</i>		<u>27 053 150</u>	<u>27 053 150</u>
Other equity		12 016 591	4 813 498
<i>Total Shareholders' Equity</i>	8, 9	<u>39 069 741</u>	<u>31 866 649</u>
Long Term Debt			
Mortgage debt	10	154 579 249	167 511 753
Long term debt to associated companies		0	397 848
<i>Total Long Term Debt</i>		<u>154 579 249</u>	<u>167 909 601</u>
Current Liabilities			
Accounts payable		668 014	875 512
Accrued interest		2 979 826	2 887 262
Intercompany payables		5 700 000	0
Other current liabilities		2 413 466	3 721 954
<i>Total Current Liabilities</i>		<u>11 761 306</u>	<u>7 484 728</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>205 410 297</u>	<u>207 260 977</u>

Hangesund, 24 February 2023
The board of Norspan Lng VII AS


Trygve Seglem
Chairman of the board/General Manager


Synnøve Seglém
Member of the board


Nils-Kristian Strøm
Member of the board


Geir Tore Henriksen
Member of the board



NORSPAN LNG VII AS

CASHFLOW STATEMENT

The cash flow statement is presented using the indirect method of NRS. The liquidity balance is defined as the sum of cash, bank deposits and other short term liquid deposits.

Numbers in USD:	2022	2021
Total generated from operations 1)	9 428 589	9 153 691
Change in working capital	<u>4 356 662</u>	<u>-979 463</u>
Net cashflow from operations	<u>13 785 251</u>	<u>8 174 228</u>
Invested in vessel	0	-124 020
Invested in dry docking	0	27 519
Net cashflow from investments	<u>0</u>	<u>-96 501</u>
Debt Issuance cost	0	-4 400 194
Repayment mortgage debt	-13 238 000	-6 286 284
Net draw down debt to associated companies	<u>-397 848</u>	<u>18 969</u>
Net cashflow from financing	<u>-13 635 848</u>	<u>-10 667 510</u>
Net cashflow for the year	149 404	-2 589 784
+ Cash balance per 1.1	<u>7 900 907</u>	<u>10 490 690</u>
= Cash Balance per 31.12.	<u>8 050 311</u>	<u>7 900 907</u>

1) Generated from operations:

Result before tax	1 503 093	1 221 330
+Ordinary depreciation	7 620 000	7 617 200
+Amortization debt issuance cost	305 496	315 161
= Total generated from operations	<u>9 428 589</u>	<u>9 153 691</u>



Norspan LNG VII AS

Notes to the Financial Statement 31.12.2022

Accounting Principles

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

Going concern

The financial accounts are made on a going concern basis. The Board of Directors confirms the conditions for continued operation. The Board of Directors is of the opinion that the financial statements give a true and fair reflection of the company's assets and liabilities as well as financial strength and profitability.

Transactions in Foreign Currency

Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction. All current assets and current liabilities in foreign currency are registered at the rate of exchange as per 31.12. Realized foreign exchange gain and loss are registered as financial items.

Related party transactions

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

1 Contracts

The company took delivery of LNG/c Valencia Knutsen, a 173,400 cbm LNG carrier, 30 September 2010 from DSME shipyard in Korea. The vessel entered at delivery into a 20 year fixed time charter contract with the Spanish energy company Repsol. The Royal Dutch Shell Group (Shell) finalized in 2014 the acquisition of Repsol's interests in the LNG sector including the time charter for Valencia Knutsen and the time charter previously with Repsol has been novated to Shell. The vessel transports liquefied natural gas (LNG) world-wide and the main trade has been LNG from Peru LNG together with 2 of her sister vessels.

The income from the time charter contract is recorded in profit and loss on a straight line basis over the lease term

Knutsen OAS Shipping AS is appointed as manager for the company and the vessel.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). Knutsen OAS Shipping AS manages the Company in accordance with a separate management agreement. Knutsen OAS Shipping AS is crewing manager for the Company and hires the crew from related crewing companies with separate crewing agreements.

The company have not paid salary or any other remuneration, nor given any loan or guarantees to any leading person or board members during the year.

Auditors remuneration (excl. VAT):	2022	2021
Audit	9 677	4 079

3 Fixed Assets

Yard instalments paid on newbuildings and vessels under conversion are gradually recorded as fixed assets as the instalments are paid. All costs regarding construction supervision, construction financing (including building loan interest, arrangement fees, provision of guarantees), additions and upgrading beyond the yard contract regarding the individual contract and other expenses related to the construction or conversion of the vessel are recorded on the fixed asset under construction/conversion.

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of LNG is estimated to 40 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 40 year profile for that specific entity is not correct, i.e. fixed charter contracts above 40 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

Dry-docking expenses, in connection with certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.



Vessel	2022	2021
Historical value 01.01.	271 301 757	271 177 737
Accumulated depreciation and impairment 01.01.	75 812 900	69 016 500
Book value 01.01.	195 488 857	202 161 237
Additions	0	124 020
Annual depreciation	6 799 200	6 796 400
Book value 31.12.	188 689 657	195 488 857

Dry-docking	2022	2021
Historical value 01.01.	5 884 589	5 912 109
Accumulated depreciation and impairment 01.01.	2 945 874	2 125 074
Capitalised dry-docking 01.01.	2 938 715	3 787 035
Additions - capitalised dry-docking	0	-27 519
Annual depreciation	820 800	820 800
Book value 31.12.	2 117 915	2 938 715

Total book value vessel 31.12. 190 807 573 198 427 573

4 **Financial Income and -Expenses**

Financial Income:	2022	2021
Distribution from DNK	0	496 793
Interest income	4 736	200
Interest income associated companies	0	0
Total financial income	4 736	496 993

Financial Expenses:	2022	2021
Interest expenses	11 935 220	12 354 789
Interest to associated companies	182 728	22 596
Other financial expenses	310 342	273 363
Guarantee fee to group companies	75 000	150 000
Total financial expenses	12 503 290	12 800 747

5 **Tax**

The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

We classify the tonnage tax as an operating expense.

Specification on the temporary differences:

	31.12.2022	Change	31.12.2021
Interest rate swaps	15 563 249	4 066 139	19 629 388
Loss carried forward	42 381 131	529 943	41 851 188
Temporary differences	57 944 380	4 596 081	61 480 576
Calculated deferred tax	-12 747 764	-777 963	-13 525 727
Deferred tax in balance	0	0	0

Deferred tax assets related to losses carried forward are only recognized to the extent that there is convincing evidence that these will be utilized in the future.

Tax cost

	2022	2021
Net financial items	-12 320 431	-12 320 431
Currency effect on profit/loss before tax	-860 779	479 723
Non-taxable distribution from DNK	0	-489 977
Non-taxable currency gain	619 237	-273 558
Non-deductible interest	5 565 068	5 331 083
Deductible building loan financial cost registered on vessel	0	-484 841
Change interest rate swaps	1 945 397	2 181 034
Taxable income before loss carried forward	-6 996 904	-5 576 966
Currency effect on loss carried forward	5 069 240	1 269 508
Loss carried forward	1 927 664	4 307 458
Taxable income	0	0
Tax payable	0	0
Currency effect on tax payable	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses (NOK)	150 015	150 015



6 Inventories

Specification of inventories per 31.12.

	2022	2021
Lube Oil	173 667	150 712

7 Bank deposits

The company doesn't have restricted bank funds per 31.12.

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other equity	Total equity
Equity 01.01.	1 116 347	25 936 804	4 813 498	31 866 649
Group contribution received	0	0	5 700 000	5 700 000
Result for the year	0	0	1 503 093	1 503 093
Equity 31.12.	1 116 347	25 936 804	12 016 591	39 069 741

The company's share capital consists of 1,000 shares of NOK 10 000 with equal rights.

The shareholders of the company are

	Number of shares	Ownership %
Knutsen LNG AS	500	50,0 %
Norspan Gas Carriers AS	500	50,0 %

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS and Norspan Gas Carriers 100% of the company.

Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

10 Mortgage Debt and Financial Instruments

		2022	2021
Mortgage debt	USD	156 609 000	169 847 000
Debt issuance cost		-2 029 751	-2 335 247
Liabilities to financial institutions		154 579 249	167 511 753

The current portion of the mortgage debt is USD 13,7 million, the corresponding figures were USD 13,2 million in 2021.

Estimated outstanding debt per year end 2027 is USD 89,4 million.

Book value of mortgaged assets is USD 190 million (USD 198 million in 2021).

The Company has entered agreements on fixed interest rates on 86,8 % of the mortgage debt (85,4 % in 2021).

Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from the owner.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.



GENERALFORSAMLINGS PROTOKOLL

År 2022 den 30. juni ble det avholdt ordinær generalforsamling i Norspan LNG VII AS på selskapets kontor i Haugesund.

Generalforsamlingen ble åpnet av styrets leder, Trygve Seglem.

Tilstede:
Knutsen LNG AS 50% v/ Trygve Seglem
Norspan LNG Holding AS 50% v Trond Mohn

1. Valg av møteleder

Trygve Seglem ble valgt til møteleder.

2. Godkjenning av innkallingen og dagsordenen

Det fremkom ikke bemerkninger til innkallingen. Innkallingen og dagsordenen ble godkjent.

3. Godkjenning av styrets forslag til årsregnskap og eventuell årsberetning, herunder disponering av årets resultat

Styrets forslag til selskapets årsregnskap og årsberetning med revisors beretning ble gjennomgått. Årsregnskapet og årsberetningen ble enstemmig godkjent.

Det ble enstemmig vedtatt å anvende årets resultat i overensstemmelse med styrets forslag.

4. Godkjenning av honorar til selskapets revisor

Revisors beretning ble referert. Det ble vedtatt å dekke revisors honorar etter regning.

5. Annet

Det forelå ingen andre saker til behandling, og generalforsamlingen ble deretter hevet.



Trygve Seglem



NORSPAN LNG VII AS

REFERAT FRA STYREMØTE

År 2022, den 4.april ble det avholdt styremøte i Norspan LNG VII AS i selskapets lokaler i Haugesund.
Tilstede var Trygve Seglem, Synnøve Seglem, Nils-Kristian Strøm og Geir Tore Henriksen

Til behandling forelå:

1. Regnskap og beretning

Årsregnskapet for 2021 ble gjennomgått.

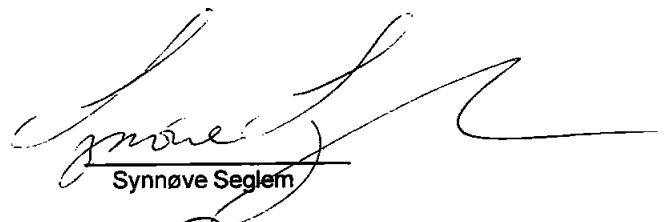
Styret godkjente regnskap og beretning, og anbefalte disse fremlagt på selskapets generalforsamling for endelig godkjenning.

2. Eventuelt.

Det var ingen andre saker til behandling.



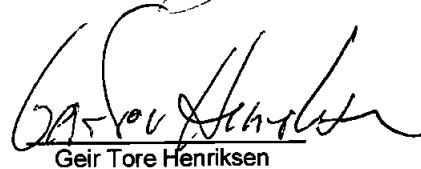
Trygve Seglem



Synnøve Seglem



Nils-Kristian Strøm



Geir Tore Henriksen



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Ernst & Young AS

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Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG VII AS

Opinion

We have audited the financial statements of Norspan LNG VII AS (the Company), which comprise the balance sheet as at 31 December 2022, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and 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 in accordance with the requirements of the 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 information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and managing director) is responsible for the other information. 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements 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 and using the

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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the 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, 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 fair presentation.

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.

Bergen, 24 February 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG VII AS 2022

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

TRINE HANSEN BJERKVIK

Statsautorisert revisor

On behalf of: Ernst & Young AS

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