



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 918 555 056  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NORSPAN LNG XII AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
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: 18.02.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 20.07.2023



### Resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income		26 836 703	27 943 734
Commissions		-247 814	-291 272
<b>Sum inntekter</b>		<b>26 588 889</b>	<b>27 652 462</b>
<b>Kostnader</b>			
Crew-hire	9	2 829 102	2 465 657
Ordinary depreciation		5 742 000	5 742 000
Other operating expenses	6	3 643 858	2 819 213
<b>Sum kostnader</b>		<b>12 214 960</b>	<b>11 026 870</b>
<b>Driftsresultat</b>		<b>14 373 929</b>	<b>16 625 593</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	5	4	1 776
<b>Sum finansinntekter</b>		<b>4</b>	<b>1 776</b>
Foreign exchange gain/loss		6 953	14 495
Financial expenses	5	9 542 345	10 043 545
<b>Sum finanskostnader</b>		<b>9 549 297</b>	<b>10 058 039</b>
<b>Netto finans</b>		<b>-9 549 293</b>	<b>-10 056 263</b>
<b>Ordinært resultat før skattekostnad</b>		<b>4 824 636</b>	<b>6 569 330</b>
Taxes	12		
<b>Ordinært resultat etter skattekostnad</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Årsresultat</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Totalresultat</b>		<b>4 824 636</b>	<b>6 569 330</b>



## Balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel under construction	3, 4		
Vessel	3, 4	191 514 024	197 256 024
<b>Sum varige driftsmidler</b>		<b>191 514 024</b>	<b>197 256 024</b>
<b>Sum anleggsmidler</b>		<b>191 514 024</b>	<b>197 256 024</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories		548 470	375 674
<b>Sum varer</b>		<b>548 470</b>	<b>375 674</b>
<b>Fordringer</b>			
Accounts receivable		48 795	49 712
Other short-term receivables		175 601	75 958
Receivable from related parties	10		38 355
<b>Sum fordringer</b>		<b>224 396</b>	<b>164 025</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	2	2 895 973	2 599 191
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 895 973</b>	<b>2 599 191</b>
<b>Sum omløpsmidler</b>		<b>3 668 840</b>	<b>3 138 890</b>
<b>SUM EIENDELER</b>		<b>195 182 863</b>	<b>200 394 914</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		23 945	96 164



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Overkurs		19 145 512	20 959 722
Annen innskutt egenkapital		18 900	18 900
<b>Sum innskutt egenkapital</b>		<b>19 188 357</b>	<b>21 074 787</b>
<b>Opptjent egenkapital</b>			
Other equity		13 971 549	9 146 913
<b>Sum opptjent egenkapital</b>		<b>13 971 549</b>	<b>9 146 913</b>
<b>Sum egenkapital</b>	7, 8	<b>33 159 906</b>	<b>30 221 700</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	3, 11	158 646 167	166 914 259
<b>Sum annen langsiktig gjeld</b>		<b>158 646 167</b>	<b>166 914 259</b>
<b>Sum langsiktig gjeld</b>		<b>158 646 167</b>	<b>166 914 259</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		436 585	370 958
Accrued interest		460 596	484 968
Payable to related parties	10	42 302	18 125
Other current liabilities		2 437 308	2 384 903
<b>Sum kortsiktig gjeld</b>		<b>3 376 791</b>	<b>3 258 954</b>
<b>Sum gjeld</b>		<b>162 022 957</b>	<b>170 173 214</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>195 182 863</b>	<b>200 394 914</b>



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 687418

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**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: Peter Myklebust Opsal  
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Brønnøysundregistrene, 23.07.2022



Organisasjonsnr: 918 555 056  
NORSPAN LNG XII AS

## RESULTATREGNSKAP

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income		26 836 703	27 943 734
Commissions		-247 814	-291 272
<b>Sum inntekter</b>		<b>26 588 889</b>	<b>27 652 462</b>
<b>Kostnader</b>			
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<b>Netto finans</b>		<b>-9 549 293</b>	<b>-10 056 263</b>
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Taxes	12	4 824 636	6 569 330
<b>Ordinært resultat etter skattekostnad</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Årsresultat</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>4 824 636</b>	<b>6 569 330</b>
<b>Totalresultat</b>		<b>4 824 636</b>	<b>6 569 330</b>



Organisasjonsnr: 918 555 056  
NORSPAN LNG XII AS

## BALANSE

Beløp i: USD Note 2021 2020

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

#### Varige driftsmidler

Vessel under construction	3, 4		
Vessel	3, 4	191 514 024	197 256 024
<b>Sum varige driftsmidler</b>		<b>191 514 024</b>	<b>197 256 024</b>
<b>Sum anleggsmidler</b>		<b>191 514 024</b>	<b>197 256 024</b>

#### Omløpsmidler

##### Varer

Inventories		548 470	375 674
<b>Sum varer</b>		<b>548 470</b>	<b>375 674</b>

##### Fordringer

Accounts receivable		48 795	49 712
Other short-term receivables		175 601	75 958
Receivable from related parties	10		38 355
<b>Sum fordringer</b>		<b>224 396</b>	<b>164 025</b>

##### Bankinnskudd, kontanter og lignende

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<b>Sum omløpsmidler</b>		<b>3 668 840</b>	<b>3 138 890</b>

**SUM EIENDELER** **195 182 863** **200 394 914**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share capital		23 945	96 164
Overkurs		19 145 512	20 959 722
Annen innskutt egenkapital		18 900	18 900
<b>Sum innskutt egenkapital</b>		<b>19 188 357</b>	<b>21 074 787</b>

##### Opptjent egenkapital

Other equity		13 971 549	9 146 913
<b>Sum opptjent egenkapital</b>		<b>13 971 549</b>	<b>9 146 913</b>



<b>Sum egenkapital</b>	<b>7, 8</b>	<b>33 159 906</b>	<b>30 221 700</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	3, 11	158 646 167	166 914 259
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<b>Sum gjeld</b>		<b>162 022 957</b>	<b>170 173 214</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>195 182 863</b>	<b>200 394 914</b>



Organisasjonsnr: 918 555 056  
NORSPAN LNG XII AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

Omløpsmidler                      Startdato      Sluttdato      Endring

Skattemessig fremf.undersk. Startdato      Sluttdato      Endring

Kortsiktig gjeld                      Startdato      Sluttdato      Endring



**NORSPAN LNG XII AS**

**REPORT OF THE BOARD OF DIRECTORS 2021**

Norspan LNG XII AS was established in 2017 when the company entered a shipbuilding contract with HHI in Korea, for the construction of a 180.000 m<sup>3</sup> MEGH LNG-vessel, shipbuilding number 2963. The vessel Adriano Knutsen was delivered on 10<sup>th</sup> July 2019. The vessel is chartered on a 7 years time charter to the Spanish energy company Endesa SA from delivery.

The company has no employees. Knutsen OAS Shipping AS in Haugesund was responsible for the building supervision and is responsible for the daily operation of the vessel after delivery in 2019 in accordance with a separate management agreement.

Adriano Knutsen has operated satisfactorily in 2021, however the vessel suffered an explosion in the engine starting air system on 15th February. Fortunately, no one was injured due to the incident. The repairs and testing were completed on 12<sup>th</sup> March, and the vessel continued her normal operation. Total off-hire was 24.9 days of which 14 days not covered by insurance. An action plan has been established and is under implementation to rectify and improve the system.

2021 has been a challenging year operational wise due to the Covid-19 pandemic.

The Board of Directors would like to give credit to officers and crew onboard Adriano Knutsen as well as the staff of the manager and the charterer for establishing effective guidelines and operational procedures to keep the vessel and everyone onboard safe.

Adriano has not had any Covid-19 incidents in 2021. 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, and wage expenses due to extended days onboard. Forwarding cost and service personnel costs have also increased due to Covid-19.

**Profit for the year**

The company had operating income of USD 26 836 703 in 2021 (27 652 462 in 2020). The operating result for the year was a result of USD 14 373 929 (USD 16 625 593 in 2020) after depreciation of USD 5 742 000 (USD 5 742 000 in 2020). The net financial result was USD -9 549 293 (USD -10 056 263 in 2020), and the result of the year was a profit of USD 4 824 636 (USD 6 569 330 2020).

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 10 658 091 (USD 14 737 260 in 2020). The liquidity balance was USD 2 895 973 (2 599 191 in 2020).

The Company has been exposed to fluctuations in exchange rates, with income in USD while a portion of the Company's expenses are in foreign currencies other than USD.



However, the risk was reduced since the majority of the Company's expenses related to operating and financing expenses are denominated in USD. The company has reduced the interest rate fluctuation risk through fixed rate leasing agreement.

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.

Adriano 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 MEGI engines which reduce fuel consumption considerably compared to other LNG engine designs and has a full reliquefaction plant installed which significantly reduces cargo losses while on long voyages or awaiting cargo operations.

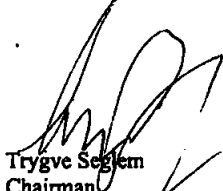
### **Future prospects**

LNG/c Adriano Knutsen is on a long-term contract with a first-class charterer and the vessel's operational performance since delivery has been excellent. The Board of Directors has reason to believe that 2022 will be a satisfying year for the company.

After year-end, the worldwide spread of Corona virus still is an important health issue which the company is addressing with high focus. The company follows the recommendations from WHO/IMO/ ICS- and individual countries and has in addition implemented risk assessments both for the vessel and informed the crew of measures & recommendations the company has put in place to mitigate the exposure to the COVID-19 and the consequences thereof.



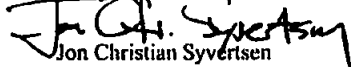
Haugesund, 4 February 2022



Trygve Seglem  
Chairman



Geir Tore Henriksen  
Board member



Jon Christian Syvertsen  
Board member



Kristine Klaveness  
Board member



**Norspan LNG XII AS**

**Profit & Loss Account**

Numbers in USD

	<u>Note</u>	<b>2021</b>	<b>2020</b>
<b><u>Operating Income</u></b>			
Freight income		26 836 703	27 943 734
Commissions		-247 814	-291 272
<i>Total Operating income</i>		<u>26 588 889</u>	<u>27 652 462</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	9	2 829 102	2 465 657
Other operating expenses	6, 9	3 643 858	2 819 213
<i>Total Operating Expenses</i>		<u>6 472 960</u>	<u>5 284 870</u>
<i>Operating result before depreciation</i>		<u>20 115 929</u>	<u>22 367 593</u>
Ordinary depreciation		5 742 000	5 742 000
<i>Total depreciation and write-downs</i>		<u>5 742 000</u>	<u>5 742 000</u>
<i>Operating Result</i>		<u>14 373 929</u>	<u>16 625 593</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	5	4	1 776
Foreign exchange gain/loss		-6 953	-14 495
Financial expenses	5	9 542 345	10 043 545
<i>Net Financial Items</i>		<u>-9 549 293</u>	<u>-10 056 263</u>
<i>Result before taxes</i>		<u>4 824 636</u>	<u>6 569 330</u>
Taxes	12	0	0
<i>Result for the year</i>		<u>4 824 636</u>	<u>6 569 330</u>



**Norspan LNG XII AS**  
**Balance Sheet as of 31. December**

Numbers in USD

<u>Assets</u>	<u>Note</u>	2021	2020
Vessel	3, 4	191 514 024	197 256 024
<i>Total Fixed Assets</i>		<u>191 514 024</u>	<u>197 256 024</u>
<u>Current Assets</u>			
Inventories		548 470	375 674
Accounts receivable		48 795	49 712
Other short-term receivables		175 601	75 958
Receivable from related parties	10	0	38 355
Bank deposits	2	2 895 973	2 599 191
<i>Total Current Assets</i>		<u>3 668 840</u>	<u>3 138 890</u>
<b>TOTAL ASSETS</b>		<u>195 182 863</u>	<u>200 394 914</u>




**Norspan LNG XII AS**  
**Balance Sheet as of 31. December**


Numbers in USD

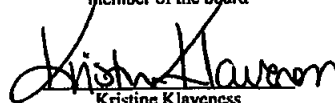
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>			
Share capital		23 945	96 164
Preferred stock share capital		18 900	18 900
Share premium		19 145 512	20 959 722
<i>Total capital paid-in</i>		<u>19 188 357</u>	<u>21 074 787</u>
Other equity		13 971 549	9 146 913
<i>Total Shareholders' Equity</i>	<i>7, 8</i>	<u>33 159 906</u>	<u>30 221 700</u>
Mortgage debt	<i>3, 11</i>	<u>158 646 167</u>	<u>166 914 259</u>
<i>Total Long Term Debt</i>		<u>158 646 167</u>	<u>166 914 259</u>
<b>Current Liabilities</b>			
Accounts payable		436 585	370 958
Accrued interest		460 596	484 968
Payable to related parties	<i>10</i>	42 302	18 125
Other current liabilities		2 437 308	2 384 903
<i>Total Current Liabilities</i>		<u>3 376 791</u>	<u>3 258 954</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>195 182 863</u>	<u>200 394 914</u>

Haugesund, 4 Februar 2022,  
The board of Norspan LNG XII AS

  
Pryge Bøglem  
chairman of the board

  
Jon Christian Syvertsen  
member of the board

  
Geir Tore Henriksen  
member of the board

  
Kristine Klavness  
member of the board



**NORSPAN LNG XII AS**

**CASHFLOW STATEMENT**

	<b>2021</b>	<b>2020</b>
Total generated from operations 1)	10 773 422	12 519 930
Change in working capital	<u>-115 331</u>	<u>2 217 330</u>
Net cashflow from operations	<u>10 658 091</u>	<u>14 737 260</u>
Invested in vessel under construction	<u>0</u>	<u>0</u>
Net cashflow from investments	<u>0</u>	<u>0</u>
Repayment mortgage debt	-8 474 878	-8 092 844
Paid-in share capital, incl. share premium	0	0
Distribution	-1 886 430	-4 349 266
Net cashflow from financing	<u>-10 361 308</u>	<u>-12 442 111</u>
Net cashflow for the year	296 783	2 295 150
+ Cash balance per 01.01.	<u>2 599 191</u>	<u>304 042</u>
= Cash Balance per 31.12.	<u>2 895 973</u>	<u>2 599 191</u>
1) Generated from operations:		
Result before tax	4 824 636	6 569 330
+ Amortization of debt issuance cost	206 786	208 600
+ Ordinary depreciation	5 742 000	5 742 000
= Total generated from operations	<u>10 773 422</u>	<u>12 519 930</u>



## NORSPAN LNG XII AS

### Notes to the Financial Statement 31.12.2021

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

#### **Current Assets/Current Liabilities**

Fixed assets are intended for long-term ownership and use. Other assets are classified as current assets. Short-term liabilities are due within one year or tied to the operation of the vessel. Other liabilities are classified as long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recorded at nominal value at the time of the entering.

#### **Fixed Assets and Dry-Docking**

Yard instalments paid on newbuildings 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), purchases beyond the yard contract regarding the individual contract are also registered.

The total cost of the vessel is capitalised at delivery and depreciated linearly over the expected life time.

Dry-docking expenses are capitalised and expensed over the period till the next 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 less than 15 years, and every 2.5 year for vessels more than 15 years. 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. The portion of the dry-docking expenses are included in the profit and loss statement under "Other operating expenses".

The fixed assets are valued according to the lowest of the depreciated value and the market value unless the fall in value is assumed to be temporary.

#### **Transactions in Foreign Currency**

Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction.

All current assets and current liabilities in foreign currency are registered at the rate of exchange as per 31.12. Realised foreign exchange gain and loss are registered as financial items.



## **Interest-bearing loan and borrowings**

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.

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.

## **Inventory**

Inventories are evaluated to market value as the lower of cost and market value is considered as unpractical.

## **Tax**

The tax expense in the financial statements consists of taxes payable and changes in deferred taxes.

Companies taxed under The Norwegian Tonnage Tax Regime are not taxed on its net operating profit. Taxation under the tonnage tax regime requires compliance to stringent requirements, and voluntary or compulsory exit from the regime will result in taxation of net profits based on ordinary taxation. Net financial income is taxed on a current basis (22%).

Deferred tax is calculated using the liability method at 22% of all temporary differences between the taxable value of assets and liabilities and their booked amounts at the end of the accounting year. Any temporary differences that may increase or decrease taxes that can be legally offset and are intended to be settled net are recorded net.

Deferred tax is calculated for assets and liabilities for which future realization will lead to payable tax.

Deferred tax assets are recognized to the extent that it's probably that adequate taxable profit will be generated to recover the tax asset. Anticipated utilization of tax losses are not discounted when calculating the deferred tax asset.

Tonnage tax paid under the tonnage tax regime is classified as operational expenses.

## **Cash flow 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.

## **2 Bank deposits**

The company doesn't have locked-up bank funds per 31.12.



### 3 Contracts

The company entered into a shipbuilding contract with HHI, in Korea for the construction of a 180.000 m3 LNG-vessel, shipbuilding number 2963. The vessel was delivered in 10th July 2019, and entered a 7 year firm plus options of 7+6 years time charter contract with the Spanish energy company Endesa SA after delivery.

Knutsen OAS Shipping AS operates as manager on behalf of the company in accordance with management agreement.

The company has in March 2018 signed a sale and leaseback agreement of Hull 2963 with Hai Feng 1716 Limited, a company incorporated in Ireland. 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.

### 4 Fixed Assets

<u>Vessel</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	199 938 224	202 467 824
Acc. Depreciation 1.1	5 061 600	2 529 600
Book Value 1.1	194 876 624	199 938 224
Additions/ disposal	0	0
Ordinary annual depreciation	5 061 600	5 061 600
Book value 31.12.	189 815 024	194 876 624

The economic life of the vessel is estimated to 40 years, and the vessel is depreciated accordingly.

<u>Dry-Docking</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	3 400 000	3 400 000
Acc. Depreciation 1.1	1 020 600	340 200
Book Value 1.1	2 379 400	3 059 800
Additions	0	0
Ordinary annual depreciation	680 400	680 400
Book value 31.12.	1 699 000	2 379 400
Book value vessel 31.12.	191 514 024	197 256 024



## 5 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
<b>Financial Income:</b>		
Interest income	4	1 776
Total financial income	<u>4</u>	<u>1 776</u>

	<u>2021</u>	<u>2020</u>
<b>Financial Expenses:</b>		
Interest expenses	8 235 542	8 674 957
Other financial expenses	1 306 802	4 759
Total financial expenses	<u>9 542 345</u>	<u>10 043 545</u>

## 6 Remuneration

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

	<u>2021</u>	<u>2020</u>
<b>Auditors remuneration (excl.)</b>		
Audit	3 841	5 970
Tax advice	1 814	0
Other services besides audit	0	0
	<u>5 655</u>	<u>5 970</u>

## 7 Equity

Specification of the equity per 31.12.

	Share capital/ Ordinary shares	Share capital/ Preference shares	Share premium	Other equity	Total equity
Equity 01.01.	96 164	18 900	20 959 723	9 146 913	30 221 700
Distribution of dividend			-1 886 430		-1 886 430
Correction 2018 & 2019 equity	-72 219		72 219		0
Result for the year				4 824 636	4 824 636
Equity 31.12.	<u>23 945</u>	<u>18 900</u>	<u>19 145 512</u>	<u>13 971 549</u>	<u>33 159 906</u>

Share capital consist of 309 120 shares, 200 000 ordinary shares à NOK 1 and 154 120 preference shares à NOK 1. Preference shares er without voting rights and have first rights to dividend

<b>Share-owners</b>	<b>Ordinary shares</b>	<b>Preferred shares</b>
Knutson LNG AS	100 000	0
Klavness Ship Investments AS	92 000	141 787
Adrian & CO AS	8 000	12 333
	<u>200 000</u>	<u>154 120</u>



## 8 Shares Owned by Board Members and Affiliates

Trygve Seglem controls through Seglem Holding AS 50 % of the company.  
Kristine Klaveness own indirectly through KKN Invest AS 23 % of the company.  
John Christian Syvertsen controls through Adrian & Co AS 4% of the company.

## 9 Employees

The company has no employees and thereby no pension liabilities (under the OTP regulation). Knutsen OAS Shipping AS manages the Company in accordance with a separate management agreement.

## 10 Balances with related parties

	<u>2021</u>	<u>2020</u>
<u>Short-term receivables group companies</u>		
TS Shipping Invest AS	0	0
<u>Short-term receivable</u>		
Knutsen OAS Shipping AS	0	38 355
	<u>0</u>	<u>38 355</u>
<u>Short-term liabilities related parties</u>		
Knutsen OAS Shipping AS	23 958	18 125
	<u>23 958</u>	<u>18 125</u>

## 11 Mortgage debt and financial instruments

	<u>2021</u>	<u>2020</u>
USD Loan 31.12.	160 203 009	168 677 888
Deferred debt issuance costs 31.12.	-1 556 843	-1 763 629
Book Value 31.12	<u>158 646 167</u>	<u>166 914 259</u>

The company has in March 2018 signed a sale and leaseback agreement of Hull 2963 with Hai Feng 1716 Limited, a company incorporated in Ireland. 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 current portion of the mortgage debt is USD 8 909 658 (USD 8 475 967 in 2020).

Estimated outstanding debt per year end 2026 is MUSD 110,8.

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

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

Book value of mortgaged assets is MUSD 191,5.

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.



## 12 Tax

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating income. However it is calculated an annual tax of 22% on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which in 2021 amounted to 154 395 NOK (154 395 in 2020). Tonnage tax is classified as an operating expense.

The company should meet certain requirements to be within the scheme, such as only ownership of ship/shares in the shipping companies, and only own certain types of financial assets.

Below is a specification of the temporary differences at the end of the financial year. Deferred tax asset is not recognised due to uncertainty of future sufficient taxable income with in the tonnage tax regime to utilize the deferred tax asset.

	2021	Change	2020
Loss carried forward	-3 165 335	-1 117 410	-2 047 925
Basis for deferred tax (benefit)	-3 165 335	-1 117 410	-2 047 925
Deferred tax (benefit)	-696 374	-245 830	-450 543
Deferred tax (benefit) booked	0	0	0
<b><u>Taxable result (tonnage tax scheme):</u></b>	<b>2021</b>	<b>2020</b>	
Net financial items	-9 549 293	-10 056 263	
Currency effect on profit/loss before tax	-371 073	-2 123 850	
Non-taxable currency gain	650 530	1 245 291	
Non deductible interest	8 083 148	9 573 973	
Taxable income before loss carried forward	-1 186 689	-1 360 849	
Currency effect loss carried forward	-69 279	21 826	
Change in loss carried forward	1 117 410	1 382 675	
Taxable income	0	0	
Tax payable	0	0	
Change in deferred tax	0	0	
Tax expense	0	0	



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Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Partnership Meeting of Norspan LNG XII AS

### Opinion

We have audited the financial statements of Norspan LNG XII AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss accounts 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 2021 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 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, 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



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, 30 June 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Trine H. Bjerkvik  
State Authorised Public Accountant (Norway)

Independent auditor's report - Norspan LNG XII AS 2021

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### TRINE HANSEN BJERKVIK

Statsautorisert revisor

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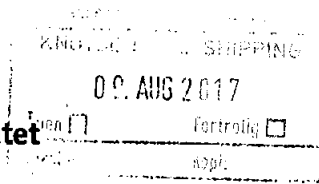
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Skattedirektoratet



Saksbehandler  
Torstein Kinden Helleland

Deres dato  
29.05.2017

Vår dato  
07.08.2017

Telefon  
22078139

Deres referanse  
Peter Myklebust Opsal

Vår referanse  
2014/84494

TS SHIPPING INVEST AS  
Postboks 2017  
5504 HAUGESUND

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 29. mai 2017 mottatt 18. juli 2017 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

<b>Norspan LNG XII</b>	<b>org.nr. 918 555 056</b>
<b>Knutsen NYK LNG Holding AS</b>	<b>org.nr. 917 871 264</b>
<b>Knutsen LNG 3 AS</b>	<b>org.nr. 918 026 290</b>
<b>Knutsen LNG 2 AS</b>	<b>org.nr. 916 618 905</b>
<b>Knutsen NYK LNG Holding VIII AS</b>	<b>org.nr. 818 395 922</b>

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

De overnevnte selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS med en rekke datterselskaper har i tidligere vedtak fått dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

### Skattedirektoratets vurdering

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

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Org.nr: 996250318 Telefaks  
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I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er 50 % eid av et selskap som er innvilget dispensasjon og 50 % av et nederlandsk selskap. Øvrige konsernselskap er også innvilget dispensasjon. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Videre er det vektlagt at arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*