



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Tore Henriksen
Dato for fastsettelse av årsregnskapet: 08.04.2022

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, 08.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Freight income	4	27 702 186	24 858 436
Commissions		-138 511	-125 081
Sum inntekter		27 563 675	24 733 355
Kostnader			
Crew-hire	13	2 822 232	2 536 305
Ordinary depreciation	8	7 617 200	7 509 574
Other operating expenses	12	3 582 482	2 737 038
Sum kostnader		14 021 914	12 782 917
Driftsresultat		13 541 761	11 950 438
Finansinntekter og finanskostnader			
Financial income	6	496 993	26 848
Sum finansinntekter		496 993	26 848
Foreign exchange gain/loss		16 677	37 556
Financial expenses	6	12 800 747	10 839 971
Sum finanskostnader		12 817 424	10 877 527
Netto finans		-12 320 431	-10 850 678
Ordinært resultat før skattekostnad		1 221 330	1 099 760
Ordinært resultat etter skattekostnad		1 221 330	1 099 760
Årsresultat		1 221 330	1 099 760
Årsresultat etter minoritetsinteresser		1 221 330	1 099 760
Totalresultat		1 221 330	1 099 760



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	7, 8	198 427 573	205 948 272
Sum varige driftsmidler		198 427 573	205 948 272
Sum anleggsmidler		198 427 573	205 948 272
Omløpsmidler			
Varer			
Inventories	5	150 712	95 338
Sum varer		150 712	95 338
Fordringer			
Other short-term receivables	9	781 785	493 717
Sum fordringer		781 785	493 717
Bankinnskudd, kontanter og lignende			
Bank deposits	2	7 900 907	10 490 690
Sum bankinnskudd, kontanter og lignende		7 900 907	10 490 690
Sum omløpsmidler		8 833 404	11 079 746
SUM EIENDELER		207 260 977	217 028 018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		1 116 347	1 116 347
Overkurs		25 936 804	25 936 804
Sum innskutt egenkapital		27 053 150	27 053 150



Balanse

Beløp i: USD	Note	2021	2020
Opptjent egenkapital			
Other equity		4 813 498	3 592 168
Sum opptjent egenkapital		4 813 498	3 592 168
Sum egenkapital	10, 11	31 866 649	30 645 318
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	167 511 753	177 883 071
Langsiktig konserngjeld	8	397 848	378 879
Other non-current liabilities	9		
Sum annen langsiktig gjeld		167 909 601	178 261 951
Sum langsiktig gjeld		167 909 601	178 261 951
Kortsiktig gjeld			
Leverandørgjeld		875 512	2 945 471
Accrued interest		2 887 262	2 072 626
Other current liabilities		3 721 954	3 102 652
Sum kortsiktig gjeld		7 484 728	8 120 749
Sum gjeld		175 394 328	186 382 700
SUM EGENKAPITAL OG GJELD		207 260 977	217 028 018



NORSPAN LNG VII AS

ANNUAL REPORT

2021



LNG/C Valencia Knutsen



NORSPAN LNG VII AS

REPORT OF THE BOARD OF DIRECTORS 2021

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

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

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

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

2021 has been a challenging year operational wise due to the Covid-19 pandemic.

The Board of Directors would like to give credit to officers and crew onboard Valencia as well as the staff of the manager and the charterer for establishing efficient guidelines and operational procedures in order to keep the vessel and everyone onboard safe.

Valencia has not had any Covid-19 infections onboard in 2021. The pandemic has however influenced the operation of the vessel by way of additional operating cost related to travel-, testing-, quarantine-, stand-by and accommodation cost, and wage expenses due to extended days onboard. Forwarding cost and service personnel costs have also increased due to Covid-19.

Result for the year

The company had an operating income of USD 27.563.675 in 2021 (USD 24.733.355 in 2020). The operating result for the year was USD 13.541.761 compared to USD 11.950.438 in 2020. Net financial expenses were USD 12.320.431 (USD 10.850.678 in 2020). The profit for the year was USD 1.221.431 compared to a profit of USD 1.099.760 in 2020.

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

Total cash flow from operating activities in the company was USD 8.174.228 compared to USD 12.908.815 in 2020.

The company has substantial additional value due to a long term charter to a first class charterer, and the expected value of new charters for the remaining lifetime of the vessel when the existing charter expires.

The liquidity balance as at 31.12.21 was USD 7.900.907 (USD 10.490.690 as at 31.12.2020). The company's current debt relative to total debt was 4,27% compared to 4,36% as of 31.12.2020. The financial



position is good, and the company can as of 31.12.2021 repay its current debt with its most liquid assets (current assets-inventories).

The total capital was by year end USD 207.260.977, compared to USD 217.028.018 for the previous year. The equity-asset ratio was 15,4% per 31.12.2021 compared to 14,1% per 31.12.2020.

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

The Company has entered into forward contracts in order to reduce the Company's exchange rate risk. The company has reduced the interest rate fluctuation risk through long term interest rate swaps for 86% of the balance of the loan.

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

High operational standards

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

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

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



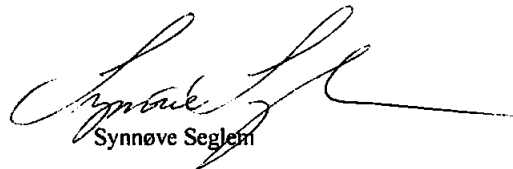
Future prospects

LNG/c Valencia Knutsen is on a long-term contract with a first-class charterer and the vessel's operational performance since delivery has been excellent. The Board has every reason to believe that 2022 will be a satisfactory year for the company.

Haugesund, 7 april 2022



Trygve Seglem
Managing Director/Chairman of the Board



Synnøve Seglem
Board member



Nils-Kristian Strøm
Board member



Geir Tore Henriksen
Board member



Norspan Lng VII AS
Profit & Loss Account

Numbers in USD

	Note	2021	2020
<u>Operating Income</u>			
Freight income	4	27 702 186	24 858 436
Commissions		-138 511	-125 081
<i>Total Operating income</i>		<u>27 563 675</u>	<u>24 733 355</u>
<u>Operating Expenses</u>			
Crew-hire	13	2 822 232	2 536 305
Other operating expenses	12	3 582 482	2 737 038
<i>Total Operating Expenses</i>		<u>6 404 714</u>	<u>5 273 343</u>
<i>Operating result before depreciation</i>		<u>21 158 961</u>	<u>19 460 012</u>
Ordinary depreciation	8	7 617 200	7 509 574
<i>Total depreciation and write-downs</i>		<u>7 617 200</u>	<u>7 509 574</u>
<i>Operating Result</i>		<u>13 541 761</u>	<u>11 950 438</u>
<u>Financial Income and Expenses</u>			
Financial income	6	496 993	26 848
Foreign exchange gain/loss		-16 677	-37 556
Financial expenses	6	-12 800 747	-10 839 971
<i>Net Financial Items</i>		<u>-12 320 431</u>	<u>-10 850 678</u>
<i>Result for the year</i>		<u>1 221 330</u>	<u>1 099 760</u>



Norspan Lng VII AS
Balance Sheet as of 31. December

Numbers in USD

<u>EIENDELER</u>	<u>Note</u>	2021	2020
<u>Fixed Assets</u>			
Vessel	7, 8	198 427 573	205 948 272
<i>Total Fixed Assets</i>		<u>198 427 573</u>	<u>205 948 272</u>
<u>Current Assets</u>			
Inventories	5	150 712	95 338
Other short-term receivables	9	781 785	493 717
Bank deposits	2	7 900 907	10 490 690
<i>Total Current Assets</i>		<u>8 833 404</u>	<u>11 079 746</u>
TOTAL ASSETS		<u>207 260 977</u>	<u>217 028 018</u>

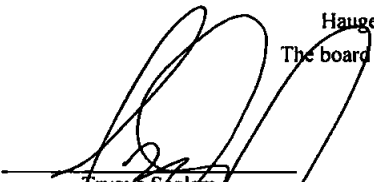


Norspan Lng VII AS
Balance Sheet as of 31. December

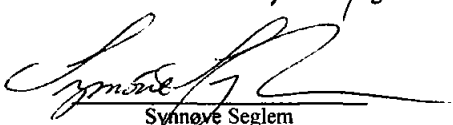
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2021	2020
<u>Equity</u>			
Share capital		1 116 347	1 116 347
Share premium reserve		25 936 804	25 936 804
<i>Total capital paid-in</i>		<u>27 053 150</u>	<u>27 053 150</u>
Other equity		4 813 498	3 592 168
<i>Total Shareholders' Equity</i>	10, 11	<u>31 866 649</u>	<u>30 645 318</u>
<u>Long Term Debt</u>			
Mortgage debt	7	167 511 753	177 883 071
Long term debt to associated companies	8	397 848	378 879
<i>Total Long Term Debt</i>		<u>167 909 601</u>	<u>178 261 951</u>
<u>Current Liabilities</u>			
Accounts payable		875 512	2 945 471
Accrued interest		2 887 262	2 072 626
Other current liabilities		3 721 954	3 102 652
<i>Total Current Liabilities</i>		<u>7 484 728</u>	<u>8 120 749</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>207 260 977</u>	<u>217 028 018</u>

Haugesund, 7 April 2022


The board of Norspan Lng VII AS


Trygve Seglem

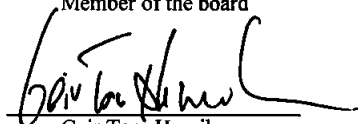
Chairman of the board/General Manager


Synnøve Seglem

Member of the board


Nils-Kristian Strøm

Member of the board


Geir Toré Henriksen

Member of the board



NORSPAN LNG VII AS

CASHFLOW STATEMENT

Numbers in USD:	2021	2020
Total generated from operations 1)	9 153 691	8 614 002
Change in working capital	<u>-979 463</u>	<u>4 294 813</u>
Net cashflow from operations	<u>8 174 228</u>	<u>12 908 815</u>
Invested in vessel	-124 020	-1 302 357
Invested in dry docking	27 519	-4 061 290
Net cashflow from investments	<u>-96 501</u>	<u>-5 363 647</u>
Drawdown new mortgage debt		180 000 000
Debt Issuance cost	-4 400 194	-2 121 297
Capital increase 20.12.2019	0	0
Repayment mortgage debt	-6 286 284	-183 500 000
Net draw down debt to associated companies	<u>18 969</u>	<u>24 034</u>
Net cashflow from financing	<u>-10 667 510</u>	<u>-5 597 263</u>
Net cashflow for the year	-2 589 784	1 947 904
+ Cash balance per 1.1	<u>10 490 690</u>	<u>8 542 786</u>
= Cash Balance per 31.12.	<u>7 900 907</u>	<u>10 490 690</u>

1) Generated from operations:

Result before tax	1 221 330	1 099 760
+Ordinary depreciation	7 617 200	7 509 574
+Amortization debt issuance cost	<u>315 161</u>	<u>4 668</u>
= Total generated from operations	<u>9 153 691</u>	<u>8 614 002</u>



Norspan LNG VII AS

Notes to the Financial Statement 31.12.2021

1 **Accounting Principles**

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards.

Current Assets/Current Liabilities

Fixed assets are intended for long-term ownership and use. Other assets are classified as current assets. Short-term liabilities are due within one year or tied to the operation of the vessel. Other liabilities are classified as long term liabilities.

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

This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

Fixed Assets and Dry-Docking

The total cost of the vessel is capitalised at delivery and depreciated linearly over the expected life time. Dry-docking expenses are capitalised and expensed over the period till the next dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2.5 year for vessels more than 15 years. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. In the Profit & Loss statement the portion of the dry-docking expenses is included under "Other operating expenses". Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

The fixed assets are valued according to the lowest of the depreciated value and the fair value unless the fall in value is assumed to be temporary.

Transactions in Foreign Currency

Based on the Economic environment of the Company, both the functional and the reporting currency is USD

Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction.

All current assets and current liabilities in foreign currency are registered at the rate of exchange as per 31.12. Realized profit and loss on foreign exchange are registered as financial items.

Financial Instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

The intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, thus the income and expenses related to the hedging and the corresponding items in the balance sheet are accrued and classified in the same manner.



Tax

Profit / loss for tax calculation is based on the profit / loss and the permanent and temporary differences that exist between accounting values and tax values at the end of the year.

Deferred tax is estimated on basis of the temporary differences in which exists between accounting related value and tax related value at year end, and additionally tax related losses will be carried forward. Deferred tax assets are only recorded if it is likely that the company can utilize them at a later point of time.

Cash Flow Statement

The cash flow statement of the company is done in accordance with the indirect method of NRS as cash flow statement. The liquidity balance includes cash, bank deposits and other short term, highly liquid investments.

Income

The income from the charter party is in USD, and income is recorded to the Profit & Loss account when actually earned.

Inventories

Inventories are valued to market value as the principle of lower of cost and market value is evaluated as unpractical.

2 Bank deposits

The company doesn't have locked-up bank funds per 31.12.

3 Company Structure

Norspan LNG VII AS was established in 2007. During the establishment of the company, it was also decided to establish an internal partnership where all activities in Norspan LNG VII AS should take place. In 2019 the internal partnership was dissolved and all the activity in the former internal partnership have continued in Norspan LNG VII AS.

4 Contracts

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

Valencia Knutsen is operated by Knutsen OAS Shipping AS on behalf of the company in accordance with a corresponding management agreement. The crew is managed by Knutsen OAS Espana S.L.



5 Inventories

Inventories amounting to USD 150 712 refer to lube oil and stores as per 31.12.2020, and the corresponding figures were USD 95 338 in 2020. Due to the fact that the vessel is contracted on a time charter, bunkers and bunkers stock are for charterers' account.

6 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
Financial Income:		
Distribution from DNK	496 793	0
Interest income	200	2 264
Interest income associated companies	0	24 574
Total financial income	<u>496 993</u>	<u>26 838</u>

Financial expenses:

Interest expenses	12 354 789	10 698 333
Interests to associated companies	22 596	23 437
Other financial expenses	423 363	118 201
Total financial expenses	<u>12 800 747</u>	<u>10 839 971</u>

7 Mortgage Debt and Financial Instruments

The current portion of the mortgage debt is USD 13,2 million, and the corresponding figures were USD 10,2 million in 2020. The debt was due in 2020 and refinanced,

The Company has entered agreements on fixed interest rates on 85,4 % of the mortgage debt (86,1 % in 2020).

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

Book value of mortgaged assets is USD 198 million (USD 206 million in 2020).

Estimated outstanding debt per year end 2026 is USD 105 million.

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in USD, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has also entered interest rate swaps to minimize the effects of fluctuations in the USD interest rate. Mark to market loss on interest swaps have not been taken into account with USD 35 528 032 (loss of USD 43 096 294 in 2020)

8 Fixed Assets and Dry-Docking

Vessel	<u>2021</u>	<u>2020</u>
Historical value 1.1.	271 177 737	269 875 380
Acc. Depreciation 1.1	69 016 500	62 249 300
Book Value 1.1	<u>202 161 237</u>	<u>207 626 080</u>
Additions	124 020	1 302 357
Ordinary annual depreciation	6 796 400	6 767 200
Book value 31.12.	<u>195 488 857</u>	<u>202 161 237</u>

The economic life of the vessel is estimated to 40 years, and the vessel is depreciated accordingly.

Dry-Docking

	<u>2021</u>	<u>2020</u>
Historical value 1.1.	5 912 109	1 850 819
Acc. Depreciation 1.1	2 125 074	1 382 700
Book Value 1.1	<u>3 787 035</u>	<u>468 119</u>
Additions	-27 519	4 061 290
Ordinary annual depreciation	820 800	742 374
Book value 31.12.	<u>2 938 715</u>	<u>3 787 035</u>

Book value vessel 31.12.

198 427 573 205 948 272



9 Receivables and liabilities - associated companies

	<u>2021</u>	<u>2020</u>
<u>Short-term receivables associated companies</u>		
Knutsen OAS Shipping AS	257 242	87 530
	<u>257 242</u>	<u>87 530</u>
<u>Short-term debt to associated companies</u>		
TS Shipping Invest AS	1 350 000	731 301
	<u>1 350 000</u>	<u>731 301</u>
<u>Long-term debt to associated companies</u>		
Norspan LNG AS	397 848	378 879
	<u>397 848</u>	<u>378 879</u>

10 Equity

Specification of the equity per 31.12.:

	<u>Share capital</u>	<u>Share premium</u>	<u>Other equity</u>	<u>Total equity</u>
Equity 01.01.	1 116 347	25 936 804	3 592 168	30 645 318
Result for the year			1 221 330	1 221 330
Equity 31.12.	<u>1 116 347</u>	<u>25 936 804</u>	<u>4 813 498</u>	<u>31 866 649</u>

The company's share capital consists of 1.000 shares of NOK 10 000, with equal rights.

The shareholders of the company are

	Number of share:	Ownership %
Knutsen LNG AS	500	50,0 %
Norspan LNG Holding AS	500	50,0 %

11 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS 50 % of the company.

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

12 Remuneration

No remuneration is paid to the Board members or Managing Director during the year.

Auditors remuneration (excl. VAT):	<u>2021</u>	<u>2020</u>
Audit	4 079	8 258
Other services besides audit	0	0
	<u>4 079</u>	<u>8 258</u>



13 Employees

The company has no employees and thereby no pension liabilities (under the OTP regulation). Knutsen OAS Espana S.L. manages the Company in accordance with a separate management agreement.

	<u>2021</u>	<u>2020</u>
Salary	1 972 916	2 001 720
Other benefits	849 316	534 585
Sum	<u>2 822 232</u>	<u>2 536 305</u>

14 Tax

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating income. However it is calculated an annual tax of 22% on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which in 2021 amounted to NOK 150 015 (150 015 in 2020). Tonnage tax is classified as an operating expense.

The company should meet certain requirements to be within the scheme, such as only ownership of ship/ shares in the shipping companies, and only own certain types of financial assets.

Below is a specification of the temporary differences at the end of the financial year.

Deferred tax asset is not recognised due to uncertainty of future sufficient taxable income with in the tonnage tax regime to utilize the deferred tax asset.

	<u>2021</u>	<u>Change</u>	<u>2020</u>
Interest rate swaps	19 629 388	-2 944 367	22 573 755
Loss carried forward	41 851 188	4 307 458	37 543 730
Basis for deferred tax (benefit)	<u>61 480 576</u>	<u>1 363 090</u>	<u>60 117 486</u>
Deferred tax (benefit)	<u>13 525 727</u>	<u>299 880</u>	<u>13 225 847</u>
Deferred tax (benefit) booked	<u>0</u>	<u>0</u>	<u>0</u>

Taxable result tonnage tax scheme:

	<u>2021</u>	<u>2020</u>
Net financial items	-12 320 431	-10 850 678
Currency effect on profit/loss before tax	479 723	-63 425 800
Non-taxable distribution from DNK	-489 977	
Non-taxable currency gain	-273 558	61 924 458
Non-deductible interest	5 331 083	4 700 947
Deductible debt issuance cost	-484 841	-135 889
Change interest rate swaps	2 181 034	2 257 367
Tax base for the year for allocation to partners		
Taxable income before loss carried forward	<u>-5 576 966</u>	<u>-5 529 594</u>
Currency effect on loss carried forward	<u>1 269 508</u>	<u>-1 016 983</u>
Change in loss carried forward	<u>4 307 458</u>	<u>6 546 576</u>
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Currency effect on tax payable	0	0
Change in deferred tax	0	0



Statsautoriserte revisorer
Ernst & Young AS

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Postboks 6163, 5892 Bergen

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www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG VII AS

Opinion

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

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

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) are 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 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, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Bergen, 8 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine H. Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report – Norspan LNG VII AS 2021

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TRINE HANSEN BJERKVIK

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 28.10.2009	Vår dato 02.06.2010
Telefon 22077325	Deres referanse Jørn Knutsen	Vår referanse 2009/867030

Ernst & Young AS
Postboks 6163 Postterminalen
5892 Bergen

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

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

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

Bakgrunn:

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

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

Skattedirektoratets vurdering og konklusjon

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

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

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av

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regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Høelstad