



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 700 844
Organisasjonsform: Aksjeselskap
Foretaksnavn: WEST SUPPLY VII DRIFT AS
Forretningsadresse: Smedasundet 97B
5525 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anett Våge
Dato for fastsettelse av årsregnskapet: 31.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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

Brønnøysundregistrene, 20.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating income vessel		19 866 494	28 538 464
Sum inntekter		19 866 494	28 538 464
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		3 812 545	4 140 975
Bareboat-hire		11 853 375	21 528 744
Operating expenses vessel		1 737 742	1 605 533
Overhead expenses	1	1 218 240	1 055 477
Sum kostnader		18 621 902	28 330 730
Driftsresultat		1 244 592	207 734
Finansinntekter og finanskostnader			
Financial income		74 944	338 247
Annen renteinntekt		30 416	469 760
Financial expenses		-2 477	-4 428
Sum finansinntekter		102 883	803 580
Netto finans		102 883	803 580
Ordinært resultat før skattekostnad		1 347 476	1 011 314
Tax on ordinary result	5	318 303	209 931
Ordinært resultat etter skattekostnad		1 029 173	801 383
Årsresultat		1 029 173	801 383
Årsresultat etter minoritetsinteresser		1 029 173	801 383
Totalresultat		1 029 173	801 383
Overføringer og disponeringer			
Transfer to other equity		1 029 173	801 383
Sum overføringer og disponeringer	2	1 029 173	801 383



Resultatregnskap

Beløp i: USD	Note	2021	2020
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Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Deferred tax asset	5		
Sum anleggsmidler		0	0
Omløpsmidler			
Varer			
Fordringer			
Trade debtors		3 377 674	4 872 677
Other short-term debtors	4	525 040	597 687
Sum fordringer		3 902 714	5 470 363
Loan to group companies	4		
Bankinnskudd, kontanter og lignende			
Bank deposits		5 090 670	9 626 383
Sum bankinnskudd, kontanter og lignende		5 090 670	9 626 383
Sum omløpsmidler		8 993 384	15 096 746
SUM EIENDELER		8 993 384	15 096 746
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (30 shares at NOK 1000)	3	3 409	3 409
Sum innskutt egenkapital		3 409	3 409
Opptjent egenkapital			
Other equity		3 795 936	2 766 763
Sum opptjent egenkapital		3 795 936	2 766 763



Balanse

Beløp i: USD	Note	2021	2020
Sum egenkapital	2	3 799 345	2 770 172
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	4	1 635 046	11 898 206
Debt to group companies	4		
Income tax payable		318 303	209 931
Other current liabilities	4	3 240 689	218 437
Sum kortsiktig gjeld		5 194 039	12 326 574
Sum gjeld		5 194 039	12 326 574
SUM EGENKAPITAL OG GJELD		8 993 384	15 096 746



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 783034

Enheten

Organisasjonsnummer: 912 700 844
Organisasjonsform: Aksjeselskap
Foretaksnavn: WEST SUPPLY VII DRIFT AS
Forretningsadresse: Smedasundet 97B
5525 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anett Våge
Dato for fastsettelse av årsregnskapet: 31.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 04.08.2022



Organisasjonsnr: 912 700 844
WEST SUPPLY VII DRIFT AS

RESULTATREGNSKAP

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating income vessel		19 866 494	28 538 464
Sum inntekter		19 866 494	28 538 464
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		3 812 545	4 140 975
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Driftsresultat		1 244 592	207 734
Finansinntekter og finanskostnader			
Financial income		74 944	338 247
Annen renteinntekt		30 416	469 760
Financial expenses		-2 477	-4 428
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Netto finans		102 883	803 580
Ordinært resultat før skattekostnad			
Tax on ordinary result	5	318 303	209 931
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Overføringer og disponeringer			
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Organisasjonsnr: 912 700 844
WEST SUPPLY VII DRIFT AS

BALANSE

Beløp i: USD Note 2021 2020

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Deferred tax asset 5
Sum anleggsmidler 0 0

Omløpsmidler Varer

Fordringer
Trade debtors 3 377 674 4 872 677
Other short-term debtors 4 525 040 597 687
Sum fordringer 3 902 714 5 470 363

Loan to group companies 4
**Bankinnskudd, kontanter
og lignende**
Bank deposits 5 090 670 9 626 383
Sum bankinnskudd,
kontanter og lignende 5 090 670 9 626 383

Sum omløpsmidler 8 993 384 15 096 746

SUM EIENDELER 8 993 384 15 096 746

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital
Share capital (30 shares
at NOK 1000) 3 3 409 3 409
Sum innskutt egenkapital 3 409 3 409

Opptjent egenkapital
Other equity 3 795 936 2 766 763
Sum opptjent egenkapital 3 795 936 2 766 763

Sum egenkapital 2 3 799 345 2 770 172

Sum langsiktig gjeld 0 0

Kortsiktig gjeld
Leverandørgjeld 4 1 635 046 11 898 206
Debt to group companies 4
Income tax payable 318 303 209 931
Other current liabilities 4 3 240 689 218 437



Sum kortsiktig gjeld	5 194 039	12 326 574
Sum gjeld	5 194 039	12 326 574
SUM EGENKAPITAL OG GJELD	8 993 384	15 096 746



Organisasjonsnr: 912 700 844
WEST SUPPLY VII DRIFT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



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
Org.nr. 996250318
E-post: skatteetaten.no/sendepost

Sentraltbord
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



Admincontrol

List of Signatures Page 1/1

2021 West Supply VII Drift AS - Financial Statements.pdf

Name	Method	Signed at
Mark Ras	One-Time-Password	2022-03-30 20:04 GMT+02
Ottesen, Fredrik	BANKID_MOBILE	2022-03-29 10:39 GMT+02
Østensjø, Johannes	BANKID_MOBILE	2022-03-28 16:20 GMT+02



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Financial Statements 2021 West Supply VII Drift AS

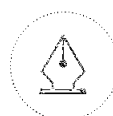
Annual accounts
- Profit and loss statement
- Balance sheet
- Notes

Cash flow statement

Director's report

Auditor's report

Org.nr.: 912 700 844



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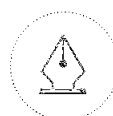
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West Supply VII Drift AS

Profit and loss statement

Notes		31.12.2021	31.12.2020
	Operating income and expenses		
	Operating income vessel	19 866 494	28 538 464
	Bareboat-hire	11 853 375	21 528 744
	Crew expenses	3 812 545	4 140 975
	Operating expenses vessel	<u>1 737 742</u>	<u>1 605 533</u>
	Operating result vessel	<u>2 462 832</u>	<u>1 263 211</u>
1	Overhead expenses	<u>1 218 240</u>	<u>1 055 477</u>
	Operating result	<u>1 244 592</u>	<u>207 734</u>
	Financial income and expenses		
	Financial income	74 944	338 247
	Net currency differences	30 416	469 760
	Financial expenses	<u>2 477</u>	<u>4 428</u>
	Net financial result	<u>102 883</u>	<u>803 580</u>
	Result before taxation	<u>1 347 476</u>	<u>1 011 314</u>
5	Tax on ordinary result	<u>318 303</u>	<u>209 931</u>
	Result for the year	<u>1 029 173</u>	<u>801 383</u>
	Allocation of result and equity transfers		
	Transfer to other equity	<u>-1 029 173</u>	<u>-801 383</u>
2	Total allocations and equity transfers	<u>-1 029 173</u>	<u>-801 383</u>



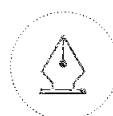
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West Supply VII Drift AS
Balance Sheet

ASSETS	Notes	31.12.2021	31.12.2020
Current assets			
Trade debtors		3 377 674	4 872 677
Other short-term debtors	4	525 040	597 687
Bank deposits		5 090 670	9 626 383
Total current assets		8 993 384	15 096 746
TOTAL ASSETS		8 993 384	15 096 746



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West Supply VII Drift AS

Balance Sheet

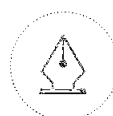
	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital (30 shares at NOK 1000)	3	3 409	3 409
Total paid-in capital		3 409	3 409
Retained earnings			
Other equity		3 795 936	2 766 763
Total retained earnings		3 795 936	2 766 763
Total equity	2	3 799 345	2 770 172
Current liabilities			
Trade creditors	4	1 635 046	11 898 206
Income tax payable		318 303	209 931
Other current liabilities	4	3 240 689	218 437
Total current liabilities		5 194 039	12 326 574
Total liabilities		5 194 039	12 326 574
TOTAL EQUITY AND LIABILITIES		8 993 384	15 096 746

Haugesund, 25.03.2022

Johannes Østensjø
Chairman of the Board / CEO

Mark Norman Ras
Director

Fredrik Ottesen
Director



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West Supply VII Drift AS Notes to Financial Statements 31 December 2021

Accounting principles

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

Currency

The Financial Statements are presented in USD. Monetary items (assets, liabilities and bank deposits) in foreign currency are converted at the exchange rate as on the balance sheet date. The exchange rate to Norwegian kroner for 2021 is set to 8,8363 for the balance sheet date and 8,5973 as an average for the year.

Classification and valuation of 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.

Fixed assets are valued at cost and written down to fair value if impairment is not expected to be temporary. Long-term liabilities are recorded at nominal value at the time incurred.

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.

Operating revenue and expensees

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

Income tax and deferred tax

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

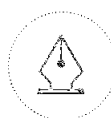
Deferred tax expense results from temporary differences between the accounting value of assets and liabilities and their value for tax purposes. The tax effect is offset against any income tax expense, and the net is recorded in the financial statements. Deferred tax is recorded as long-term liabilities,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

Cash Flow analysis

The cash flow statement is prepared using the indirect method.

Group

The company is included in West Supply VII AS's consolidated financial statements. The consolidated financial statements can be obtained at the company's business office in Haugesund.



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West Supply VII Drift AS

Notes to Financial Statements 31 December 2021

Note 1 - Remuneration

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

Crew is hired from Østensjø Rederi AS and external suppliers.

There has been no remuneration to board members in 2021.

Audit fee for 2021 amounts to USD 6,053,- (ex. VAT).

Note 2 - Equity

	Share- capital	Other equity	Total equity
Equity 01.01	3 409	2 766 764	2 770 172
Result for the year	0	1 029 173	1 029 173
Equity 31.12	3 409	3 795 937	3 799 345

Note 3 - Share capital and share holder information

Shareholder	Number	Owner's share	Voting rights
West Supply VII AS	30	100 %	100 %

Board members own 52 % of the shares.

Note 4 - Group companies

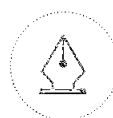
Debt to group companies	2021	2020
Østensjø Rederi AS	458 426	462 979
West Supply VIII AS	7 082	0
Wset Supply VII Eier AS	3 961 950	11 177 729
Total	4 427 458	11 640 708

Loan to group companies	2021	2020
West Supply VII Eier AS	35 568	0
Total	35 568	0

West Supply VII Drift AS guarantees for the bank debt in its sister company West Supply VII Eier AS of USD 66,138,856. The bank debt relates to a loan facility financing the Edda Freya. The loan facility is coming to final maturity in 3Q 2022 when the outstanding debt will be repayable in full. 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. Taking into account the positive market prospects and ongoing discussions for potential employment of the vessel, the board of directors are optimistic on securing longer term employment of the Edda Freya from 2023 and beyond, and following maturity of the existing contract with DeepOcean.

Over the recent years, parts of the debt capital market have gradually started to reallocate capital and reduce the exposure to oil & gas related industries as part of a green transition. As a consequence, some of the traditional banks within the offshore segment have decided to exit the sector, thus leading to less lending capacity compared with previous years.

The company has had initial discussions with its Lenders and expects to initiate the process on refinancing the debt coming to maturity in 3Q 2022 at an early stage during 2Q 2022. Given the reduced lending capacity in the debt capital markets, there is uncertainty with regards to the probability of a successful refinancing. Based on the favorable market outlook and expectations on securing further longer-term employment of the Edda Freya the company is, however, also optimistic on securing refinancing and extension of the debt coming to maturity at main terms and based on structure in line with the existing financing.



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West Supply VII Drift AS Notes to Financial Statements 31 December 2021

Note 5 - Income tax expense

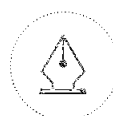
	2021	2020
Specification of income tax expense:		
Current income tax payable	318 303	209 931
Changes in deferred tax	0	0
Tax on profit	318 303	209 931
Specification of taxable income:		
Result before taxes	1 347 476	1 011 314
Permanent differences	5 841	3 339
Conversion difference	133 737	-60 421
Taxable income	1 487 054	954 232
Specification of current income tax payable:		
Tax payable, 22 %	318 303	209 931
Change in deferred tax	0	0
Total income tax expense	318 303	209 931

Note 6 - Other circumstances

The Covid-19 pandemic has had a limited economic impact in 2021 compared to what could be expected when the pandemic started. Although certain logistical challenges, especially related to crew-changes and supplies, and thereby somewhat increased expenses, the company has handled the consequences of the Covid-19 through established routines and implemented measures, and thereby managed to ensure a stable operation of the company's vessel through 2021.

Going forward, there is still uncertainty to what extent Covid-19 may negatively effect operation and economic growth, but the company will continue to monitor the situation closely and take actions as required to ensure stable operations.

The tense geopolitical situation between Russia and Ukraine escalated in late February 2022 when Russia invaded Ukraine. So far this has had no direct impact on the company's operational activity, but the situation has led to more uncertainty in the market with several players in the offshore segment value chain being directly or indirectly affected. The company continuously evaluates relevant risk factors related to the situation for measures to be taken to reduce such risk.



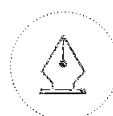
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West Supply VII Drift AS
Cash flow Statement

	<u>2021</u>	<u>2020</u>
<u>Cashflow from operations</u>		
Result before taxes	1 347 476	1 011 314
Taxes paid	-209 931	-234 050
Change in debtors / creditors balance	-8 768 157	1 535 719
Change in other clearing posts	3 094 898	-106 160
Net cashflow from operations	<u>-4 535 714</u>	<u>2 206 823</u>
Net change in cashflow for the year	-4 535 714	2 206 823
Cash balance as per 1.1	<u>9 626 383</u>	<u>7 419 559</u>
Cash balance as per 31.12	<u>5 090 670</u>	<u>9 626 383</u>



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WEST SUPPLY VII DRIFT AS

DIRECTOR'S REPORT 2021

Operation and location

West Supply VII Drift AS (the Company) operates the offshore construction vessel Edda Freya. The vessel has been chartered in on a bareboat charter from the associated company West Supply VII Eier AS and further chartered out on a long-term time charter to DeepOcean AS.

The Company has its administration located in Haugesund, 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.

The market for offshore service vessels showed signs of a slight improvement throughout 2021, however, with certain variations between different segments and the market in general also being somewhat affected by the Covid-19 pandemic. Following various measures and economic support schemes implemented to stimulate the economy combined with an increasing oil price, the market for subsea and offshore construction vessels is one of the segments being positively affected.

The Edda Freya has been employed with DeepOcean throughout 2021, but the Company has registered significantly increased interest for the vessel in the market, and with such increase particularly during the second half of the year. The existing contract with DeepOcean matures in 3Q 2022, but based on the positive market prospects and ongoing leads the Company is optimistic on securing further employment of the vessel from 2023 and onwards.

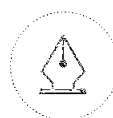
The Covid-19 pandemic and recent geopolitical tensions with Russia invading Ukraine have this far had limited direct impact on the Company. There is however, uncertainty on how both matters directly or indirectly could negatively affect the Company going forward, and measures and routines are thus implemented to continuously monitor and take actions to reduce the potential negative impact such risks could have for the Company.

Comments related to the Financial Statement

In the 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 development and result during 2021, in addition to the financial position at year-end.

The result for 2021 is a profit of USD 1,029,173 compared with a profit of USD 801,383 in 2020.

As per 31 December 2021 the Company's equity ratio was 42.2%.



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Total cash flow from operating activities for the Company was USD -4,535,714 in 2021, and the operating profit was USD 1,218,240. The difference mainly concerns reduction in current liabilities. The Company's cash balance as of 31 December 2021 is USD 5,090,670.

The Company's current assets at 31 December 2020 were USD 8,993,384, whilst the current liabilities were USD 5,194,039.

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.

Financial risk

Credit risk:

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

Market risk:

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

The Company's revenue is in US dollar (USD) and the bareboat liability is also in USD. Some of the operating expenses are in NOK. Thus, the currency exposure is considered moderate.

Liquidity risk:

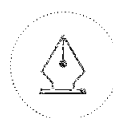
The Board of Directors considers the Company's liquidity risk as satisfactory. The working capital is positive, and the Company's cash flow from the charter party is sufficient to cover its financial liabilities.

Working environment and gender equality

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

External environment

The Company 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.



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Sustainability

During 2021, Østensjø Rederi AS has launched a sustainability report, the Sustainability Action Plan. The company has decided to join and commit to this plan. The plan is based on the UN's sustainability goals and it has been chosen to place special emphasis on five of the sustainability goals where specific goals and initiatives have been identified.

The various goals are reported on an ongoing basis and the sustainability report is available at sustainability.ostensjo.no.

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.

Allocation of result

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

31 December 2021

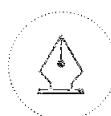
Haugesund, -----

25 March 2022

Johannes Østensjø
Chairman of the Board/ CEO

Mark Norman Ras
Board member

Fredrik Ottesen
Board member



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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of West Supply VII Drift AS

Opinion

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

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 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.

Emphasis of matter

We draw attention to note 4 of the financial statements, which describes information about the uncertainty regarding the refinancing of West Supply VII Eier AS bank debt which is guaranteed by the Company. Our opinion is not modified in respect of this matter.

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.



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 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.



Building a better
working world

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, 31. March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

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

Øyvind Nore

State Authorised Public Accountant (Norway)

On behalf of: Ernst & Young AS

Serial number: 9578-5994-4-485745

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2022-03-31 19:26:50 UTC



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