



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 927 588 021
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: KNARR L.L.C. NUF
Forretningsadresse: Brattørkaia 17A
7010 TRONDHEIM

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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: Reidun Blom Reiestad
Dato for fastsettelse av årsregnskapet: 19.11.2024

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, 07.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating income	5, 6	173 883 000	937 304 000
Sum inntekter		173 883 000	937 304 000
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	6	210 196 000	313 921 000
Employee benefits expense	8		
Depreciation and amortisation expenses	7	171 514 000	157 043 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	-376 035 000	
Other expenses	6, 8	103 303 000	131 230 000
Sum kostnader		108 979 000	602 195 000
Driftsresultat		64 905 000	335 109 000
Finansinntekter og finanskostnader			
Income from subsidiaries	6	29 026 000	115 628 000
Income from other group companies	6	60 765 000	
Annen renteinntekt		42 812 000	12 222 000
Other financial income			53 704 000
Sum finansinntekter		132 603 000	181 553 000
Rentekostnad til foretak i samme konsern	6		7 798 000
Annen rentekostnad		266 006 000	118 571 000
Foreign exchange gain / loss (-)		82 633 000	237 287 000
Other financial expenses		227 444 000	16 804 000
Sum finanskostnader		576 083 000	380 460 000
Netto finans		-443 480 000	-198 906 000
Ordinært resultat før skattekostnad		-378 575 000	136 203 000
Taxes	9		-1 818 000
Ordinært resultat etter skattekostnad		-378 575 000	138 020 000
Årsresultat		-378 575 000	138 020 000



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Årsresultat etter minoritetsinteresser		-378 575 000	138 020 000
Totalresultat		-378 575 000	138 020 000
Overføringer og disponeringer			
Overført til egenkapital	13		
Transferred to / from (-) other equity	13	-378 575 000	138 020 000
Sum overføringer og disponeringer		-378 575 000	138 020 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9		
Varige driftsmidler			
Vessel	7	5 567 989 000	2 762 477 000
Sum varige driftsmidler		5 567 989 000	2 762 477 000
Finansielle anleggsmidler			
Investering i datterselskap	10	85 627 000	296 221 000
Investering i annet foretak i samme konsern	10		
Investeringer i tilknyttet selskap	10		
Other long-term receivables	11	42 834 000	
Sum finansielle anleggsmidler		128 461 000	296 221 000
Sum anleggsmidler		5 696 450 000	3 058 698 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables		254 671 000	22 988 000
Other short-term receivables		223 142 000	43 539 000
Konsernfordringer		77 146 000	27 256 000
Sum fordringer		554 959 000	93 783 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	1 043 704 000	808 297 000
Sum bankinnskudd, kontanter og lignende		1 043 704 000	808 297 000
Sum omløpsmidler		1 598 663 000	902 080 000
SUM EIENDELER		7 295 113 000	3 960 778 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	13, 14		
Overkurs	13		
Annen innskutt egenkapital	13		
Opptjent egenkapital			
Other equity	13, 14	17 610 000	396 185 000
Sum opptjent egenkapital		17 610 000	396 185 000
Sum egenkapital		17 610 000	396 185 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9		
Deferred revenues	15	2 709 350 000	
Sum avsetninger for forpliktelser		2 709 350 000	
Annen langsiktig gjeld			
Konvertible lån	16		
Gjeld til kredittinstitusjoner	16	3 332 481 000	
Langsiktig konserngjeld	16		
Other non-current liabilities			
Sum annen langsiktig gjeld		3 332 481 000	
Sum langsiktig gjeld		6 041 831 000	0
Kortsiktig gjeld			
Liabilities to financial institutions	16		2 868 689 000
Leverandørgjeld		333 466 000	1 925 000
Tax payable	9		
Kortsiktig konserngjeld		379 715 000	636 808 000
Other current liabilities		522 491 000	57 172 000
Sum kortsiktig gjeld		1 235 672 000	3 564 593 000
Sum gjeld		7 277 503 000	3 564 593 000



Balanse

Beløp i: NOK	Note	2023	2022
SUM EGENKAPITAL OG GJELD		7 295 113 000	3 960 778 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 757017

Enheten

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Brønnøysundregistrene, 25.11.2024



Organisasjonsnr: 927 588 021
KNARR L.L.C.

RESULTATREGNSKAP

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Organisasjonsnr: 927 588 021
KNARR L.L.C.

BALANSE

Beløp i: NOK	Note	2023	2022
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BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel	9		
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Varige driftsmidler

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Omløpsmidler

Varer

Fordringer

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SUM EIENDELER		7 295 113 000	3 960 778 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

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Overkurs	13		



Annen innskutt egenkapital	13		
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Organisasjonsnr: 927 588 021
KNARR L.L.C.

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Skatteetaten

Vår dato
01.12.2023

Din/Deres dato

Saksbehandler
Nina Gulbrandsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
99796636

Org.nr
974761076

Vår referanse
2023/5667579

Postadresse
Postboks 9200 Grønland
0134 OSLO

ALTERA INFRASTRUCTURE NORWAY AS

Postboks 8035
4068 STAVANGER
Norge

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Altera Infrastructure Norway AS sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk på vegne av følgende selskap:

990 479 453 Amundsen Spirit AS
985 030 235 Altera Norway Holding AS
988 237 450 Altera Norway Marine AS
811 593 362 Altera Infrastructure Crewing AS
964 111 723 Altera Infrastructure Norway AS
984 837 771 Altera Shuttle Loading AS
912 437 027 Logitel Offshore Norway AS
915 056 253 Altera Grand Banks AS
914 470 587 Altera Grand Banks Shipping AS
918 329 684 Gina Krog AS
930 155 039 Gina Krog II AS
919 042 982 Aurora Spirit AS
919 117 087 Rainbow Spirit AS
919 926 619 Tide Spirit AS
819 926 832 Current Spirit AS
919 931 507 Arendal Spirit AS
920 810 640 Altera Wave AS
920 810 659 Altera Wind AS
828 755 102 Altera Infrastructure Ventures AS
928 901 262 Stella Maris CCS AS
990 479 518 Altera Infrastructure Voyageur AS
939 545 832 Altera Infrastructure Production AS
996 235 149 Altera Infrastructure Production Crew AS
990 485 674 Altera Infrastructure Siri AS
985 973 245 Petrojarl I Production AS
996 508 234 Altera Knarr AS

Side 1 / 4



985 973 245 Pirenema Production AS
922 690 235 Arendal Spirit L.L.C
927 366 835 Altera AI Rayayan L.L.C
927 366 630 Clipper L.L.C
830 823 182 Nansen Spirit L.L.C
930 823 309 Peary Spirit L.L.C
930 823 260 Scott Spirit L.L.C
927 492 687 Petrojarl I L.L.C
927 588 021 Knarr L.L.C
927 492 725 Voyageur L.L.C
927 492 717 Varg L.L.C
927 492 695 Pirenema L.L.C
928 880 389 Gina Krog Offshore Pte.Ltd
929 252 217 Altera Infrastructure Group Ltd

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene 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.

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

Bakgrunn

Fra søknaden siteres:

«Altera opererer internasjonalt med engelsk som arbeidsspråk, både internt og i forhold til sentrale stakeholders. Våre eiere er basert i engelsktalende land, våre långivere er basert i engelsktalende land eller er på annen måte vant med å håndtere dokumenter utelukkende på engelsk. Våre kunder og leverandører er utenlandske eller er internasjonale aktører, og vi har en arbeidsstokk som består av ansatte fra mange forskjellige nasjoner. Vi mottar forespørsler fra våre kunder om å kunne hente ut regnskapstall fra Brønnøysundregisteret på engelsk og vi må bruke uoffisielle engelske versjoner av våre regnskapstall og revisjonsrapporter.»

**Skattekontorets vurdering**

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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 dette tilfellet er det opplyst at konsernet opererer i et internasjonalt marked, og har utenlandske eiere og långivere. I tillegg er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll
underdirektør



Innsats, storbedrift
Skatteetaten

Nina Gulbrandsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Annual Financial Statements 2023 Knarr L.L.C.

**Director's Report
Income Statement
Balance Sheet
Cash Flow Statement
Notes to the Financial Statements**

Org.nr.: 927 588 021



Annual Report for 2023 for Knarr L.L.C.

The nature and location of the business

Knarr L.L.C. is part of the Altera Infrastructure L.P. group. The company is a directly owned subsidiary of Altera Infrastructure FPSO Holdings Limited. The ultimate parent company is Brookfield Corporation. The company's business is to rent out the vessel Petrojarl Knarr.

The vessel was bareboat chartered to Altera Knarr AS, which leased the vessel to A/S Norske Shell (initially BG Norge) and operated the vessel in the North Sea on the Knarr field on behalf of A/S Norske Shell. The cease of oil production was May 1st, 2022, the contract with the external customer A/S Norske Shell was therefore terminated, and the vessel was towed to lay up at Stord in June 2022. On 6 January 2023 Knarr LLC signed a Bareboat Charter agreement with Equinor UK Limited also covering the modification/upgrade of the FPSO for the Rosebank field. The Petrojarl Knarr FPSO was towed from Stord in June 2023 and arrived Drydocks World Dubai in August 2023, for the upgrade and life extension work. Petrojarl Rosebank FPSO, which will be its new name, is set to be deployed for the Rosebank field development project for oil production, and the final investment decision and regulatory approvals have been given. An Operations and Maintenance Services contract was signed on 29 June 2023 between Golar Nor (UK) Limited and Equinor UK Limited for this field. Both contracts are firm for nine years, with an option for up to a total of 25 years.

Knarr L.L.C. is a company incorporated under the company law of the Marshall Islands. On January 5, 2021, the management of Knarr L.L.C. moved to Norway by electing a new board consisting only of Norwegian board members and board meetings were held in Norway. The company has no general manager. Administrative support functions are performed as services from other Norwegian Altera group companies. The company is taxable to Norway, and is a Norwegian-registered foreign business (NUF).

The company's head office is in Trondheim.

Going concern

In accordance with Section 3-3 of the Norwegian Accounting Act, the Board confirms that the going concern assumption applies and that the annual financial statements for 2023 have been prepared on the basis of this assumption. In the opinion of the Board of Directors the submitted income statement, balance sheet, statement of cash flow and associated notes provide a true picture of the operations and financial position of the company.

Altera infrastructure L.P. Chapter 11 Filing

On August 12, 2022, Altera Infrastructure L.P. (the Partnership) and certain of its affiliated subsidiaries (the Chapter 11 companies), filed for voluntary proceedings under Chapter 11 of the Southern District of Texas in the United States bankruptcy court. On January 6, 2023, the Chapter 11 companies emerged from Chapter 11 with a strengthened balance sheet and foundation for long-term growth.

The external environment

In its implementation of projects, the company emphasises environmental factors, and environmental considerations are taken into account at all stages, from planning and implementation to operations, maintenance, sorting and recycling. The business of the company does not pollute the external environment. The company perform recycling and strives to choose environmental-friendly solutions.

The company conducts activities that can affect the external environment through emissions to air and water, and the company therefore has a strong focus on health, safety and environmental work. There have been no incidents related to ordinary operations that have had serious consequences for crew, environment, or assets in 2023.

The working environment

There are no employees if the company. Therefore, no measures to improve the working environment have been considered, nor have measures to promote gender equality been considered, as this is not applicable.

Required disclosure for all eligible entities under the Norwegian Transparency Act will be available on our website at alterainfra.com no later than June 30, 2024.



Insurance for board members

The company's board of directors are covered by the group's directors' liability insurance. It is Brookfield that has this insurance that covers itself and all companies in the group.

Research and development

The company does not conduct research and development.

Accounts

The book value of assets at 31.12.2023 equals NOK 7 295 113k, compared to NOK 3 960 778k. The change is mainly due to investments in vessel, reversal of impairment and a increase in receivables .

This year, the company reported an operating profit of NOK 64 905k as compared with an operating profit of NOK 335 109k the year before. The change in this year's result is mainly due to lay-up of the Vessel offset by a reversal of impairment of fixed assets. The year's result was a loss of NOK-378 575k compared to a profit of NOK138 020k the year before. The change in this year's result is mainly due to circumstances mentioned above and an increase in interest and financial expenses

The Board proposes that the deficit for the year to be covered by other equity.

The company has a negative cash flow from operating activities, mainly due to the loss this year, reversal of impairment of fixed assets and change in accounts receivable. The company has made investments in vessels, wich entails a negative cash flow from its investments activities. The company has financed this through increased loans from credit institutions and funding from customer Equinor, wich entails a positive cash flow from its financing activities. Overall, cash flow for the company is positive.

The company has provided a group contribution without tax effect to the subsidiary Altera Knarr AS amounting to NOK 22 640k. At the same time, the company has received a group contribution from Altera Knarr AS with tax effect amounting to NOK 29 026k. The group contribution provided increases the investment in subsidiary. Further the investment in the subsidiary Altera Knarr AS has been reduced by NOK 294 000k in 2023. This is due to repayment of capital as dividend from Altera Knarr AS.

The liquidity situation at year-end and over the course of the year has been satisfactory.

Company risks

The company has both long-term and short-term loans to finance the vessel. The Board expects the loans to be serviced through income from the operation of the vessel. In total, the company's equity is NOK 17 610k which gives an equity ratio of 0,24 % The company's assessment of future cash flow is positive, and based on this, the company will expect a profit over the next few years, resulting in an increased equity ratio.

Financial risk

The company is exposed to financial risk. The most important factors influencing operating and financial results include utilisation rate, oil price developments, exchange rate fluctuations, mainly between USD, EUR, GBP and NOK

Credit risk

Credit risk is the risk of loss as a result of a borrower or customer not fulfilling their contractual obligations.

The company assesses the creditworthiness of customers and borrowers before entering into agreements.

The company has historically low losses on receivables and does not expect any future losses in the future either.

Liquidity risk

The company is exposed to liquidity risk. Liquidity risk is the risk that the company will not be able to meet its financial obligations when they mature. Sources of liquidity risk include, but are not limited to, downtime and fluctuations in commodity prices and in financial market prices.



The company's largest payments include changes in other accrual items, as referenced in the cash flow statement.

Interest rates risk

The Company is exposed to interest rate risk, which is the possibility that changes in interest rates will affect the future cash flow or fair value of the Company's financial instruments, primarily long-term debt and associated derivatives. The company has floating-rate USD loans. The company uses the reference rate SOFR .

Currency risk

Currency risk is the risk that future cash flows will fluctuate due to changes in exchange rates.

The accounts are prepared with NOK as functional currency, even though the company to a significant extent trades in USD. Currency risk for the company is governed by the fact that USD is real functional currency.

Since the accounts are prepared using NOK as functional currency, there exists foreign exchange risk related to future cash flows related to currencies other than NOK, particularly related to the USD. Based on the risk management assessment, considering USD as a real functional currency, the currency risk is considered to be satisfactory.

The presented Income Statement ,Balance Sheet and Cash Flow Statement with the associated notes provide a full picture of the position of the company as of 31.12.2023.

Nothing that in the view of the Board of Directors would have a bearing on an assessment of the financial statements has occurred since the end of the financial year, apart from the matters discussed under subsequent events.

Future development

On 6 January 2023 Knarr LLC signed a Bareboat Charter agreement with Equinor UK Limited also covering the modification/upgrade of the FPSO for the Rosebank field. The Petrojarl Knarr FPSO was towed from Stord in June 2023 and arrived Drydocks World Dubai in August 2023, for the upgrade and life extension work. Petrojarl Rosebank FPSO, which will be its new name, is set to be deployed for the Rosebank field development project for oil production, and the final investment decision and regulatory approvals have been given. An Operations and Maintenance Services contract was signed on 29 June 2023 between Golar Nor (UK) Limited and Equinor UK Limited for this field. Both contracts are firm for nine years, with an option for up to a total of 25 years.

Subsequent events

The Board emphasises that the statements in this Annual Report regarding the future are based solely on various assumptions on the part of the Board of Directors regarding matters beyond our control and subject to certain risks and uncertainties. Actual results may therefore differ from those described in the forward-looking statements.

Trondheim, 19.11.2024
The Board of Directors of Knarr L.L.C.

Nils Ole Krogstad
Chairman of the Board

Martin Spencer King
Board member

Anette Øwre-Johnsen (Nov 19, 2024 18:20 GMT+1)

Anette Øwre-Johnsen
Board member



Income statement

Knarr L.L.C.

Values in 1000 NOK	Note	2023	2022
Operating income and operating expenses			
Operating income	5, 6	173 883	937 304
Total income		173 883	937 304
Operating costs vessel	6	210 196	313 921
Depreciation and amortisation expenses	7	171 514	157 043
Reversal of impairment	7	-376 035	0
Other expenses	6, 8	103 303	131 230
Total expenses		108 979	602 195
Operating profit		64 905	335 109
Financial income and expenses			
Income from subsidiaries	6	29 026	115 628
Income from other group companies	6	60 765	0
Other interest income		42 812	12 222
Other financial income		0	53 704
Foreign exchange gain / loss (-)		-82 633	-237 287
Interest expense to group companies	6	0	7 798
Other interest expenses		266 006	118 571
Other financial expenses		227 444	16 804
Net financial items		-443 480	-198 906
Net profit / loss before tax		-378 575	136 203
Taxes	9	0	-1 818
Net profit / loss (-) after tax		-378 575	138 020
Net profit / loss (-)		-378 575	138 020
Attributable to			
Transferred to / from (-) other equity	13	-378 575	138 020
Total		-378 575	138 020



Balance sheet

Knarr L.L.C.

Values in 1000 NOK	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment			
Vessel	7	5 567 989	2 762 477
Total property, plant and equipment		5 567 989	2 762 477
Non-current financial assets			
Investments in subsidiaries	10	85 627	296 221
Other long-term receivables	11	42 834	0
Total non-current financial assets		128 461	296 221
Total non-current assets		5 696 450	3 058 698
Current assets			
Debtors			
Accounts receivables		254 671	22 988
Other short-term receivables		223 142	43 539
Receivables group companies		77 146	27 256
Total receivables		554 959	93 783
Cash and cash equivalents	12	1 043 704	808 297
Total current assets		1 598 663	902 080
Total assets		7 295 113	3 960 778



Balance sheet

Knarr L.L.C.

Values in 1000 NOK	Note	2023	2022
Equity and liabilities			
Retained earnings			
Other equity	13, 14	17 610	396 185
Total retained earnings		17 610	396 185
Total equity		17 610	396 185
Liabilities			
Deferred revenues	15	2 709 350	0
Liabilities to financial institutions	16	3 332 481	0
Total non-current liabilities		6 041 831	0
Current liabilities			
Liabilities to financial institutions	16	0	2 868 689
Trade payables		333 466	1 925
Liabilities to group companies		379 715	636 808
Other current liabilities		522 491	57 172
Total current liabilities		1 235 672	3 564 593
Total liabilities		7 277 503	3 564 593
Total equity and liabilities		7 295 113	3 960 778

Trondheim, 19.11.2024
The board of Knarr L.L.C.

Nils Ole Krogstad
Chairman of the board

Martin Spencer King
Board member

Anette Øvre-Johnsen (Nov 19, 2024 18:20 GMT+1)

Anette Øvre-Johnsen
Member of the board



Cash flow statement

Knarr L.L.C.

Values in 1000 NOK	2023	2022
Cash flows from operating activities		
Profit/loss before tax	-378 575	136 203
Ordinary depreciation	171 514	157 043
Impairment of fixed assets	-376 035	0
Mobilization costs	0	6 385
Change in accounts receivable	-231 683	-29 563
Change in accounts payable	331 542	6 021
Effect of exchange rate fluctuations	-134 927	-38 680
Change in intragroup balances	38 538	87 115
Change in other accrual items	285 717	-307 852
Net cash flows from operating activities	-293 909	16 672
Cash flows from investment activities		
Investments in tangible assets	-2 600 992	0
Change in non-current receivables	-42 834	0
Net cash flows from investment activities	-2 643 826	0
Cash flows from financing activities		
Change in non-current liabilities to credit institutions	238 373	-1 679 724
Change in current liabilities to credit institutions	0	2 305 769
Change in deferred revenue	2 709 350	0
Proceeds from Group contributions	0	123 890
Payment of Group contributions	0	96 634
Effect of exchange rate fluctuations	225 419	-284 938
Net cash flows from financing activities	3 173 142	368 363
Net change in cash and cash equivalents	235 407	385 034
Cash and cash equivalents at the start of the period	808 297	423 263
Cash and cash equivalents at the end of the period	1 043 704	808 297



Note 1 Accounting policies

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

Classification and valuation of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets.

Fixed assets are valued at acquisition cost but are written down to fair value if the reduction in value is not expected to be of a temporary nature. Fixed assets with a limited economic life are depreciated in accordance with a prudent depreciation plan.

Current assets and current liabilities comprise items that come due within one year of the date of establishment. Other items are classified as fixed assets/non-current liabilities.

Current assets are valued at the lower of the acquisition cost and fair value. Current liabilities are recognised at nominal amount at the time of establishment.

Non-current liabilities are recognised on the balance sheet at nominal value at the time of establishment, less transaction costs.

Principles for translating accounting entries in foreign currency

Transactions in foreign currencies are translated into the functional currency using the exchange rate at the transaction date. Monetary items in foreign currency are translated into functional currency at balance sheet date. Non-monetary items are not translated.

Monetary and non-monetary items that are written down in accordance with the Norwegian Accounting Act § 5-2 or § 5-3 and where the value is determined in foreign currency, are translated using the exchange rate at the time of measurement.

Foreign exchange gains and losses are recognised in the income statement on an ongoing basis during the period in which they occur.

Property, plant and equipment and depreciation

Vessels and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset including the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. All pre-delivery costs incurred during the construction of vessels and equipment, including interest, supervision and technical costs, are capitalized. The acquisition cost and all costs incurred to restore used vessels and equipment purchased by the Company to the standard required to service the Company's customers are capitalized.

Depreciation on vessels and equipment is calculated on a straight-line basis so as to write-off the net cost of each asset over its expected useful life to its estimated residual value. Residual value of the vessel hull is estimated as the lightweight tonnage of each vessel multiplied by recycling value per ton. The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes recognized on a prospective basis.

Vessel capital modifications include the addition of new equipment or can encompass various modifications to the vessel which are aimed at improving or increasing the operational efficiency and functionality of the asset. This type of expenditure is amortized over the estimated useful life of the modification. Expenditures covering recurring routine repairs or maintenance are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits, other short-term, easily tradable investments with a maximum



of three months maturity, and draw on overdraft account. In the balance sheet, the overdraft account is included in loans under short-term liabilities.

Investing in shares

Investments in shares are assessed according to the cost method. The investment is assessed at acquisition cost for the shares unless impairment have been required. Write-downs have been made to fair value when impairment is due to reasons that cannot be assumed to be transitory and that must be deemed necessary in accordance with generally accepted accounting principles.

Accounts receivable from customers

Accounts receivables from customers are recorded at face value on the balance sheet less provisions for expected losses. Provision for losses is made on the basis of individual assessment of the receivables.

Accounts payable to suppliers

Accounts payable to suppliers are obligations to pay for goods or services supplied for ordinary operation. Accounts payable are classified as current if they come due within one year or less. If this is not the case, it is classified as non-current. Accounts payable are measured at fair value.

Tax payable and deferred tax

The tax expense in the income statement comprises both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at 22% of temporary differences between the accounting value and the tax value of assets and liabilities, as well as tax loss carried forward at the end of the financial year.

Negative and positive temporary differences, including tax losses carried forward, which can be reversed in the same period, are set off and recognised net. Net deferred tax assets are recognised on the balance sheet to the extent it is likely that future taxable income will exist where the tax-reducing temporary differences can be utilised.

Operating revenues and expenses

Revenue recognition is in accordance with the earned income principle which will normally occur at the time of delivery of goods and services.

Costs are recognised in accordance with the matching principle, i.e. costs are recognised in the same period as associated revenues are recognised as income.

Revenue recognition principles

Each vessel charter may, depending on its terms, contain a lease component, a non-lease component or both. Revenues that are fixed on or prior to the commencement of the contract are recognized by the Company on a straight-line basis daily over the term of the contract.



FPSO Contracts

Pursuant to an FPSO contract, the Company charters an FPSO unit to a customer for a fixed period of time, generally more than one year. The obligations within an FPSO contract, which include the lease of the FPSO unit to the charterer as well as the operation of the FPSO unit, are satisfied as services are rendered over the duration of such contract, as measured using the time that has elapsed from commencement of performance. Fees relating to the lease and operation of the FPSO (or hire) are typically invoiced monthly in arrears, based on a fixed daily hire amount. In certain FPSO contracts, the Company is entitled to a lump sum amount due upon commencement of the contract and may also be entitled to termination fees if the contract is canceled early. While the fixed daily hire amount may be the same over the term of the FPSO contract, in certain cases, the daily hire amount declines over the duration of the FPSO contract. As a result of the Company accounting for compensation from such charters on a straight-line basis over the duration of the charter, FPSO contracts where revenues are recognized before the Company is entitled to such amounts under the FPSO contracts will result in the Company recognizing a contract asset and FPSO contracts where revenues are recognized after the Company is entitled to such amounts under the FPSO contracts will result in the Company recognizing a contract liability.

Some FPSO contracts include variable consideration components in the form of expense adjustments or reimbursements, incentive compensation and penalties. For example, some FPSO contracts contain provisions that allow the Company to be compensated for increases in the Company's costs to operate the unit during the term of the contract. Such provisions may be in the form of annual hire rate adjustments for changes in inflation indices or foreign currency rates, or in the form of cost reimbursements for vessel operating expenditures incurred. The Company may also earn additional compensation from periodic production tariffs, which are based on the volume of oil produced, the price of oil, as well as other monthly or annual operational performance measures. During periods in which production on the FPSO unit is interrupted, penalties may be imposed. Variable consideration under the Company's contracts is typically recognized as incurred as either such revenues are allocated and accounted for under lease accounting requirements or, alternatively, when such consideration is allocated to the distinct period in which such variable consideration was earned. The Company does not engage in any specific activities to minimize residual value risk. Given the uncertainty involved in oil field production estimates and the resulting impact on oil field life, FPSO contracts typically will include extension options or options to terminate early.

Deferred Revenue

Certain customer contracts that the Company enters into will result in situations where the customer will pay consideration for performance to be provided in the following month or months. These receipts are a contract liability and are presented within deferred revenues until performance is provided. In addition to these short-term timing differences between the timing of revenue recognition and when the entity's right to consideration in exchange for goods or services is unconditional, the Company has long-term charter arrangements whereby it has received payments that are larger in the early periods of the arrangements and long-term charter arrangements whereby it will receive payments that are larger in the latter periods of the arrangements.

Mobilization cost

All Operating expenses and voyage costs incurred during the repositioning period would be deferred. Repositioning period meaning the time between leaving the yard and on contract

Principles governing the cash flow statement

The statement of cash flows is prepared based on the indirect method. This means that the statement is based on the company's pre-tax profit to present cash flows deriving from ordinary operations, investment activities and financing activities, respectively.



Note 2 Going Concern

In accordance with Section 3-3 of the Norwegian Accounting Act, the Board confirms that the going concern prerequisite exists and that the annual accounts have been prepared on the basis of this. In the opinion of the Board of Directors, the income statement, balance sheet, statement of cash flow and associated notes provide a correct picture of the company's operations and financial position.

Due to the change in the nature of the company's operation during the past year, the company expects elevated expenditures in the next years. The FPSO Petrojal Knarr are set for deployment on the Rosebank field with a 9-year firm contract and options extending up to 25 years with Equinor. Therefore the company assumes stable operations going forward, and the company should not have any going concern issues.

Note 3 Financial and operational market risks

Knarr L.L.C. purpose is national and international shipping activities and related activities and thus are exposed to various risks, including financial-, credit-, liquidity-, interest rates-, currency- and bunker risks.

Financial risk

The company is exposed to financial risk. The most important factors influencing operating and financial results include utilisation rate, oil price developments, exchange rate fluctuations, mainly between USD, EUR, GBP and NOK

Credit risk

Credit risk is the risk of loss as a result of a borrower or customer not fulfilling their contractual obligations.

The company assesses the creditworthiness of customers and borrowers before entering into agreements. The company has historically low losses on receivables and does not expect any future losses in the future either.

Liquidity risk

The company is exposed to liquidity risk. Liquidity risk is the risk that the company will not be able to meet its financial obligations when they mature. Sources of liquidity risk include, but are not limited to, downtime and fluctuations in commodity prices and in financial market prices.

The company's largest payments include changes in other accrual items, as referenced in the cash flow statement.

Interest rates risk

The Company is exposed to interest rate risk, which is the possibility that changes in interest rates will affect the future cash flow or fair value of the Company's financial instruments, primarily long-term debt and associated derivatives. The company has floating-rate USD loans. The company uses the reference rate SOFR .

Currency risk

Currency risk is the risk that future cash flows will fluctuate due to changes in exchange rates.

The accounts are prepared with NOK as functional currency, even though the company to a significant extent trades in USD. Currency risk for the company is governed by the fact that USD is real functional currency.

Since the accounts are prepared using NOK as functional currency, there exists foreign exchange risk related to future cash flows related to currencies other than NOK, particularly related to the USD. Based on the risk management assessment, considering USD as a real functional currency, the currency risk is considered to be satisfactory.



Note 4 Consolidated accounts

Knarr L.L.C., is a wholly-owned subsidiary of Altera Infrastructure L.P.. Altera Infrastructure L.P. is a material non-wholly owned subsidiary of Brookfield Business Partners L.P. (NYSE: BBU) (TSX: BBU.UN). Brookfield Business Partners L.P. prepares consolidated accounts which include Altera Infrastructure L.P.. Consolidated accounts can be obtained on the website, <https://bbu.brookfield.com/bbu/reports-filings/annual-reports-prospectus>.

Brookfield Corporation (NYSE: BN WI and TSX: BN), previously known as Brookfield Asset Management Ltd, an entity incorporated in Ontario, Canada, is the ultimate parent of the Company.

Note 5 Sales revenues

Amount in NOK 1000

International market	2023	2022
Lease revenues	0	937 304
FEED	173 883	0
Total	173 883	937 304

Note 6 Related parties

Amount i NOK 1000

Other companies in the Altera Group are considered related parties at the end of the year.

The company conducts regular business transactions with related parties. The transactions are carried out on market terms.

The Company has the following related party transactions:

Name of company	Corporate relationship	Nature of transaction	2023	2022
Altera Knarr AS	Subsidiary	Leasing revenues vessel	0	386 094
Altera Knarr AS	Subsidiary	Interest cost	0	7 798
Altera Infrastructure Production AS	Sister company	Management fee	22 062	57 907
Altera Infrastructure Production Holdings Ltd	Sister company	Management fee	10 093	61 612
Altera Production UK Limited	Sister company	Management fee	9 185	0
Altera Infrastructure Services Pte.Ltd	Sister company	Management fee	42 273	0
Altera Infrastructure Norway AS	Sistercompany	Management fee	20 371	0
Altera Knarr AS	Subsidiary	Group contribution received	23 095	115 628
Altera Knarr AS	Subsidiary	Group contribution given	18 014	90 190
Altera Knarr AS	Subsidiary	Dividend	294 000	0
Altera Infrastructure Production AS	Sister company	Operating cost vessel	210	0
Altera Production UK Limited	Sister Company	Operating cost vessel	1 925	0
Altera Infrastructure Production Crew AS	Sister Company	Operating cost vessel	39 144	0



Note 7 Tangible fixed assets

Amount in NOK 1000

	Vessel	Total
Acquisition cost 01.01.2023	4 087 680	4 087 680
Acquisition (+) / disposal (-)	2 600 992	2 600 992
Acquisition cost 31.12.2023	6 688 672	6 688 672
Accumulated depreciation and amortisation as of 01.01.2023	1 325 203	1 325 203
Depreciation for the year	171 514	171 514
Reversal of impairment	-376 035	-376 035
Accumulated depreciation and amortization as of 31.12.2023	1 120 683	1 120 683
Book value 31.12.2023	5 567 989	5 567 989
Economic life	20 years	
Depreciation plan	Linear	

The Knarr FPSO has been pledged to Equinor and Credit Agricole.

All construction costs for new buildings, including interest, project management and technical costs are capitalised.

On 6 January 2023 Knarr LLC signed a Bareboat Charter agreement with Equinor UK Limited also covering the modification/upgrade of the FPSO for the Rosebank field. The Petrojarl Knarr FPSO was towed from Stord in June 2023 and arrived Drydocks World Dubai in August 2023, for the upgrade and life extension work. Petrojarl Rosebank FPSO, which will be its new name, is set to be deployed for the Rosebank field development project for oil production, and the final investment decision and regulatory approvals have been given. An Operations and Maintenance Services contract was signed on 29 June 2023 between Golar Nor (UK) Limited and Equinor UK Limited for this field. Both contracts are firm for nine years, with an option for up to a total of 25 years.

Note 8 Salary costs, allowances, number of employees, etc.

Amounts in NOK 1000

Knarr L.L.C. has no staff. The company is not obliged to have a mandatory occupational pension.

No remuneration has been paid to directors in 2023.

<i>Expensed audit fees excluding vat:</i>	2023	2022
Statutory audit	81	0



Note 9 Taxes

Amounts in 1000 NOK

Tax expense in the income statement:	2023	2022	
Payable taxes	0	-1 818	
Change in deferred tax/tax assets	-96 655	31 782	
Change in deferred tax assets not recognised on the balance sheet	96 655	-31 782	
Total tax expenses for the year	0	-1 818	
Tax expenses for the year are calculated as follow:	2023	2022	
Pre-tax result	-378 575	136 203	
Permanent differences	-60 765	-115 628	
Change in temporary differences	-1 142 963	-883 354	
Received group contribution	0	123 890	
Change in not-deductible interest	223 194	85 653	
Change in tax loss carry-forward	1 359 109	653 236	
Basis for tax payable	0	0	
Tax payable in the Balance sheet is calculated as follows:	2023	2022	
Payable taxes on this year's result	0	27 256	
Payable taxes received group contribution	0	-27 256	
Tax payable in the Balance sheet	0	0	
Temporary difference:	2023	2022	Change
Vessel, plant and equipment	-581 427	-1 775 358	-1 193 931
Tax loss carried forward	-2 012 345	-653 236	1 359 109
Differences between long-term receivables/liabilities	28 186	0	28 186
Provisions in accordance with generally accepted accounting principles	0	22 760	22 760
Other diff	-56 394	0	56 394
Total	-2 621 981	-2 405 834	272 518
Deferred tax asset of non-deductible interest carried forward			
Non-deductible interest carried forward	-308 847	-85 653	223 194
Total	-308 847	-85 653	223 194
Total basis of deferred tax as of 31.12	-2 930 828	-2 491 487	439 340
Deferred tax asset (+) / Deferred tax (-)	644 782	548 127	-96 655
Deferred tax assets not recognised on the balance sheet	-644 782	-548 127	96 655
Deferred tax asset (+) / Deferred tax (-) as of 31.12	0	0	0
* As a result of uncertainty related to future utilization of tax loss carried-forward, the deferred tax asset is not recognised in the balance sheet			
Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:	2023	2022	
Result before tax	-378 575	136 203	
22 % tax on the result before tax	-83 287	29 965	
Permanent differences 0 %	-13 368	0	
Change in deferred tax assets not recognised on the balance sheet	96 655	-31 782	
Total tax expenses for the year	0	-1 818	
Effective tax rate	0,0 %	-1,3 %	



Note 10 Investment in subsidiaries, associated companies, etc.

Amount in NOK 1000

Company name	Business-office	Ownership	Result 2023	Equity 2023	Booked value
Altera Knarr AS	Trondheim	100 %	24 781	90 441	85 627
Total					85 627

Voting share corresponds to ownership interest.

In 2023 the company has provided a group contribution without tax effect to the subsidiary Altera Knarr AS amounting to NOK 22 640k. The group contribution increases the company's investment in Altera Knarr AS. Further the investment in the subsidiary Altera Knarr AS has been reduced by NOK 233 234k in 2023. This is due to reduction of capital as dividend from Altera Knarr AS. The book value is NOK 85 627k as of 31.12.23.

Note 11 Non-current receivables

Amounts in 1000 NOK

Receivables due later than one year after the end of the financial year	2023	2022
Commitment fee	42 834	0
Sum	42 834	0

Note 12 Restricted funds

Of total bank deposits as of 31.12.2023 NOK 730 561k are restricted funds or funds provided as collateral for debts.

Note 13 Equity

Amount in NOK 1000

	Paid in capital	Retained earnings	Total Equity
Equity as of 31.12.22		396 185	396 185
This year's result		-378 575	-378 575
Equity as of 31.12.23		17 610	17 610

The company have \$1 USD as share capital.

The Company is formed under the laws on the Marshall Islands, with a share capital of \$1. Company legislation on the Marshall Islands do not impose the same limits on distribution of equity as Norwegian company legislation.



Note 14 Shareholder information

Knarr L.L.C. is 100% owned by Altera Infrastructure FPSO Holdings Limitedas of 31.12.2023.

Note 15 Deferred Revenue

The Company has entered into one FPSO lease and operate contracts which involve upgrade and life extension work for one FPSO unit before it can be delivered to the field for operation.

The Petrojarl Knarr FPSO is due to operate on the Rosebank field offshore Shetland with Equinor. These upgrade, life extension, and conversion projects are being funded by the Company's customer, except a 1 862million NOK portion of the Rosebank project that is agreed to be financed by the existing Knarr lenders and Brookfield.

As of December 31, 2023, financing from the customer were 2 709 million NOK for the Rosebank projects which have been accounted for as non-current deferred revenue on the Company's statements of financial position. As at December 31, 2023, the Company has contractual commitments to one FPSO lease and operate contracts which involve upgrade and life extension work for one FPSO unit. As at December 31, 2023, the Company has capitalized upgrade, life extension, and conversion costs of 2 711 million NOK for the Rosebank projects, to vessels and equipment on the Company's statements of financial position.

The Company has assessed that each contract individually contains one material performance obligation and that all upgrade, life extension and conversion costs should be capitalized. The Company is still evaluating the lease terms of the individual contracts and has not concluded if the contracts will be accounted for as finance or operating leases. If the contracts are concluded in the future to be operating leases, on lease commencement, the deferred revenue will be amortized to the statements of income (loss) on a straightline basis over the length of the contract. If the contracts are concluded in the future to be finance leases, on lease commencement, the vessels and equipment will be valued based on the present value of the minimum lease payments discounted using the interest rate implicit in the lease contract, recording a finance lease receivable and de-recognizing the vessels and equipment and non-current deferred revenue on the statements of financial position. Any resulting gain (loss) will be recognized in the statements of income (loss). The difference between the future lease payments and the carrying amount of the lease receivable will be recognized as interest income in the statements of income (loss) over the lease term.

Note 16 Non- current liabilities to credit institutions

Amount in NOK 1000

Non- current liabilities	2023	2022
Non -current liabilities to credit institutions	3 332 481	0
Total	3 332 481	0

Non-current liabilities to credit institution has its final maturity in December 2027. The vessel, together with the company's shares, have been pledged as collateral for the loan. In addition, Altera Infrastructure LP has guaranteed for the loan. As a result of the Chapter 11 process, the entire loan to credit institutions was classified as current debt in 2022, in 2023 the loan is classified as non-current.



Note 17 Subsequent events

1st of July 2024, the Norwegian Tax Authorities informed the Company that they are challenging the company with regards to the methodology adopted to calculate the tax value of the asset when they became Norwegian tax residents. The company established tax residency in Norway through effective management and control of the company taking place in Norway during 2021. The Company, together with its advisors, believe it has correctly applied the local Norwegian tax legislation and we will vigorously dispute the view of the Tax Authorities. The potential impact is that it will materially reduce the tax asset value which result in a reduced tax depreciation from the year established as tax residency in Norway.

There are no other material events after the balance sheet date that have had a particular impact on the company's operations and position or for the assessment of the company's situation going forward.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knarr L.L.C.

Opinion

We have audited the financial statements of Knarr L.L.C. (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement 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 matters

The financial statements for the year ended 31 December 2023 have been prepared after the expiration of the legal deadline.

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 (the board of directors) 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



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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 scepticism throughout the audit. We also:

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

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

Bergen, 21 November 2024
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Independent auditor's report - Knarr L.L.C. 2023

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The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

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Independent auditor's report - Knarr L.L.C. 2023

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Nore, Øyvind

Statsautorisert revisor

På vegne av: Ernst & Young AS

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