



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 923 594 779
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSPAN LNG 16 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: Peter Myklebust Opsal
Dato for fastsettelse av årsregnskapet: 30.06.2024

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: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating income		22 750 450	12 388 200
Commissions		-227 505	-123 959
Sum inntekter	1	22 522 946	12 264 240
Kostnader			
Crew-hire	2	2 241 494	1 318 492
Ordinary depreciation	3	5 242 393	2 828 200
Other operating expenses	2	2 822 695	1 220 318
Sum kostnader		10 306 582	5 367 010
Driftsresultat		12 216 364	6 897 230
Finansinntekter og finanskostnader			
Financial income	4	59 317	31 930
Sum finansinntekter		59 317	31 930
Foreign exchange gain/loss		24 271	-6 170
Financial expenses	4	7 620 520	4 708 692
Sum finanskostnader		7 644 792	4 702 522
Netto finans		-7 585 475	-4 670 592
Ordinært resultat før skattekostnad		4 630 889	2 226 638
Taxes	5		
Ordinært resultat etter skattekostnad		4 630 889	2 226 638
Årsresultat		4 630 889	2 226 638
Årsresultat etter minoritetsinteresser		4 630 889	2 226 638
Totalresultat		4 630 889	2 226 638



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel		176 957 531	182 232 336
Sum varige driftsmidler		176 957 531	182 232 336
Sum anleggsmidler	3	176 957 531	182 232 336
Omløpsmidler			
Varer			
Inventories	6	212 606	314 159
Sum varer		212 606	314 159
Fordringer			
Accounts receivable			23 332
Other short-term receivables		316 594	214 046
Intercompany receivables			34 173
Sum fordringer		316 594	271 551
Bankinnskudd, kontanter og lignende			
Bank deposits	7	2 393 920	2 034 806
Sum bankinnskudd, kontanter og lignende		2 393 920	2 034 806
Sum omløpsmidler		2 923 120	2 620 517
SUM EIENDELER		179 880 651	184 852 852
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		1 325 947	683 560
Overkurs		18 291 641	8 320 838



Balanse

Beløp i: USD	Note	2023	2022
Annen innskutt egenkapital			13 875 000
Sum innskutt egenkapital		19 617 588	22 879 397
Opptjent egenkapital			
Other equity		6 878 910	2 248 021
Sum opptjent egenkapital		6 878 910	2 248 021
Sum egenkapital	8, 9	26 496 498	25 127 418
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	150 728 472	157 273 237
Sum annen langsiktig gjeld		150 728 472	157 273 237
Sum langsiktig gjeld		150 728 472	157 273 237
Kortsiktig gjeld			
Leverandørgjeld		335 128	198 181
Tax payable	5		
Kortsiktig konserngjeld		70 969	
Accrued interest		302 157	315 466
Debt to associated companies			250
Customers paid in advance		1 932 230	1 932 230
Other current liabilities		15 198	6 071
Sum kortsiktig gjeld		2 655 682	2 452 198
Sum gjeld		153 384 154	159 725 434
SUM EGENKAPITAL OG GJELD		179 880 651	184 852 852



Skatteetaten

Vår dato
25.01.2020

Din/Deres dato
20.12.2019

Saksbehandler
Erik Østby

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
48133581

Org.nr
974761076

Vår referanse
2020/5001106

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, sktvl. § 3-1

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til TS Shipping Invest AS søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende konsernselskaper:

Selskapsnavn	Org.nr.
KNOT Shuttle Tankers 40 AS	923 822 070
KNOT Shuttle Tankers 41 AS	923 166 343
KNOT Shuttle Tankers 42 AS	923 166 211
Norspan LNG 16 AS	923 594 779
Norspan LNG 17 AS	923 594 736
Norspan LNG 18 AS	923 594 744
Norspan LNG 19 AS	923 594 760
Norspan LNG 20 AS	923 594 701
Norspan LNG 21 AS	923 991 824
ACE Norway as	919 018 755

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:

"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 2019. 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/forretningsspråk. Dette gjelder også konsernets långivere.

Utarbeidelse av årsregnskap på to språk innebærer en vesentlig kostnad for konsernet uten synlig gevinst."

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 kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En vesentlig andel av selskapenes eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. 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

Roar Thorbjørnsen
Underdirektør
Innsats, storbedrift
Skatteetaten

Erik Østby

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



NORSPAN LNG 16 AS

ANNUAL REPORT

2023



NORSPAN LNG 16 AS

REPORT OF THE BOARD OF DIRECTORS 2023

Norspan LNG 16 AS was established in 2019 when the company entered a shipbuilding contract with Hyundai Samho Heavy Industries CO., LTD, in Korea for the construction of a 174.000 m³ LNG-vessel, shipbuilding number 8091. The vessel, Santander Knutsen, was delivered in June 2022 and entered after delivery a 7years time charter contract with a company within The Royal Dutch Shell Group.

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.

Santander Knutsen has operated satisfactory in 2023, with no unscheduled technical off hire.

Profit for the year

The company had operating income of USD 22 522 946 in 2023 compared to USD 12 264 240 in the previous year. The operating result for the year was USD 12 216 364 (USD 6 897 230 in 2022). The net financial expenses were in 2023 USD 7 585 475 (Expense of USD 4 670 592 in 2022), and the result of the year was USD 4 630 889 (USD 2 226 638 in 2022).

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 USD 10 216 652 (USD 7 492 851 in 2022). The liquidity balance was USD 2 393 920 (USD 2 034 806 in 2022).

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.

Santander 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.

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 vessel is designed with XDF engines, optimized hull design, shaft generators and Air Lubrication System which reduce fuel consumption 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 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

The Board of Directors has every reason to believe that 2024 will be a satisfying year for the company.

Haugesund, 19 March 2024



Trygve Seglem
Chairman



Norspan LNG 16 AS

Profit & Loss Account

Numbers in USD

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<u>Operating Income</u>			
Operating income		22 750 450	12 388 200
Commissions		-227 505	-123 959
<i>Total Operating income</i>	<i>1</i>	<u>22 522 946</u>	<u>12 264 240</u>
<u>Operating Expenses</u>			
Crew-hire	<i>2</i>	2 241 494	1 318 492
Other operating expenses	<i>2</i>	2 822 695	1 220 318
<i>Total Operating Expenses</i>		<u>5 064 189</u>	<u>2 538 810</u>
<i>Operating result before depreciation</i>		<u>17 458 757</u>	<u>9 725 430</u>
Ordinary depreciation	<i>3</i>	5 242 393	2 828 200
<i>Total depreciation and write-downs</i>		<u>5 242 393</u>	<u>2 828 200</u>
<i>Operating Result</i>		<u>12 216 364</u>	<u>6 897 230</u>
<u>Financial Income and Expenses</u>			
Financial income	<i>4</i>	59 317	31 930
Foreign exchange gain/loss		-24 271	6 170
Financial expenses	<i>4</i>	-7 620 520	-4 708 692
<i>Net Financial Items</i>		<u>-7 585 475</u>	<u>-4 670 592</u>
<i>Result before taxes</i>		<u>4 630 889</u>	<u>2 226 638</u>
Taxes	<i>5</i>	0	0
<i>Result for the year</i>		<u>4 630 889</u>	<u>2 226 638</u>



Norspan LNG 16 AS
Balance Sheet as of 31. December

Numbers in USD

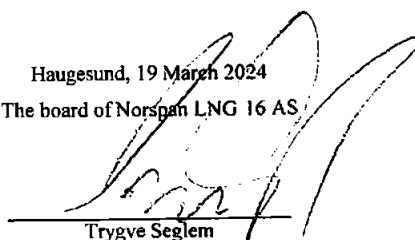
<u>ASSETS</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
Fixed Assets			
Vessel		176 957 531	182 232 336
<i>Total Fixed Assets</i>	3	<u>176 957 531</u>	<u>182 232 336</u>
Current Assets			
Inventories	6	212 606	314 159
Accounts receivable		0	23 332
Other short-term receivables		316 594	214 046
Intercompany receivables		0	34 173
Bank deposits	7	2 393 920	2 034 806
<i>Total Current Assets</i>		<u>2 923 120</u>	<u>2 620 517</u>
TOTAL ASSETS		<u>179 880 651</u>	<u>184 852 852</u>



Norspan LNG 16 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
<u>Equity</u>			
Share capital		1 325 947	683 560
Share premium		18 291 641	8 320 838
Preferred stock registered in 2023		0	13 875 000
<i>Total capital paid-in</i>		<u>19 617 588</u>	<u>22 879 397</u>
Other equity		6 878 910	2 248 021
<i>Total Shareholders' Equity</i>	8, 9	<u>26 496 498</u>	<u>25 127 418</u>
<u>Long Term Debt</u>			
Mortgage debt	10	150 728 472	157 273 237
<i>Total Long Term Debt</i>		<u>150 728 472</u>	<u>157 273 237</u>
<u>Current Liabilities</u>			
Accounts payable		335 128	198 181
Accrued interest		302 157	315 466
Debt to group companies		70 969	0
Debt to associated companies		0	250
Customers paid in advance		1 932 230	1 932 230
Other current liabilities		15 198	6 071
<i>Total Current Liabilities</i>		<u>2 655 682</u>	<u>2 452 198</u>
<i>Total liabilities</i>		<u>153 384 154</u>	<u>159 725 434</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>179 880 651</u>	<u>184 852 852</u>

Haugesund, 19 March 2024
The board of Norspan LNG 16 AS



Trygve Seglem
Chairman of the board



NORSPAN LNG 16 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)	10 027 626	5 138 987
Change in working capital	189 026	2 353 864
Net cashflow from operations	10 216 652	7 492 851
Invested in dry docking	32 411	-3 500 000
Invested in vessel under construction		-123 522 385
Net cashflow from investments	32 411	-127 022 385
Paid-in share capital, incl. share premium		
Net drawdown mortgage debt	-6 699 108	121 280 244
Debt issuance cost	0	-47 268
Dividend	-3 261 809	
Debt to related group companies	70 969	
Net cashflow from financing	-9 889 949	121 232 976
Net cashflow for the year	359 114	1 703 441
+ Cash balance per 01.01.	2 034 806	331 365
= Cash Balance per 31.12.	2 393 920	2 034 806

1) Generated from operations:

Result before tax	4 630 889	2 226 638
+Amorized debt issuance cost	154 344	84 149
+Ordinary depreciation	5 242 393	2 828 200
= Total generated from operations	10 027 626	5 138 987



NORSPAN LNG 16 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 entered into a shipbuilding contract with HHI, in Korea for the construction of a 174.000 m³ LNG-vessel, shipbuilding number 8091. The vessel was delivered 6th of June, 2022, and entered from delivery a 7 year time charter contract with the energy company Shell.

The income from the time charter contract is received in USD, 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.

	<u>2023</u>	<u>2022</u>
Grants crew expenses	36 916	22 696

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.

	<u>2023</u>	<u>2022</u>
Auditors remuneration (excl. VAT):		
Audit	1 567	4 702
Other services besides audit	0	0
	<u>1 567</u>	<u>4 702</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. 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>2023</u>	<u>2022</u>
Vessel		
Historical value 01.01.	181 560 536	57 965 411
Accumulated depreciation and impairment 01.01.	-2 449 200	0
Book value 01.01.	179 111 336	57 965 411
Additions	-32 411	123 595 125
Annual depreciation	-4 540 029	-2 449 200
Book value 31.12.	<u>174 538 895</u>	<u>179 111 336</u>

	<u>2023</u>	<u>2022</u>
Dry-docking		
Historical value 01.01.	3 500 000	0
Accumulated depreciation and impairment 01.01.	-379 000	0
Capitalised dry-docking 01.01.	3 121 000	0
Additions - capitalised dry-docking	0	3 500 000
Annual depreciation	-702 364	-379 000
Book value 31.12.	<u>2 418 636</u>	<u>3 121 000</u>

Total book value vessel 31.12.	<u>176 957 531</u>	<u>182 232 336</u>
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4 Financial Income and -Expenses

	<u>2023</u>	<u>2022</u>
Financial Income:		
Interest income from group companies	0	12 702
Other interest income	59 317	19 228
Total financial income	<u>59 317</u>	<u>31 930</u>
Financial expenses:		
Interest expenses to group companies	0	675
Interest expenses	7 205 372	4 511 551
Guarantee expenses group companies	300 000	162 329
Other financial expenses	115 148	34 136
Total financial expenses	<u>7 620 520</u>	<u>4 708 692</u>

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>31.12.23</u>	<u>Change</u>	<u>31.12.22</u>
Loss carried forward	-694 277	410 426	-283 851
Temporary differences	<u>-694 277</u>	<u>410 426</u>	<u>-283 851</u>
Calculated deferred tax	152 741	-90 294	62 447
Deferred tax in balance	<u>0</u>	<u>0</u>	<u>0</u>

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>2023</u>	<u>2022</u>
Net financial Items	-7 585 475	-4 670 592
Non-taxable currency gain	-161 015	-79 197
Deductable financial items	7 193 478	4 440 156
Deductable financial items capitalized on vessel	0	-22 292
Deductable interest capitalized on vessel	0	-27 364
Amortization loan expenses	134 353	75 438
Taxable income before loss carried forward	<u>-418 658</u>	<u>-283 851</u>
Currency effect on loss carried forward	8 232	283 851
Loss carried forward	410 426	
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	<u>0</u>	<u>0</u>
Tonnage tax expenses under operating expenses	<u>10 785</u>	<u>6 071</u>



6 Inventories

Inventories refer to lube oil as per 31.12 are 212 606

7 Bank deposits

The company has no restricted bank funds per 31.12

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Preferred stock registered in 23	Other equity	Total equity
Equity 01.01.	683 560	8 320 838	13 875 000	2 248 020	25 127 418
Dividend preferred stock			-3 261 809	0	-3 261 809
Result for the year	0	0	0	4 630 889	4 630 889
Equity 31.12.	683 560	8 320 838	10 613 191	6 878 909	26 496 498

Share capital consist of 438 125 shares à NOK 30, 200 000 ordinary shares à NOK 1 and 238 125 preference shares à NOK 30. Preference shares er without voting rights and have first rights to dividend.

Shareholder	Ordinary shares		Preference shares	
Knutsen LNG AS	125 000	62,5 %	7 500	3 %
Jacob Hatteland Holding AS	75 000	37,5 %	230 625	97 %
	200 000	100 %	238 125	100 %

9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Knutsen LNG AS 62,5 % of the ordinary shares and 3 % of preferred shares in the company.



10 Mortgage Debt and Financial Instruments

		<u>2023</u>	<u>2022</u>
Mortgage debt	USD	152 034 686	158 733 794
Debt issuance cost		-1 306 214	-1 460 557
Liabilities to financial institutions		<u>150 728 472</u>	<u>157 273 237</u>
<u>Amounts due within 12 months of the balance sheet date:</u>			
Mortgage debt		7 027 574	
Debt issuance cost		154 344	
Liabilities to financial institutions		<u>7 181 917</u>	

The company has in July 2021 signed a sale and leaseback agreement of Santander Knutsen with Sea 194 Leasing Co. Limited, a company incorporated in Hong Kong. The transaction is considered a financial lease and the company has bareboat obligation for the vessel until 10 years after delivery. At the end of the bareboat agreement the company must purchase back the vessel.

The lease has a fixed interest for the 10 year period and thus the company has reduced the uncertainty of the floating interest rates.

Security for the loan is made through a first priority mortgage in the vessel, assignment of income, insurance and bank accounts are pledged .

Security for the loan is made through a first priority mortgage in the vessel and assignment of income. Book value of mortgaged assets is USD 177 million.

Estimated outstanding debt per 31.12.2028 113 568 999

The debt is to be refinanced 10 years after delivery of the vessel (2032).

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in USD, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has fixed interest rate for the entire loan in order to reduce the uncertainty of the floating interest rates.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norspan LNG 16 AS

Opinion

We have audited the financial statements of Norspan LNG 16 AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss account and the statement of cashflows 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

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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, 20 June 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 16 AS 2023

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BJERKVIK, TRINE HANSEN

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