



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### 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: Peter Myklebust Opsal  
Dato for fastsettelse av årsregnskapet: 30.04.2024

### 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, 29.06.2025



## Resultatregnskap

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	1	28 702 830	28 212 631
Commissions		-143 514	-141 063
<b>Sum inntekter</b>		<b>28 559 316</b>	<b>28 071 568</b>
<b>Kostnader</b>			
Crew-hire	2	2 619 414	2 638 910
Ordinary depreciation	3	7 619 712	7 620 000
Other operating expenses	2	3 940 442	3 781 222
<b>Sum kostnader</b>		<b>14 179 568</b>	<b>14 040 131</b>
<b>Driftsresultat</b>		<b>14 379 748</b>	<b>14 031 437</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	22 642	4 736
<b>Sum finansinntekter</b>		<b>22 642</b>	<b>4 736</b>
Foreign exchange gain/loss		465 320	29 790
Financial expenses	4	12 881 873	12 503 290
<b>Sum finanskostnader</b>		<b>13 347 192</b>	<b>12 533 081</b>
<b>Netto finans</b>		<b>-13 324 550</b>	<b>-12 528 344</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 055 197</b>	<b>1 503 093</b>
Taxes	5		
<b>Ordinært resultat etter skattekostnad</b>		<b>1 055 197</b>	<b>1 503 093</b>
<b>Årsresultat</b>		<b>1 055 197</b>	<b>1 503 093</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>1 055 197</b>	<b>1 503 093</b>
<b>Totalresultat</b>		<b>1 055 197</b>	<b>1 503 093</b>



### Balanse

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel	3	183 187 861	190 807 573
<b>Sum varige driftsmidler</b>		<b>183 187 861</b>	<b>190 807 573</b>
<b>Sum anleggsmidler</b>		<b>183 187 861</b>	<b>190 807 573</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	154 801	173 667
<b>Sum varer</b>		<b>154 801</b>	<b>173 667</b>
<b>Fordringer</b>			
Other short-term receivables		765 826	585 124
Intercompany receivables			93 622
Konsernfordringer			5 700 000
<b>Sum fordringer</b>		<b>765 826</b>	<b>6 378 746</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	8 342 347	8 050 311
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>8 342 347</b>	<b>8 050 311</b>
<b>Sum omløpsmidler</b>		<b>9 262 974</b>	<b>14 602 724</b>
<b>SUM EIENDELER</b>		<b>192 450 834</b>	<b>205 410 297</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		1 116 347	1 116 347
Overkurs		25 936 804	25 936 804



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Annen innskutt egenkapital		11 090 000	
<b>Sum innskutt egenkapital</b>		<b>38 143 150</b>	<b>27 053 150</b>
<b>Opptjent egenkapital</b>			
Other equity		7 371 788	12 016 591
<b>Sum opptjent egenkapital</b>		<b>7 371 788</b>	<b>12 016 591</b>
<b>Sum egenkapital</b>	8, 9	<b>45 514 939</b>	<b>39 069 741</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	141 189 594	154 579 249
<b>Sum annen langsiktig gjeld</b>		<b>141 189 594</b>	<b>154 579 249</b>
<b>Sum langsiktig gjeld</b>		<b>141 189 594</b>	<b>154 579 249</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		387 588	668 014
Kortsiktig konserngjeld			5 700 000
Accrued interest		2 906 236	2 979 826
Other current liabilities		2 452 478	2 413 466
<b>Sum kortsiktig gjeld</b>		<b>5 746 302</b>	<b>11 761 306</b>
<b>Sum gjeld</b>		<b>146 935 896</b>	<b>166 340 556</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>192 450 834</b>	<b>205 410 297</b>



**Skattedirektoratet**

Saksbehandler  
Jan Hoelstad

Deres dato  
28.10.2009

Vår dato  
02.06.2010

Telefon  
22077325

Deres referanse  
Jørn Knutsen

Vår referanse  
2009/867030

Ernst & Young AS  
Postboks 6163 Postterminalen  
5892 Bergen

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

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

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

**Bakgrunn:**

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

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

**Skattedirektoratets vurdering og konklusjon**

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

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

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

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Postboks 9200 Grønland  
0134 Oslo

skattedirektoratet@skatteetaten.no

Besøksadresse

Fredrik Selmers vei 4  
Org. nr: 974761076

Sentralbord

800 80 000  
Telefaks

22 17 08 60



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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Jan Høelstad



# **NORSPAN LNG VII AS**

## **ANNUAL REPORT**

**2023**



### **LNG/C Valencia Knutsen**



**NORSPAN LNG VII AS**

**REPORT OF THE BOARD OF DIRECTORS 2023**

Norspan LNG VII AS owns the 173,400 m<sup>3</sup> LNG carrier Valencia Knutsen which was delivered in September 2010.

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

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

Valencia Knutsen had a satisfactory operational year with no unscheduled technical off-hire.

**Result for the year**

The company had an operating income of USD 28 559 316 (USD 28 071 568 in 2022). The operating result for the year was USD 14 379 748 compared to USD 14 031 437 in 2022. Net financial expenses were USD 13 324 550 (USD 12 528 344 in 2022). The profit for the year was USD 1 055 197 compared to a profit of USD 1 503 093 in 2022.

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 8 597 187 compared to USD 8 085 251 in 2022.

The liquidity balance as at 31.12.23 was USD 8 342 347 (USD 8 050 311 as of 31.12.2022). The financial position is good, and the company can as of 31.12.2023 repay its current debt with its most liquid assets (current assets-inventories).

The total capital was by year end USD 192 450 834, compared to USD 205 410 297 for the previous year. The equity-asset ratio was 23,65% per 31.12.2023 compared to 19,02% per 31.12.2022.

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 79% 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 satisfactory. All certificates are valid, and Valencia Knutsen is certified in accordance with both the ISM and ISPS codes.

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

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

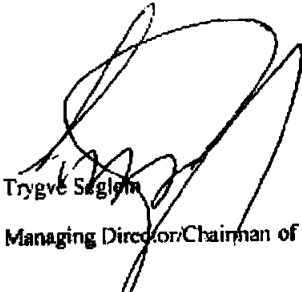
The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99) section 4. The due diligence assessments cover the operations in the company. The account for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that could be found here [www.knutsenoas.com](http://www.knutsenoas.com) and the report is updated minimum one time per year.



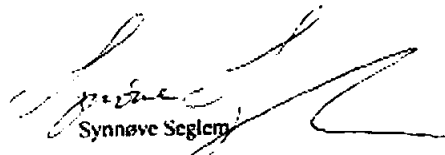
**Future prospects**

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 2024 will be a satisfactory year for the company.

Haugesund, 19 March 2024



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

	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b><u>Operating Income</u></b>			
Freight income	1	28 702 830	28 212 631
Commissions		-143 514	-141 063
<i>Total Operating income</i>		<u>28 559 316</u>	<u>28 071 568</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	2	2 619 414	2 638 910
Other operating expenses	2	3 940 442	3 781 222
<i>Total Operating Expenses</i>		<u>6 559 856</u>	<u>6 420 131</u>
<i>Operating result before depreciation</i>		<u>21 999 460</u>	<u>21 651 437</u>
Ordinary depreciation	3	7 619 712	7 620 000
<i>Total depreciation and write-downs</i>		<u>7 619 712</u>	<u>7 620 000</u>
<i>Operating Result</i>		<u>14 379 748</u>	<u>14 031 437</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	22 642	4 736
Foreign exchange gain/loss		-465 320	-29 790
Financial expenses	4	-12 881 873	-12 503 290
<i>Net Financial Items</i>		<u>-13 324 550</u>	<u>-12 528 344</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>1 055 197</u>	<u>1 503 093</u>



**Norspan Lng VII AS**  
**Balance Sheet as of 31. December**

Numbers in USD


<u>Assets</u>	<u>Note</u>	<b>2023</b>	<b>2022</b>
<b><u>Fixed Assets</u></b>			
Vessel	3	183 187 861	190 807 573
<i>Total Fixed Assets</i>		<u>183 187 861</u>	<u>190 807 573</u>
<b><u>Current Assets</u></b>			
Inventories	6	154 801	173 667
Other short-term receivables		765 826	585 124
Intercompany receivables		0	93 622
Group Contribution		0	5 700 000
Bank deposits	7	8 342 347	8 050 311
<i>Total Current Assets</i>		<u>9 262 974</u>	<u>14 602 724</u>
<b>TOTAL ASSETS</b>		<u>192 450 834</u>	<u>205 410 297</u>





**Norspan Lng VII AS**  
**Balance Sheet as of 31. December**

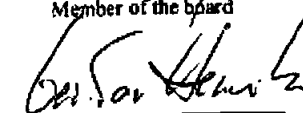
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
<b><u>Equity</u></b>			
Share capital		1 116 347	1 116 347
Share premium reserve		25 936 804	25 936 804
Other paid-up equity		11 090 000	0
<i>Total capital paid-in</i>		<u>38 143 150</u>	<u>27 053 150</u>
Other equity		7 371 788	12 016 591
<i>Total Shareholders' Equity</i>	8, 9	<u>45 514 939</u>	<u>39 069 741</u>
<b><u>Long Term Debt</u></b>			
Mortgage debt	10	141 189 594	154 579 249
<i>Total Long Term Debt</i>		<u>141 189 594</u>	<u>154 579 249</u>
<b><u>Current Liabilities</u></b>			
Accounts payable		387 588	668 014
Accrued interest		2 906 236	2 979 826
Intercompany payables		0	5 700 000
Other current liabilities		2 452 478	2 413 466
<i>Total Current Liabilities</i>		<u>5 746 302</u>	<u>11 761 306</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>192 450 834</u>	<u>205 410 297</u>

Haugesund, 19 March 2024  
The board of Norspan Lng VII AS

  
Ttygve Segtem  
Chairman of the board/General Manager

  
Synnøve Segtem  
Member of the board

  
Nils-Kristian Strøm  
Member of the board

  
Geir Tore Henriksen  
Member of the board



## NORSPAN LNG VII AS

### CASHFLOW STATEMENT

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

Numbers in USD:	2023	2022
Total generated from operations 1)	8 980 405	9 428 589
Change in working capital	<u>-383 218</u>	<u>-1 343 338</u>
Net cashflow from operations	<u>8 597 187</u>	<u>8 085 251</u>
Invested in vessel	0	0
Invested in dry docking	0	0
Net cashflow from investments	<u>0</u>	<u>0</u>
Drawdown new mortgage debt	0	0
Debt Issuance cost	0	0
Debt to owners	-5 700 000	5 700 000
Group contribution	11 090 000	0
Repayment mortgage debt	-13 695 151	-13 238 000
Net draw down debt to associated companies	<u></u>	<u>-397 848</u>
Net cashflow from financing	<u>-8 305 151</u>	<u>-7 935 848</u>
Net cashflow for the year	292 036	149 404
+ Cash balance per 1.1	<u>8 050 311</u>	<u>7 900 907</u>
<b>= Cash Balance per 31.12.</b>	<b><u>8 342 347</u></b>	<b><u>8 050 311</u></b>

#### 1) Generated from operations:

Result before tax	1 055 197	1 503 093
+Ordinary depreciation	7 619 712	7 620 000
+Amortization debt issuance cost	<u>305 496</u>	<u>305 496</u>
= Total generated from operations	<u>8 980 405</u>	<u>9 428 589</u>



## Norspan LNG VII AS

### Notes to the Financial Statement 31.12.2023

#### Accounting Principles

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

#### Going concern

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

#### Transactions in Foreign Currency

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

#### Related party transactions

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

#### 1 Contracts

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

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

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

#### 2 Employees and remuneration

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

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

Auditors remuneration (excl. VAT):

Audit

	<u>2023</u>	<u>2022</u>
	6 432	9 677



### 3 **Fixed Assets**

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

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

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

	<b>2023</b>	<b>2022</b>
<b>Vessel</b>		
Historical value 01.01.	271 301 757	271 301 757
Accumulated depreciation and impairment 01.01.	82 612 100	75 812 900
Book value 01.01.	188 689 657	195 488 857
Additions	0	0
Annual depreciation	6 799 344	6 799 200
Book value 31.12.	181 890 313	188 689 657
<b>Dry-docking</b>		
Historical value 01.01.	5 884 589	5 884 589
Accumulated depreciation and impairment 01.01.	3 766 674	2 945 874
Capitalised dry-docking 01.01.	2 117 915	2 938 715
Additions - capitalised dry-docking	0	0
Annual depreciation	820 368	820 800
Book value 31.12.	1 297 547	2 117 915
Total book value vessel 31.12.	183 187 861	190 807 573

### 4 **Financial Income and -Expenses**

	<b>2023</b>	<b>2022</b>
<b>Financial Income:</b>		
Distribution from DNK	0	0
Interest income	21 543	4 736
Interest income associated companies	1 099	0
Total financial income	22 642	4 736
<b>Financial Expenses:</b>		
Interest expenses	12 093 457	11 935 220
Interest to associated companies	369 530	182 728
Other financial expenses	268 886	310 342
Guarantee fee to group companies	150 000	75 000
Total financial expenses	12 881 873	12 503 290



## 5 Tax

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

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

We classify the tonnage tax as an operating expense.

### Specification on the temporary differences:

	31.12.2023	Change	31.12.2022
Interest rate swaps	13 222 898	2 340 352	15 563 249
Loss carried forward	46 328 137	3 947 006	42 381 131
Temporary differences	59 551 034	6 287 358	57 944 380
Calculated deferred tax	-13 101 228	353 464	-12 747 764
Deferred tax in balance	0	0	0

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

### Tax cost

	2023	2022
Net financial items	-13 324 550	-12 528 344
Currency effect on profit/loss before tax	-2 349 526	-860 779
Non-taxable distribution from DNK	0	0
Non-taxable currency gain	2 157 579	619 237
Non-deductible interest	6 451 349	5 565 068
Deductable building loan financial cost registered on vessel	0	0
Change interest rate swaps	1 888 976	1 945 397
Taxable income before loss carried forward	-7 065 149	-6 996 904
Currency effect on loss carried forward	1 265 881	5 069 240
Loss carried forward	5 799 268	1 927 664
Taxable income	0	0
Tax payable	0	0
Currency effect on tax payable	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses (NOK)	150 015	150 015

## 6 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube Oil	154 801	173 667

## 7 Bank deposits

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



## 8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other equity	Other paid-up equity	Total equity
Equity 01.01.	1 116 347	25 936 804	12 016 591	0	39 069 742
Group contribution	0	0	-5 700 000	11 090 000	5 390 000
Result for the year	0	0	1 055 197	0	1 055 197
Equity 31.12.	1 116 347	25 936 804	7 371 788	11 090 000	45 514 939

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

The shareholders of the company are

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

## 9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS and Norspan Gas Carriers 100% of the company. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

## 10 Mortgage Debt and Financial Instruments

		2023	2022
Mortgage debt	USD	142 914 000	156 609 000
Debt issuance cost		-1 724 254	-2 029 751
Liabilities to financial institutions		141 189 746	154 579 249

The current portion of the mortgage debt is USD 14,2 million, the corresponding figures were USD 13,7 million in 2022.

Estimated outstanding debt per year end 2028 is USD 73,8 million.

Book value of mortgaged assets is USD 183 million (USD 190 million in 2022).

The Company has entered agreements on fixed interest rates on 79 % of the mortgage debt (81% in 2022).

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

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

Mark to market gain/loss on interest swaps have not been taken into account with loss USD 21 280 766

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



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## 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 2023, the profit and loss account, the statement of cashflows 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 2023 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) 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.

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 skepticism 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, 20 March 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Trine Hansen Bjerkvik  
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG VII AS 2023

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## TRINE HANSEN BJERKVIK

Statsautorisert revisor

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