



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 987 755 628
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG IV 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: 16.06.2023

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, 02.06.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating Income	1	23 065 950	25 229 654
Commissions		-67 537	-75 689
Sum inntekter		22 998 412	25 153 965
Kostnader			
Crew-hire	2	2 673 525	2 651 151
Ordinary depreciation	3	7 710 078	6 844 800
Other operating expenses	2	3 384 193	2 616 925
Sum kostnader		13 767 797	12 112 877
Driftsresultat		9 230 616	13 041 089
Financial income	4	-51 589	-63 500
Foreign exchange gain/loss		-26 038	-5 510
Financial expenses	4	10 173 597	10 739 707
Sum finanskostnader		10 095 970	10 670 697
Netto finans		-10 095 970	-10 670 697
Ordinært resultat før skattekostnad		-865 354	2 370 392
Taxes	5		
Ordinært resultat etter skattekostnad		-865 354	2 370 392
Årsresultat		-865 354	2 370 392
Årsresultat etter minoritetsinteresser		-865 354	2 370 392
Totalresultat		-865 354	2 370 392



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	5, 6	161 581 000	160 277 750
Sum varige driftsmidler		161 581 000	160 277 750
Sum anleggsmidler		161 581 000	160 277 750
Omløpsmidler			
Varer			
Inventories	6	190 564	223 520
Sum varer		190 564	223 520
Fordringer			
Other short-term receivables		876 565	595 710
Group receivables			768 339
Receivable associated companies		10 712	
Konsernfordringer		3 267 258	
Sum fordringer		4 154 535	1 364 049
Bankinnskudd, kontanter og lignende			
Bank deposits	7	5 346 064	9 754 001
Sum bankinnskudd, kontanter og lignende		5 346 064	9 754 001
Sum omløpsmidler		9 691 163	11 341 570
SUM EIENDELER		171 272 163	171 619 320
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Sharecapital		9 862 539	9 862 539



Balanse

Beløp i: USD	Note	2022	2021
Overkurs		23 954 841	23 954 841
Annen innskutt egenkapital		3 267 258	
Sum innskutt egenkapital		37 084 637	33 817 379
Opptjent egenkapital			
Other equity		1 861 029	2 726 383
Sum opptjent egenkapital		1 861 029	2 726 383
Sum egenkapital	8, 9	38 945 666	36 543 762
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	124 114 704	131 776 369
Sum annen langsiktig gjeld		124 114 704	131 776 369
Sum langsiktig gjeld		124 114 704	131 776 369
Kortsiktig gjeld			
Leverandørgjeld		2 079 417	338 223
Kortsiktig konserngjeld		3 267 258	
Accrued interest		654 511	712 353
Other current liabilities		2 210 607	2 248 613
Sum kortsiktig gjeld		8 211 794	3 299 189
Sum gjeld		132 326 497	135 075 558
SUM EGENKAPITAL OG GJELD		171 272 163	171 619 320



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 IV AS

ANNUAL REPORT

2022



LNG/C "SESTAO KNUTSEN"



NORSPAN LNG IV AS

REPORT OF THE BOARD OF DIRECTORS 2022

Norspan LNG IV AS owns LNG/C Sestao Knutsen, a 138.000 m³ LNG vessel, which was delivered in 2007.

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

The company's vessel has from delivery operated on a fixed 25year time charter contract for the transportation of liquefied natural gas (LNG) for the Spanish energy companies Respol and Gas Natural. The Royal Dutch Shell Group (Shell) finalized in 2014 the acquisition of Repsol's interests in the LNG sector including their 50% interest in the time charter for Sestao Knutsen and the time charter previously with Repsol was novated to Shell. Shell at the same time agreed to assume Gas Natural's interest in the time charter and took over as sole charterer for Sestao Knutsen.

The Board of Directors and the manager are satisfied with the operation of the vessel in 2022. Sestao Knutsen was drydocked for her 15 years periodical class survey/ drydocking at Navantia in Spain from August 9th until September 10th. The vessel was upgraded with installation of ballast water treatment system (BWTS), a new integrated automation system (IAS) and boilers modified to burn Marine Gas Oil (MGO). Sestao was off-hire for 37,6 days including deviation.

The vessel obtained Condition Assessment Program Rating 1 at completion of the dry-docking.

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 IV AS had an operating result of USD 9 230 616 (USD 13 041 089 in 2021). After net financial expenses of USD 10 095 970 (USD 10 670 697 in 2021), the result for the year was negative 865 354 USD (USD 2 370 392 in 2021).

The Board of Directors suggests the result for the year to be transferred from other equity.

Net cash flow from operating activities in the company was USD 12 401 622 (USD 7 897 224 in 2021).

The liquidity balance was USD 5 346 064 as at 31.12.2022 (USD 9 754 001 as at 31.12.2021). The Company's ability to finance its own investment is good.

The company's current debt relative to total debt was 6,1 % compared to 2,4 % as of 31.12.2021. The financial position is satisfactory, 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 USD 171 272 163 compared to USD 171 619 320 from the previous year. The equity was USD 38 945 666 as per 31.12.2022 and 36 543 762 in 31.12.2021.

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 thus the market risk related to the operation.

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 Sestao 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 Sestao 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

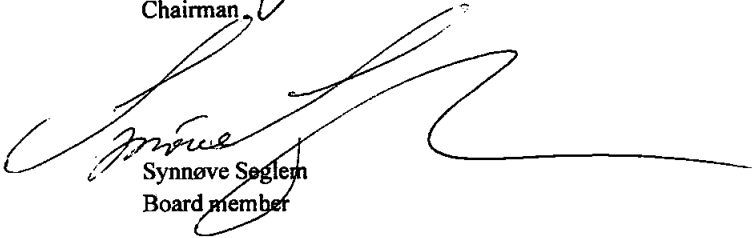
LNG/C Sestao Knutsen is on a long-term contract with a first class charterer. The Board of Directors has every reason to believe that 2023 will be a satisfactory year for the company.



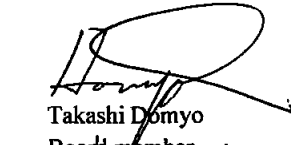
Haugesund, 28 March 2023



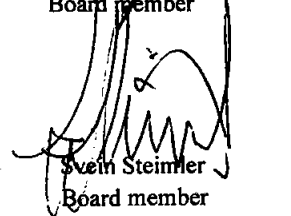
Trygve Seglem
Chairman



Synnøve Seglem
Board member



Takashi Domyo
Board member



Svein Steimler
Board member



Norspan LNG IV AS
Profit & Loss Account

Numbers in USD

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Operating Income</u>			
Operating Income	1	23 065 950	25 229 654
Commissions		-67 537	-75 689
<i>Total Operating income</i>		<u>22 998 412</u>	<u>25 153 965</u>
<u>Operating Expenses</u>			
Crew-hire	2	2 673 525	2 651 151
Other operating expenses	2	3 384 193	2 616 925
<i>Total Operating Expenses</i>		<u>6 057 718</u>	<u>5 268 077</u>
<i>Operating result before depreciation</i>		<u>16 940 694</u>	<u>19 885 889</u>
Ordinary depreciation	3	7 710 078	6 844 800
<i>Total depreciation and write-down</i>		<u>7 710 078</u>	<u>6 844 800</u>
<i>Operating Result</i>		<u>9 230 616</u>	<u>13 041 089</u>
<u>Financial Income and Expenses</u>			
Financial income	4	51 589	63 500
Foreign exchange gain/loss		26 038	5 510
Financial expenses	4	-10 173 597	-10 739 707
<i>Net Financial Items</i>		<u>-10 095 970</u>	<u>-10 670 697</u>
<i>Result before taxes</i>		<u>-865 354</u>	<u>2 370 392</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>-865 354</u>	<u>2 370 392</u>



Norspan LNG IV AS
Balance Sheet as of 31. December

Numbers in USD

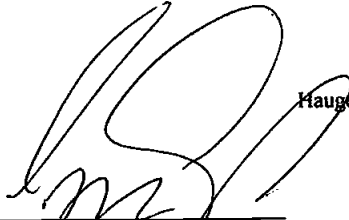
<u>Assets</u>	<u>Note</u>	2022	2021
<u>Fixed Assets</u>			
Vessel	5, 6	<u>161 581 000</u>	<u>160 277 750</u>
<i>Total Fixed Assets</i>		<u>161 581 000</u>	<u>160 277 750</u>
<u>Current Assets</u>			
Inventories	6	190 564	223 520
Other short-term receivables		876 565	595 710
Group receivables		0	768 339
Group contribution		3 267 258	0
Receivable associated companies		10 712	0
Bank deposits	7	<u>5 346 064</u>	<u>9 754 001</u>
<i>Total Current Assets</i>		<u>9 691 163</u>	<u>11 341 570</u>
TOTAL ASSETS		<u>171 272 163</u>	<u>171 619 320</u>




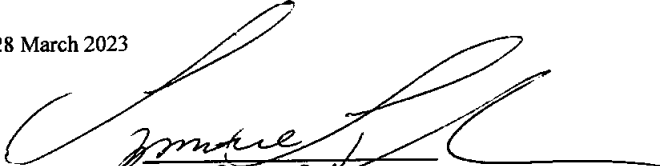
Norspan LNG IV AS
Balance Sheet as of 31. December

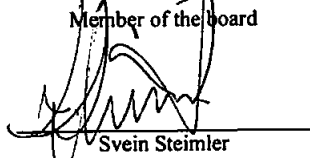
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2022	2021
Equity			
Sharecapital		9 862 539	9 862 539
Share premium		23 954 841	23 954 841
Other paid-up equity		3 267 258	0
<i>Total capital paid-in</i>		<u>37 084 637</u>	<u>33 817 379</u>
Other equity		1 861 029	2 726 383
<i>Total Shareholders' Equity</i>	8, 9	<u>38 945 666</u>	<u>36 543 762</u>
Long Term Debt			
Mortgage debt	10	<u>124 114 704</u>	<u>131 776 369</u>
<i>Total Long Term Debt</i>		<u>124 114 704</u>	<u>131 776 369</u>
Current Liabilities			
Trade payables		2 079 417	338 223
Accrued interest		654 511	712 353
Intercompany short-term debt		3 267 258	0
Other current liabilities		2 210 607	2 248 613
<i>Total Current Liabilities</i>		<u>8 211 794</u>	<u>3 299 189</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>171 272 163</u>	<u>171 619 320</u>

Haugesund, 28 March 2023


Trygve Seglem
Chairman of the board


Takashi Domyo
Member of the board


Synnøve Seglem
Member of the board


Svein Steimler
Member of the board



NORSPAN LNG IV AS

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.

CASHFLOW STATEMENT

Numbers in USD:	2022	2021
Total generated from operations 1)	6 979 289	9 349 757
Change in working capital	<u>5 422 333</u>	<u>-1 452 533</u>
Net cashflow from operations	<u>12 401 622</u>	<u>7 897 224</u>
Invested in vessel	-3 719 581	-6 583
Dry-docking	-5 293 747	0
Net cashflow from investments	<u>-9 013 329</u>	<u>-6 583</u>
Repayment mortgage debt	-7 796 230	-7 358 729
Group contribution		
Paid dividend		
Net cashflow from financing	<u>-7 796 230</u>	<u>-7 358 729</u>
Net cashflow for the year	-4 407 937	531 912
+ Cash balance per 1.1	<u>9 754 001</u>	<u>9 222 088</u>
= Cash Balance per 31.12.	<u>5 346 064</u>	<u>9 754 001</u>

1) Generated from operations:

Result before tax	-865 354	2 370 392
+ Ordinary depreciation	7 710 078	6 844 800
+ Amortization debt issuance cost	134 565	134 565
= Total generated from operations	<u>6 979 289</u>	<u>9 349 757</u>



Norspan LNG IV 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

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 vessel Sestao Knutsen was delivered in 29 November 2017, and entered into a 25 year time charter contract with the energy company Repsol YPF/ Gas Natural.

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

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):

	<u>2022</u>	<u>2021</u>
Audit	9 677	6 250
Tax advice	0	0
Other services besides audit	0	0
	<u>9 677</u>	<u>6 250</u>



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.

Vessel	2022	2021
Historical value 01.01.	246 249 671	246 243 088
Accumulated depreciation and impairment 01.01.	86 483 400	80 315 400
Book value 01.01.	159 766 271	165 927 688
Additions	3 719 581	6 583
Annual depreciation	6 934 000	6 168 000
Impairment	0	0
Disposals depreciation and impairment	0	0
Book value 31.12.	156 551 852	159 766 272

The company changed in 2022 the useful life estimate for LNG/c Iberica 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.

Dry-docking	2022	2021
Historical value 01.01.	3 342 057	3 342 057
Accumulated depreciation and impairment 01.01.	2 830 579	2 153 779
Capitalised dry-docking 01.01.	511 478	1 188 278
Additions - capitalised dry-docking	5 293 747	0
Annual depreciation	776 078	676 800
Book value 31.12.	5 029 147	511 478
Total book value vessel 31.12.	161 581 000	160 277 750



10 Mortgage Debt and Financial Instruments

		<u>2022</u>	<u>2021</u>
Mortgage debt	USD	125 456 302	133 252 532
Debt issuance cost		-1 341 598	-1 476 164
Liabilities to financial institutions		124 114 704	131 776 369

The Company's mortgage debt was refinanced in 2019, the new mortgage debt in 2019 is a fix interest loan. The company has entered into new interest rate swaps to convert a portion of the debt to a floating interest rate until 2032 so the interest rate swaps are keep of balance. Mark to market gain/loss on interest swaps have not been taken into account with loss USD 11 332 492 (loss of USD 14 890 680 in 2021)

The current portion of the mortgage debt is USD 7 255 442 (USD 7 796 230 in 2021) Deferred debt issuance costs is capitalized with USD 1 341 598 (USD 1 476 164 in 2021). The current portion is USD 134 565 (USD 134 565 in 2021)

Security for the loan is made through a first priority mortgage in the vessel and assignment of income. Book value of mortgaged assets is USD 161,6 million.

Estimated outstanding debt pr 31.12.2027 is USD 80 million. The debt is to be refinanced in 2032.

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 entered interest rate contracts for the entire loan in order to reduce the uncertainty of the floating interest rates. 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.



4 Financial Income and -Expenses

	2022	2021
Financial Income:		
Distribution from DNK	0	28 148
Interest income from group companies	37 328	35 349
Other interest income	14 261	4
Total financial income	51 589	63 500
Financial expenses:		
Interest expenses to group companies	42 479	0
Interest expenses	9 858 495	10 470 201
Financial expenses to related parties	50 000	50 000
Other financial expenses	222 623	219 507
Total financial expenses	10 173 597	10 739 707

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.

Tonnage tax

Specification on the temporary differences:

	31.12.22	Change	31.12.21
Interest rate swaps	-16 305 197	-3 802 990	-20 108 187
Loss carried forward	-39 242 655	-2 695 917	-41 938 572
Temporary differences	-55 547 852	-6 498 907	-62 046 759
Calculated deferred tax	12 220 528	1 429 759	13 650 287
Deferred tax in balance		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	-10 095 970	-10 670 697
Currency effect on profit/loss before tax	292 341	193 887
Non-taxable currency gain	-220 295	-61 818
Dividende DNK	0	-27 762
Deductable interest	6 558 316	6 907 732
Change interest rate swaps	1 630 520	0
Taxable income before loss carried forward	-1 835 088	-3 658 658
Currency effect on loss carried forward	-4 531 005	-3 231 736
Loss carried forward	-2 695 917	426 922
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	13 488	14 994



6 Inventories

Inventories refer to lube oil as per 31.12. are USD 190 564.

7 Bank deposits

The company doesn't have restricted bank funds per 31.12. except for a debt service retention account and dry-dock resere account with balance of USD 1 468 327.

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	9 862 539	23 954 841	0	2 726 383	36 543 762
Result for the year	0	0	0	-865 354	-865 354
Group contribution provision at year end	0	0	3 267 258		3 267 258
Equity 31.12.	9 862 539	23 954 841	3 267 258	1 861 029	38 945 666

The company's share capital consists of 100 shares of NOK 800 000, with equal rights.

The company is a wholly owned subsidiary of Knutsen NYK LNG Holding AS. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the parent company Knutsen NYK LNG Holding AS.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG IV AS

Opinion

We have audited the financial statements of Norspan LNG IV 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, 30 March 2023
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The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG IV AS 2022

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TRINE HANSEN BJERKVIK

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