



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 018 664
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNUTSEN LNG AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	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 Myklebust Opsal
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 11.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Other income		1 275 000	
Sum inntekter		1 275 000	
Kostnader			
Administration	1	2 087 305	301 471
Sum kostnader		2 087 305	301 471
Driftsresultat		-2 899 610	-602 943
Finansinntekter og finanskostnader			
Financial income	2	51 857 498	86 935 895
Foreign exchange gain/loss		-2 471 965	-5 705 320
Sum finansinntekter		49 385 534	81 230 575
Financial expenses	2	58 233 434	9 981 540
Sum finanskostnader		58 233 434	9 981 540
Netto finans		-8 847 900	71 249 035
Ordinært resultat før skattekostnad		-9 660 205	70 947 564
Taxes	3	-46 135 448	
Ordinært resultat etter skattekostnad		36 475 243	70 947 564
Årsresultat		36 475 243	70 947 564
Årsresultat etter minoritetsinteresser		36 475 243	70 947 564
Totalresultat		36 475 243	70 947 564



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		46 135 448	
Sum immaterielle eiendeler		46 135 448	
Varige driftsmidler			
Investments in associated entities	4	701 441 604	1 177 660 175
Sum varige driftsmidler		701 441 604	1 177 660 175
Finansielle anleggsmidler			
Investering i datterselskap	5	1 330 510 477	350 713 055
Sum finansielle anleggsmidler		1 330 510 477	350 713 055
Sum anleggsmidler		2 078 087 530	1 528 373 230
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable		1 275 000	
Other short-term receivables		1 794 868	1 265 189
Intercompany receivables		302 868 412	150 763 363
Receivable from associated companies			15 042 048
Konsernfordringer		348 909 200	128 832 248
Sum fordringer		654 847 480	295 902 849
Bankinnskudd, kontanter og lignende			
Bank deposits	6	140 199	643 651
Sum bankinnskudd, kontanter og lignende		140 199	643 651
Sum omløpsmidler		654 987 679	296 546 499
SUM EIENDELER		2 733 075 208	1 824 919 729



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		500 000 000	500 000 000
Overkurs		350 184 722	350 184 722
Annen innskutt egenkapital		470 326 927	121 417 728
Sum innskutt egenkapital		1 320 511 649	971 602 450
Opptjent egenkapital			
Other equity		623 791 541	587 316 298
Sum opptjent egenkapital		623 791 541	587 316 298
Sum egenkapital	8, 9	1 944 303 190	1 558 918 748
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld		436 766 498	105 811 594
Sum annen langsiktig gjeld		436 766 498	105 811 594
Sum langsiktig gjeld		436 766 498	105 811 594
Kortsiktig gjeld			
Leverandørgjeld		974 825	39 375
Kortsiktig konserngjeld		351 030 695	48 146 345
Short term debt associated companies			45 121 326
Other current liabilities			66 882 342
Sum kortsiktig gjeld		352 005 520	160 189 388
Sum gjeld		788 772 018	266 000 982
SUM EGENKAPITAL OG GJELD		2 733 075 208	1 824 919 729



KNUTSEN LNG AS

REPORT OF THE BOARD OF DIRECTORS 2022

Knutsen LNG AS (KLNG) is the holding company of the LNG (Liquefied Natural Gas) shipping investments of the Trygve Seglem family. KLNG is wholly owned by TS Shipping Invest AS and part of the TS Shipping Invest (Group).

The Group is meeting the energy transition by shifting resources towards floating offshore wind, carbon capture and through making significant investments into their LNG division. Natural gas as a key transition fuel is projected to retain its current share of the global energy mix over the next 30 years. Transportation of natural gas in the form of LNG is expected to double over the same time, due to longer sailing distances as the US has become a significant exporter and Asia the main import market.

Including the newbuilding order book in Korea, KLNG holds ownership interests in 30 LNG vessels, representing ~5% of the global LNG fleet. KLNG has an objective to grow its market share and obtain a leading position within the transportation of LNG. Specifically, the Group's focus is to cater to the transportation requirements of European utilities and energy majors. Over the last year, there has been a series of long-term LNG vessel contract awards by amongst others Enel, EDF / Edison, Engie, Shell and PGNiG.

Knutsen's LNG operations have over a 20-year period been centered in Spain, where the Group built a series of LNG vessels starting in the early 2000s. Spanish flag, local offices and employees have served the group well. Today, new vessels are built at leading shipyards in South Korea. In 2021 Knutsen Group established Knutsen LNG France ("KLNG France"). The decision to make France the new centre for its LNG activities is a result of French banks' position as global leaders in LNG financing. KLNG France will adhere to the requirements under French International Flag, having established a local operations and recruiting French and European employees for its vessel operations. Developing a pool of local talent is a core objective for the Group. Knutsen's strong presence in Spain allowed for local business projects. In Spain, Knutsen developed a joint venture with Ena gas for LNG bunkering activities in the port of Barcelona. In Italy, Knutsen developed short-sea operations in cooperation with Edison. We expect to see similar business opportunities in the bunkering and short sea market, requiring local presence, to be developed and managed by KLNG France.

KLNG France is 100% owned by Knutsen LNG AS. KLNG France has offices in Marseille and Nantes. KLNG France's near-term target is to grow from its current 6 vessels to a fleet of 12 or more French flagged LNG vessels.

KLNG adheres to Group strategic objective of owning and operating a fleet of a high technical and operational standard. We are committed to deliver environmentally friendly services and products at the highest Quality, Health, Security and Safety standards to meet international regulations and customer requirements. The entire fleet controlled by the Group is managed in-house by Knutsen OAS Shipping AS, for the entire value-chain, including newbuilding supervision, chartering, vetting, crewing, technical and commercial management, financing, procurement and general administration.



The Company's activities

KLNG is undergoing a period of fleet expansion based on long-term contract awards from European utilities and energy majors. The fleet expansion is made in partnerships with leading industrial companies and institutional investors. The philosophy behind the investment strategy is to capitalize on the Group's ability to win, develop and manage high quality shipping projects with a long-term horizon that permits a project finance style financing strategy. It is an objective of the Group to ensure that the projects can support themselves financially on a stand-alone basis.

Through private placement of equity to institutional investors, on a project-to-project basis, the Group is able to strengthen its position as a major owner and operator in the LNG segment while maintaining a prudent financial profile. Our partners are leading industry players and institutional investors that share our long-term non-speculative focus reflected in a policy of building against long term contract awards only.

Since the Group diversified into the LNG carrier segment in 2004, KLNG has today become a global operator approved by the great majority of exporters and importers of LNG. As of year-end 2021, Knutsen OAS Shipping AS has 15 LNG carriers in the water and a further 15 LNG carriers on order. All 30 vessels are subject to long-term fixed time charter contracts.

Predominantly investment grade end-users continue to dominate the seaborne transportation of natural gas (LNG). This fundamental characteristic of the LNG industry suits the Knutsen strategy of basing its growth strategy on long-term contracts typically with a firm period of minimum 7 years with optional periods typically matching the off take contracts of 20+ years held by KLNG's clients.

Of the 21 LNG carriers in operation at year-end 2022, seven are owned 100%, while five are jointly owned 50/50 with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Further partnerships are with Klaveness Group (four vessels), Cape Omega (two vessels), OMP, a HitecVision portfolio company (one vessel), Enagas through ScaleGas (one vessel) and the Hatteland Group (one vessel).

The Group's first LNG tanker was delivered in 2004. The Group has allocated significant resource into the LNG segment in recent years. KLNG took delivery of 6 vessels during 2022, of which 5 were large LNG Carriers built at Korean yards delivering onto long term contracts to Shell and PKN Orlen ("PKN") the Polish state-controlled oil and gas company, and one LNG bunker tanker built in Spain and employed on a long-term contract with Shell.

The Group had per year-end 22 large LNG Carriers of 174,000 m³ under construction at Hyundai Heavy Industries in South Korea for delivery in 2022-2026. Seven of these vessels will be delivered in 2023. Including the vessels on order, the Group's LNG fleet counts 43 vessels.

All vessels have been ordered on the back of long-term charter contracts to first class charterers, and the Group is not subject to the spot market due to the long term nature of the charter contracts. Of the 22 vessels on order, five will enter minimum seven years' time charter contracts with Shell, the oil major. Two vessels will enter long term charters with Engie, a leading European energy company. Five vessels will enter 10 years' firm time charter contracts with PKN and 10 vessels are backed by 15 years firm time charters to Qatar Energy.



LNG demand continues to see growth rates far beyond global GDP growth. A key driver is the requirement to reduce CO2 emissions and improve local air quality by switching from coal to cleaner energy sources such as natural gas. The rapid demand growth is reflected in a correspondingly high tender activity for long-term transportation contracts. The Group continues to grow in the LNG segment through winning awards for long-term contracts to first class charterers. Combined with the Group's strong track record in newbuilding supervision and operations, the solid contract backlog ensures ample access to debt and equity capital to finance the expansion. The Group has a strong preference to expand through equity partnership with strong financial long-term oriented investors instead of increasing its financial leverage.

Result for the year

The company is a holding company Operating Income 1275 ; The Operating Result in 2022 was negative NOK 0.8 million (negative NOK 0.3 million in 2021).

Result for the year after tax was a profit of NOK 36 million compared to a profit after tax of NOK 71 million in the previous year. The Board of Directors proposes that the result for the year be transferred to other equity.

Total assets at year-end are NOK 2,733 million compared to NOK 1,825 million in 2021. The book equity ratio is 75.1% in 2022 compared to 85.4% in 2021.

The financial accounts are prepared on the assumption of a going concern, and the Board of Directors confirms the assumption of a going concern.

High operational standards

The requirements for safe and environmentally friendly operation of the vessels feature in all aspects of the organisation . 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 Group's vessels are modern with high technical standard. The Group and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessels.

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 the vessels are certified in accordance with both the ISM and ISPS codes.

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



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

Future prospects

The Board of Directors regards the high demand growth for seaborne liquefied natural gas and the renewed focus on energy security as promising for the medium term LNG outlook. With the advanced LNG fleet and substantial contract coverage the Group is well positioned to further build its leading market presence in its segments. The Group expects to expand on the firm contract backlog that as of 31.12.21 stood at USD 5+ billion for the LNG segment (on a 100% basis), and which including extension options, surpasses USD 11 billion.


Haugesund, 30. March, 2023



Trygve Seglem
Chairman



Nils-Kristian Strøm
Board Member



Geir Tore Henriksen
Board Member



Knutsen LNG AS
Profit & Loss Account

	Note	2022	2021
<u>Operating Income</u>			
Other income		1 275 000	0
<i>Total Operating income</i>		<u>1 275 000</u>	<u>0</u>
<u>Operating Expenses</u>			
Administration	1	2 087 305	301 471
<i>Total Operating Expenses</i>		<u>2 087 305</u>	<u>301 471</u>
<i>Operating Result</i>		<u>-812 305</u>	<u>-301 471</u>
<u>Financial Income and Expenses</u>			
Financial income	2	51 857 498	86 935 895
Foreign exchange gain/loss		-2 471 965	-5 705 320
Financial expenses	2	-58 233 434	-9 981 540
<i>Net Financial Items</i>		<u>-8 847 900</u>	<u>71 249 035</u>
<i>Result before taxes</i>		<u>-9 660 205</u>	<u>70 947 564</u>
Taxes	3	-46 135 448	0
<i>Result for the year</i>		<u>36 475 243</u>	<u>70 947 564</u>



Knutsen LNG AS

Balance Sheet as of 31. December

<u>EIENDELER</u>	Note	2022	2021
<u>Fixed Assets</u>			
Deferred tax assets		46 135 448	0
Investments in associated entities	4	701 441 604	1 177 660 175
Investments in other group companies	5	1 330 510 477	350 713 055
<i>Total Fixed Assets</i>		<u>2 078 087 530</u>	<u>1 528 373 230</u>
<u>Current Assets</u>			
Accounts receivable		1 275 000	0
Other short-term receivables		1 794 868	1 265 189
Intercompany receivables		302 868 412	150 763 363
Group contribution		348 909 200	128 832 248
Receivable from associated companies		0	15 042 048
Bank deposits	6	140 199	643 651
<i>Total Current Assets</i>		<u>654 987 679</u>	<u>296 546 499</u>
TOTAL ASSETS		<u>2 733 075 208</u>	<u>1 824 919 729</u>



Knutsen LNG AS

Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	Note	2022	2021
<u>Equity</u>			
Share capital		500 000 000	500 000 000
Share premium		350 184 722	350 184 722
Other capital paid-in		470 326 927	121 417 728
<i>Total capital paid-in</i>		<u>1 320 511 649</u>	<u>971 602 450</u>
Other equity		623 791 541	587 316 298
<i>Total retained earnings</i>		<u>623 791 541</u>	<u>587 316 298</u>
<i>Total Shareholders' Equity</i>	8, 9	<u>1 944 303 190</u>	<u>1 558 918 748</u>
<u>Long Term Debt</u>			
Long-term debt group company		436 766 498	105 811 594
<i>Total Long Term Debt</i>		<u>436 766 498</u>	<u>105 811 594</u>
Trade payables		974 825	39 375
Debt to group companies		274 749 875	48 146 345
Group contribution		76 280 820	0
Short term debt associated companies		0	45 121 326
Other current liabilities		0	66 882 342
<i>Total Current Liabilities</i>		<u>352 005 520</u>	<u>160 189 388</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>2 733 075 208</u>	<u>1 824 919 729</u>


Trygve Seglem
Chairman of the Board

Haugesund, 30 March 2023
The board of Knutsen LNG AS

Nils Kristian Strøm
Board Member


Geir Tore Henriksen
Board Member



KNUTSEN LNG AS

CASHFLOW STATEMENT

	2022	2021
Total generated from operations 1)	-17 128 330	-12 460 453
Change in working capital	<u>-67 751 572</u>	<u>-11 072 503</u>
Net cashflow from operations	<u>-84 879 902</u>	<u>-23 532 956</u>
Net change in loans to associated entities	-30 079 278	40 209 060
Net change in loans to group companies	162 355 780	-143 195 148
Invested in group companies	-465 396 627	-14 617 352
Sale of shares	10 924 281	31 105 310
Received distribution from group entities		2 000 000
Received distribution from associated entities	34 642 440	41 203 880
Invested in associated entities	<u>0</u>	<u>0</u>
Net cashflow from investments	<u>-287 553 404</u>	<u>-43 294 250</u>
Dividend /group contribution	128 832 248	-24 700 000
Other paid-in capital	0	0
Debt to parent companies	<u></u>	<u>91 208 223</u>
Net cashflow from financing	<u>128 832 248</u>	<u>66 508 223</u>
Net cashflow for the year	-243 601 058	-318 983
+ Cash balance per 01.01.	<u>643 651</u>	<u>962 634</u>
= Cash Balance per 31.12.	<u>-242 957 407</u>	<u>643 651</u>

1) Generated from operations:

Result before tax	-9 660 205	70 947 564
+ Net impairments	36 328 000	0
-Received distribution	-34 642 440	-55 694 469
-Net gain sale shares	-9 153 685	-27 713 548
= Total generated from operations	<u>-17 128 330</u>	<u>-12 460 453</u>



KNUTSEN LNG AS

Notes to the Financial Statement 31.12.2022

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 as 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.

The fixed assets are valued to the lowest of the depreciated value and the market value unless the fall in value assumed to be temporary. Long-term debt stated at nominal value.

Interests in subsidiaries and jointly controlled entities / associated companies

Interests in subsidiaries and jointly controlled entities / associated companies are presented at cost method in the accounts.

Receivables

Accounts receivable and other receivable are recorded at nominal value less provision for doubtful debts. Provision for losses made on the basis of an individual assessment of the receivables.

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.

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

Realized and unrealized profit and loss on foreign exchange are recorded as financial income / expenses.

1 Remuneration and employees

Auditors remuneration (excl. VAT):

	<u>2022</u>	<u>2021</u>
Audit	66 150	87 038
Tax advice	0	0
Other services besides audit	0	0
	<u>66 150</u>	<u>87 038</u>

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.



2 Financial Income and -Expenses

	<u>2022</u>	<u>2021</u>
Financial Income:		
Interest income group companies	3 953 569	
Interest income associated companies	4 091 834	3 527 814
Group contribution	0	14 490 589
Share dividend	34 642 440	41 203 880
Other interest income	15 971	63
Gain on sale of shares	9 153 685	27 713 548
Total financial income	<u>51 857 498</u>	<u>86 935 895</u>
Financial expenses:		
Write-down shares	36 328 000	0
Interest expenses group companies	13 267 121	1 073 961
Interest expenses associated companies	4 089 663	4 532 006
Loss on sale shares	0	0
Other interest	3 940 501	4 370 455
Other financial expenses	608 150	5 118
Total financial expenses	<u>58 233 434</u>	<u>9 981 540</u>

3 Tax

For units in participating companies inside exemption model temporary differences between tax and accounting recognition of the ongoing results are calculated. 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.

Below is a specification of the difference between the profit/loss before tax and the basis for this years taxation:

Additional information:	<u>2022</u>	<u>Change</u>	<u>2021</u>
Deductible interest carried forward	0	0	0
Losses carried forward	-209 706 582	-16 958 898	-192 747 684
Basis for deferred tax	<u>-209 706 582</u>	<u>-16 958 898</u>	<u>-192 747 684</u>
Deferred tax based on 22 % tax rate	<u>-46 135 448</u>	<u>-3 730 958</u>	<u>-42 404 490</u>
Booked deferred tax asset	<u>46 135 448</u>	<u>0</u>	<u>0</u>

	<u>2022</u>
Profit/loss before tax	-9 660 205
Permanent differences	-43 626 693
Write down shares	36 328 000
Change in temporary differences	
Loss carried forward	<u>16 958 898</u>
Taxable income after losses carried forward	<u>0</u>
Group contribution given	<u>0</u>
Basis for taxation	<u>0</u>
Tax payable before group contribution, 22%	0
Change deferred tax/(benefit) based on 22 %	-46 135 448
Adjusted deferred tax/(tax benefit) due to reduced tax rate	<u>0</u>
Tax costs	<u>-46 135 448</u>

4 Investments in jointly controlled entities and associates



	Share capital	Voting share	Number of shares	Face value	Result for the year (USD)	Equity (USD)
Knutsen NYK LNG Holding A	NOK 200	50 %	200 000	1 000	15 977 061	184 468 844
Norspan LNG XII AS	954 120	50 %	100 000	100	6 946 700	35 483 006
Norspan LNG XIII AS	2 000 000	50 %	1 000 000	1	5 150 805	31 850 072
Norspan LNG 14 AS	200 000	50 %	100 000	1	2 778 119	11 115 117
Norspan LNG 19 AS	NOK 14.325.000	50 %	477 500	30	851 155	25 174 641
Norspan LNG 23 AS	NOK 90.000	50 %	3 000	30	-43 252	45 576 733

All of the companies have registered office Smedasundet 40, 5529 Haugesund.

5 Shares in subsidiaries

	Total share capital	Ownership, voting Share	Number of shares	Equity 31.12.	Result of the year	Book value
	NOK 1.000					NOK
Knutsen Kyst LNG AS	500	100 %	500	NOK 4 574 258	NOK 2 024 175	1 595 940
Knutsen Kyst LNG KS	32 000	66 %	100	NOK 39.944.976	NOK 4.836.658	16 664 506
Norspan LNG AS	200 000	50% *	500	NOK 291.452.849	NOK -85.485.183	85 370 290
Norspan LNG II AS	300	100 %	2 000	NOK 175.532.011	NOK 37.433.016	171 033 923
Norspan LNG III AS	100	74 %	1 000	USD 42.614.650	USD 4.538.048	131 368 695
Norspan LNG V AS	10 000 000	50% *	500	USD 36.205.114	USD 3.409.621	151 038 232
Norspan LNG VI AS	10 000 000	50% *	500	USD 36.724.997	USD 2.753.544	129 867 629
Norspan LNG VII AS	10 000 000	50% *	500	USD 36.069.741	USD 1.503.093	149 895 241
Norspan LNG 16 AS	3 030	62,5 %	132 500	USD 25.127.418	USD 2.226.638	24 475 150
Norspan LNG 26 AS	30	100 %	100	USD 12 903.583	USD 2.136.133	113 445 939
Norspan LNG 27 AS	30	100 %	100	USD 12 904 829	USD 2 137 380	113 445 939
Norspan LNG 28 AS	30	100 %	100	USD 11 475 354	USD -42 740	60 000
Norspan LNG 29 AS	30	100 %	100	USD 11 473 024	USD 32 759	60 000
Norspan LNG 31 AS						60 000
Knutsen LNG France SAS						242 128 994
						<u>1 330 510 477</u>

The subsidiaries and the parent company have the same business address, Smedasundet 40, 5529 Haugesund

* Ownership voting share, Knutsen LNG AS owned 50 % and sister Company Norspan Gas Carriers AS carriers owned 50 %.
Companies is a 100 % owned of the group TS Shipping Invest AS

6 Bank deposit

The company doesn't have restricted cash per 31.12.

7 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 01.01.	500 000 000	350 184 722	121 417 728	587 316 299	1 558 918 748
Group Contribution				348 909 200	348 909 200
Dividend					0
Result for the year				36 475 243	36 475 243
Equity 31.12.	<u>500 000 000</u>	<u>350 184 722</u>	<u>121 417 728</u>	<u>972 700 741</u>	<u>1 944 303 190</u>



8 Share capital

Share capital consists of

	shares	(NOK)	Balance post
A-shares	1 000	500 000	500 000 000

The shareholders of the company are per 31.12.

TS Shipping Invest AS	1 000	100 %	100 %
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Knutsen LNG AS is a 100 % owned subsidiary of the group TS Shipping Invest AS .

Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen LNG AS

Opinion

We have audited the financial statements of Knutsen LNG AS (the Company), which comprise the balance sheet as at 31 December 2022, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 31 March 2023
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The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen LNG AS 2022

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Magnus Hegertun Birkeland

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 31.01.2014	Vår dato 11.02.2014
Telefon 22078139	Deres referanse Geir Tore Henriksen	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 31. januar 2014 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

Knutsen LNG AS	org. nr. 913 018 664
Norspan LNG IX AS	org. nr. 912 745 414
Norspan LNG XI AS	org. nr. 913 018 087
Norspan LNG X AS	org. nr. 912 745 449
Umoe LNG AS	org. nr. 913 018 141
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 22 AS	org. nr. 812 818 252

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.

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. Styrene i selskapene har medlemmer som ikke er norskspråklige. 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*

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Sentralbord
800 80 000
Telefaks
22 17 08 60



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 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. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland