



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: 07.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 12.06.2022



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|---|------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Freight income | | 227 776 922 | 209 169 956 |
| Commissions | | -735 245 | -668 122 |
| Sum inntekter | 3 | 227 041 677 | 208 501 834 |
| Kostnader | | | |
| Crew-hire | 10 | 23 142 082 | 21 699 935 |
| Ordinary depreciation | | 43 831 000 | 43 235 000 |
| Other operating expenses | 8 | 23 644 616 | 21 017 568 |
| Sum kostnader | | 90 617 698 | 85 952 503 |
| Driftsresultat | | 136 423 980 | 122 549 331 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 6 | 4 008 953 | 4 809 762 |
| Sum finansinntekter | | 4 008 953 | 4 809 762 |
| Foreign exchange gain/loss | | 8 412 278 | 6 963 994 |
| Financial expenses | 6 | 75 302 641 | 93 115 413 |
| Sum finanskostnader | | 83 714 919 | 100 079 407 |
| Netto finans | | -79 705 966 | -95 269 645 |
| Ordinært resultat før skattekostnad | | 56 718 014 | 27 279 687 |
| Tax | 13 | | |
| Ordinært resultat etter skattekostnad | | 56 718 014 | 27 279 687 |
| Årsresultat | | 56 718 014 | 27 279 687 |
| Årsresultat etter minoritetsinteresser | | 56 718 014 | 27 279 687 |
| Totalresultat | | 56 718 014 | 27 279 687 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|-------|----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Vessel | 4, 12 | 857 016 444 | 899 549 663 |
| Sum varige driftsmidler | | 857 016 444 | 899 549 663 |
| Finansielle anleggsmidler | | | |
| Lån til tilknyttet selskap og felles kontrollert virksomhet | 9 | 66 915 209 | 66 472 516 |
| Sum finansielle anleggsmidler | | 66 915 209 | 66 472 516 |
| Sum anleggsmidler | | 923 931 653 | 966 022 179 |
| Omløpsmidler | | | |
| Varer | | | |
| Inventories | 5 | 942 362 | 956 076 |
| Sum varer | | 942 362 | 956 076 |
| Fordringer | | | |
| Accounts receivable | | 1 329 | 1 688 855 |
| Other receivables | | 2 523 140 | 2 684 718 |
| Sum fordringer | | 2 524 469 | 4 373 573 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and bank deposits | 2 | 101 444 389 | 77 051 262 |
| Sum bankinnskudd, kontanter og lignende | | 101 444 389 | 77 051 262 |
| Sum omløpsmidler | | 104 911 219 | 82 380 911 |
| SUM EIENDELER | | 1 028 842 872 | 1 048 403 090 |

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|-----------------------------------|-------|----------------------|----------------------|
| Innskutt egenkapital | | | |
| Share capital | | 10 000 000 | 10 000 000 |
| Overkurs | | 232 858 262 | 232 858 262 |
| Sum innskutt egenkapital | | 242 858 262 | 242 858 262 |
| Opptjent egenkapital | | | |
| Other equity | | 84 492 216 | 27 774 202 |
| Sum opptjent egenkapital | | 84 492 216 | 27 774 202 |
| Sum egenkapital | 7, 11 | 327 350 478 | 270 632 464 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Obligasjonslån | 13 | 17 535 | 21 918 |
| Gjeld til kredittinstitusjoner | 12 | 628 010 571 | 705 479 278 |
| Debt to owners | 9 | 9 458 403 | 9 231 317 |
| Sum annen langsiktig gjeld | | 637 486 509 | 714 732 513 |
| Sum langsiktig gjeld | | 637 486 509 | 714 732 513 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 2 455 827 | 2 467 589 |
| Tax payable | 13 | 4 384 | 5 480 |
| Accrued interest | | 25 074 167 | 26 313 199 |
| Other current liabilities | | 36 471 508 | 34 251 845 |
| Sum kortsiktig gjeld | | 64 005 885 | 63 038 113 |
| Sum gjeld | | 701 492 394 | 777 770 625 |
| SUM EGENKAPITAL OG GJELD | | 1 028 842 872 | 1 048 403 090 |



NORSPAN LNG AS

ANNUAL REPORT

2020



LNG/c "BILBAO KNUTSEN"



NORSPAN LNG AS

REPORT OF THE BOARD OF DIRECTORS 2020

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

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

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

The vessel had an active year, which sets high requirements to the operation of the vessel. Bilbao Knutsen had a satisfactory technical operation with no off hire in 2020.

2020 has been a challenging year operational wise due to the Covid-19 pandemic. The Board of Directors would like to give credit to officers and crew onboard Bilbao Knutsen as well as the staff of the manager and the charterer for establishing efficient guidelines and operational procedures in order to keep the vessel and everyone onboard safe. Bilbao has not had any Covid-19 incidents in 2020. The pandemic has however influenced the operation of the vessel including keeping strict rules and safe crew changes.

Result for the year

Norspan LNG AS had an operating result of NOK 136.423.980 (NOK 122.549.331 in 2019). After net financial expenses of NOK 79.705.966 (NOK 95.269.645 in 2019), the profit for the year was 56.718.014 NOK (NOK 27.279.687 in 2019).

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

Net cash flow from operating activities in the company was NOK 123.462.966 (NOK 79.499.902 in 2019). The liquidity balance was NOK 101.444.389 as at 31.12.2020 (NOK 77.051.262 as at 31.12.2019). The Company's ability to finance its own investments is good.

The company's current debt relative to total debt was 9,1% compared to 8,1% as of 31.12.2019. The financial position is good, and the company can as of 31.12.2020 repay current debt with its most liquid assets (current assets-inventories).

The total capital was by year end NOK 1.028.842.872, compared to NOK 1.048.403.090 for the previous year. The equity-asset ratio was 31,8% per 31.12.2020 compared to 25,8% per 31.12.2019.

The Company is exposed to fluctuations in exchange rates, especially in Euro, since a considerable portion of the Company's income is in foreign currency. However, the risk is reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in Euro. The Company has entered into forward contracts in order to reduce the Company's exchange rate risk. The



Company has reduced the interest rate fluctuation risk through long term interest rate swaps for the entire loan balance.

The company has refinanced it's mortgage debt in 2017 and new maturity is in 2024.

The financial accounts are settled on the assumption of a going concern. The board of directors confirms the assumption of a going concern.

High operational standards

The requirements for safe and environmentally friendly operation of the vessel are increasing, and both the Company and the manager Knutsen OAS Shipping emphasize operational quality. The manager is ISO 9001 and ISO 14001 certified and establishes each year Key Performance Indicators (KPIs) for improved safety and environmental operation.

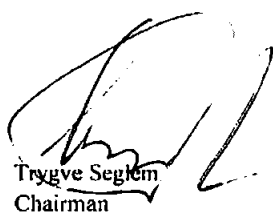
LNG/c Bilbao Knutsen is a modern vessel with high technical standard. The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessel.

Knutsen OAS Shipping has a policy to minimize pollution to air and sea from the operations and has established a continuous program to improve environmental impact from the operations. The Board of Directors considers the working conditions as satisfactory. All certificates are valid and Bilbao Knutsen is certified in accordance with both the ISM and ISPS codes.

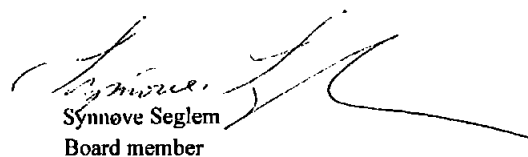
Future prospects

LNG/c Bilbao Knutsen is on a long-term contract with a first class charterer. The Board of Directors has every reason to believe that 2021 will be a satisfactory year for the company.

Haugesund, 4 June 2021



Trygve Seglem
Chairman



Synnøve Seglem
Board member



Nils-Kristian Strøm
Board member



Geir Tore Henriksen
Board member



Norspan LNG AS
Profit & Loss Account

| | <u>Note</u> | 2020 | 2019 |
|---|-------------|--------------------|--------------------|
| <u>Operating Income</u> | | | |
| Freight income | | 227 776 922 | 209 169 956 |
| Commissions | | -735 245 | -668 122 |
| <i>Operating income</i> | 3 | <u>227 041 677</u> | <u>208 501 834</u> |
| <u>Operating Expenses</u> | | | |
| Crew-hire | 10 | 23 142 082 | 21 699 935 |
| Other operating expenses | 8 | 23 644 616 | 21 017 568 |
| <i>Total Operating Expenses</i> | | <u>46 786 698</u> | <u>42 717 503</u> |
| <i>Operating result before depreciation</i> | | <u>180 254 980</u> | <u>165 784 331</u> |
| Ordinary depreciation | | 43 831 000 | 43 235 000 |
| <i>Total Depreciation and Write-downs</i> | 4 | <u>43 831 000</u> | <u>43 235 000</u> |
| <i>Operating Result</i> | | <u>136 423 980</u> | <u>122 549 331</u> |
| <u>Financial Income and Expenses</u> | | | |
| Financial income | 6 | 4 008 953 | 4 809 762 |
| Foreign exchange gain/loss | | -8 412 278 | -6 963 994 |
| Financial expenses | 6 | -75 302 641 | -93 115 413 |
| <i>Net Financial Items</i> | | <u>-79 705 966</u> | <u>-95 269 645</u> |
| <i>Profit for the year before tax</i> | | <u>56 718 014</u> | <u>27 279 687</u> |
| <i>Result for the year</i> | | <u>56 718 014</u> | <u>27 279 687</u> |



Balance Sheet as of 31. December

Norspan LNG AS

| <u>ASSETS</u> | <u>Note</u> | 2020 | 2019 |
|------------------------------|--------------------|----------------------|----------------------|
| <u>Fixed Assets</u> | | | |
| Vessel | 4, 12 | 857 016 444 | 899 549 663 |
| Loan to associated companies | 9 | 66 915 209 | 66 472 516 |
| <i>Total Fixed Assets</i> | | <u>923 931 653</u> | <u>966 022 179</u> |
| <u>Current Assets</u> | | | |
| Inventories | 5 | 942 362 | 956 076 |
| Accounts receivable | | 1 329 | 1 688 855 |
| Other receivables | | 2 523 140 | 2 684 718 |
| Cash and bank deposits | 2 | 101 444 389 | 77 051 262 |
| <i>Total Current Assets</i> | | <u>104 911 219</u> | <u>82 380 911</u> |
| TOTAL ASSETS | | <u>1 028 842 872</u> | <u>1 048 403 090</u> |

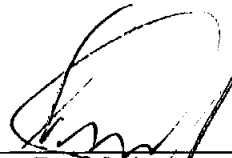


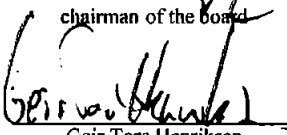
Balance Sheet as of 31. December

Norspan LNG AS

| <u>Shareholders Equity and Liabilities</u> | <u>Note</u> | <u>2020</u> | <u>2019</u> |
|---|--------------|----------------------|----------------------|
| Equity | | | |
| Share capital | | 10 000 000 | 10 000 000 |
| Other capital paid-in | | 232 858 262 | 232 858 262 |
| <i>Total capital paid-in</i> | | <u>242 858 262</u> | <u>242 858 262</u> |
| Other equity | | 84 492 216 | 27 774 202 |
| <i>Total Shareholders' Equity</i> | <i>7, 11</i> | <u>327 350 478</u> | <u>270 632 464</u> |
| Long Term Debt | | | |
| Tax payable | 13 | 17 535 | 21 918 |
| Mortgage debt | 12 | 628 010 571 | 705 479 278 |
| Debt to owners | 9 | 9 458 403 | 9 231 317 |
| <i>Total Long Term Debt</i> | | <u>637 486 509</u> | <u>714 732 513</u> |
| Current Liabilities | | | |
| Accounts payable | | 2 455 827 | 2 467 589 |
| Accrued interest | | 25 074 167 | 26 313 199 |
| Tax payable | 13 | 4 384 | 5 480 |
| Other current liabilities | | 36 471 508 | 34 251 845 |
| <i>Total Current Liabilities</i> | | <u>64 005 885</u> | <u>63 038 113</u> |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | <u>1 028 842 872</u> | <u>1 048 403 090</u> |

Haugesund, 4 June 2021
The board of Norspan LNG AS


Trygve Sjøglen
chairman of the board


Geir Tore Henriksen
member of the board


Nils Kristian Strøm
member of the board


Synnøve Sjøglen
member of the board



NORSPAN LNG AS

CASHFLOW STATEMENT

| | 2020 | 2019 |
|---|---------------------------|--------------------------|
| Total generated from operations 1) | 120 631 278 | 85 023 375 |
| Change in working capital | <u>2 831 688</u> | <u>-5 523 473</u> |
| Net cashflow from operations | <u>123 462 966</u> | <u>79 499 902</u> |
| Invested in vessel | -1 297 781 | -25 832 222 |
| Dry-docking | 0 | -345 216 |
| Long term loans to associated companies (Note 7, 9) | <u>-442 693</u> | <u>-14 892 224</u> |
| Net cashflow from investments | <u>-1 740 474</u> | <u>-11 285 214</u> |
| Draw down mortgage debt | -97 556 451 | -83 656 575 |
| Capital increase | 0 | 241 347 484 |
| Long term loans from associated companies | <u>227 086</u> | <u>-216 022 860</u> |
| Net cashflow from financing | <u>-97 329 365</u> | <u>-58 331 951</u> |
| Net cashflow for the year | 24 393 127 | 9 882 736 |
| + Cash balance per 1.1 | <u>77 051 262</u> | <u>67 168 526</u> |
| = Cash Balance per 31.12. | <u>101 444 389</u> | <u>77 051 262</u> |

1) Generated from operations:

| | | |
|--|---------------------------|--------------------------|
| Result before tax | 56 718 014 | 27 279 687 |
| Currency -gain/+loss long term debt | 18 396 750 | 12 829 475 |
| Amorized debt issuance cost | 1 690 994 | 1 686 374 |
| Tax paid | -5 480 | -7 161 |
| + Ordinary depreciation | <u>43 831 000</u> | <u>43 235 000</u> |
| = Total generated from operations | <u>120 631 278</u> | <u>85 023 375</u> |



NORSPAN LNG AS

Notes to the Financial Statement 31.12.2020

1 Accounting Principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards.

Income

The income from the charter party is in EUR, and income is recorded to the Profit & Loss account when actually earned.

Inventory

Inventories are valued to market value as the principle of lower of cost and market value is evaluated as impractical.

Current Assets/Current Liabilities

Current assets and current liabilities are evaluated in accordance with the lower of cost and market value and the higher of cost and market value respectively. Hence, current assets are recorded to the lower of fair value and acquisition cost, and current liabilities are recorded as the lower of fair value and original value.

This does not cover current items denominated in foreign currency which are evaluated to the rate at year end.

Fixed Assets and Dry-Docking

The total cost of the vessel is capitalised and depreciated with 2.5 % annual linear depreciation.

Dry-docking is carried out every 30th month in accordance with the agreement with the charter-party. A relative portion of the acquisition value is recorded as dry-docking at delivery. Actual expenditures related to repairs and maintenance are recorded as operating costs as they occur.

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

The income received in EUR is recorded at the rate of exchange on the day the transaction is carried out.

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 foreign exchange loss are registered as financial items.

The debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. Unrealized foreign exchange loss on the exceeding amount is recorded to the extent that long-term debt exceeds the net nominal income flow.

Realized and unRealized foreign exchange loss are recorded under financial items. Foreign exchange gain is recorded as a financial income when actually Realized.



Financial Instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

The contracts entered by the company are done with the intention of reducing the company's exposure towards fluctuations in interest rates and exchange rates, thus is regarded as hedging transactions. Income and expenditures related to the hedging activities and the related balance items are periodized and classified in the same manner.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents regards cash, bank deposits and other current liquid investments.

Tax

The tax cost in the profit and loss account consists only of the principal's payable tax and changes in deferred tax. Deferred tax is estimated using 22% on basis of the temporary differences in which exists between accounting related value and tax related value with the principal, additionally tax related losses will be carried forward by the end of each accounting year. Tax increasing and tax reducing temporary differences which reverses or may reverse in the same period is settled and entered on a net basis. Other tax reducing differences is not settled, though they are capitalised if there is a probability that the company can take advantage out of them, and if possible entered on a net basis.

2 Bank deposits

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

3 Contracts

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

Knutsen OAS Shipping AS operates LNG/c Bilbao Knutsen on behalf of the company in accordance with a separate management agreement.

4 Fixed Assets and Dry-Docking

Vessel

| | 2020 | 2019 |
|------------------------------|---------------|---------------|
| Historical value 1.1 | 1 400 918 708 | 1 375 086 487 |
| Acc. Depreciation 1.1 | 531 628 733 | 495 953 733 |
| Book Value 1.1 | 869 289 974 | 879 132 753 |
| Additions | 1 297 781 | 25 832 222 |
| Ordinary annual depreciation | 36 271 000 | 35 675 000 |
| Book value 31.12. | 834 316 755 | 869 289 974 |

vessel is estimated to 40

Dry-Docking

| | 2020 | 2019 |
|------------------------------|-------------|-------------|
| Capitalised dry-docking 1.1 | 75 448 113 | 75 102 896 |
| Acc. Expensed 1.1 | 45 188 425 | 37 628 425 |
| Book Value 1.1 | 30 259 687 | 37 474 471 |
| Capitalised during year | | 345 216 |
| Ordinary annual depreciation | 7 560 000 | 7 560 000 |
| Capitalised 31.12. | 22 699 687 | 30 259 687 |
| Book value vessel 31.12. | 857 016 444 | 899 549 663 |

5 Inventories

Inventories amounting to NOK 942.362 refer to lube oil and stores as per 31.12.2020 (NOK 956.076 pr 31.12.2019). Due to the fact that the vessel is contracted on a time charter, bunkers and bunkers stock are for charterers' account.



6 Financial Income and -Expenses

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|-------------------|-------------------|
| Financial income: | | |
| Interest income | 4 007 662 | 11 963 |
| Interest income associated companies | 1 291 | 4 797 799 |
| Total financial income | <u>4 008 953</u> | <u>4 809 762</u> |
| Financial expenses: | | |
| Interest expenses | 70 275 501 | 72 386 854 |
| Interest expenses group company | 573 964 | 15 932 156 |
| Other financial expenses | 4 453 176 | 4 796 402 |
| Total financial expenses | <u>75 302 641</u> | <u>93 115 413</u> |

7 Equity

Specification of the equity per 31.12.

| | <u>Share capital</u> | <u>Share premium account</u> | <u>Other Equity</u> | <u>Total equity</u> |
|---------------------|----------------------|------------------------------|---------------------|---------------------|
| Equity 1.1 | 10 000 000 | 232 858 262 | 27 774 202 | 270 632 464 |
| Result for the year | | | 56 718 014 | 56 718 014 |
| Equity 31.12. | <u>10 000 000</u> | <u>232 858 261</u> | <u>84 492 216</u> | <u>327 350 478</u> |

Specification of equity as of 31.12.

| | <u>Number of shares</u> | <u>Nominal value</u> | <u>Share type</u> |
|------------------------|-------------------------|----------------------|-------------------|
| Knutsen LNG AS | 500 | 10 000 | Ordinary |
| Norspan LNG Holding AS | 500 | 10 000 | Ordinary |
| Total | <u>1 000</u> | | |

8 Remuneration

the Board members or

Remuneration to auditor (not incl. VAT):

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|---------------|---------------|
| Audit | 44 972 | 90 405 |
| Other services outside auditing | 0 | 0 |
| | <u>44 972</u> | <u>90 405</u> |

9 Receivables and liabilities - associated companies

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|-------------------|-------------------|
| Loans to associated companies | | |
| Knutsen LNG 2 AS | 46 179 216 | 45 070 504 |
| Norspan LNG V AS | 1 626 754 | 1 612 437 |
| Norspan LNG VI AS | 15 465 556 | 15 082 955 |
| Norspan LNG VII AS | 3 234 683 | 3 128 880 |
| Knutsen O.A.S Shipping AS | 409 000 | 1 577 740 |
| Sum | <u>66 915 209</u> | <u>66 472 516</u> |



| | 2020 | 2019 |
|---|------------------|------------------|
| <u>Long-term debt to associated companies</u> | | |
| Knutsen LNG AS | 4 729 201 | 4 615 658 |
| Norspan LNG Holding AS | 4 729 201 | 4 615 658 |
| Sum | <u>9 458 403</u> | <u>9 231 317</u> |

10 Crew Hire

The company has no own employees and thereby no pension liabilities (under the OTP regulation). All crew is hired from Knutsen OAS España S.L. and Knutsen OAS Overseas S.L.

| <u>Specification:</u> | 2020 | 2019 |
|-------------------------------|-------------------|-------------------|
| Salaries etc. | 18 152 485 | 17 130 920 |
| Other salary related benefits | 4 989 597 | 4 569 016 |
| Total | <u>23 142 082</u> | <u>21 699 935</u> |

11 Shares Owned by Board Members and Affiliates

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

12 Mortgage debt and financial instruments

| | EUR | Historical rate | Rate used 31/12 | NOK |
|------------------------------|------------|-----------------|-----------------|--------------------|
| EUR-loan | 76 000 000 | 8,3326 | 10,5053 | 633 277 600 |
| Deferred debt issuance costs | | | | <u>-5 267 029</u> |
| | | | | <u>628 010 571</u> |
| Current portion | 10 500 000 | | | 110 305 650 |
| Deferred debt issuance costs | | | | <u>-1 686 374</u> |
| | | | | <u>108 619 276</u> |
| Corresponding figures 2019: | | | | |
| EUR-loan | 85 500 000 | 8,3326 | 9,8807 | 712 437 300 |
| Deferred debt issuance costs | | | | <u>-6 958 022</u> |
| | | | | <u>705 479 278</u> |
| Current portion | 9 500 000 | | | 93 866 650 |
| Deferred debt issuance costs | | | | <u>-1 686 374</u> |
| | | | | <u>92 180 276</u> |

The EURNOK exchange rate at the year-end was 10,5053 (9,8807 in 2019).

Interest on the company's debt is hedged during the charter period.

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in EUR (cash flow hedge). Loans in EUR are used as hedging instrument. The profit and loss impact of the hedging instrument (loan in EUR) is presented together with the hedged risk. This implies that realized currency gain/losses on the loans are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed contracts in EUR exceed debt in EUR. Therefore it is not recognized foreign exchange gains/losses on EUR debt on the basis of the year-end exchange rate. Per 31.12.2020 the not recorded foreign exchange loss (i.e. off-balance) is NOK 165,1 million compared to a loss of NOK 132,4 million as per 31.12.2019.

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

Book value of mortgaged assets is NOK 924 millioner (NOK 966 millioner pr. 31.12.2019).

Estimated outstanding debt per 31.12.2025 is EUR 30 million.

The new mortgage debt in 2017 is a fixed interest loan. The company has entered into new interest rate swaps to convert a portion of the debt to a floating interest rate until 2024 so that the existing interest rate swaps are kept off balance. Mark to market loss on interest swaps have not been taken into account with EUR 12.435.632 (loss of EUR 17.382.190 in 2019).



13 Tax

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 2020 amounted to NOK 132.495 and in 2019 amounted to NOK 132.495. 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.

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

| | 2020 | 2019 |
|---|----------|----------|
| Opening balance gain/loss account | 99 628 | 124 535 |
| Difference between market value and tax value | 0 | 0 |
| Short-term tax payable basis (20%) | 19 926 | 24 907 |
| Long-term tax payable basis (80%) | 79 703 | 99 628 |
| Incoming balance long-term | -21 918 | -27 398 |
| Tax payable short-term in balance sheet, 22% | 4 384 | 5 480 |
| Tax payable long-term in balance sheet, 22% | 17 535 | 21 918 |
| Tax costs calculated | 0 | 0 |

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 deferi

| | 2020 | Change | 2019 |
|----------------------------------|--------------|-------------|--------------|
| MIM IRS | -150 724 972 | 43 064 278 | -193 789 250 |
| Loss carried forward | -322 284 794 | -10 451 526 | -311 833 268 |
| Basis for deferred tax (benefit) | -473 009 766 | 32 612 752 | -505 622 518 |
| Deferred tax (benefit) | -104 062 149 | 7 174 805 | -111 236 954 |
| Deferred tax (benefit) booked | 0 | 0 | 0 |

scheme:

| | 2020 | 2019 |
|--|-------------|-------------|
| Net financial items | -79 705 966 | -95 269 645 |
| Foreign exchange gain/loss, not taxable | 8 131 455 | 7 613 779 |
| Non-deductible interest | 18 058 705 | 31 372 787 |
| Change in temporary differences | 43 064 278 | 43 064 278 |
| Taxable income before loss carried forward | -10 451 526 | -13 218 801 |
| Change in loss carried forward | 10 451 526 | 13 218 801 |
| Taxable income | 0 | 0 |
| Tax payable | 0 | 0 |
| Currency effect on tax payable | 0 | 0 |
| Tax payable long-term in balance sheet, 22% tax rate | 0 | 0 |



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Norspan LNG AS, which comprise the balance sheet as at 31 December 2020, the profit & loss accounts, and statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) are responsible for the other information. Our opinion on the audit of 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.

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 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.

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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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including 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 those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Independent auditor's report - Norspan LNG AS

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Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 7th June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 66886-8Z0YD-WNLFU-17DLH-2TNHA-C70QF

Independent auditor's report - Norspan LNG AS

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TRINE HANSEN BJERKVIK

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
28.10.2009

Vår dato
02.06.2010

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2009/867030

Ernst & Young AS
Postboks 6163 Postterminalen
5892 Bergen

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

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

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

Bakgrunn:

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

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

Skattedirektoratets vurdering og konklusjon

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

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

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

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Sentralbord

800 80 000
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22 17 08 60



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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Høelstad