



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 918 555 056
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG XII AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Peter Myklebust Opsal
Dato for fastsettelse av årsregnskapet: 19.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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

Brønnøysundregistrene, 29.06.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	28 722 990	28 009 809
Commissions		-287 230	-283 098
Sum inntekter		28 435 760	27 726 711
Kostnader			
Crew-hire	2	2 619 119	2 580 557
Ordinary depreciation		5 741 248	5 742 000
Other operating expenses	2	4 089 015	3 465 350
Sum kostnader		12 449 382	11 787 906
Driftsresultat		15 986 377	15 938 805
Finansinntekter og finanskostnader			
Financial income	4	56 817	10 994
Sum finansinntekter		56 817	10 994
Foreign exchange gain/loss		8 801	-14 348
Financial expenses	4	8 488 528	9 017 446
Sum finanskostnader		8 497 329	9 003 099
Netto finans		-8 440 512	-8 992 105
Ordinært resultat før skattekostnad		7 545 866	6 946 700
Taxes	5		
Ordinært resultat etter skattekostnad		7 545 866	6 946 700
Årsresultat		7 545 866	6 946 700
Årsresultat etter minoritetsinteresser		7 545 866	6 946 700
Totalresultat		7 545 866	6 946 700



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	180 030 776	185 772 024
Sum varige driftsmidler		180 030 776	185 772 024
Sum anleggsmidler		180 030 776	185 772 024
Omløpsmidler			
Varer			
Inventories	6	348 065	491 098
Sum varer		348 065	491 098
Fordringer			
Accounts receivable		361 863	26 556
Other short-term receivables		139 116	551 334
Receivable from related parties		3 000	42 935
Sum fordringer		503 979	620 825
Bankinnskudd, kontanter og lignende			
Bank deposits	7	3 956 606	2 474 022
Sum bankinnskudd, kontanter og lignende		3 956 606	2 474 022
Sum omløpsmidler		4 808 650	3 585 945
SUM EIENDELER		184 839 426	189 357 969
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		23 945	23 945
Beholdning av egne aksjer		18 900	18 900



Balanse

Beløp i: USD	Note	2023	2022
Overkurs		11 978 932	14 521 912
Sum innskutt egenkapital		12 021 777	14 564 757
Opptjent egenkapital			
Other equity		28 464 115	20 918 249
Sum opptjent egenkapital		28 464 115	20 918 249
Sum egenkapital	8, 9	40 485 892	35 483 006
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	140 806 911	149 923 644
Sum annen langsiktig gjeld		140 806 911	149 923 644
Sum langsiktig gjeld		140 806 911	149 923 644
Kortsiktig gjeld			
Leverandørgjeld		382 486	1 067 245
Accrued interest		388 641	455 658
Payable to related parties		205 543	11 358
Other current liabilities		2 569 954	2 417 058
Sum kortsiktig gjeld		3 546 623	3 951 319
Sum gjeld		144 353 535	153 874 963
SUM EGENKAPITAL OG GJELD		184 839 426	189 357 969



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 391386

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG XII AS
Forretningsadresse: Smedasundet 40
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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Peter Myklebust Opsal
Dato for fastsettelse av årsregnskapet: 19.04.2024

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Brønnøysundregistrene, 29.05.2024



Organisasjonsnr: 918 555 056
NORSPAN LNG XII AS

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	28 722 990	28 009 809
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Totalresultat		7 545 866	6 946 700



Organisasjonsnr: 918 555 056
NORSPAN LNG XII AS

BALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessel 3 180 030 776 185 772 024
Sum varige driftsmidler 180 030 776 185 772 024

Sum anleggsmidler 180 030 776 185 772 024

Omløpsmidler

Varer

Inventories 6 348 065 491 098
Sum varer 348 065 491 098

Fordringer

Accounts receivable 361 863 26 556
Other short-term
receivables 139 116 551 334
Receivable from related
parties 3 000 42 935
Sum fordringer 503 979 620 825

Bankinnskudd, kontanter og lignende

Bank deposits 7 3 956 606 2 474 022
Sum bankinnskudd,
kontanter og lignende 3 956 606 2 474 022

Sum omløpsmidler 4 808 650 3 585 945

SUM EIENDELER 184 839 426 189 357 969

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 23 945 23 945
Beholdning av egne aksjer 18 900 18 900
Overkurs 11 978 932 14 521 912
Sum innskutt egenkapital 12 021 777 14 564 757

Opptjent egenkapital

Other equity 28 464 115 20 918 249
Sum opptjent egenkapital 28 464 115 20 918 249

Sum egenkapital 8, 9 40 485 892 35 483 006



Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	10	140 806 911	149 923 644
Sum annen langsiktig gjeld		140 806 911	149 923 644
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SUM EGENKAPITAL OG GJELD		184 839 426	189 357 969



Organisasjonsnr: 918 555 056
NORSPAN LNG XII AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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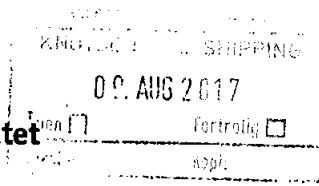
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Skattedirektoratet



Saksbehandler
Torstein Kinden Helleland

Deres dato
29.05.2017

Vår dato
07.08.2017

Telefon
22078139

Deres referanse
Peter Myklebust Opsal

Vår referanse
2014/84494

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 29. mai 2017 mottatt 18. juli 2017 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Norspan LNG XII	org.nr. 918 555 056
Knutsen NYK LNG Holding AS	org.nr. 917 871 264
Knutsen LNG 3 AS	org.nr. 918 026 290
Knutsen LNG 2 AS	org.nr. 916 618 905
Knutsen NYK LNG Holding VIII AS	org.nr. 818 395 922

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

De overnevnte selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS med en rekke datterselskaper har i tidligere vedtak fått dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

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."

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse: Sentralbord
Se www.skatteetaten.no 800 80 000
Org.nr: 996250318 Telefaks
E-post: skatteetaten.no/sendepost 22 17 08 60



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 særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er 50 % eid av et selskap som er innvilget dispensasjon og 50 % av et nederlandsk selskap. Øvrige konsernselskap er også innvilget dispensasjon. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Videre er det vektlagt at arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



NORSPAN LNG XII AS

ANNUAL REPORT

2023



NORSPAN LNG XII AS

REPORT OF THE BOARD OF DIRECTORS 2023

Norspan LNG XII AS was established in 2017 when the company entered a shipbuilding contract with HHI in Korea, for the construction of a 180.000 m³ MEGI LNG-vessel, shipbuilding number 2963. The vessel Adriano Knutsen was delivered on 10th July 2019. The vessel is chartered on a 7 years time-charter to the Spanish energy company Endesa SA from delivery.

The company has no employees. Knutsen OAS Shipping AS in Haugesund was responsible for the building supervision and is responsible for the daily operation of the vessel after delivery in 2019 in accordance with a separate management agreement.

The vessel has been operated satisfactorily during 2023 with no unscheduled technical off hire.

Profit for the year

The company had operating income of USD 28 722 990 in 2023 (28 009 809 in 2022). The operating result for the year was a result of USD 15 986 377 (USD 15 938 805 in 2022) after depreciation of USD 5 741 248 (USD 5 742 000 in 2022). The net financial result was USD -8 440 512 (USD -8 992 105 in 2022), and the result of the year was a profit of USD 7 545 866 (USD 6 946 700 2022).

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

Total cash flow from operational activities in the company was USD 13 349 083 (USD 13 130 957 in 2022). The liquidity balance was USD 3 956 606 (2 474 022 in 2022).

The Company has been 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 was reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in USD. The company has reduced the interest rate fluctuation risk through fixed rate leasing agreement.

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.

Adriano 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.

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 vessel is designed with MEGI engines which reduce fuel consumption and has a full reliquefaction plant installed which significantly reduces cargo losses while on long voyages or awaiting cargo operations.

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

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

Future prospects

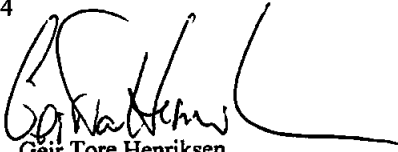
LNG/c Adriano Knutsen is on a long-term contract with a first-class charterer and the vessel's operational performance since delivery has been excellent. The Board of Directors has reason to believe that 2024 will be a satisfying year for the company.



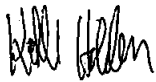
Haugesund, 19 March, 2024



Trygve Seglem
Chairman



Geir Tore Henriksen
Board member



Kjetil Holden
Board member



Norspan Lng Xii AS

Profit & Loss Account

Numbers in USD

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<u>Operating Income</u>			
Freight income	1	28 722 990	28 009 809
Commissions		-287 230	-283 098
<i>Total Operating income</i>		<u>28 435 760</u>	<u>27 726 711</u>
<u>Operating Expenses</u>			
Crew-hire	2	2 619 119	2 580 557
Other operating expenses	2	4 089 015	3 465 350
<i>Total Operating Expenses</i>		<u>6 708 134</u>	<u>6 045 906</u>
<i>Operating result before depreciation</i>		<u>21 727 625</u>	<u>21 680 805</u>
Ordinary depreciation		5 741 248	5 742 000
<i>Total depreciation and write-downs</i>		<u>5 741 248</u>	<u>5 742 000</u>
<i>Operating Result</i>		<u>15 986 377</u>	<u>15 938 805</u>
<u>Financial Income and Expenses</u>			
Financial income	4	56 817	10 994
Foreign exchange gain/loss		-8 801	14 348
Financial expenses	4	8 488 528	9 017 446
<i>Net Financial Items</i>		<u>-8 440 512</u>	<u>-8 992 105</u>
<i>Result before taxes</i>		<u>7 545 866</u>	<u>6 946 700</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>7 545 866</u>	<u>6 946 700</u>



Norspan Lng Xii AS
Balance Sheet as of 31. December

Numbers in USD

<u>Assets</u>	<u>Note</u>	2023	2022
Vessel	3	180 030 776	185 772 024
<i>Total Fixed Assets</i>		<u>180 030 776</u>	<u>185 772 024</u>
<u>Current Assets</u>			
Inventories	6	348 065	491 098
Accounts receivable		361 863	26 556
Other short-term receivables		139 116	551 334
Receivable from related parties		3 000	42 935
Bank deposits	7	3 956 606	2 474 022
<i>Total Current Assets</i>		<u>4 808 650</u>	<u>3 585 945</u>
TOTAL ASSETS		<u>184 839 426</u>	<u>189 357 969</u>

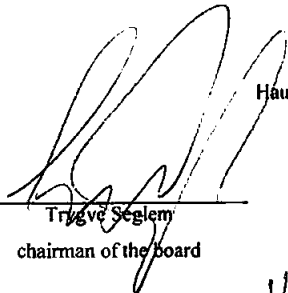



Norspan Lng Xii AS
Balance Sheet as of 31. December


Numbers in USD

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
Equity			
Share capital		23 945	23 945
Preferred stock registered in 2018		18 900	18 900
Share premium		11 978 932	14 521 912
<i>Total capital paid-in</i>		<u>12 021 777</u>	<u>14 564 757</u>
Other equity		28 464 115	20 918 249
<i>Total Shareholders' Equity</i>	8, 9	<u>40 485 892</u>	<u>35 483 006</u>
Mortgage debt	10	140 806 911	149 923 644
<i>Total Long Term Debt</i>		<u>140 806 911</u>	<u>149 923 644</u>
Current Liabilities			
Accounts payable		382 486	1 067 245
Accrued interest		388 641	455 658
Payable to related parties		205 543	11 358
Other current liabilities		2 569 954	2 417 058
<i>Total Current Liabilities</i>		<u>3 546 623</u>	<u>3 951 319</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>184 839 426</u>	<u>189 357 969</u>

Haugesund, 19 March 2024,


Trygve Seglem
chairman of the board


Geir Tore Henriksen
member of the board


Kjetil Holden
member of the board



NORSPAN LNG XII 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.

	2023	2022
Total generated from operations 1)	13 493 900	12 895 486
Change in working capital	<u>-144 817</u>	<u>235 471</u>
Net cashflow from operations	<u>13 349 083</u>	<u>13 130 957</u>
Invested in vessel	<u>0</u>	<u>0</u>
Net cashflow from investments	<u>0</u>	<u>0</u>
Repayment mortgage debt	-9 323 519	-8 929 308
Paid dividend to preference shares	<u>-2 542 980</u>	<u>-4 623 600</u>
Net cashflow from financing	<u>-11 866 499</u>	<u>-13 552 908</u>
Net cashflow for the year	1 482 584	-421 951
+ Cash balance per 01.01.	<u>2 474 022</u>	<u>2 895 973</u>
= Cash Balance per 31.12.	<u>3 956 606</u>	<u>2 474 022</u>

1) Generated from operations:

Result before tax	7 545 866	6 946 700
Tax payable	0	-
+Amortization of debt issuance cost	206 786	206 786
+Ordinary depreciation	<u>5 741 248</u>	<u>5 742 000</u>
= Total generated from operations	<u>13 493 900</u>	<u>12 895 486</u>



NORSPAN LNG XII AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

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 Adriano Knutsen was delivered in 10th July 2019, and entered a 7 year firm plus options of 7+6 years time charter contract with the Spanish energy company Endesa SA after delivery. The income from the time charter contract is recorded in profit and loss on a straight line basis over the lease term.

Knutsen OAS Shipping AS operates as manager on behalf of the company in accordance with management agreement.

The company has in March 2018 signed a sale and leaseback agreement of Hull 2963 with Hai Feng 1716 Limited, a company incorporated in Ireland. The transaction is considered a financial lease and the company has bareboat obligation for the vessel until 10 years after delivery. At the end of the bareboat agreement the company must purchase back the vessel.

2 Employees and remuneration

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. 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):

	2023	2022
Audit	6 411	9 698
Tax advice	0	0
Other services besides audit	0	0
	<u>6 411</u>	<u>9 698</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. Normal economic life of LNG is estimated to 40 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 40 year profile for that specific entity is not correct, i.e. fixed charter contracts above 40 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

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

Vessel	2023	2022
Historical value 01.01.	199 938 224	199 938 224
Accumulated depreciation and impairment 01.01.	15 184 800	10 123 200
Book value 01.01.	184 753 424	189 815 024
Annual depreciation	5 061 648	5 061 600
Book value 31.12.	179 691 776	184 753 424

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

Dry-docking	2023	2022
Historical value 01.01.	3 400 000	3 400 000
Accumulated depreciation and impairment 01.01.	2 381 400	1 701 000
Capitalised dry-docking 01.01.	1 018 600	1 699 000
Additions - capitalised dry-docking	0	0
Annual depreciation	679 600	680 400
Book value 31.12.	339 000	1 018 600
Total book value vessel 31.12.	180 030 776	185 772 024



4 Financial Income and -Expenses

	2023	2022
Financial Income:		
Other interest income	56 817	10 994
Total financial income	56 817	10 994
Financial expenses:		
Interest expenses	7 533 250	8 013 766
Guarantee expenses group companies	0	
Guarantee expenses related parties	913 905	0
Financial expenses to group companies	0	0
Financial expenses to related parties	0	0
Other financial expenses	41 373	1 003 681
Total financial expenses	8 488 528	9 017 447

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:

	31.12.23	Change	31.12.22
Loss carried forward	-4 977 618	1 025 092	-3 952 526
Temporary differences	-4 977 618	1 025 092	-3 952 526
Calculated deferred tax	1 095 076	-225 520	869 556
Deferred tax in balance	0	0	0

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

Tax cost

	2023	2022
Net financial Items	-8 440 512	-8 992 105
Currency effect on profit/loss before tax	-2 180 563	-810 810
Non-taxable currency gain	1 880 716	1 034 549
Dividende DNK		
Deductable interest	7 443 543	7 477 413
Taxable income before loss carried forward	-1 296 816	-1 290 953
Currency effect on loss carried forward	-114 634	-341 980
Loss carried forward	1 025 092	787 191
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	11 081	12 795



6 Inventories

Inventories refer to lube oil as per 31.12. which amounts to: 348 065

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

	Share capital	Share capital Preference shares	Share premium	Other equity	Total equity
Equity 01.01.	23 945	18 900	14 521 912	20 918 249	35 483 006
Result for the year	0	0	0	7 545 866	7 545 866
Distribution to preference	0	0	-2 542 980	0	-2 542 980
Equity 31.12.	23 945	18 900	11 978 932	28 464 115	40 485 892

Share capital consist of 354 120 shares, 200 000 ordinary shares à NOK 1 and 154 120 preference shares à NOK 1. Preference shares are without voting rights and have first rights to dividend.

	Ordinary shares	Preferred shares
Knutsen LNG AS	100 000	0
Klavness Ship Investments AS	92 000	141 787
Adrian & CO AS	8 000	12 333
	<u>200 000</u>	<u>154 120</u>

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company.



10 Mortgage Debt and Financial Instruments

		<u>2023</u>	<u>2022</u>
Mortgage debt	USD	141 950 182	151 273 701
Debt issuance cost		-1 143 271	-1 350 057
Liabilities to financial institutions		<u>140 806 911</u>	<u>149 923 644</u>
Current portion of debt		9 872 350	9 365 540
Current portion debt issuance cost		206 786	206 786

The company has in March 2018 signed a sale and leaseback agreement of Hull 2963 with Hai Feng 1716 Limited, a company incorporated in Ireland. The transaction is considered a financial lease and the company has bareboat obligation for the vessel until 10 years after delivery. At the end of the bareboat agreement the company must purchase back the vessel.

The lease has a fixed interest for the 10 year period and thus the company has reduced the uncertainty of the floating interest rates.

Security for the loan is made through a first priority mortgage in the vessel, assignment of income, insurance and bank accounts are pledged .
Book value of mortgaged assets is USD 180 million.

Estimated outstanding debt pr 31.12.2028 is USD 87.3 million. The debt is to be refinanced in 2029.

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



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG XII AS

Opinion

We have audited the financial statements of Norspan LNG XII AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss account, the statement of cashflows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of management for the financial statements

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

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



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Bergen, 20 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG XII AS 2023

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TRINE HANSEN BJERKVIK

Statsautorisert revisor

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