



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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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:	21.03.2024

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.06.2024



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	2	42 799	43 885
Sum kostnader		42 799	43 885
Driftsresultat		-42 799	-43 885
Finansinntekter og finanskostnader			
Annen renteinntekt		13 362	3 964
Annen finansinntekt		85 351	63 718
Sum finansinntekter		98 713	67 682
Annen rentekostnad	9	246	203
Annen finanskostnad		1 086	1 124
Sum finanskostnader		1 332	1 327
Netto finans		97 381	66 355
Ordinært resultat før skattekostnad		54 582	22 470
Skattekostnad på ordinært resultat	4	6 755	11 262
Ordinært resultat etter skattekostnad		47 827	11 208
Årsresultat		47 827	11 208
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		47 828	11 208
Sum overføringer og disponeringer		47 828	11 208



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5,6	60 506 740	60 482 789
Sum finansielle anleggsmidler		60 506 740	60 482 789
Sum anleggsmidler		60 506 740	60 482 789
Omløpsmidler			
Varer			
Fordringer			
Trade debtors	5,7	4 636	6 810
Other short-term debtors	7	1 858	1 747
Konsernfordringer	717 449	30 706	9 177
Sum fordringer		37 200	17 734
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	295 060	271 343
Sum bankinnskudd, kontanter og lignende		295 060	271 343
Sum omløpsmidler		332 260	289 077
SUM EIENDELER		60 839 000	60 771 866
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	43 928 655	43 928 655
Overkurs		16 549 020	16 549 020
Sum innskutt egenkapital		60 477 675	60 477 675



Balanse

Beløp i: USD	Note	2023	2022
Opptjent egenkapital			
Annen egenkapital		328 961	281 133
Sum opptjent egenkapital		328 961	281 133
Sum egenkapital		60 806 636	60 758 808
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		0	1 796
Betalbar skatt	4	0	11 262
Utbytte	7	30 706	0
Kortsiktig konserngjeld	7	1 658	0
Sum kortsiktig gjeld		32 364	13 058
Sum gjeld		32 364	13 058
SUM EGENKAPITAL OG GJELD		60 839 000	60 771 866



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating income	1	22 793 068	19 887 861
Sum inntekter		22 793 068	19 887 861
Kostnader			
Payroll expenses	2	4 792 357	4 734 615
Depreciation	3	6 090 920	6 090 920
Other operating expenses	2	5 246 732	3 605 857
Sum kostnader		16 130 009	14 431 392
Driftsresultat		6 663 059	5 456 469
Finansinntekter og finanskostnader			
Annen renteinntekt		397 892	168 250
Annen finansinntekt		194 040	227 964
Sum finansinntekter		591 932	396 214
Annen rentekostnad	9	4 524 199	3 478 062
Annen finanskostnad		873 711	697 429
Sum finanskostnader		5 397 910	4 175 491
Netto finans		-4 805 978	-3 779 277
Ordinært resultat før skattekostnad		1 857 081	1 677 192
Skattekostnad på ordinært resultat	4	-28 353	135 739
Ordinært resultat etter skattekostnad		1 885 434	1 541 453
Årsresultat		1 885 434	1 541 453
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		1 885 434	1 541 453
Sum overføringer og disponeringer		1 885 434	1 541 453



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	28 353	0
Sum immaterielle eiendeler		28 353	0
Varige driftsmidler			
Vessel	3,5	125 397 423	131 488 343
Sum varige driftsmidler		125 397 423	131 488 343
Sum anleggsmidler		125 425 776	131 488 343
Omløpsmidler			
Varer			
Fordringer			
Trade debtors	5,7	4 336 303	3 505 827
Other short-term debtors	7	499 197	411 128
Sum fordringer		4 835 500	3 916 955
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	6 731 086	8 201 455
Sum bankinnskudd, kontanter og lignende		6 731 086	8 201 455
Sum omløpsmidler		11 566 586	12 118 410
SUM EIENDELER		136 992 362	143 606 753
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	43 928 655	43 928 655
Sum innskutt egenkapital		43 928 655	43 928 655



Konsernets balanse

Beløp i: USD	Note	2023	2022
Opptjent egenkapital			
Other equity		41 847 115	39 961 680
Sum opptjent egenkapital		41 847 115	39 961 680
Sum egenkapital		85 775 770	83 890 335
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5	49 500 000	58 000 000
Sum annen langsiktig gjeld		49 500 000	58 000 000
Sum langsiktig gjeld		49 500 000	58 000 000
Kortsiktig gjeld			
Leverandørgjeld	7	1 011 124	717 449
Betalbar skatt	4	0	135 739
Kortsiktig konserngjeld	7	16 623	0
Other short-term liabilities	7	688 846	863 230
Sum kortsiktig gjeld		1 716 593	1 716 418
Sum gjeld		51 216 593	59 716 418
SUM EGENKAPITAL OG GJELD		136 992 363	143 606 753



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

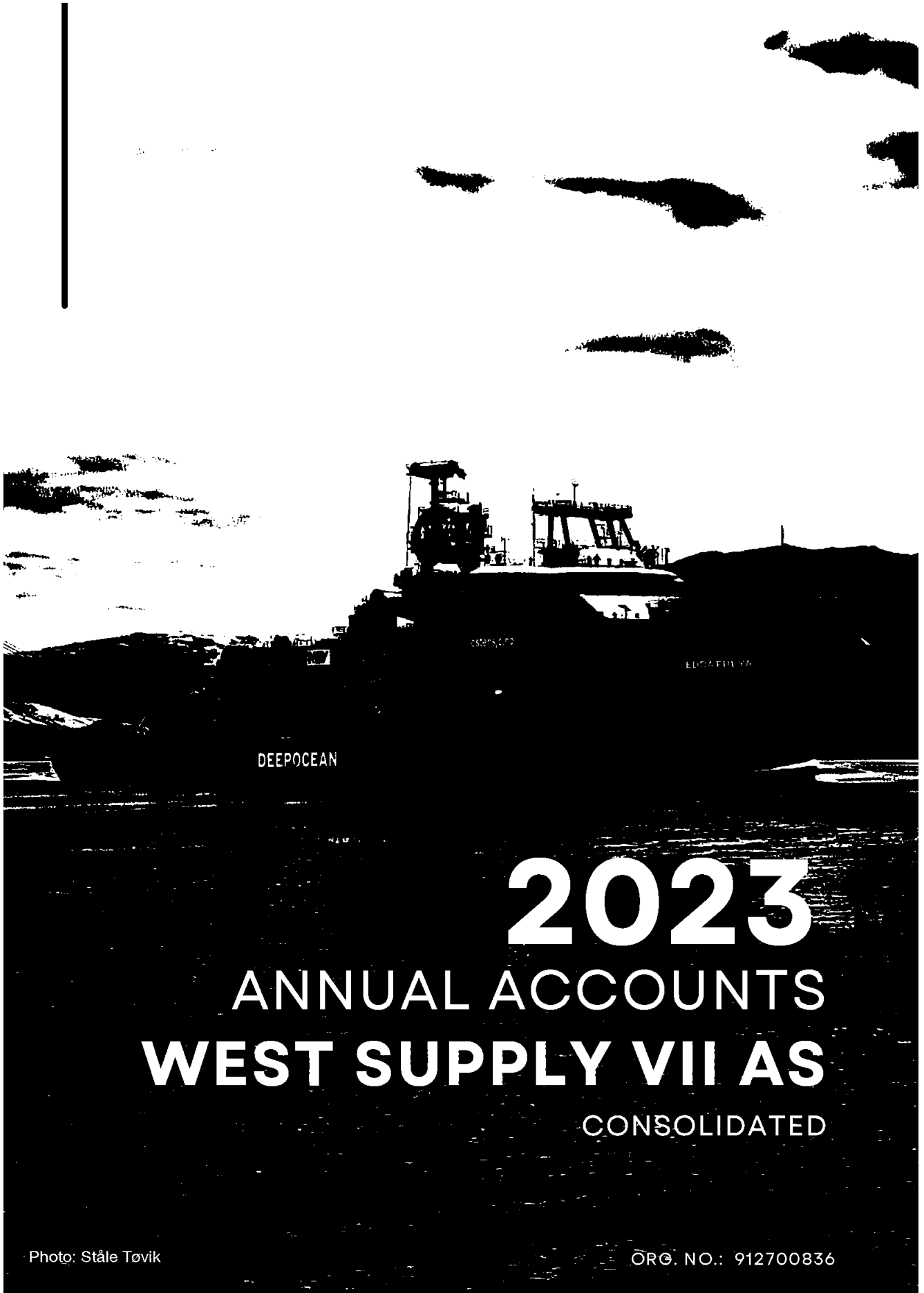


Photo: Ståle Tøvik

ORG. NO.: 912700836



WEST SUPPLY VII AS - CONSOLIDATED

Director's report

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.

Following a prolonged period of market imbalance and limited demand and charterers' willingness to pay sustainable rates for subsea vessels, the last years' improvement in oil & gas market sentiment combined with vessel demand from the offshore renewables market has now lead to a generally strong offshore market.

There is currently increasing demand for high specification subsea vessels and a limited number of vessels available in the market to meet short to medium-term demand. Although there most likely will be placed certain orders for vessel newbuildings going forward, elements like i.a. significantly increased expenses, access to capital and technology risk are expected to somewhat reduce the appetite for massive orders, which, subject to stable demand, most likely will lead to a favourable market for operators and shipowners in the years to come.

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The Edda Freya has been employed with DeepOcean throughout 2023, under a fixed charterparty for minimum 2 years firm and with an additional 1-year option. The contract was entered into in an improving market, and although market rates have increased since the contract was entered into, the contract secures good earnings visibility for the vessel. 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 expects higher rate levels and is positive about the future development and market conditions for the Edda Freya.

Recent technology changes, regulative requirements, and transmission to zero emission operations will most likely lead to increased upgrades and capital expenditures to ensure regulatory compliance for existing vessels in the future. As of today, it is, however, very difficult to factor in when, which technology and at what cost will impact vessel lifetime. The depreciation schedule for the vessel is thus kept at 30 years linear depreciation, in line with the principles applied for the vessel historically.



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 2023, in addition to the financial position at year-end.

The result for 2023 shows a profit of US dollar (USD) 47,828 for the Company and USD 1,885,434 for the Group, compared with a profit of USD 11,208 for the Company and USD 1,541,453 for the Group in 2022.



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As of December 31, 2023, the Company's equity ratio is 100%, and the Group's consolidated equity is 62.6%, compared to 100% and 58.4% in 2022, respectively.

Total cash flow from operating activities for the Group is USD 7,029,631 in 2023, and the operating profit is USD 6,663,059. The difference mainly concerns ordinary depreciation. Total cash flow from financing is negative with USD 8,500,000 and relates to repayment of debt. The Group's cash balance as of December 31, 2023, is USD 6,731,086.

The Group's current assets as of December 31, 2023, are USD 11,556,586 compared to USD 12,118,410 in 2022, whilst the current liabilities as of December 31, 2023, are USD 1,716,593 and USD 1,716,418 in 2022.

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 the fourth quarter of 2025. The refinanced facility has a fixed amortization profile and carries a floating interest.



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WEST SUPPLY VII AS - CONSOLIDATED

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 earned by the vessel has historically been secured by shorter or medium term FX contracts for hedging purposes and to secure parts of the NOK expenses as budgeted for. As the majority of the vessel's operating and crew expenses are NOK nominated, the Group is partially exposed to currency risk. However, as the Group is in a position to mitigate such risk through FX hedging, the currency exposure and risk is considered moderate. The Group's bank debt is subject to a USD fixed interest rate. 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 USD interest rate was fixed in full and for a period until the first half of 2025. The interest risk of the Group is thus considered moderate.

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 DeepOcean charter party is sufficient to cover its financial liabilities.



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WEST SUPPLY VII AS - CONSOLIDATED

Sustainability

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 in the Sustainability Action Plan developed by Østensjø Rederi AS as manager of the vessel. 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, has been established to maintain, develop, and follow up the Sustainability Action Plan.



During 2023, Østensjø Rederi AS has updated the plan with the following new initiatives:

Initiatives:

- Recycling of electrical waste in the office.
- Offer Biofuel to customers in all new contracts.
- Two new deliveries of ships designed for LOHC technology.
- Initiative to reduce Co2 on business travel.



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WEST SUPPLY VII AS - CONSOLIDATED

Sustainability

In addition, a new sustainability goal has been included in the plan, UN Goal No. 9: Upgrade infrastructure and adapt industries to make them more sustainable, with increased efficiency in resource use and greater adoption of clean and environmentally friendly technologies and industrial processes.

Østensjø Group has invested in the company LOHC Maritime, and the aim is to develop zero-emission technology for use on board vessels in its own group of companies, but also to make the technology available to all vessels where it is suitable. The aim is to have the technology ready by 2029.

The Sustainability Action Plan
is available at

sustainability.ostensjo.no



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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 company and the manager, Østensjø Rederi AS, have published the statement required in the Norwegian Transparency Act (LOV-2021-06-18-99) for 2022 on Østensjø Rederi AS' home page, ostensjo.no/company, where the statement for 2023 also will be published within reporting deadline June 30, 2024.

Allocation of result

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

31 DECEMBER 2023

Haugesund

19 MARCH 2024

Signed electronically

Johannes Østensjø
Chairman of the Board/CEO

Signed electronically

Fredrik Ottesen
Board Member



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West Supply VII AS

Consolidated Financial Statements

West Supply VII AS (figures in USD)		Balance sheet		West Supply VII Group (figures in USD)	
2022	2023		Notes	2023	2022
		ASSETS			
		Intangible assets			
0	0	Deferred tax assets	4	28 353	0
0	0	Total intangible assets		28 353	0
		Tangible assets			
0	0	Vessel	3,5	125 397 423	131 488 343
0	0	Total tangible assets		125 397 423	131 488 343
		Financial assets			
60 482 789	60 506 740	Shares in subsidiaries	5,6	0	0
60 482 789	60 506 740	Total financial assets		0	0
60 482 789	60 506 740	Total fixed assets		125 425 776	131 488 343
		Current assets			
6 810	4 636	Trade debtors	5,7	4 336 303	3 505 827
9 177	30 706	Outstanding to group companies	7	0	0
1 747	1 858	Other short-term debtors	7	499 197	411 128
271 343	295 060	Cash in hand and bank deposits	5	6 731 086	8 201 455
289 077	332 260	Total current assets		11 566 586	12 118 410
60 771 866	60 839 000	TOTAL ASSETS		136 992 362	143 606 753
		EQUITY AND LIABILITIES			
		Equity			
43 928 655	43 928 655	Share capital (5,700 shares at NOK 66,030)	8	43 928 655	43 928 655
16 549 020	16 549 020	Share premium capital		0	0
281 133	328 961	Other equity		41 847 115	39 961 680
60 758 808	60 806 636	Total equity	8	85 775 770	83 890 335
		Long-term liabilities			
0	0	Mortgage loan	5	49 500 000	58 000 000
0	0	Total long-term liabilities		49 500 000	58 000 000
		Current liabilities			
1 796	0	Trade creditors	7	1 011 124	717 449
0	1 658	Debt to group companies	7	16 623	0
0	30 706	Group contribution	7	0	0
0	0	Other short-term liabilities	7	688 846	863 230
11 262	0	Income tax payable	4	0	135 739
13 058	32 364	Total current liabilities		1 716 593	1 716 418
13 058	32 364	Total liabilities		51 216 593	59 716 418
60 771 866	60 839 000	TOTAL EQUITY AND LIABILITIES		136 992 362	143 606 753

Haugesund, 19.03.2024

Signed electronically

Johannes Østensjø
Chairman of the Board

Signed electronically

Fredrik Ottesen
Board member



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West Supply VII AS
Consolidated Financial Statements
Cash flow Statement

West Supply VII AS			Group	
(Figures in USD)			(Figures in USD)	
2022	2023		2023	2022
		Cashflow from operations		
22 470	54 583	Result before taxes	1 857 081	1 677 192
-8 330	-11 262	Taxes paid	-135 739	-326 633
0	0	Ordinary depreciation	5 488 968	5 488 968
0	0	Expensed drydock	601 952	601 952
-8 195	378	Change in debtors / creditors balance	-536 801	-105 816
25 378	-19 982	Change in other clearing posts	-245 830	205 985
31 323	23 717	Net cashflow from operations	7 029 631	7 541 648
		Cashflow from financing		
0	0	Repayment of debt	-8 500 000	-66 138 856
0	0	Proceeds of new debt	0	58 000 000
0	0	Net cashflow from financing	-8 500 000	-8 138 856
31 323	23 717	Net change in cashflow for the year	-1 470 369	-597 208
240 020	271 343	Cash balance as per 1 January	8 201 455	8 798 663
271 343	295 060	Cash balance as per 31 December	6 731 086	8 201 455



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West Supply VII AS

Notes to Consolidated Financial Statements 31 December 2023

Accounting policies

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

Consolidation principles

The consolidated financial statements consist of West Supply VII AS and its subsidiaries, West Supply VII Eier AS and West Supply VII Drift AS, where West Supply VII AS has a controlling interest through legal and actual control. The consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. All material transactions and group inter-company 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 formation.

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 recognised.

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 and 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.

Functional and presentation 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 2023 is set to 10,2020 for the balance sheet date and 10,5658 as an average for the year.

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.

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 2023. Effective 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 22,602 in 2023.

Audit fee for 2023 to Ernst & Young AS amounts to USD 9,423 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 22,602 in 2023.

Audit fee for the Group in 2023 amounts to USD 26,773 for statutory audit and USD 224 for consulting services (ex. VAT).

Note 3 - Vessel

	<u>Vessel</u>	<u>Drydock</u>	<u>Total</u>
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	-36 135 706	-2 394 521	-38 530 227
Depreciation	-5 488 968	-601 952	-6 090 920
Total balance at 31 December 2023	124 189 089	1 208 334	125 397 423

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

Freya is on a long-term contract with DeepOcean. 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 will be performed. The impairment test analysis employs estimate of future cash flows for the vessel to calculate the value in use. There has not been identifies any impairment indicators and the market values are over booked value as of 31 December 2023.

Recent technology changes, regulative requirements and transmission to zero emission operations will most likely lead to increased upgrades and capital expenditures to ensure regulatory compliance for existing vessels in the future. As of today, it is, however, very difficult to factor in when, which technology and at what cost will impact impact vessel lifetime. The depreciation schedule for the vessel is thus kept at 30 years linear depreciation, in line with the principles applied for the vessel historically.



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Note 4 - Taxes

Parent

Specification of income tax expense	2023	2022
Current income tax payable	0	11 262
Tax group contribution	-6 755	0
Tax on profit	-6 755	11 262

Specification of taxable income

Ordinary result before taxes	23 877	22 470
Permanent differences	43	-6
Group contribution	-30 706	0
Conversion difference	6 786	30 253
Net taxable income	0	52 717

Specification of current income tax payable

Tax payable, 22 %	0	11 262
Total income tax expense	0	11 262

Group

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

Taxable income tonnage tax	2023	2022
Interest Income	340 961	126 359
Currency differences	-98 719	-237 946
Interest expenses	-229 623	-195 410
Other financial expenses	-122 253	-482 888
Limitation of interest expense	0	324 231
Taxable income tonnage tax	-109 635	-465 655

Applied tax loss this year

Tax loss carried forward 1.1	8 408 059	8 930 077
Conversion difference 1.1 loss	-243 456	-964 797
Tax loss current year	113 544	442 779
Tax loss carried forward 31.12	8 278 147	8 408 059

Tax payable, tonnage tax	2 898	2 898
---------------------------------	--------------	--------------

Short-term tax liability

Taxable income in companies under ordinary tax regime	-128 875	650 485
Taxable income in companies under tonnage tax regime	0	0
Total taxable income	-128 875	650 485
Short-term tax liability/deferred tax (-)	-28 353	135 739

Income tax expense

Tax payable	0	135 739
Total income tax expense	0	135 739

Specification of the tax effect of temporary differences and losses carried forward:

	2023	2022
Losses carried forward	-128 875	-
Deferred benefit in the balance sheet	-28 353	-



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Note 5 - Mortgages and guarantees

Parent

Book value of pledged assets:	2023	2022
Shares in West Supply VII Eier AS	60 477 675	60 477 675
Shares in West Supply VII Drift AS	29 065	5 114
Total	60 506 740	60 482 789

Group

	2023	2022
Pledged debt	49 500 000	58 000 000
Liabilities due more than five years after year-end	0	0

Book value of pledged assets	2023	2022
Vessel	125 397 423	131 488 343
Trade debtors	4 336 303	3 505 827
Bank deposits	6 731 086	8 201 455
Total pledged assets	136 464 812	143 195 625

The Group's bank debt relates to a loan facility held by West Supply VII Eier AS financing Edda Freya. 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.

Note 6 - Shares in subsidiaries

Parent	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	29 065
Total				60 506 740

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.



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Note 7 - Intercompany

Parent

	2023	2022
Trade debtors		
West Supply VII Eier AS	-	6 810
Total	-	6 810

Outstanding to group companies

West Supply VII Eier AS	-	8 263
West Supply VII Drift AS	30 706	914
Total	30 706	9 177

Trade creditors

Østensjø Rederi AS	-	1 796
Total	-	1 796

Other short-term liabilities

Østensjø Drift AS	1 658	-
West Supply VII Drift AS (group contribution)	30 706	-
Total	32 364	-

Group

	2023	2022
Other short-term debtors		
Østensjø Rederi AS	14 964	4 785
	14 964	4 785

Trade creditors

Østensjø Rederi AS	355 845	426 302
	355 845	426 302

Other short-term liabilities

Johannes Østensjø dy AS	-	61 973
Østensjø Rederi AS	16 622	-
	16 622	61 973



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Note 8 - Share capital, shareholder information and 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 %
Total	5 700	100 %

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

On 19 February 2024 WS Holding and MCO 4 AS entered a share purchase agreement that states that WS Holding AS is to acquisition 1,482 shares in WS VII AS from MCO 4 AS.

Changes in equity

Parent	Share capital	Share premium reserve	Retained earnings	Total equity
Equity at 1 January 2023	43 928 655	16 549 020	281 133	60 758 808
Profit for the year	0	0	47 828	47 828
Equity at 31 December 2023	43 928 655	16 549 020	328 961	60 806 636

Group	Share capital	Retained earnings	Total equity
Equity at 1 January 2023	43 928 655	39 961 680	83 890 335
The Group's result for the year	0	1 885 434	1 885 434
Equity at 31 December 2023	43 928 655	41 847 115	85 775 770

Note 9 - Hedging activities

Group

As of 31 December 2023, the Company has an interest rate swap agreement, with a market value of USD 386,868 and a notional amount of USD 49,500,000, where the Company receives a fixed interest rate of 3,861%.

The swap is being used to hedge the exposure of changes in the fair value of its floating rate at 5,29% on the loan as of 31 December 2023.



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Name	Method	Signed at
Østensjø, Johannes	BANKID	2024-03-19 12:42 GMT+01
Ottesen, Fredrik	BANKID	2024-03-19 11:36 GMT+01



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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 2023, the profit and loss statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 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.

Responsibilities of management for the financial statements

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



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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.

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.



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Bergen, 21. March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

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Independent auditor's report - West Supply VII AS 2023

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Øyvind Nore

Statsautorisert revisor

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