



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 118 546
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG 14 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Peter Myklebyst Opsal
Dato for fastsettelse av årsregnskapet: 18.02.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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

Brønnøysundregistrene, 20.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating income	3	80 232 270	
Commissions		-850 678	
Sum inntekter		79 381 592	
Kostnader			
Crew hire	9	19 124 332	13 979
Ordinary depreciation	4	20 160 500	
Other operating expenses	6	14 540 857	576 627
Sum kostnader		53 825 689	590 606
Driftsresultat		25 555 903	-590 606
Finansinntekter og finanskostnader			
Annen renteinntekt	5	212 494	6 933
Foreign exchange gain/loss		-1 519 375	25 606
Sum finansinntekter		-1 306 881	32 539
Financial expenses	5	16 022 713	19 876
Sum finanskostnader		16 022 713	19 876
Netto finans		-17 329 594	12 663
Ordinært resultat før skattekostnad		8 226 309	-577 942
Taxes	12		
Ordinært resultat etter skattekostnad		8 226 309	-577 942
Årsresultat		8 226 309	-577 942
Årsresultat etter minoritetsinteresser		8 226 309	-577 942
Totalresultat		8 226 309	-577 942



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	4	722 428 978	323 283 511
Vessel under construction	3, 4		
Sum varige driftsmidler		722 428 978	323 283 511
Sum anleggsmidler		722 428 978	323 283 511
Omløpsmidler			
Varer			
Sum varer	13	1 065 136	
Fordringer			
Accounts receivables		162 984	
Other receivables		393 313	119 477
Konsernfordringer	10		
Sum fordringer		556 297	119 477
Bankinnskudd, kontanter og lignende			
Bank deposits	2	57 024 616	8 246 496
Sum bankinnskudd, kontanter og lignende		57 024 616	8 246 496
Sum omløpsmidler		58 646 050	8 365 973
SUM EIENDELER		781 075 028	331 649 485
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7, 8	300 000	200 000
Overkurs	7	74 754 850	48 575 500



Balanse

Beløp i: NOK	Note	2021	2020
Sum innskutt egenkapital		75 054 850	48 775 500
Opptjent egenkapital			
Other equity		7 536 457	-689 852
Sum opptjent egenkapital		7 536 457	-689 852
Sum egenkapital	7, 8	82 591 307	48 085 648
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11	680 920 068	282 179 171
Sum annen langsiktig gjeld		680 920 068	282 179 171
Sum langsiktig gjeld		680 920 068	282 179 171
Kortsiktig gjeld			
Leverandørgjeld		2 464 119	901 340
Kortsiktig konserngjeld	10	2 903 263	150 838
Accrued interest		3 526 863	326 592
Other current liabilities		8 669 408	5 897
Sum kortsiktig gjeld		17 563 653	1 384 666
Sum gjeld		698 483 721	283 563 837
SUM EGENKAPITAL OG GJELD		781 075 028	331 649 485



TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Vår dato
13.02.2019

Din/Deres dato
11.01.2019

Saksbehandler
Henning Stokke

800 80 000
Skatteetaten.no

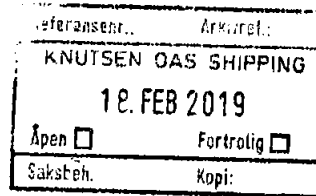
Din/Deres referanse
Petter M Opsal

Telefon
800 80 000

Org.nr
974761076

Vår referanse
2019/5238778

Postadresse
Postboks 9200 Grønland
0134 OSLO



Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 11. januar 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- KNOT Shuttle Tankers 36 AS 921 657 595
- KNOT Shuttle Tankers 33 AS 920 610 455
- KNOT Shuttle Tankers 37 AS 921 657 633
- KNOT Shuttle Tankers 35 AS 821 065 852
- KNOT Shuttle Tankers 38 AS 921 684 789
- KNOT Shuttle Tankers 39 AS 921 684 762
- KNOT Shuttle Tankers 34 AS 921 065 698
- Knutsen OAS ML AS 920 992 153
- Norspan LNG 14 AS 921 118 546
- Norspan LNG 15 AS 921 968 450

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

TS Shipping Invest AS ønsker å omfatte flere av selskapene i konsernet til å kunne utarbeide regnskaper og årsberetning på engelsk fra og med regnskapsåret 2018. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Aksjonærstrukturen er begrenset. Noen av selskapene eies 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. De aller fleste av selskapenes kunder og leverandører og andre brukere har engelsk som sitt naturlige språk / forretningspråk. Dette gjelder også konsernets långivere.



Skattedirektoratets vurdering

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

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

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

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

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

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes eierkrets er begrenset. I tillegg opererer selskapene i en internasjonal bransje, og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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NORSPAN LNG 14 AS

ANNUAL REPORT

2021



NORSPAN LNG 14 AS

REPORT OF THE BOARD OF DIRECTORS 2021

Norspan LNG 14 AS was established in 2018 when the company entered a ship building contract with Hyundai Mipo Dockyards CO., LTD in Korea, for the construction of a 30.000 m³ LNG-vessel, shipbuilding number 8232. The vessel was delivered in February 2021 and entered a 12-year time charter contract with the Italian energy company Edison S.p.A. from July. The vessel was hired by another charterer for the period between yard delivery and delivery to Edison.

The company has in 2019 secured pre- and post-delivery financing until 2033.

There are no employees in the company, and the daily operations are managed by Knutsen OAS Shipping AS in Haugesund in accordance with separate agreement.

Ravenna has operated satisfactory without any technical off-hire in 2021.

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

Profit for the year

The company had an operating income of 80 232 270 NOK in 2021 and no operating income in 2020. The operating result for the year 2021 was a profit of NOK 25 555 903 (a loss of NOK 590 606 in 2020). The net financial items were negative NOK 17 329 594 (NOK 12 663 in 2020), and the result of the year was profit of NOK 8 226 309 (loss of NOK 577 942 in 2020).

The Board of Directors suggest the result for the year is transferred to loss brought forward.

Total cash flow from operational activities in the company was NOK 43 947 842 (1 424 586 in 2020). The liquidity balance was NOK 57 024 616 (NOK 8 246 496 in 2020).

The financial accounts are settled on 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. The Board of Directors considers the working conditions as



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

Ravenna Knutsen is designed to the highest 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.

The vessel is equipped with XDF engines which are among the most fuel-efficient LNG engine designs and has a reliquefaction plant installed which significantly reduces cargo losses while on long voyages or awaiting cargo operations.

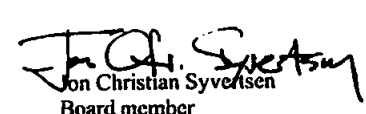
Future prospects

The Board of Directors has every reason to believe that 2022 will be a satisfying year for the company.


Haugesund, 4 February 2022



Trygve Seglem
Chairman



Jon Christian Syvertsen
Board member



Synnøve Seglem
Board member



Kristine Klavness
Board member



Norspan LNG 14 AS

Profit & Loss Account

	<u>Note</u>	2021	2020
Numbers in NOK			
<u>Operating Income</u>			
Operating income	3	80 232 270	0
Commissions		-850 678	0
<i>Total Operating income</i>		<u>79 381 592</u>	<u>0</u>
<u>Operating Expenses</u>			
Crew hire	9	19 124 332	13 979
Other operating expenses	6	14 540 857	576 627
<i>Total Operating Expenses</i>		<u>33 665 189</u>	<u>590 606</u>
<i>Operating result before depreciation</i>		<u>45 716 403</u>	<u>-590 606</u>
Ordinary depreciation	4	20 160 500	0
<i>Total depreciation and write-downs</i>		<u>20 160 500</u>	<u>0</u>
<i>Operating Result</i>		<u>25 555 903</u>	<u>-590 606</u>
<u>Financial income and expenses</u>			
Financial income	5	212 494	6 933
Foreign exchange gain/loss		-1 519 375	25 606
Financial expenses	5	-16 022 713	-19 876
<i>Net financial items</i>		<u>-17 329 594</u>	<u>12 663</u>
<i>Result before taxes</i>		<u>8 226 309</u>	<u>-577 942</u>
Taxes	12	0	0
<i>Result for the year</i>		<u>8 226 309</u>	<u>-577 942</u>
<i>Net profit or loss</i>		<u>8 226 309</u>	<u>-577 942</u>



Norspan LNG 14 AS
Balance Sheet as of 31. December

Numbers in NOK


<u>Assets</u>	<u>Note</u>	2021	2020
Vessel	4	<u>722 428 978</u>	<u>323 283 511</u>
<i>Total Fixed Assets</i>		<u>722 428 978</u>	<u>323 283 511</u>
<u>Current assets</u>			
Inventories	13	1 065 136	0
Accounts receivables		162 984	0
Other receivables		393 313	119 477
Bank deposits	2	<u>57 024 616</u>	<u>8 246 496</u>
<i>Total current assets</i>		<u>58 646 050</u>	<u>8 365 973</u>
<i>Total assets</i>		<u>781 075 028</u>	<u>331 649 485</u>




Norspan LNG 14 AS
Balance Sheet as of 31. December


<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity			
Share capital	7, 8	300 000	200 000
Share premium	7	74 754 850	48 575 500
<i>Total capital paid-in</i>		<u>75 054 850</u>	<u>48 775 500</u>
Other equity		7 536 457	-689 852
<i>Total Shareholders' Equity</i>	7, 8	<u>82 591 307</u>	<u>48 085 648</u>
Long Term Debt			
Mortgage debt	11	680 920 068	282 179 171
<i>Total Long Term Debt</i>		<u>680 920 068</u>	<u>282 179 171</u>
Current Liabilities			
Trade payables		2 464 119	901 340
Accrued interest		3 526 863	326 592
Liabilities to related companies	10	2 903 263	150 838
Other current liabilities		8 669 408	5 897
<i>Total Current Liabilities</i>		<u>17 563 653</u>	<u>1 384 666</u>
<i>Total Liabilities</i>		<u>698 483 721</u>	<u>283 563 837</u>
<i>Shareholders Equity and Liabilities</i>		<u>781 075 028</u>	<u>331 649 485</u>

Haugesund, 4 February 2022
The board of Norspan LNG 14 AS


Trygve Seglem
chairman of the board


Kristine Klaveness
member of the board


Jon Christian Syversen
member of the board


Synnøve Seglom
member of the board



NORSPAN LNG 14 AS

CASHFLOW STATEMENT

Numbers in NOK:	2021	2020
Total generated from operations 1)	29 270 811	-577 942
Change in working capital	<u>14 677 031</u>	<u>2 002 528</u>
Net cashflow from operations	<u>43 947 842</u>	<u>1 424 586</u>
Invested in vessel	<u>-419 305 967</u>	<u>-99 056 659</u>
Net cashflow from investments	<u>-419 305 967</u>	<u>-99 056 659</u>
Paid-in share capital, incl. share premium	36 258 250	0
Draw down mortgage debt	397 856 895	83 470 703
Paid dividend	-9 978 900	0
Net cashflow from financing	<u>424 136 245</u>	<u>83 470 703</u>
Net cashflow for the year	48 778 120	-14 161 370
+ Cash balance per 01.01.	<u>8 246 496</u>	<u>22 407 866</u>
= Cash Balance per 31.12.	<u>57 024 616</u>	<u>8 246 496</u>

1) Generated from operations:

Result before tax	8 226 309	-577 942
+Unrealized profit/loss on foreign exchange	0	0
+Amortization of debt issuance cost	884 002	0
+Ordinary depreciation	20 160 500	0
= Total generated from operations	<u>29 270 811</u>	<u>-577 942</u>



NORSPAN LNG 14 AS

Notes to the Financial Statement 31.12.2021

1 Accounting Principles

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

Current Assets/Current Liabilities

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

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

Fixed Assets

Yard instalments paid on newbuildings 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), purchases beyond the yard contract regarding the individual contract are also registered.

Newbuilding contracts are valued in accordance with the lower value of capitalized value and fair value (including TC contracts entered by the newbuilding), if the loss is not considered as temporary.

The total cost of the vessel is capitalised at delivery and depreciated linearly over the expected life time.

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

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.

The debt is valued at the historical rate, to the extent that the future net nominal income flow exceed the

Financial Instruments

The treatment of foreign exchange and interest rate instruments depends on the intention behind the agreement. If the intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, then the income and expenses related to the hedging and the corresponding items in the balance sheet are classified in the same manner.

Income

Income from the contract are denominated in EUR and is recorded in line with the earning

Inventory

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



Tax

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

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

Cash flow statement

The cash flow statement 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.

2 Bank deposits

The company doesn't have restricted bank funds per 31.12 except for a retention account with a balance of NOK 11 365 665 at 31.12.2021.

3 Contracts

The company entered into a shipbuilding contract with Hyundai Mipo Dockyards CO.,LTD, in Korea for the construction of a 30.000 m3 LNG-vessel, shipbuilding number 8232. The vessel Ravenna Knutsen was delivered in February 2021, and has entered a 12 year time charter contract with the Italian energy company Edison S.p.A from July 2021.

The company has signed a contract regarding construction supervision of the new building with Knutsen OAS Shipping AS. Knutsen OAS Shipping AS operates as manager on behalf of the company in accordance with management agreement.

4 Fixed Assets

<u>Vessel</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	323 283 511	0
Accrued depreciation 1.1.	0	0
Book value 1.1.	323 283 511	224 226 852
Investments during the year	396 594 167	99 056 659
Ordinary annual depreciation	15 997 000	0
Book value 31.12.	703 880 678	323 283 511

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

<u>Dry-Docking</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	0	0
Accrued depreciation 1.1.	0	0
Book value 1.1.	0	0
Investments during the year	22 711 800	0
Ordinary annual depreciation	4 163 500	0
Book value 31.12.	18 548 300	0
Book value vessel 31.12.	722 428 978	323 283 511



5 Financial Income and -Expenses

	2021	2020
Financial Income:		
Interest income	32	6 933
Total financial income	32	6 933
	2021	2020
Financial Expense:		
Interest expense	14 153 455	5 130
Other financial expenses	1 869 258	14 746
Total financial expenses	16 022 713	19 876

6 Remuneration

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

	2021	2020
Auditors remuneration (excl.)		
Audit	26 445	30 750
Tax advice	0	0
Other services besides audit	0	0
	26 445	30 750

7 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Loss brought forward	Total equity
Equity 01.01	200 000	48 575 500	-689 852	48 085 648
Capital increase 03.02.2021	100 000	36 158 250		36 258 250
Dividend preference shares 20.04.2021		-9 978 900		-9 978 900
Result for the year			8 226 309	8 226 309
Equity 31.12.	300 000	74 754 850	7 536 457	82 591 307

Share capital consist of 300.000 shares à NOK 1, 200 000 ordinary shares à NOK 1 and 100 000 preference shares à NOK 1. Preference shares er without voting rights and have first rights to dividend.

Shareholder	Ordinary shares		Preference shares	
Knutsen LNG AS	100 000	50,00 %		
Klaveness Invest AS	82 360	41,18 %	100 000	100,00 %
Syneco Shipping AS	17 640	8,82 %		
	200 000	100 %	100 000	100 %

8 Shares Owned by Board Members and Affiliates

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

Kristine Klaveness controls through Klaveness Invest AS 20,6% of the company.

John Christian Syvertsen controls through Syneco Shipping AS 8,82% of the company.

9 Employees

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



10 Balances with related parties

Short-term liabilities related company	2021	2020
Knutsen O.A.S. Shipping AS	2 572 567	150 838
TS Shipping Invest AS	147 653	0
Knutsen OAS Management AS	31 717	0
Knutsen OAS Crewing AS	151 326	0
	<u>2 903 263</u>	<u>150 838</u>

11 Mortgage debt and financial instruments

The current portion of the mortgage debt is NOK 37,4 million.

	2021	2021
	EUR	NOK
EURO loan 31.12.	66 958 413	689 818 683
Deferred debt issuance costs 31.12.		-8 898 615
Book Value 31.12		<u>680 920 068</u>

	2020	2020
	EUR	NOK
EURO loan 31.12.	28 298 211	289 991 129
Deferred debt issuance costs 31.12.		-7 811 958
Book Value 31.12		<u>282 179 171</u>

The company signed in June 2019 a loan agreement with Caixabank S.A. for pre- and post -delivery financing of hull no. 8232 up to € 73 000 000. The loan matures 12 years after delivery of the vessel.

Security for the loan is made through a first priority mortgage in the vessel, bank accounts and assignment of Book value of mortgaged assets is NOK 722 million.

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in EUR, with the intention of having income 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 approx. 92% of the debt for the period 2021 until 2032 in order to reduce the uncertainty of the floating interest rates. Interests are capitalized during the building period.

Interest on the company's debt is hedged 12 years from 04.01.2021. Mark to market loss on interest swaps have not been taken into account with EUR 1 755 082 (loss of EUR 4 336 706 in 2020).



12 Tax

The company has entered into the Norwegian Tonnage Tax regime with effect from 1.1.2018.

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating results. There are however ordinary tax of 22% on the company's net financial income. At the same time the company is within the tonnage tax scheme, the tonnage tax is calculated, which in 2021 amounted to NOK 117 975 and in 2020 amounted to NOK 0. Tonnage tax is classified as an operating expense.

Temporary differences relating to financial items are assessed when calculating deferred tax / benefit, which is 22% of net temporary differences. The accounting treatment follows the general valuation rules for capitalization.

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

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

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

	2021	Change	2020
Shares	0	0	0
Loss carried forward	-13 049 811	-11 216 708	-1 833 103
Basis for deferred tax (benefit)	-13 049 811	-11 216 708	-1 833 103
Deferred tax (benefit)	-2 870 958	0	-403 280
Deferred tax (benefit) booked	0	0	0
Taxable result tonnage tax scheme:			
	2021	2020	
Net financial items	-17 329 594	12 663	
Foreign exchange gain/loss, not taxable	1 229 456	-24 201	
Non-taxable gain	0	0	
Non-deductible interest	7 299 572	0	
Deductible interest capitalized on vessel	-76 505	-841 394	
Deductible debt issuance cost	-1 921 909	0	
Deductible loss FX swap	-1 301 731	0	
Amortization loan expenses	884 002	0	
Taxable income before loss carried forward	-11 216 708	-852 932	
Change in loss carried forward	-11 216 708	-852 932	
Taxable income	0	0	
Tax payable	0	0	
Tax expense	0	0	

13 Inventories

Inventories amounting to NOK 1 065 136 refer to lube oil and stores as per 31.12.2021, and the corresponding figures were NOK 0 in 2020. Due to the fact that the vessel is contracted on a time charter, bunkers and bunkers stock are for charterers' account.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG 14 AS

Opinion

We have audited the financial statements of Norspan LNG 14 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit and loss account, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) 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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Bergen, 18th February 2022
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The auditor's report is signed electronically

Trine H. Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report – Norspan LNG 14 AS 2021

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TRINE HANSEN BJERKVIK

Statsautorisert revisor

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