



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 981 146 131
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 24.05.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 04.06.2024



Resultatregnskap

| Beløp i: NOK | Note | 2022 | 2021 |
|---------------------------------------------------------------|------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Freight income | | 216 759 844 | 167 638 868 |
| Commissions | | -708 032 | -558 128 |
| Other income | | 4 031 746 | 30 945 639 |
| Sum inntekter | 1 | 220 083 558 | 198 026 379 |
| Kostnader | | | |
| Crew-hire | 2 | 24 923 785 | 22 920 633 |
| Ordinary depreciation | | 47 833 200 | 44 148 600 |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | | 167 266 000 | |
| Other operating expenses | 2 | 25 284 515 | 22 506 605 |
| Sum kostnader | | 265 307 500 | 89 575 837 |
| Driftsresultat | | -45 223 942 | 108 450 541 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 4 | 5 281 075 | 5 882 173 |
| Sum finansinntekter | | 5 281 075 | 5 882 173 |
| Foreign exchange gain/loss | | -9 793 813 | 1 007 269 |
| Financial expenses | 4 | 55 336 129 | 63 737 891 |
| Sum finanskostnader | | 45 542 316 | 64 745 161 |
| Netto finans | | -40 261 241 | -58 862 988 |
| Ordinært resultat før skattekostnad | | -85 485 183 | 49 587 554 |
| Tax | 5 | | |
| Ordinært resultat etter skattekostnad | | -85 485 183 | 49 587 554 |
| Årsresultat | | -85 485 183 | 49 587 554 |
| Årsresultat etter minoritetsinteresser | | -85 485 183 | 49 587 554 |
| Totalresultat | | -85 485 183 | 49 587 554 |



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|-------------------------------------------------------------|------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Vessel | 3 | 599 333 185 | 814 432 385 |
| Sum varige driftsmidler | | 599 333 185 | 814 432 385 |
| Finansielle anleggsmidler | | | |
| Lån til foretak i samme konsern | | 89 580 950 | |
| Lån til tilknyttet selskap og felles kontrollert virksomhet | | | 69 445 604 |
| Sum finansielle anleggsmidler | | 89 580 950 | 69 445 604 |
| Sum anleggsmidler | | 688 914 135 | 883 877 990 |
| Omløpsmidler | | | |
| Varer | | | |
| Inventories | 6 | 1 136 090 | 899 201 |
| Sum varer | | 1 136 090 | 899 201 |
| Fordringer | | | |
| Accounts receivable | | 30 211 | 122 051 |
| Other receivables | | 3 492 219 | 11 613 498 |
| Sum fordringer | | 3 522 429 | 11 735 549 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 7 | 104 635 218 | 86 371 430 |
| Sum bankinnskudd, kontanter og lignende | | 104 635 218 | 86 371 430 |
| Sum omløpsmidler | | 109 293 738 | 99 006 180 |
| SUM EIENDELER | | 798 207 873 | 982 884 170 |

BALANSE - EGENKAPITAL OG GJELD



Balanse

| Beløp i: NOK | Note | 2022 | 2021 |
|-----------------------------------|------|--------------------|--------------------|
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | | 10 000 000 | 10 000 000 |
| Overkurs | | 232 858 262 | 232 858 262 |
| Sum innskutt egenkapital | | 242 858 262 | 242 858 262 |
| Opptjent egenkapital | | | |
| Other equity | | 48 594 587 | 134 079 770 |
| Sum opptjent egenkapital | | 48 594 587 | 134 079 770 |
| Sum egenkapital | 8, 9 | 291 452 849 | 376 938 032 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Obligasjonslån | 5 | 11 222 | 14 028 |
| Gjeld til kredittinstitusjoner | 10 | 448 066 119 | 542 204 645 |
| Debt to owners | | | 5 139 768 |
| Sum annen langsiktig gjeld | | 448 077 341 | 547 358 440 |
| Sum langsiktig gjeld | | 448 077 341 | 547 358 440 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 2 822 517 | 2 756 079 |
| Tax payable | 5 | 2 806 | 3 507 |
| Accrued interest | | 18 835 395 | 20 964 190 |
| Other current liabilities | | 37 016 966 | 34 863 922 |
| Sum kortsiktig gjeld | | 58 677 683 | 58 587 698 |
| Sum gjeld | | 506 755 024 | 605 946 138 |
| SUM EGENKAPITAL OG GJELD | | 798 207 873 | 982 884 170 |



NORSPAN LNG AS

ANNUAL REPORT

2022



LNG/c "BILBAO KNUTSEN"



NORSPAN LNG AS

REPORT OF THE BOARD OF DIRECTORS 2022

Norspan LNG AS owns the 138,000 m³ LNG/c Bilbao Knutsen built in 2004.

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 AS hires crew from Knutsen OAS Espana S.L.

LNG/c Bilbao Knutsen entered at delivery in 2004 into a 20-year fixed contract with the Spanish oil company Repsol for the transport of liquefied natural gas (LNG). The Royal Dutch Shell Group (Shell) finalized in 2014 the acquisition of Repsol's interests in the LNG sector including the time charter for Bilbao Knutsen and the time charter previously with Repsol has been novated to Shell.

Bilbao Knutsen has operated satisfactorily in 2022 with no unscheduled technical off-hire.

The Covid situation improved after the first months of the year, and most countries in the world lifted the restrictions within year end. 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. Forwarding cost and service personnel costs are still high due to Covid-19.

Result for the year

Norspan LNG AS had an operating result of NOK -45 223 942 (NOK 108 450 541 in 2021). After net financial expenses of NOK 40 261 241 (NOK 58 862 988 in 2021), the loss for the year was 85 485 183 NOK (profit NOK 49 587 554 in 2021). The sole reason for the negative result is an impairment of NOK 167 million due to uncertainty regarding the extension of the current time charter contract which expires in first quarter 2024. With one year left of the contract the valuation of the vessel is based on charter free valuations from two independent ship brokers.

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

Net cash flow from operating activities in the company was NOK 157 981 152 (NOK 101 722 032 in 2021). The liquidity balance was NOK 104 635 218 as at 31.12.2022 (NOK 86 371 430 as at 31.12.2021). The Company's ability to finance its own investments is good.

The company's current debt relative to total debt was 8.4% compared to 9.7% as of 31.12.2021. The financial position is good, and the company can as of 31.12.2022 repay current debt with its most liquid assets (current assets-inventories).

The total capital was by year end NOK 798 207 873, compared to NOK 982 884 170 for the previous year. The equity-asset ratio was 36.5% per 31.12.2022 compared to 38.4% per 31.12.2021.

The Company is exposed to fluctuations in exchange rates, especially in Euro, since a considerable portion of the Company's income is in foreign currency. However, the risk is reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in Euro. 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 the entire loan balance.

The company has refinanced its mortgage debt in 2017 and maturity is in February 2024.

The financial accounts are settled on the assumption of a going concern. The board of directors 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 Bilbao Knutsen is a 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 Bilbao Knutsen is certified in accordance with both the ISM and ISPS codes.

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 are working with the implementation and statement required in the Norwegian Transparency Act (Norw. "Åpenhetsloven") and plan to publish the statement of the work on the group web page before the reporting deadline 30 June 2023.

Future prospects

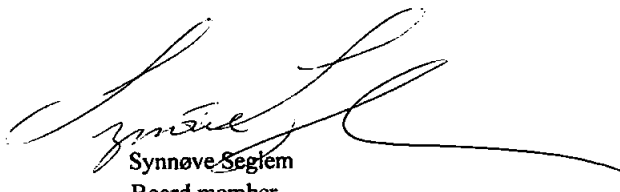
LNG/c Bilbao Knutsen is on a long-term contract with a first class charterer. The Board of Directors has every reason to believe that 2023 will be a satisfactory year for the company.



Haugesund, 24 February 2023



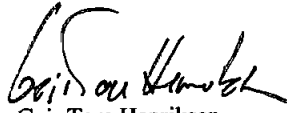
Frygve Seglem
Chairman



Synnøve Seglem
Board member



Nils-Kristian Strøm
Board member



Geir Tore Henriksen
Board member



Norspan LNG AS
Profit & Loss Account

| | <u>Note</u> | 2022 | 2021 |
|---------------------------------------------|-------------|--------------------|--------------------|
| <u>Operating Income</u> | | | |
| Freight income | | 216 759 844 | 167 638 868 |
| Commissions | | -708 032 | -558 128 |
| Other income | | 4 031 746 | 30 945 639 |
| <i>Operating income</i> | <i>1</i> | <u>220 083 558</u> | <u>198 026 379</u> |
| <u>Operating Expenses</u> | | | |
| Crew-hire | 2 | 24 923 785 | 22 920 633 |
| Other operating expenses | 2 | 25 284 515 | 22 506 605 |
| <i>Total Operating Expenses</i> | | <u>50 208 300</u> | <u>45 427 237</u> |
| <i>Operating result before depreciation</i> | | <u>169 875 258</u> | <u>152 599 141</u> |
| Ordinary depreciation | | 47 833 200 | 44 148 600 |
| Impairment | | 167 266 000 | 0 |
| <i>Total Depreciation and Write-downs</i> | <i>3</i> | <u>215 099 200</u> | <u>44 148 600</u> |
| <i>Operating Result</i> | | <u>-45 223 942</u> | <u>108 450 541</u> |
| <u>Financial Income and Expenses</u> | | | |
| Financial income | 4 | 5 281 075 | 5 882 173 |
| Foreign exchange gain/loss | | 9 793 813 | -1 007 269 |
| Financial expenses | 4 | -55 336 129 | -63 737 891 |
| <i>Net Financial Items</i> | | <u>-40 261 241</u> | <u>-58 862 988</u> |
| <i>Profit for the year before tax</i> | | <u>-85 485 183</u> | <u>49 587 554</u> |
| Tax | 5 | 0 | 0 |
| <i>Result for the year</i> | | <u>-85 485 183</u> | <u>49 587 554</u> |



Balance Sheet as of 31. December

Norspan LNG AS

| <u>ASSETS</u> | <u>Note</u> | 2022 | 2021 |
|------------------------------|--------------------|--------------------|--------------------|
| <u>Fixed Assets</u> | | | |
| Vessel | 3 | 599 333 185 | 814 432 385 |
| Loan to group companies | | 89 580 950 | 0 |
| Loan to associated companies | | 0 | 69 445 604 |
| <i>Total Fixed Assets</i> | | <u>688 914 135</u> | <u>883 877 990</u> |
| <u>Current Assets</u> | | | |
| Inventories | 6 | 1 136 090 | 899 201 |
| Accounts receivable | | 30 211 | 122 051 |
| Other receivables | | 3 492 219 | 11 613 498 |
| Cash and cash equivalents | 7 | 104 635 218 | 86 371 430 |
| <i>Total Current Assets</i> | | <u>109 293 738</u> | <u>99 006 180</u> |
| TOTAL ASSETS | | <u>798 207 873</u> | <u>982 884 170</u> |




Balance Sheet as of 31. December

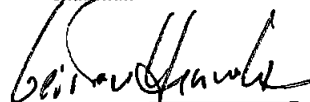
Norspan LNG AS

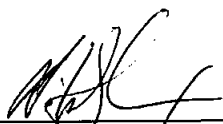
| <u>Shareholders Equity and Liabilities</u> | <u>Note</u> | 2022 | 2021 |
|---------------------------------------------|-------------|--------------------|--------------------|
| Equity | | | |
| Share capital | | 10 000 000 | 10 000 000 |
| Other capital paid-in | | 232 858 262 | 232 858 262 |
| <i>Total capital paid-in</i> | | <u>242 858 262</u> | <u>242 858 262</u> |
| Other equity | | 48 594 587 | 134 079 770 |
| <i>Total Shareholders' Equity</i> | 8, 9 | <u>291 452 849</u> | <u>376 938 032</u> |
| Long Term Debt | | | |
| Tax payable | 5 | 11 222 | 14 028 |
| Mortgage debt | 10 | 448 066 119 | 542 204 645 |
| Debt to owners | | 0 | 5 139 768 |
| <i>Total Long Term Debt</i> | | <u>448 077 341</u> | <u>547 358 440</u> |
| Current Liabilities | | | |
| Accounts payable | | 2 822 517 | 2 756 079 |
| Accrued interest | | 18 835 395 | 20 964 190 |
| Tax payable | 5 | 2 806 | 3 507 |
| Other current liabilities | | 37 016 966 | 34 863 922 |
| <i>Total Current Liabilities</i> | | <u>58 677 683</u> | <u>58 587 698</u> |
| <i>SHAREHOLDERS' EQUITY AND LIABILITIES</i> | | <u>798 207 873</u> | <u>982 884 170</u> |

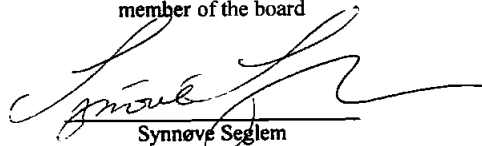
Haugesund, 24 February 2023

The board of Norspan LNG AS


Trygve Seglem
chairman of the board


Geir Tore Henriksen
member of the board


Nils Kristian Strøm
member of the board


Synnøve Seglem
member of the board



NORSPAN LNG 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.

| | 2022 | 2021 |
|-----------------------------------------------|---------------------|---------------------|
| Total generated from operations 1) | 149 914 234 | 116 307 265 |
| Change in working capital | <u>8 066 918</u> | <u>-14 585 233</u> |
| Net cashflow from operations | <u>157 981 152</u> | <u>101 722 032</u> |
| Invested in vessel | 0 | 0 |
| Dry-docking | | -1 564 542 |
| Long term loans to associated/group companies | <u>-20 135 346</u> | <u>-2 530 395</u> |
| Net cashflow from investments | <u>-20 135 346</u> | <u>-4 094 937</u> |
| Repayment mortgage debt | -114 442 250 | -108 381 420 |
| Capital increase | 0 | 0 |
| Long term loans from associated companies | <u>-5 139 768</u> | <u>-4 318 635</u> |
| Net cashflow from financing | <u>-119 582 018</u> | <u>-112 700 055</u> |
| Net cashflow for the year | 18 263 788 | -15 072 960 |
| + Cash balance per 1.1 | <u>86 371 430</u> | <u>101 444 389</u> |
| = Cash Balance per 31.12. | <u>104 635 218</u> | <u>86 371 430</u> |
| 1) Generated from operations: | | |
| Result before tax | -85 485 183 | 49 587 554 |
| Currency -gain/+loss long term debt | 18 617 350 | 20 884 500 |
| Amorized debt issuance cost | 1 686 374 | 1 690 994 |
| Tax paid | -3 507 | -4 383 |
| + Impairment | 167 266 000 | |
| + Ordinary depreciation | <u>47 833 200</u> | <u>44 148 600</u> |
| = Total generated from operations | <u>149 914 234</u> | <u>116 307 265</u> |



NORSPAN LNG AS

Notes to the Financial Statement 31.12.2022

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

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

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's LNG carrier Bilbao Knutsen entered at delivery in 2004 into a 20 year fixed contract with the Royal Dutch Shell Group.

The income from the time charter contract is received in EUR, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

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

| | 2022 | 2021 |
|--|--------|--------|
| | 57 750 | 84 800 |
| | 57 750 | 84 800 |



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. Due to prevailing longer-term market trends, the normal economic life of LNG steam vessel has, from the 1st of January 2022, been updated from an estimation of 40 years to an estimate of 35 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 35 year profile for that specific entity is not correct, i.e. fixed charter contracts above 35 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.

| <u>Vessel</u> | <u>2022</u> | <u>2021</u> |
|------------------------------------------------|---------------|---------------|
| Historical value 01.01. | 1 402 216 489 | 1 402 216 489 |
| Accumulated depreciation and impairment 01.01. | 604 175 733 | 567 899 733 |
| Book value 01.01. | 798 040 756 | 834 316 756 |
| Additions | 0 | 0 |
| Annual depreciation | 39 648 000 | 36 276 000 |
| Impairment | -167 266 000 | 0 |
| Disposals depreciation and impairment | 0 | 0 |
| Book value 31.12. | 591 126 755 | 798 040 755 |

The company changed in 01.01.2022 the useful life estimate for LNG/c Bilbao Knutsen from 40 years to 35 years due to prevailing longer-term market trends. The company updated at the same time the estimated net sales price at the end of estimated life from NOK 0 at 40 years to estimated net sales price at end of the new estimated end of life.

| <u>Dry-docking</u> | <u>2022</u> | <u>2021</u> |
|------------------------------------------------|-------------|-------------|
| Historical value 01.01. | 41 882 528 | 40 317 986 |
| Accumulated depreciation and impairment 01.01. | 25 490 899 | 17 618 299 |
| Capitalised dry-docking 01.01. | 16 391 629 | 22 699 687 |
| Additions - capitalised dry-docking | 0 | 1 564 542 |
| Annual depreciation | 8 185 200 | 7 872 600 |
| Book value 31.12. | 8 206 429 | 16 391 629 |
| Total book value vessel 31.12. | 599 333 185 | 814 432 385 |

4 Financial Income and -Expenses

| <u>Financial Income:</u> | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-------------|-------------|
| Dividend | 0 | 2 550 409 |
| Other interest income | 5 281 075 | 3 331 764 |
| Total financial income | 5 281 075 | 5 882 173 |
| <u>Financial expenses:</u> | | |
| Interest expenses | 53 751 742 | 61 773 415 |
| Guarantee expenses related parties | 1 366 169 | 1 578 814 |
| Financial expenses to related parties | 165 409 | 355 776 |
| Other financial expenses | 52 809 | 29 886 |
| Total financial expenses | 55 336 129 | 63 737 891 |



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.

Entering the tonnage tax in 2017 resulted in an entrance tax.

Entrance tax

| | 2022 | 2021 |
|------------------------------------------------------|----------|----------|
| Opening balance gain/loss account | 63 762 | 79 703 |
| Short-term tax payable basis (20%) | 12 752 | 15 941 |
| Long-term tax payable basis (80%) | 51 010 | 63 762 |
| Incoming balance long-term | 14 028 | 17 535 |
| Tax payable short-term in balance sheet, 22 tax rate | 2 806 | 3 507 |
| Tax payable long-term in balance sheet, 22% tax rate | 11 222 | 14 028 |
| Tax costs calculated | 0 | 0 |

Specification on the temporary differences:

| | 31.12.22 | Change | 31.12.21 |
|--------------------------------------|--------------|-------------|--------------|
| Temporary differences interest swaps | -64 596 417 | -43 064 277 | -107 660 694 |
| Loss carried forward | -313 518 695 | -9 767 669 | -323 286 364 |
| Temporary differences | -378 115 112 | -52 831 946 | -430 947 058 |
| Calculated deferred tax | 83 185 325 | 11 623 028 | 94 808 353 |
| 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

| | 2022 | 2021 |
|-----------------------------------------------|-------------|-------------|
| Net financial Items | -40 261 241 | -58 862 998 |
| Non-taxable currency gain | -8 137 533 | 1 606 528 |
| Non-deductable interest | 15 102 166 | 15 664 506 |
| Non taxable dividend | 0 | -2 473 897 |
| Change interest rate swaps | 43 064 278 | 43 064 278 |
| Taxable income before loss carried forward | 9 767 669 | -1 001 579 |
| Loss carried forward | -9 767 669 | 1 001 579 |
| Taxable income | 0 | 0 |
| Tax payable | 0 | 0 |
| Change deferred tax/(tax benefit) | 0 | 0 |
| Tax calculated | 0 | 0 |
| Tonnage tax expenses under operating expenses | 132 495 | 132 495 |



6 Inventories

Inventories refer to lube oil as per 31.12 are 1 136 090

7 Bank deposits

The company has restricted bank funds per 31.12 for DSRA: 47 648 932

8 Equity

Specification of the equity per 31.12.

| | Share capital | Share premium | Other equity | Total equity |
|---------------------|---------------|---------------|--------------|---------------|
| Equity 01.01. | 10 000 000 | 232 858 261 | 134 079 770 | 376 938 032 |
| Result for the year | 0 | 0 | -85 485 183 | -85 485 183 |
| Equity 31.12. | 10 000 000 | 232 858 261 | 48 594 587 | 0 291 452 849 |

Share capital consists of 1 000 shares at NOK 150 each. Shareholders as at 31.12.22 were:

Specification of equity as of 31.12.

| | Number of share | Nominal value | Share type |
|-------------------------|-----------------|---------------|------------|
| Knutsen LNG AS | 500 | 10 000 | Ordinary |
| Norspan Gas Carriers AS | 500 | 10 000 | Ordinary |
| Total | 1 000 | | |

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS 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

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recorded in the profit and loss over the period of the interest-bearing liabilities. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the hedging over financial items.

Gains and losses are recognized in the net profit and loss statement when the liabilities are devalued or depreciated, as well as through the amortization process.

| | Currency | Outstanding currency amount | Hedge accounting rate 31.12. | Accounting balance | |
|---------------------------------------|----------|--------------------------------|------------------------------------|--------------------|-------------|
| | | | | 2022 | 2021 |
| Mortgage debt | EUR | 54 000 000 | 8,333 | 449 960 400 | 545 785 300 |
| Debt issuance cost | | | | -1 894 281 | -3 580 655 |
| Liabilities to financial institutions | | | | 448 066 119 | 542 204 645 |

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies 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 currency gain/losses on the loans are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on EUR debt on the basis of the year-end exchange rate.

Amounts due within 12 months of the balance sheet date:

| | |
|---------------------------------------|-------------|
| Mortgage debt | 126 626 400 |
| Debt issuance cost | 1 686 374 |
| Liabilities to financial institutions | 128 312 774 |

Estimated outstanding dept per 31.12.2027 (EUR) 0

The loan matures February, 2024

The exchange rate at the year-end EURNOK 10,5522

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

Book value of mortgaged assets is NOK 766 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for 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.

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.

| | Currency | 2022 | 2021 |
|---------------------------------------|----------|------------|------------|
| Outstanding fixed interest rate swaps | EUR | 54 000 000 | 65 500 000 |
| Mark to market valuation | EUR | -4 204 286 | -8 031 094 |



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG AS

Opinion

We have audited the financial statements of Norspan LNG AS (the Company), which comprise the balance sheet as at 31 December 2022, 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 2022 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) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

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

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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, 24 February 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG AS 2022

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

TRINE HANSEN BJERKVIK

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5990-4-2269617

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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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Sentralbord

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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