



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Peter Myklebyst Opsal
Dato for fastsettelse av årsregnskapet: 29.06.2023

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			
Operating income	1	104 261 408	80 444 731
Commissions		-1 163 429	-850 678
Sum inntekter		103 097 980	79 594 053
Kostnader			
Crew hire	2	20 311 179	19 124 332
Ordinary depreciation	3	22 547 300	20 160 500
Other operating expenses	2	17 725 301	14 540 857
Sum kostnader		60 583 780	53 825 689
Driftsresultat		42 514 200	25 768 365
Finansinntekter og finanskostnader			
Annen renteinntekt	4	9 629	32
Foreign exchange gain/loss		1 772 926	-1 519 375
Sum finansinntekter		1 782 555	-1 519 343
Financial expenses	4	16 775 040	16 022 713
Sum finanskostnader		16 775 040	16 022 713
Netto finans		-14 992 485	-17 542 056
Ordinært resultat før skattekostnad		27 521 715	8 226 309
Taxes	5		
Ordinært resultat etter skattekostnad		27 521 715	8 226 309
Årsresultat		27 521 715	8 226 309
Årsresultat etter minoritetsinteresser		27 521 715	8 226 309
Totalresultat		27 521 715	8 226 309



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	701 106 959	722 428 978
Vessel under construction	3		
Sum varige driftsmidler		701 106 959	722 428 978
Sum anleggsmidler		701 106 959	722 428 978
Omløpsmidler			
Varer			
Sum varer	6	1 242 000	1 065 136
Fordringer			
Accounts receivables		42 852	162 984
Other receivables		708 304	393 313
Sum fordringer		751 156	556 297
Bankinnskudd, kontanter og lignende			
Bank deposits	7	59 570 606	57 024 616
Sum bankinnskudd, kontanter og lignende		59 570 606	57 024 616
Sum omløpsmidler		61 563 762	58 646 050
SUM EIENDELER		762 670 721	781 075 028
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		300 000	300 000
Overkurs		74 754 850	74 754 850
Sum innskutt egenkapital		75 054 850	75 054 850



Balanse

Beløp i: NOK	Note	2022	2021
Opptjent egenkapital			
Other equity		35 058 171	7 536 457
Sum opptjent egenkapital		35 058 171	7 536 457
Sum egenkapital	8, 9	110 113 021	82 591 307
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	643 174 342	680 920 068
Sum annen langsiktig gjeld		643 174 342	680 920 068
Sum langsiktig gjeld		643 174 342	680 920 068
Kortsiktig gjeld			
Leverandørgjeld		4 389 770	2 464 119
Kortsiktig konserngjeld		1 028 860	2 903 263
Accrued interest		3 832 232	3 526 863
Other current liabilities		132 495	8 669 408
Sum kortsiktig gjeld		9 383 357	17 563 653
Sum gjeld		652 557 700	698 483 721
SUM EGENKAPITAL OG GJELD		762 670 721	781 075 028



Skatteetaten

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Vår dato
13.02.2019

Din/Deres dato
11.01.2019

Saksbehandler
Henning Stokke

800 80 000
Skatteetaten.no

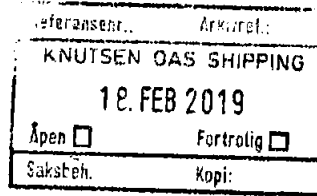
Din/Deres referanse
Petter M Opsal

Telefon
800 80 000

Org.nr
974761076

Vår referanse
2019/5238778

Postadresse
Postboks 9200 Grønland
0134 OSLO



Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

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

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

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

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

Bakgrunn

Fra søknaden gjengis:

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

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



Skattedirektoratets vurdering

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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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NORSPAN LNG 14 AS

ANNUAL REPORT

2022



NORSPAN LNG 14 AS

REPORT OF THE BOARD OF DIRECTORS 2022

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

In 2019 the company secured pre- and post-delivery financing until 2033.

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

Ravenna has operated satisfactory without any technical off-hire in 2022.

The Covid situation improved after the first months of the year, and most countries in the world lifted the restrictions within year end. The pandemic has however influenced the operation of the vessel by way of additional operating cost related to travel-, testing-, quarantine-, stand-by and accommodation cost. Forwarding cost and service personnel costs are still high due to Covid-19.

Profit for the year

The company had an operating income of 104 261 408 NOK in 2022 and 80 444 731 in 2021. The operating result for the year 2022 was a profit of NOK 42 514 200 (NOK 25 768 365 in 2021). The net financial items were negative NOK 14 992 485 (negative NOK 17 542 056 in 2021), and the result of the year was profit of NOK 27 521 715 (NOK 8 226 309 in 2021).

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

Total cash flow from operational activities in the company was NOK 42 317 389 (43 947 842 in 2021). The liquidity balance was NOK 59 570 606 (NOK 57 024 616 in 2021).

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

High operational standards

The requirements for safe and environmentally friendly operation of the vessel are increasing, and both the Company and the manager Knutsen OAS Shipping emphasize operational quality. The manager is ISO 9001, ISO 14001 and ISO 45001 certified and establishes each year Key Performance Indicators (KPIs) for improved safety and environmental operation. The Board of Directors considers the working conditions as



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

Ravenna Knutsen is designed to the highest technical standard. The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessel.

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

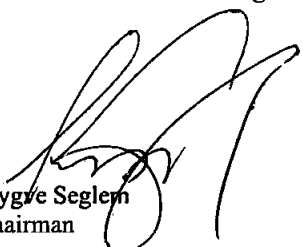
There have not been taken out any board of directors' liability insurance.

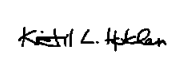
The company and the other companies in the Norwegian part of the group are working with the implementation and statement required in the Norwegian Transparency Act (Norw. "Åpenhetsloven") and plan to publish the statement of the work on the group web page before the reporting deadline 30 June 2023.


Future prospects

The Board of Directors has every reason to believe that 2023 will be a satisfying year for the company.

Haugesund, 26/6-23


Trygve Seglem
Chairman


Kjetil Holden
Board member


Synnøve Seglem
Board member



Norspan LNG 14 AS

Profit & Loss Account

	<u>Note</u>	2022	2021
Numbers in NOK			
<u>Operating income</u>			
Operating income	1	104 261 408	80 444 731
Commissions		-1 163 429	-850 678
<i>Total Operating income</i>		<u>103 097 980</u>	<u>79 594 053</u>
<u>Operating Expenses</u>			
Crew hire	2	20 311 179	19 124 332
Other operating expenses	2	17 725 301	14 540 857
<i>Total Operating Expenses</i>		<u>38 036 480</u>	<u>33 665 189</u>
<i>Operating result before depreciation</i>		<u>65 061 500</u>	<u>45 928 865</u>
Ordinary depreciation	3	22 547 300	20 160 500
<i>Total depreciation and write-downs</i>		<u>22 547 300</u>	<u>20 160 500</u>
<i>Operating Result</i>		<u>42 514 200</u>	<u>25 768 365</u>
<u>Financial income and expenses</u>			
Financial income	4	9 629	32
Foreign exchange gain/loss		1 772 926	-1 519 375
Financial expenses	4	-16 775 040	-16 022 713
<i>Net financial items</i>		<u>-14 992 485</u>	<u>-17 542 056</u>
<i>Result before taxes</i>		<u>27 521 715</u>	<u>8 226 309</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>27 521 715</u>	<u>8 226 309</u>
<i>Net profit or loss</i>		<u>27 521 715</u>	<u>8 226 309</u>



Norspan LNG 14 AS
Balance Sheet as of 31. December

Numbers in NOK

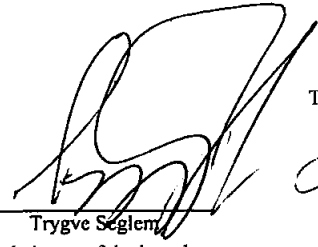
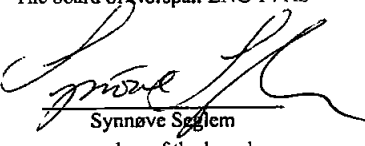
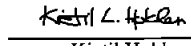
<u>Assets</u>	<u>Note</u>	2022	2021
Vessel	3	701 106 959	722 428 978
<i>Total Fixed Assets</i>		<u>701 106 959</u>	<u>722 428 978</u>
<u>Current assets</u>			
Inventories	6	1 242 000	1 065 136
Accounts receivables		42 852	162 984
Other receivables		708 304	393 313
Bank deposits	7	59 570 606	57 024 616
<i>Total current assets</i>		<u>61 563 762</u>	<u>58 646 050</u>
<i>Total assets</i>		<u>762 670 721</u>	<u>781 075 028</u>



Norspan LNG 14 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2022	2021
<u>Equity</u>			
Share capital		300 000	300 000
Share premium		74 754 850	74 754 850
<i>Total capital paid-in</i>		<u>75 054 850</u>	<u>75 054 850</u>
Other equity		35 058 171	7 536 457
<i>Total Shareholders' Equity</i>	8, 9	<u>110 113 021</u>	<u>82 591 307</u>
<u>Long Term Debt</u>			
Mortgage debt	10	643 174 342	680 920 068
<i>Total Long Term Debt</i>		<u>643 174 342</u>	<u>680 920 068</u>
<u>Current Liabilities</u>			
Trade payables		4 389 770	2 464 119
Accrued interest		3 832 232	3 526 863
Liabilities to related companies		1 028 860	2 903 263
Other current liabilities		132 495	8 669 408
<i>Total Current Liabilities</i>		<u>9 383 357</u>	<u>17 563 653</u>
<i>Total Liabilities</i>		<u>652 557 700</u>	<u>698 483 721</u>
<i>Shareholders Equity and Liabilities</i>		<u>762 670 721</u>	<u>781 075 028</u>

Haugesund, 20/6-23
The board of Norspan LNG 14 AS

 Trygve Seglem chairman of the board	 Synnøve Seglem member of the board	 Kjetil L. Holden member of the board
-------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------



NORSPAN LNG 14 AS

CASHFLOW STATEMENT

The cash flow statement is presented using the indirect method of NRS. The liquidity balance is defined as the sum of cash, bank deposits and other short term liquid deposits.

Numbers in NOK:	2022	2021
Total generated from operations 1)	50 869 407	29 270 811
Change in working capital	<u>-8 552 018</u>	<u>14 677 031</u>
Net cashflow from operations	<u>42 317 389</u>	<u>43 947 842</u>
Invested in vessel	<u>-1 225 281</u>	<u>-419 305 967</u>
Net cashflow from investments	<u>-1 225 281</u>	<u>-419 305 967</u>
Paid-in share capital, incl. share premium	0	36 258 250
Draw down mortgage debt	-38 546 118	397 856 895
Paid dividend	0	-9 978 900
Net cashflow from financing	<u>-38 546 118</u>	<u>424 136 245</u>
Net cashflow for the year	2 545 990	48 778 120
+ Cash balance per 01.01.	<u>57 024 616</u>	<u>8 246 496</u>
= Cash Balance per 31.12.	<u>59 570 606</u>	<u>57 024 616</u>

1) Generated from operations:

Result before tax	27 521 714	8 226 309
+Unrealized profit/loss on foreign exchange	0	0
+Amortization of debt issuance cost	800 393	884 002
+Ordinary depreciation	<u>22 547 300</u>	<u>20 160 500</u>
= Total generated from operations	<u>50 869 407</u>	<u>29 270 811</u>



NORSPAN LNG 14 AS

Notes to the Financial Statement 31.12.2022

Accounting Principles

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

Going concern

The financial accounts are made on a going concern basis. The Board of Directors confirms the conditions for continued operation. The Board of Directors is of the opinion that the financial statements give a true and fair reflection of the company's assets and liabilities as well as financial strength and profitability.

Transactions in Foreign Currency

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

Related party transactions

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

1 Contracts

The vessel operates on a 12 year fix time charter contract to Italian energy company Edison S.p.A. The time-charter contract started on July 2021.

The income from the time charter contract is received in EUR, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

Knutsen OAS Shipping AS is appointed as manager for the company and the vessel.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). Knutsen OAS Shipping AS manages the Company in accordance with a separate management agreement. Knutsen OAS Shipping AS is crewing manager for the Company and hires the crew from related crewing companies with separate crewing agreements.

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

Auditors remuneration (excl. VAT):

Audit

	2022	2021
	86 310	26 445
	86 310	26 445



3 Fixed Assets

Yard instalments paid on newbuildings and vessels under conversion are gradually recorded as fixed assets as the instalments are paid. All costs regarding construction supervision, construction financing (including building loan interest, arrangement fees, provision of guarantees), additions and upgrading beyond the yard contract regarding the individual contract and other expenses related to the construction or conversion of the vessel are recorded on the fixed asset under construction/conversion.

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of LNG vessel is estimated to 40 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 40 year profile for that specific entity is not correct, i.e. fixed charter contracts above 40 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

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

<u>Vessel</u>	<u>2022</u>	<u>2021</u>
Historical value 01.01.	719 877 678	323 283 511
Accumulated depreciation and impairment 01.01.	-15 997 000	0
Book value 01.01.	703 880 678	323 283 511
Additions	1 225 281	396 594 167
Annual depreciation	-18 005 300	-15 997 000
Book value 31.12.	687 100 659	703 880 678

<u>Dry-docking</u>	<u>2022</u>	<u>2021</u>
Historical value 01.01.	22 711 800	0
Accumulated depreciation and impairment 01.01.	-4 163 500	0
Capitalised dry-docking 01.01.	18 548 300	0
Additions - capitalised dry-docking	0	22 711 800
Annual depreciation	-4 542 000	-4 163 500
Book value 31.12.	14 006 300	18 548 300

Total book value vessel 31.12. 701 106 959 722 428 978

4 Financial Income and -Expenses

<u>Financial Income:</u>	<u>2022</u>	<u>2021</u>
Other interest income	9 629	32
Total financial income	9 629	32

<u>Financial expenses:</u>	<u>2022</u>	<u>2021</u>
Interest expenses	-14 904 108	-14 153 455
Other financial expenses	-1 870 932	-1 869 258
Total financial expenses	-16 775 040	-16 022 713



5 Tax

The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

We classify the tonnage tax as an operating expense.

Specification on the temporary differences:

	<u>31.12.22</u>	<u>Change</u>	<u>31.12.21</u>
Loss carried forward	-18 231 763	5 181 914	-13 049 849
Temporary differences	-18 231 763	5 181 914	-13 049 849
Calculated deferred tax	4 010 988	-1 140 021	2 870 967
Deferred tax in balance	0	0	0

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

Tax cost

	<u>2022</u>	<u>2021</u>
Net financial Items	-14 314 222	-17 329 594
Non-taxable currency gain	-2 263 982	1 229 456
Non-deductible interest	10 595 897	7 299 572
Deductible interest capitalized on vessel	0	-76 505
Deductible debt issuance cost	0	-1 921 909
Deductible loss FX swap	0	-1 301 731
Amortization loan expences	800 393	884 002
Taxable income before loss carried forward	-5 181 914	-11 216 709
Loss carried forward	5 181 914	11 216 709
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses	132 495	117 975

6 Inventories

Inventories refer to lube oil as per 31.12 are 1 242 000

7 Bank deposits

The company has restricted bank funds per 31.12 for DSRA and Dry-Dock: 36 310 676



8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	300 000	74 754 850	0	7 536 457	82 591 307
Result for the year	0	0	0	27 521 714	27 521 714
Equity 31.12.	300 000	74 754 850	0	35 058 171	110 113 021

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

Shareholder	Ordinary shares		Preference shares	
	Number of shares	%	Number of shares	%
Knutsen LNG AS	100 000	50 %		
Klaveness Invest AS	82 360	41 %	100 000	100 %
Syneco Shipping AS	17 640	9 %		
	200 000	100 %	100 000	100 %

9 Shares Owned by Board Members and Affiliates

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

Kristine Klaveness controls through Klaveness Invest AS 41% of the company.

John Christian Syvertsen controls through Syneco Shipping AS 9% of the company.

10 Mortgage Debt and Financial Instruments

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recorded in the profit and loss over the period of the interest-bearing liabilities. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any uneffective part of the hedging over financial items.

Gains and losses are recognized in the net profit and loss statement when the liabilities are devalued or depreciated, as well as through the amortization process.

	Currency	Outstanding currency amount	Hedge accounting rate 31.12.	Accounting balance	
				2022	2021
Mortgage debt	EUR	63 216 869	10,3022	651 272 833	689 818 683
Debt issuance cost				-8 098 490	-8 898 615
Liabilities to financial institutions				643 174 343	680 920 068



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

Future income flows from anticipated fixed revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on EUR debt on the basis of the year-end exchange rate.

Amounts due within 12 months of the balance sheet date:

Mortgage debt	39 674 436
Debt issuance cost	800 393
Liabilities to financial institutions	<u>40 474 829</u>

Estimated outstanding dept per 31.12.2027 (EUR) 44 231 917

The loan matures 12 years after delivery of the vessel (July, 2033).

The exchange rate at the year-end EUR/NOK 10,5522

Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from Knutsen OAS Shipping AS.

Book value of mortgaged assets is NOK 701 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	Currency	2022	2021
Outstanding fixed interest rate swaps	EUR	56 212 450	59 385 464
Mark to market valuation	EUR	8 676 476	1 755 082



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG 14 AS

Opinion

We have audited the financial statements of Norspan LNG 14 AS (the Company), which comprise the balance sheet as at 31 December 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.

Bergen, 28 June 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG 14 AS 2022

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TRINE HANSEN BJERKVIK

Statsautorisert revisor

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