



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Nei
-----------------------	-----

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Geir Tore Henriksen
Dato for fastsettelse av årsregnskapet:	19.04.2024

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.06.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income		235 749 928	216 759 844
Commissions		-812 019	-708 032
Other income			4 031 746
Sum inntekter	1	234 937 908	220 083 558
Kostnader			
Crew-hire	2	26 271 194	24 923 785
Ordinary depreciation		37 402 229	47 833 200
Nedskrivning av varige driftsmidler og immaterielle eiendeler		64 050 000	167 266 000
Other operating expenses	2	37 166 805	25 284 515
Sum kostnader		164 890 228	265 307 500
Driftsresultat		70 047 680	-45 223 942
Finansinntekter og finanskostnader			
Financial income	4	10 068 752	5 281 075
Sum finansinntekter		10 068 752	5 281 075
Foreign exchange gain/loss		118 921 757	-9 793 813
Financial expenses	4	51 453 394	55 336 129
Sum finanskostnader		170 375 150	45 542 316
Netto finans		-160 306 398	-40 261 241
Ordinært resultat før skattekostnad		-90 258 718	-85 485 183
Tax	5		
Ordinært resultat etter skattekostnad		-90 258 718	-85 485 183
Årsresultat		-90 258 718	-85 485 183
Årsresultat etter minoritetsinteresser		-90 258 718	-85 485 183
Totalresultat		-90 258 718	-85 485 183



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	498 976 511	599 333 185
Sum varige driftsmidler		498 976 511	599 333 185
Finansielle anleggsmidler			
Lån til tilknyttet selskap og felles kontrollert virksomhet		97 798 518	89 580 950
Sum finansielle anleggsmidler		97 798 518	89 580 950
Sum anleggsmidler		596 775 029	688 914 135
Omløpsmidler			
Varer			
Inventories	6	1 041 840	1 136 090
Sum varer		1 041 840	1 136 090
Fordringer			
Accounts receivable		1 823 358	30 211
Other receivables		5 103 827	3 492 219
Sum fordringer		6 927 185	3 522 430
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	134 998 793	104 635 218
Sum bankinnskudd, kontanter og lignende		134 998 793	104 635 218
Sum omløpsmidler		142 967 819	109 293 738
SUM EIENDELER		739 742 848	798 207 873

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2023	2022
Innskutt egenkapital			
Share capital		10 000 000	10 000 000
Overkurs		232 858 262	232 858 262
Sum innskutt egenkapital		242 858 262	242 858 262
Opptjent egenkapital			
Other equity		-41 664 131	48 594 587
Sum opptjent egenkapital		-41 664 131	48 594 587
Sum egenkapital	8, 9	201 194 131	291 452 849
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	5	8 978	11 222
Gjeld til kredittinstitusjoner	10	474 035 092	448 066 119
Sum annen langsiktig gjeld		474 044 070	448 077 341
Sum langsiktig gjeld		474 044 070	448 077 341
Kortsiktig gjeld			
Leverandørgjeld		3 559 985	2 822 517
Tax payable	5	2 244	2 806
Accrued interest		16 438 968	18 835 395
Other current liabilities		44 503 450	37 016 966
Sum kortsiktig gjeld		64 504 647	58 677 683
Sum gjeld		538 548 717	506 755 024
SUM EGENKAPITAL OG GJELD		739 742 848	798 207 873



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
28.10.2009

Vår dato
02.06.2010

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2009/867030

Ernst & Young AS
Postboks 6163 Postterminalen
5892 Bergen

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

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

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

Bakgrunn:

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

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

Skattedirektoratets vurdering og konklusjon

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

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

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

Postadresse

Postboks 9200 Grønland
0134 Oslo

skattedirektoratet@skatteetaten.no

Besøksadresse

Fredrik Selmers vei 4
Org. nr: 974761076

Sentralbord

800 80 000
Telefaks

22 17 08 60



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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Høelstad



NORSPAN LNG AS

ANNUAL REPORT

2023



LNG/c "BILBAO KNUTSEN"



NORSPAN LNG AS

REPORT OF THE BOARD OF DIRECTORS 2023

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

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

LNG/c Bilbao Knutsen entered at delivery in 2004 into a 20-year fixed contract with the Spanish oil company Repsol for the transport of liquefied natural gas (LNG). The Royal Dutch Shell Group (Shell) finalized in 2014 the acquisition of Repsol's interests in the LNG sector including the time charter for Bilbao Knutsen and the time charter previously with Repsol has been novated to Shell. The vessel will be redelivered from Shell in Dubai at the end of March 2024 and will then undergo her 20 year class and dry docking.

Bilbao Knutsen has operated satisfactorily in 2023 with no unscheduled technical off-hire.

Result for the year

Norspan LNG AS had an operating result of NOK 70 047 680 (NOK -45 223 942 in 2022). After net financial expenses of NOK 160 306 398 (NOK 40 261 241 in 2022), the loss for the year was NOK -90 258 718 (loss of NOK 85 485 183 in 2022). The sole reason for the negative result in 2023 is an impairment of NOK 64 million due to uncertainty regarding the extension of the current time charter contract which expires in the first quarter 2024 and a unrealized currency loss of NOK 124 million due to mortgage debt. With one year left of the contract the valuation of the vessel is based on charter-free valuations from two independent ship brokers.

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

Net cash flow from operating activities in the company was NOK 173 500 699 (NOK 157 981 152 in 2022). The liquidity balance was NOK 134 998 793 as at 31.12.2023 (NOK 104 635 218 as at 31.12.2022). The Company's ability to finance its own investments is good.

The company's current debt relative to total debt was 12.0 % compared to 8.4 % as of 31.12.2022. The financial position is good, and the company can as of 31.12.2023 repay current debt with its most liquid assets (current assets-inventories).

The total capital was by year end NOK 739 742 848, compared to NOK 798 207 873 for the previous year. The equity-asset ratio was 27.2 % per 31.12.2023 compared to 36.5 % per 31.12.2022.

The Company is exposed to fluctuations in exchange rates, especially in the Euro, since a considerable portion of the Company's income is in foreign currency. However, the risk is reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in Euro. The Company has entered forward contracts to reduce the Company's exchange rate risk. The Company has reduced the interest rate fluctuation risk through long term interest rate swaps for the entire loan balance.



The company has refinanced its mortgage debt in 2024 and maturity is in March 2029.

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

High operational standards

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

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

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

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

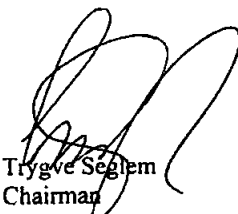
The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99)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

Future prospects

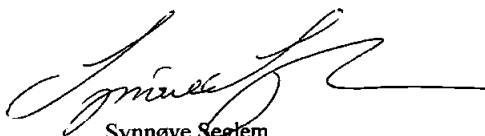
LNG/c Bilbao Knutsen finalizes her 20 year time charter with Shell at the end of March 2024 and the company is in close negotiations regarding a new two year time charter after having finalized her 20 year class renewal. The Board of Directors has every reason to believe that 2024 will be a satisfactory year for the company.



Haugesund, 18 April 2024



Trygve Seglem
Chairman



Synnøve Seglem
Board member



Nils-Kristian Strøm
Board member



Geir Tore Henriksen
Board member



Norspan LNG AS
Profit & Loss Account

	<u>Note</u>	2023	2022
<u>Operating Income</u>			
Freight income		235 749 928	216 759 844
Commissions		-812 019	-708 032
Other income		0	4 031 746
<i>Operating income</i>	<i>1</i>	<u>234 937 908</u>	<u>220 083 558</u>
<u>Operating Expenses</u>			
Crew-hire	2	26 271 194	24 923 785
Other operating expenses	2	37 166 805	25 284 515
<i>Total Operating Expenses</i>		<u>63 438 000</u>	<u>50 208 300</u>
<i>Operating result before depreciation</i>		<u>171 499 909</u>	<u>169 875 258</u>
Ordinary depreciation		37 402 229	47 833 200
Impairment		64 050 000	167 266 000
<i>Total Depreciation and Write-downs</i>	<i>3</i>	<u>101 452 229</u>	<u>215 099 200</u>
<i>Operating Result</i>		<u>70 047 680</u>	<u>-45 223 942</u>
<u>Financial Income and Expenses</u>			
Financial income	4	10 068 752	5 281 075
Foreign exchange gain/loss		-118 921 757	9 793 813
Financial expenses	4	-51 453 394	-55 336 129
<i>Net Financial Items</i>		<u>-160 306 398</u>	<u>-40 261 241</u>
<i>Profit for the year before tax</i>		<u>-90 258 718</u>	<u>-85 485 183</u>
Tax	5	0	0
<i>Result for the year</i>		<u>-90 258 718</u>	<u>-85 485 183</u>



Balance Sheet as of 31. December

Norspan LNG AS

<u>ASSETS</u>	<u>Note</u>	2023	2022
<u>Fixed Assets</u>			
Vessel	3	498 976 511	599 333 185
Loan to group companies		97 798 518	89 580 950
<i>Total Fixed Assets</i>		<u>596 775 029</u>	<u>688 914 135</u>
<u>Current Assets</u>			
Inventories	6	1 041 840	1 136 090
Accounts receivable		1 823 358	30 211
Other receivables		5 103 827	3 492 219
Cash and cash equivalents	7	134 998 793	104 635 218
<i>Total Current Assets</i>		<u>142 967 819</u>	<u>109 293 738</u>
TOTAL ASSETS		<u>739 742 848</u>	<u>798 207 873</u>



Balance Sheet as of 31. December

Norspan LNG AS

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
Equity			
Share capital		10 000 000	10 000 000
Other capital paid-in		232 858 262	232 858 262
<i>Total capital paid-in</i>		<u>242 858 262</u>	<u>242 858 262</u>
Other equity		-41 664 131	48 594 587
<i>Total Shareholders' Equity</i>	8, 9	<u>201 194 131</u>	<u>291 452 849</u>
Long Term Debt			
Tax payable	5	8 978	11 222
Mortgage debt	10	474 035 092	448 066 119
<i>Total Long Term Debt</i>		<u>474 044 070</u>	<u>448 077 341</u>
Current Liabilities			
Accounts payable		3 559 985	2 822 517
Accrued interest		16 438 968	18 835 395
Tax payable	5	2 244	2 806
Other current liabilities		44 503 450	37 016 966
<i>Total Current Liabilities</i>		<u>64 504 647</u>	<u>58 677 683</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>739 742 848</u>	<u>798 207 873</u>

Haugesund, 18 April 2024
The board of Norspan LNG AS

Trygve Seglem
chairman of the board

Geir Tore Henriksen
member of the board

Nils Kristian Strøm
member of the board

Synnøve Seglem
member of the board



NORSPAN LNG AS

CASHFLOW STATEMENT

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

	2023	2022
Total generated from operations 1)	170 983 679	149 914 234
Change in working capital	<u>2 517 019</u>	<u>8 066 918</u>
Net cashflow from operations	<u>173 500 699</u>	<u>157 981 152</u>
Dry-docking	-1 095 555	0
Long term loans to associated/group companies	<u>-8 217 568</u>	<u>-20 135 346</u>
Net cashflow from investments	<u>-9 313 123</u>	<u>-20 135 346</u>
Repayment mortgage debt	-133 824 001	-114 442 250
Long term loans from associated companies	<u></u>	<u>-5 139 768</u>
Net cashflow from financing	<u>-133 824 001</u>	<u>-119 582 018</u>
Net cashflow for the year	30 363 575	18 263 788
+ Cash balance per 1.1	<u>104 635 218</u>	<u>86 371 430</u>
= Cash Balance per 31.12.	<u>134 998 793</u>	<u>104 635 218</u>
1) Generated from operations:		
Result before tax	-90 258 718	-85 485 183
Currency -gain/+loss long term debt	33 832 800	18 617 350
Unrealized agio long term debt	124 273 800	
Amorized debt issuance cost	1 686 374	1 686 374
Tax paid	-2 805	-3 507
+ Impairment	64 050 000	167 266 000
+ Ordinary depreciation	<u>37 402 229</u>	<u>47 833 200</u>
= Total generated from operations	<u>170 983 679</u>	<u>149 914 234</u>



NORSPAN LNG AS

Notes to the Financial Statement 31.12.2023

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 company's LNG carrier Bilbao Knutsen entered at delivery in 2004 into a 20 year fixed contract with the Royal Dutch Shell Group.

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):

	<u>2023</u>	<u>2022</u>
Audit	66 150	57 750
Tax advice	0	0
Other services besides audit	0	0
	<u>66 150</u>	<u>57 750</u>



3 Fixed Assets

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

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Due to prevailing longer-term market trends, the normal economic life of LNG steam vessel has, from the 1st of January 2022, been updated from an estimation of 40 years to an estimate of 35 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 35 year profile for that specific entity is not correct, i.e. fixed charter contracts above 35 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>2023</u>	<u>2022</u>
Historical value 01.01.	1 402 216 489	1 402 216 489
Accumulated depreciation and impairment 01.01.	643 823 733	604 175 733
Book value 01.01.	591 126 756	798 040 756
Additions	0	0
Annual depreciation	29 195 800	39 648 000
Impairment	-64 050 000	-167 266 000
Disposals depreciation and impairment	0	0
Book value 31.12.	497 880 955	591 126 755

The company changed in 01.01.2022 the useful life estimate for LNG/c Bilbao Knutsen from 40 years to 35 years due to prevailing longer-term market trends. The company updated at the same time the estimated net sales price at the end of estimated life from NOK 0 at 40 years to estimated net sales price at end of the new estimated end of life.

The exercise pr 31.12.2023 resulted in impairments for Bilbao Knutsen, booked value is CoVs average deducted for expected DD cost.

<u>Dry-docking</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	41 882 528	41 882 528
Accumulated depreciation and impairment 01.01.	33 676 099	25 490 899
Capitalised dry-docking 01.01.	8 206 429	16 391 629
Additions - capitalised dry-docking	1 095 555	0
Annual depreciation	8 206 429	8 185 200
Book value 31.12.	1 095 555	8 206 429
Total book value vessel 31.12.	498 976 511	599 333 185

4 Financial Income and -Expenses

<u>Financial Income:</u>	<u>2023</u>	<u>2022</u>
Other interest income	10 068 752	5 281 075
Total financial income	10 068 752	5 281 075
<u>Financial expenses:</u>		
Interest expenses	49 814 527	53 751 742
Guarantee expenses related parties	1 262 512	1 366 169
Financial expenses to related parties	0	165 409
Other financial expenses	376 355	52 809
Total financial expenses	51 453 394	55 336 129



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.

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

Entrance tax

	2023	2022
Opening balance gain/loss account	51 010	63 762
Short-term tax payable basis (20%)	10 202	12 752
Long-term tax payable basis (80%)	40 808	51 010
Incoming balance long-term	11 222	14 028
Tax payable short-term in balance sheet, 22 tax rate	2 244	2 806
Tax payable long-term in balance sheet, 22% tax rate	8 978	11 222
Tax costs calculated	0	0

Specification on the temporary differences:

	31.12.23	Change	31.12.22
Temporary differences interest swaps	-21 532 139	-43 064 278	-64 596 417
Loss carried forward	-301 331 096	-12 187 599	-313 518 695
Temporary differences	-322 863 234	-55 251 877	-378 115 112
Calculated deferred tax	71 029 912	12 155 413	83 185 325
Deferred tax in balance	0	0	0

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

Tax cost

	2023	2022
Net financial items	-160 306 398	-40 261 241
Non-taxable currency gain	115 836 446	-8 137 533
Non-deductible interest	13 593 273	15 102 166
Change interest rate swaps	43 064 278	43 064 278
Taxable income before loss carried forward	12 187 599	9 767 669
Loss carried forward	-12 187 599	-9 767 669
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	132 495



6 Inventories

Inventories refer to lube oil as per 31.12 are 1 041 840

7 Bank deposits

The company has restricted bank funds per 31.12 for DSRA: 5 174 372

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other equity	Total equity
Equity 01.01.	10 000 000	232 858 261	48 594 587	291 452 849
Result for the year (loss)	0	0	-90 258 718	-90 258 718
Equity 31.12.	10 000 000	232 858 261	-41 664 131	201 194 131

Share capital consists of 1 000 shares at NOK 150 each. Shareholders as at 31.12.23 were:

Specification of equity as of 31.12.

	Number of shares	Nominal value	Share type
Knutsen LNG AS	500	10 000	Ordinary
Norspan Gas Carriers AS	500	10 000	Ordinary
Total	1 000		

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS 100 % of the company.

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



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	
				2023	2022
Mortgage debt	EUR	42 000 000	11,29	474 243 000	449 960 400
Debt issuance cost				-207 908	-1 894 281
Liabilities to financial institutions				474 035 092	448 066 119

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	474 243 000
Debt issuance cost	-207 908
Liabilities to financial institutions	474 035 092

Estimated outstanding dept per 31.12.2028 (EUR) 0

The loan matures February, 2024

The exchange rate at the year-end EURNOK 11,29

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 729 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	2023	2022
Outstanding fixed interest rate swaps	EUR	42 000 000	54 000 000
Mark to market valuation (excl. Accrued interest)	EUR	-305 886	-4 204 286



11 Subsequent events

In March 2024 the company has refinanced its mortgage debt and maturity is in March 2029.



Statsautoriserte revisorer
Ernst & Young AS
Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5832 Bergen

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

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG AS

Opinion

We have audited the financial statements of Norspan LNG AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit & loss account and cashflow 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 information

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

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

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

Responsibilities of management for the financial statements

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

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

A member firm of Ernst & Young Global Limited

Permetto Dokumentnøkkel: ECPHQ-Q0M20-626M2-L7X2L-PQSEF-OHW5N



Building a better
working world

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, 19. April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG AS 2023

A member firm of Ernst & Young Global Limited

Permeo Dokumentnr: ECPHQ-Q0WZ0-628M2-L7X2L-PQ5EF-OHWSN



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"[™] - sikker digital signatur. De signerende parter sin identitet er registrert, og er listet nedenfor.

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

BJERKVIK, TRINE HANSEN

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: no_bankid:9578-5990-4-2269617

IP: 77.18.xxx.xxx

2024-04-19 17:55:10 UTC



Penneo Dokumentnøkkel: ECPHQ-QDW2D-G28M2-L7XZL-PO5EF-OHW5N

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig)

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>