



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	912 700 836
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	WEST SUPPLY VII AS
Forretningsadresse:	Smedasundet 97B 5525 HAUGESUND

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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### 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:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anett Underhaug Våge
Dato for fastsettelse av årsregnskapet:	21.03.2023

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.06.2024



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other operating expenses		43 885	43 866
<b>Sum kostnader</b>		<b>43 885</b>	<b>43 866</b>
<b>Driftsresultat</b>		<b>-43 885</b>	<b>-43 866</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		3 964	3
Other financial income		63 718	80 834
<b>Sum finansinntekter</b>		<b>67 682</b>	<b>80 837</b>
Annen rentekostnad		203	0
Other financial expenses		1 124	7 341
<b>Sum finanskostnader</b>		<b>1 327</b>	<b>7 341</b>
<b>Netto finans</b>		<b>66 355</b>	<b>73 496</b>
<b>Ordinært resultat før skattekostnad</b>		<b>22 470</b>	<b>29 630</b>
Tax on ordinary result	4	11 262	8 330
<b>Ordinært resultat etter skattekostnad</b>		<b>11 208</b>	<b>21 300</b>
<b>Årsresultat</b>		<b>11 208</b>	<b>21 300</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5,6	60 482 789	60 482 789
<b>Sum finansielle anleggsmidler</b>		<b>60 482 789</b>	<b>60 482 789</b>
<b>Sum anleggsmidler</b>		<b>60 482 789</b>	<b>60 482 789</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade debtors		6 810	0
Other short-term debtors	4,5	1 747	36 303
Outstanding to group companies		9 177	0
<b>Sum fordringer</b>		<b>17 734</b>	<b>36 303</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash in hand and bank deposits		271 343	240 020
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>271 343</b>	<b>240 020</b>
<b>Sum omløpsmidler</b>		<b>289 077</b>	<b>276 323</b>
<b>SUM EIENDELER</b>		<b>60 771 866</b>	<b>60 759 112</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8	43 928 655	43 928 655
Overkurs		16 549 020	16 549 020
<b>Sum innskutt egenkapital</b>		<b>60 477 675</b>	<b>60 477 675</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Opptjent egenkapital</b>			
Other equity		281 133	269 926
<b>Sum opptjent egenkapital</b>		<b>281 133</b>	<b>269 926</b>
<b>Sum egenkapital</b>	8	<b>60 758 808</b>	<b>60 747 601</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7	1 796	3 181
Income tax payable	7	11 262	8 330
<b>Sum kortsiktig gjeld</b>		<b>13 058</b>	<b>11 511</b>
<b>Sum gjeld</b>		<b>13 058</b>	<b>11 511</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>60 771 866</b>	<b>60 759 112</b>



### Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating income	1	19 887 861	19 866 494
<b>Sum inntekter</b>		<b>19 887 861</b>	<b>19 866 494</b>
<b>Kostnader</b>			
Payroll expenses	2	4 734 615	3 812 545
Depreciation	3	6 090 920	6 159 488
Other operating expenses	2	3 605 857	3 323 360
<b>Sum kostnader</b>		<b>14 431 392</b>	<b>13 295 393</b>
<b>Driftsresultat</b>		<b>5 456 469</b>	<b>6 571 101</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		168 250	169
Other financial income		227 964	184 934
<b>Sum finansinntekter</b>		<b>396 214</b>	<b>185 103</b>
Annen rentekostnad		3 478 062	2 297 489
Other financial expenses		697 429	1 093 975
<b>Sum finanskostnader</b>		<b>4 175 491</b>	<b>3 391 464</b>
<b>Netto finans</b>		<b>-3 779 277</b>	<b>-3 206 361</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 677 192</b>	<b>3 364 740</b>
Tax on ordinary result	4	135 739	326 633
<b>Ordinært resultat etter skattekostnad</b>		<b>1 541 453</b>	<b>3 038 107</b>
<b>Årsresultat</b>		<b>1 541 453</b>	<b>3 038 107</b>



### Konsernets balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel	3,5	131 488 343	137 579 263
<b>Sum varige driftsmidler</b>		<b>131 488 343</b>	<b>137 579 263</b>
<b>Sum anleggsmidler</b>		<b>131 488 343</b>	<b>137 579 263</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade debtors	5,7	3 505 827	3 377 674
Other short-term debtors	7	411 128	512 809
<b>Sum fordringer</b>		<b>3 916 955</b>	<b>3 890 483</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash in hand and bank deposits	5	8 201 455	8 798 663
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>8 201 455</b>	<b>8 798 663</b>
<b>Sum omløpsmidler</b>		<b>12 118 410</b>	<b>12 689 146</b>
<b>SUM EIENDELER</b>		<b>143 606 753</b>	<b>150 268 409</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8	43 928 655	43 928 655
<b>Sum innskutt egenkapital</b>		<b>43 928 655</b>	<b>43 928 655</b>
<b>Opptjent egenkapital</b>			
Other equity		39 961 680	38 420 226



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Sum opptjent egenkapital</b>		<b>39 961 680</b>	<b>38 420 226</b>
<b>Sum egenkapital</b>	8	<b>83 890 335</b>	<b>82 348 881</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Mortgage loan	5	58 000 000	66 138 856
<b>Sum annen langsiktig gjeld</b>		<b>58 000 000</b>	<b>66 138 856</b>
<b>Sum langsiktig gjeld</b>		<b>58 000 000</b>	<b>66 138 856</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7	717 449	695 112
Income tax payable	4	135 739	326 633
Other short-term liabilities	7	863 230	758 927
<b>Sum kortsiktig gjeld</b>		<b>1 716 418</b>	<b>1 780 672</b>
<b>Sum gjeld</b>		<b>59 716 418</b>	<b>67 919 528</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>143 606 753</b>	<b>150 268 409</b>



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 14.10.2015	Vår dato 19.10.2015
Telefon 22078139	Deres referanse Håvard Framnes	Vår referanse 2015/997974

ØSTENSJØ REDERI AS  
Postboks 394  
5501 HAUGESUND

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk**

— Vi viser til deres brev av 14. oktober 2015 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

West Supply VII AS	org. nr. 912 700 836
West Supply VII Eier AS	org.nr. 912 700 879
West Supply VII Drift AS	org.nr. 912 700 844

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at 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**

West Supply VII AS er holdingselskap for West Supply VII Eier AS og West Supply VII Drift AS. Hovedaksjonær er Johannes Østensjø Dy AS med 51 %. Videre er selskapene eid av et utenlandsk selskap med 26 %. Andre selskap i Østensjø Rederi konsernet har tidligere fått tillatelse til å benytte engelsk språk. Selskapene driver med rederivirksomhet. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapene benytter også engelsk som arbeidsspråk. Det er heller ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk – bankforbindelser etterspør kun informasjon på engelsk. Den norske versjonen utarbeides kun for å tilfredsstille regnskapsloven.

**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:

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

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

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



*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 hovedaksjonær eier 51 % og at andre selskaper i konsernet tidligere har fått tilvarende dispensasjon. 26 % av aksjene er eid av et utenlandsk selskap. Videre er det vektlagt at sentrale aktører og samarbeidspartnere innen bransjen behersker og benytter engelsk og at selskapet benytter engelsk som arbeidsspråk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

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



# ANNUAL ACCOUNTS **WEST SUPPLY VII AS** CONSOLIDATED



**2022**

WEST SUPPLY VII AS

# DIRECTOR'S REPORT 2022

## Operation and location

West Supply VII AS Group (the Group) consists of the parent company West Supply VII AS (the Company) and its two subsidiaries West Supply VII Eier AS and West Supply VII Drift AS. The Company has no other business than investment in the two subsidiaries.

The business of the Group is to own and operate vessels. The Group owns and operates one offshore construction vessel, Edda Freya. Edda Freya is employed on a long-term charter party to DeepOcean AS.

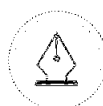
The Company has its administration located in Haugesund, Norway, and has a management agreement with Østensjø Rederi AS.

## Future development and market conditions

Edda Freya operates in the offshore market, primarily within the oil and gas sector but also servicing the offshore wind market.

The offshore oil and gas market has been challenging over a longer period, and although underlying tendencies of improvement over the last couple of years, earnings and activity has to a certain extent been negatively affected by i.e., a fluctuating oil price and the uncertainty and macro-economic effects of the Covid-19 pandemic.

The market for offshore service vessels showed stronger signs of improvement throughout 2022 and going into 2023 the market supply and demand seems to be more balanced with longer lead times and significantly higher rates than what has been seen during recent years. There is currently strong demand for high specification subsea vessels and a limited number of vessels available in the market to meet short to medium-term demand.



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WEST SUPPLY VII AS

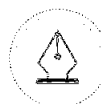
The Edda Freya has been employed with DeepOcean throughout 2022, and a new charterparty for a fixed 2 years contract, with an additional 1 year option, was entered into, effective as of January 2023. The contract is entered into at a rate level reflecting the improved market sentiment and secures earnings visibility for the vessel in the years to come. With the current market prospects for high end subsea tonnage and expectations on limited newbuilding capacity entering the market in the years to come, the Board of Directors is increasingly positive about the future development and market conditions for the Edda Freya.

Russia's invasion of Ukraine has this far had limited direct impact on the Group. The macro-economic environment has, however, been volatile and uncertain throughout the year, affecting energy prices, logistics and with geopolitical tensions and other factors in general indirectly having had an impact on the Group. The Group has implemented measures and routines to continuously monitor and take actions to reduce the potential negative impact such risks could have for the Group.

**Comments related to the Financial Statement**

In opinion of the Board of Directors, the information in the financial statements, including the notes, gives a complete and comprehensive overview over the Company's and the Group's development and result during 2022, in addition to the financial position at year-end.

The result for 2022 shows a profit of US dollar (USD) 11,208 for the Company and USD 1,541,453 for the Group, compared with a profit of USD 21,300 for the Company and USD 3,038,107 for the Group in 2021.



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## WEST SUPPLY VII AS

As of December 31, 2022, the Company's equity ratio is 100%, and the Group's consolidated equity is 58.4%, compared to 100% and 54.8% in 2021, respectively.

Total cash flow from operating activities for the Group is USD 7,541,648 in 2022, and the operating profit is USD 5,456,469. The difference mainly concerns ordinary depreciation. Total cash flow from financing is negative with USD 8,138,856 and relates to proceeds and repayment of debt. The Group's cash balance as of December 31, 2022, is USD 8,201,455.

The Group's current assets as of December 31, 2022, are USD 12,118,410 compared to 12,689,147 in 2021, whilst the current liabilities as of December 31, 2022, are USD 1,716,418 and USD 1,780,672 in 2021.

The Board of Directors is not aware of any circumstances occurring after year-end with relevance to the assessment of the financial statements.

### Going concern

In accordance with the Accounting Act §3-3, the Board of Directors confirms that the annual accounts have been prepared on the assumption that the Company is a going concern.

The Group's bank debt relates to a loan facility financing the Edda Freya. The facility was refinanced during the second half of 2022 with final maturity being extended and a balloon payment falling due in fourth quarter of 2025. The refinanced facility has a fixed amortization profile and carries a floating interest.

### Financial risk

#### Credit risk:

The credit risk of the Company and the Group is considered moderate. The Group's only client, DeepOcean has chartered the Edda Freya on a fixed employment contract.

#### Market risk:

The Group's market risk is currently limited given the fixed DeepOcean contract, and future risk will be dependent on whether the Group is successful in securing further employment of the vessel in an improving market.

The Group's revenue and bank debt are in USD. The operating and crew expenses are a mix of Norwegian kroner (NOK) and USD, with the majority being in NOK. Parts of the USD income under the DeepOcean contract has been hedged under an FX contract to secure certain NOK expenses as budgeted for throughout 2023. Thus, the currency exposure is considered moderate.



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## WEST SUPPLY VII AS

The Group's bank debt is subject to a floating interest rate, with a combination of a USD reference rate + a margin. Following the refinancing of debt which took place during the second half of 2022, USD LIBOR was replaced by SOFR as underlying reference rate. With expectations on increased USD interest rates, the interest risk of the Group is also expected to fluctuate and increase going forward.

### Liquidity risk:

The Board of Directors considers the Company and the Group's liquidity risk as acceptable. The Group has a positive working capital. Further, the Group's cash position and the cash flow from the charter party is sufficient to cover its financial liabilities.

### Working environment and gender equality

The Group has no employees, and all board members are male.

### External environment

The Group operates an offshore construction vessel. This operation includes risks of contamination. The Vessel fulfils all requirements set by national regulations, and the Board of Directors is not aware of spills nor pollution to the external environment beyond normal operations.

### Sustainability

Actions within sustainability are followed up by Østensjø Rederi AS's, in the Sustainability Action Plan. The plan is based on the UN's sustainability goals and it has been chosen to place particular emphasis on six of the sustainability goals where concrete goals and initiatives have been identified.

A Sustainability Action Group, consisting of representatives from each department in Østensjø Rederi AS, have been established to maintain, develop, and follow up the Sustainability Action Plan. During 2022, The Sustainability Action Plan has been updated with the following new initiatives to achieve our goals:

- Offer Biofuel to customers in all new contracts
- Recycling of electrical waste
- Installation of equipment for shore power connection and reading Kwt for all ships
- Renewal of the guarantee of origin for all electricity used in the office (clean energy in the office)
- Østensjø Rederi - Sustainability Action Plan (ostensjo.no)
- Survey on conditions for women on board

The Sustainability Action Plan is available at [sustainability.ostensjo.no](https://sustainability.ostensjo.no).



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WEST SUPPLY VII AS

### Insurance for board members

West Supply VII and all its subsidiaries are included in a Directors and Officers Liability Insurance (D&O). The D&O insurance provides financial protection for the directors and officers of the Company in the event that they are being sued in conjunction with the performance of their duties as they relate to the Company. The insurance comprises the directors' and officers' personal legal liabilities, including defence- and legal costs.

### Corporate Social Responsibility Statement

The Group and the manager, Østensjø Rederi AS, are working with the implementation and statement required in the Norwegian Transparency Act (LOV-2021-06-18-99) and plan to publish the statement of the work on the Østensjø Rederi AS's home page before the reporting deadline June 30, 2023.

### Allocation of result

The Board of Directors has proposed the result of the Group to be transferred to other equity.

Haugesund  
31 December 2022

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21 March 2023

Johannes Østensjø  
Chairman of the Board/CEO

Mark Norman Ras  
Board member

Fredrik Ottesen  
Board member



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## West Supply VII AS Consolidated Financial Statements

Balance sheet

West Supply VII AS		Notes	West Supply VII Group	
(figures in USD)			(figures in USD)	
2021	2022		2022	2021
<b>Balance Sheet as per</b>				
<b>ASSETS</b>				
<b>Tangible assets</b>				
0	0	3,5	131 488 343	137 579 263
<b>0</b>	<b>0</b>		<b>131 488 343</b>	<b>137 579 263</b>
<b>Financial assets</b>				
60 482 789	60 482 789	5,6	0	0
<b>60 482 789</b>	<b>60 482 789</b>		<b>0</b>	<b>0</b>
<b>60 482 789</b>	<b>60 482 789</b>		<b>131 488 343</b>	<b>137 579 263</b>
<b>Current assets</b>				
0	6 810	5,7	3 505 827	3 377 674
0	9 177	7	0	0
3 6 303	1 747	7	411 128	512 809
240 020	271 343	5	8 201 455	8 798 663
<b>276 323</b>	<b>289 077</b>		<b>12 118 410</b>	<b>12 689 147</b>
<b>60 759 112</b>	<b>60 771 866</b>		<b>143 606 753</b>	<b>150 268 411</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
43 928 655	43 928 655	8	43 928 655	43 928 655
16 549 020	16 549 020		0	0
269 926	281 133		39 961 680	38 420 226
<b>60 747 601</b>	<b>60 758 808</b>	8	<b>83 890 335</b>	<b>82 348 881</b>
<b>Long-term liabilities</b>				
0	0	5	58 000 000	66 138 856
<b>0</b>	<b>0</b>		<b>58 000 000</b>	<b>66 138 856</b>
<b>Current liabilities</b>				
3 181	1 796	7	717 449	695 112
0	0	7	863 230	758 927
8 330	11 262	4	135 739	326 633
<b>11 511</b>	<b>13 058</b>		<b>1 716 418</b>	<b>1 780 672</b>
<b>11 511</b>	<b>13 058</b>		<b>59 716 418</b>	<b>67 919 528</b>
<b>60 759 112</b>	<b>60 771 866</b>		<b>143 606 753</b>	<b>150 268 411</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				

Haugesund, 21 March 2023

Johannes Østensjø  
Chairman of the Board

Mark Norman Ras  
Board member

Fredrik Ottesen  
Board member



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## West Supply VII AS

### Notes to Consolidated Financial Statements 31 December 2022

#### Principles of consolidation

The consolidated financial statements present the financial position and results of the group as one accounting unit.

The consolidated financial statements include the parent West Supply VII AS and the subsidiaries West Supply VII Eier AS and West Supply VII Drift AS where the parent have direct or indirect controlling interest. All intercompany transactions and balances are eliminated.

Shares in subsidiaries are consolidated using the cost method. The cost of shares in subsidiaries is eliminated against the subsidiaries' equity at acquisition or formation. This means that the difference between cost price and net book value of assets of the subsidiary, at time of purchase, are allocated to the assets to which it relates. The part of the added value that can not be attributed to assets represents goodwill which is amortized over its estimated useful life.

#### Accounting principles

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

#### Fixed assets

Tangible assets are capitalized and depreciated over the expected economic life. Direct maintenance costs are expensed as incurred, while improvements are allocated to the cost base of the relevant asset and depreciated with that asset. If the recoverable amount of the asset is lower than the carrying amount, the asset is written down to its recoverable amount. The recoverable amount is the higher of net selling price and value in use. Value in use is the present value of future cash flow that the asset is expected to generate.

Drydock / class costs are capitalized og depreciated over five years.

#### Classification and valuation of current balance sheet items

Current assets and liabilities include items due for payment within one year from the date of acquisition. Other items are classified as fixed assets / long-term liabilities.

Current assets are valued at lower of cost or fair value. Current liabilities are recorded at nominal value at the time it is incurred.



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## Currency

Monetary items (assets, liabilities and bank deposits) in foreign currencies are converted at the exchange rate as on the balance sheet date. Balance sheet items of foreign subsidiaries are converted at the exchange rates as on 31.12.22. The exchange rate to Norwegian kroner is set to 9,9066 for the balance sheet date and 9,6197 as an average for the year. Foreign exchange gains and losses from monetary items that are part of the net investment in foreign entities are recognized directly in equity.

## Receivables

Receivables are recorded at nominal value less realized and expected losses. Provisions for doubtful debts are made on the basis of individual assessment of each receivable.

## Income tax and deferred tax

Income tax expense relates to the accounting result and comprises current tax and changes in net deferred taxes.

Deferred tax expense results from temporary differences between the accounting value of assets and liabilities and their value for tax purposes. The tax effect is offset against any income tax expense, and the net is recorded in the financial statements. Deferred tax is recorded as long-term liabilities. To the extent that deferred tax assets exceed deferred tax liabilities, deferred tax assets are recorded in accordance with accepted accounting principles.

One company in the group, West Supply VII Eier AS, require assessment pursuant to § 8-10 of the Tax Law - under the Tonnage Tax Regime. This was revised with effect from 2007 and means that the operation of vessels is not taxed, but certain financial income and expenses are subject to taxation.

## Cash flow Analysis

The cash flow statement is prepared using the indirect method.

## Operating revenues and expenses

Revenue from freight operations is recognised when earned, which would normally be in line with the operation of the vessel. Costs are recorded based on the matching principle, which means that the costs are included in the same period as the related revenues are recognized.

## Hedge accounting

The Company uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risk. If the Company consider the hedge as effective, any gains or losses arising from changes in the fair value of the derivatives are considered as an off balance item. If considered hedge, accounting payments/expenses under the interest rate swap agreement are classified as financial income or expense.

All figures are in USD, unless otherwise stated in the individual note.



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**Note 1 - Operating Income**

**Group**

The vessel Edda Freya has been on a TC-contract with DeepOcean during 2022. Effectiv of January 2023 a new two year fixed contract, with one year further option, was entered into with DeepOcean.

**Note 2 - Remuneration**

**Parent**

The company has no employees and is therefore not obliged to follow the Act on Mandatory Occupational Pensions.

Remuneration to board members amounts to USD 24,603 in 2022.

Audit fee for 2022 amounts to USD 9,163 for statutory audit and USD 0 for consulting services (ex. VAT).

**Group**

The group has no employees and is therefore not obliged to follow the Act on mandatory occupational pensions. All crew are hired from sub-contractors.

Remuneration to board members amounts to USD 24,603 in 2022.

Audit fee for the Group in 2022 amounts to USD 27,033 for statutory audit and USD 0 for consulting services (ex. VAT).



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### Note 3 - Vessel

	Vessel	Drydock	Total
Cost price	165 859 659	0	165 859 659
Allocated to future drydock	-1 190 618	1 190 618	0
Additions	1 144 722	3 014 189	4 158 911
Accumulated depreciation 01.01	-30 646 738	-1 792 569	-32 439 307
Additions/Disposal	0	0	0
Depreciation	-5 488 968	-601 952	-6 090 920
Book value 31.12	<b>129 678 057</b>	<b>1 810 286</b>	<b>131 488 343</b>

The depreciation schedule for the vessel is 30 years linear depreciation.

The offshore oil and gas market has been challenging over a longer period. However, the market for high specification construction vessels is improving and the company is experiencing both increased demand and higher rate expectations for the Edda Freya. The market value has been obtained from two independent brokers. If the obtained market value indicates impairment of the book value of the vessel, an impairment test has been performed. The impairment test analysis employs estimate of future cash flows for the vessel to calculate the value in use.

The analysis takes into consideration the vessel's current charter and expected future contract, as well as utilization through the expected vessel usage time. In addition, the analysis takes into consideration the expected expenses for operation of the vessel, including estimated dry-docking costs.

Additional key assumptions in the analysis include the Weighted Average Cost of Capital (WACC), which is set to 11.2%. The usage period of the vessel is assumed to be 30 years after delivery. The value in use calculations are based on best estimate and there is a high level of uncertainty in the calculation. The impairment test also includes a sensitivity analysis on the key assumptions. The estimated value in use is highly sensitive to any changes in these assumptions. If the impairment analysis shows that the estimated value in use is lower than the book value of the vessel, an impairment is made to the highest recoverable amount of net sales and value in use.

For 2022, the broker values and the value in use calculation indicate values above booked value for the vessel. The Company has assessed that the input in the calculation has not significant changed from prior years and is still reasonable and valid, and supports the booked value as of 31.12.22.



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## Note 4 - Taxes

### Parent

Specification of income tax expense	2022	2021
Current income tax payable	11 262	8 330
<b>Total income tax expense</b>	<b>11 262</b>	<b>8 330</b>

Specification of taxable income	2022	2021
Ordinary result before taxes	22 470	29 630
Permanent differences	-6	0
Conversion difference	30 253	9 287
<b>Net taxable income</b>	<b>52 717</b>	<b>38 917</b>

Specification of current tax payable	2022	2021
Current income tax payable	11 262	8 330
<b>Total current tax payable</b>	<b>11 262</b>	<b>8 330</b>

### Group

West Supply VII Eier AS is taxed in accordance with the Tax Act §8-10 (Tonnage tax).

Taxable income tonnage tax	2022	2021
Interest Income	126 359	349
Currency differences	-237 946	46 441
Interest expenses	-195 410	-174 549
Other financial expenses	-482 888	-1 479 905
Limitation of interest expense	324 231	0
<b>Taxable income tonnage tax</b>	<b>-465 655</b>	<b>-1 607 664</b>

### Short-term tax liability

Taxable income in companies under ordinary tax regime	650 485	1 516 684
Taxable income in companies under tonnage tax regime	0	0
<b>Total taxable income</b>	<b>650 485</b>	<b>1 516 684</b>
<b>Short-term tax liability</b>	<b>135 739</b>	<b>326 633</b>

### Income tax expense

Tax payable	135 739	326 633
<b>Total income tax expense</b>	<b>135 739</b>	<b>326 633</b>



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## Note 5 - Mortgages and guarantees

### Parent

West Supply VII AS guarantees for the bank debt in its subsidiary West Supply VII Eier AS of USD 58,000,000

<b>Book value of pledged assets:</b>	<b>2022</b>	<b>2021</b>
Shares in West Supply VII Eier AS	60 477 675	60 477 675
Shares in West Supply VII Drift AS	5 114	5 114
<b>Total</b>	<b>60 482 789</b>	<b>60 482 789</b>

<b>Group</b>	<b>2022</b>	<b>2021</b>
Pledged debt	58 000 000	66 138 856
Liabilities due more than five years after year-end	0	0

<b>Book value of pledged assets</b>	<b>2022</b>	<b>2021</b>
Vessel	131 488 343	137 579 263
Trade debtors	3 505 827	3 377 674
Bank deposits	8 201 455	8 798 663
<b>Total pledged assets</b>	<b>143 195 625</b>	<b>149 755 600</b>

The Group's bank debt relates to a loan facility held by West Supply VII Eier AS financing Edda Freya. A long-term refinancing of the facility was concluded during the 2nd half of 2022. The facility is fully guaranteed by West Supply VII AS and West Supply VII Drift AS. In addition, the shareholders of West Supply VII AS have provided pro-rata guarantees for 50% of the outstanding debt.



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## Note 6 - Shares in subsidiaries

<u>Parent</u>	Share of ownership	Number of shares	Face value NOK	Book value USD
West Supply VII Eier AS	100 %	5 700	66 030	60 477 675
West Supply VII Drift AS	100 %	30	1 000	5 114
<b>Total</b>				<b>60 482 789</b>

The Company own shares in vessel owning subsidiary. Write down on shares in subsidiary has been evaluated based on the underlying impairment process of the vessel in the subsidiary. The Group's vessel operate on a long term contract in the offshore market. Market value has been obtained from two independent brokers. If the obtained market value indicates impairment of the book value of the vessel, an impairment test has been performed.

## Note 7 - Intercompany

<u>Parent</u>	2022	2021
<b>Trade debtors</b>		
West Supply VII Eier AS	6 810	0
<b>Outstanding to group companies</b>		
West Supply VII Eier AS	8 263	0
West Supply VII Drift AS	914	0
	<b>9 177</b>	<b>0</b>
<b>Trade creditors</b>		
Østensjø Rederi AS	1 796	1 936
<b>Total</b>	<b>1 796</b>	<b>1 936</b>
 <u>Group</u>	 2022	 2021
<b>Other short-term debtors</b>		
Østensjø Rederi AS	4 785	0
	<b>4 785</b>	<b>0</b>
<b>Trade creditors</b>		
Østensjø Rederi AS	426 302	462 298
	<b>426 302</b>	<b>462 298</b>
<b>Other short-term liabilities</b>		
Johannes Østensjø dy AS	61 973	259 120
West Supply VIII AS	0	7 082
	<b>61 973</b>	<b>266 202</b>



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## Note 8 - Equity

### Parent

#### Share capital and shareholder information

Share capital	Number of shares	Face value NOK	Book value USD
Ordinary shares	5 700	66 030	43 928 655

All shares give equal rights in the company.

Shareholders	Number of shares	Share of ownership
Johannes Østensjø dy AS	2 907	51 %
MCO 4 AS	1 482	26 %
Forenede Industrier Shipping AS	1 140	20 %
Smedasundet Offshore AS	171	3 %
<b>Total</b>	<b>5 700</b>	<b>100 %</b>

Johannes Østensjø, chairman of the board, indirectly owns 9.9% of the shares in Johannes Østensjø dy AS and Smedasundet Offshore AS.

### Changes in equity

<u>Parent</u>	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	43 928 655	16 549 020	269 926	60 747 601
Profit for the year	0	0	11 208	11 208
<b>Equity 31.12</b>	<b>43 928 655</b>	<b>16 549 020</b>	<b>281 133</b>	<b>60 758 808</b>

<u>Group</u>	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	43 928 655	0	38 420 226	82 348 881
The Group's result for the year	0	0	1 541 453	1 541 453
<b>Equity 31.12</b>	<b>43 928 655</b>	<b>0</b>	<b>39 961 680</b>	<b>83 890 335</b>



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## Consolidated Financial Statements

### Cash flow Statement

<b>West Supply VII AS</b>			<b>Group</b>	
(Figures in USD)			(Figures in USD)	
2021	2022		2022	2021
		<b>Cashflow from operations</b>		
29 630	22 470	Result before taxes	1 677 192	3 364 740
-12 037	-8 330	Taxes paid	-326 633	-221 968
0	0	Ordinary depreciation	5 488 968	5 488 968
0	0	Expensed drydock	601 952	670 520
2 156	-8 195	Change in debtors / creditors balance	-105 816	953 735
-35 713	25 378	Change in other clearing posts	205 985	495 586
<b>-15 963</b>	<b>31 323</b>	<b>Net cashflow from operations</b>	<b>7 541 648</b>	<b>10 751 581</b>
		<b>Cashflow from investments</b>		
0	0	Investments in fixed assets	0	-965 842
<b>0</b>	<b>0</b>	<b>Net cashflow from investments</b>	<b>0</b>	<b>-965 842</b>
		<b>Cashflow from financing</b>		
0	0	Repayment of debt	-66 138 856	-20 492 394
0	0	Proceeds of new debt	58 000 000	0
<b>0</b>	<b>0</b>	<b>Net cashflow from financing</b>	<b>-8 138 856</b>	<b>-20 492 394</b>
-15 963	31 323	Net change in cashflow for the year	-597 208	-10 706 655
255 983	240 020	Cash balance as per 1.1.	8 798 663	19 505 319
<b>240 020</b>	<b>271 343</b>	<b>Cash balance as per 31.12.</b>	<b>8 201 455</b>	<b>8 798 663</b>



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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of West Supply VII AS

### Opinion

We have audited the financial statements of West Supply VII AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their 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 and the Group 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 the general manager) 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.



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## 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 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 and the Group'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 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 fair presentation.
- 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.

Independent auditor's report - West Supply VII AS 2022

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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, 21 March, 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Øyvind Nore  
State Authorised Public Accountant (Norway)

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## Øyvind Nore

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On behalf of: Ernst & Young AS

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