



Knutsen
Group

TS Shipping Invest AS 7.50% USD 250,000,000 senior unsecured bonds 2025/2030

Admission Document

This admission document (the "**Admission Document**") has been prepared by TS Shipping Invest AS (the "**Issuer**") in connection with listing of the bonds (the "**Bonds**") issued under the Issuer's bond *TS Shipping Invest AS 7.50% USD 250,000,000 senior unsecured bonds 2025/2030* with ISIN NO0013673921 (the "**Bond Issue**").

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (together with ancillary rules and regulations, the "**Prospectus Regulations**"), and has not been prepared to comply with the Prospectus Regulations. This Admission Document has been inspected by Nordic ABM as part of the Nordic ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Nordic ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM Rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may violate applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions.

Neither the Issuer, the Guarantor nor any of their Affiliates (as defined in the bond terms attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*No. Oslo tingrett*) as legal venue.


RESPONSIBILITY STATEMENT

This Admission Document is dated 20 February 2026 and has been prepared by the Issuer in connection with the listing of the Bonds on Nordic ABM. The person responsible for the information given in this Admission Document is as follows:

TS Shipping Invest AS
Smedasundet 40
5529 Haugesund

The Issuer confirm that to the best of its knowledge the information contained in this Admission Document is in accordance with the facts and the document contains no omission likely to affect its import.

20 February 2026
TS Shipping Invest AS

DocuSigned by:

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Name: Geir Tore Henriksen
Title: Authorised signatory / Group CFO

APPENDIX 1

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR TS SHIPPING INVEST AS (THE "ISSUER") COVERING THE FINANCIAL YEARS 2024, 2023 AND 2022

TS Shipping Invest AS

Annual Report 2024



TS Shipping Invest AS

DIRECTORS' REPORT 2024

GROUP AND COMPANY

TS Shipping Invest AS (“TSSI”) is the holding company of the maritime activities of the Trygve Seglem family. The Group is at the forefront in the development of the offshore energy markets by owning and operating vessels of high technical and operational standard, and through pioneering investments into new segments such as offshore wind and carbon capture and transport.

TSSI and its subsidiaries (“the Group / Knutsen”) own and operate vessels worldwide with leading market positions in the shuttle tanker segment, through Knutsen NYK Offshore Tankers AS (“KNOT”), a 50/50 joint venture with NYK, and in the LNG Carrier segment, through wholly owned Knutsen LNG AS (“KLNG”). The operations related to the two product tankers in the fleet were discontinued in 2024 due to sale of the remaining 2 vessels. Knutsen NYK Carbon Carriers (“KNCC”) is a joint venture established with NYK set up to enter the prospective high growth marine transportation of CO₂ segment. Beyond the shipping activities, the Group is developing projects globally within offshore wind through its ownership in Deep Wind Offshore, capitalizing on a technology focused organization.

The strategy for the shipping segments rests on four pillars: advanced vessels, long term charter contracts, first class charterers and commitment to safety. We are committed to delivering environmentally friendly services and products of the highest quality related to Health, Security and Safety standards to meet international regulations and customer requirements. The entire fleet controlled by the Group is managed in-house by Knutsen OAS Shipping for the entire value-chain, including newbuilding supervision, chartering, vetting, crewing, technical and commercial management, financing, procurement, and general administration.

Our willingness to invest in research and development over time has produced several new independent business segments. The Group is a world leading technology provider in marine transportation of compressed natural gas with our proprietary Knutsen PNG® Technology that the Group now in partnership with NYK will deploy for CO₂ transport. The Group has its own proprietary technology for (volatile organic compounds) VOC reduction during tanker loading, Knutsen KVOC® Technology. Over the recent years the Group has also proven the commercial success of its technology for ballast water treatment for large tankers, KBAL®, with IMO and USCG approvals.

Our focus on operational excellence and technology leadership enables us to focus on and attract high quality customers. Our key customers are utilities and energy majors which set the highest requirements to safety and reliability standards.

The Group is incorporated in Norway and has its offices in Haugesund in Norway. The Group holds offices in Nantes, Madrid, Aberdeen, London, Riga, Copenhagen and Rio de Janeiro.

Financial Results

The Group's total operating income amounted to NOK 3,567 million in 2024 compared to NOK 3,324 million in 2023. The increase is mainly driven by more fully owned vessels in operation for parts of the year.

The operating result was NOK 2,501 million in 2024 compared to NOK 2,350 million in 2023, and ordinary profit after tax amounted to NOK 1,469 million in 2024 compared to NOK 1,557 million in 2023.

Total liquidity position (cash and cash equivalents) of the Group was NOK 905 million as per 31.12.24, compared to NOK 982 million per 31.12.23. Total short-term debt amounted to 7.59% of total debt and liabilities, compared to 6.11% in 2023.

Total assets at year-end 2024 for the Group amounted to NOK 19,405 million compared to NOK 17,317 million in 2023. Equity capital's share of total assets as per 31.12.24 was 49% (42% as per 31.12.23).

The parent company TS Shipping Invest AS had a net profit of NOK 279 million for 2024 compared to a net profit of NOK 408 million in 2023. The unrestricted equity in TS Shipping Invest AS as of 31.12.24 amounted to NOK 3,287 million. The Board of Directors recommends that the result for the year is transferred to other equity.

Total assets of the parent company amounted to NOK 4,088 million per year-end 2024 compared to NOK 3,897 million in 2023.

The Financial Statements have been prepared under the assumption of going concern, and the Board of Directors confirms that this assumption is in accordance with the Norwegian Accounting Act § 3-3.

Operations

The Group takes an active approach in risk management of its business, with the main exposure categories being market risk, interest rate risk and currency risk. The Group's market risk is mainly related to utilization of optional time charter periods and re-chartering of vessels coming off firm time charter periods. Market risk is to a large extent mitigated through a significant part of the fleet being on long time charter contracts to utilities and energy companies. The operating expense element is typically inflation hedged through an index adjustment of the contractual time charter rates in the fixed contracts.

The Group is subject to currency risk related to operating expenses having a significant proportion of the costs in European currencies. Whereas the Group employs hedging actively, commonly by forward contracts in relation to USD, the vessels are mainly financed in USD which gives a natural hedge against USD fluctuations. The debt financings have variable interest rates, but a substantial part of the debt related to vessels on long-term charters is hedged through interest rates swaps.

The Group is undergoing a period of fleet expansion based on having secured a series of long-term contract awards mainly in the LNG segment. The fleet expansion is made in partnership with leading industrial companies and institutional investors. The philosophy behind this investment strategy is to capitalize on the Group's ability to win, develop and manage high quality shipping projects with a long-term horizon. This permits a project finance style financial strategy and is attractive to investors. A key objective for each of the projects is to ensure that they can support themselves on a stand-alone basis.

By partnering with institutional investors, mainly on a project-to-project basis, the TSSI Group can develop its shipping activities and strengthen its position as a major owner and operator in the Shuttle-tanker and LNG segments while maintaining a prudent financial profile. Our partners are leading industry players and institutional investors that share our long-term focus.

Offshore loading tankers:

TSSI's investments in offshore loading tankers are consolidated into Knutsen NYK Offshore Tankers AS ("KNOT"). KNOT is jointly owned 50/50 with the Japanese shipping group NYK through NYK Holding (Europe) B.V.

The Group ordered its first shuttle tankers in 1984 and has since then been a leader in the technical development of shuttle tankers. As of 31 December 2024, KNOT had technical and commercial management of 28 shuttle tankers and two FSOs in addition to six newbuilding orders. These newbuilds are scheduled for delivery in 2025 to 2027 on the back of secured long-term time-charter contracts following delivery for five of the contracted vessels. The ships are mainly employed on long-term charters and Contract of Affreightments ("CoA") to first class charterers. This strategy combined with strong project execution capabilities and operational excellence has allowed the Group to become the world leading operator of advance offshore shuttle tankers. Eighteen of the shuttle tankers are owned by an associated company, KNOT Offshore Partners LP (KNOP), which is listed on the New York Stock Exchange and where KNOT is the Sponsor, General Partner and the largest owner with ownership interest at year-end 2024 of 30.47 per cent.

The KNOT fleet transports oil from offshore oil fields in North Europe, South America, and West Africa. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality and stable operations.

Offshore loading and dynamically positioned oil tanker vessels are KNOT's main strategic focus, and the Group is actively involved in the technical development of this type of tankers commonly referred to as shuttle tankers. Despite the reduced investment activity globally related to offshore oil and gas in recent years, the level of activity in fields where offshore loading is required has been stable.

KNOT's ordinary profit after tax amounted to USD 29.3 million in 2024 compared to USD 3.3 million of ordinary profit after tax in 2023. The long-term outlook for shuttle tanker demand continues to improve, with robust demand and increasing charter rates, in particular driven by the increase in the oil production in Brazil, while the North Sea is taking longer to re-balance.

KNOT owns and operates two floating storage and offloading ("FSO") vessels. Jorunn Knutsen has operated on the Åsgard field offshore Norway without any off-hire since start-up in year

2000. In 2018, KNOT completed the conversion of Hanne Knutsen from shuttle tanker to FSO. The vessel operates on a long-term time-charter contract to Equinor for service on the Martin Linge oil and gas field offshore Norway until October 2026 with charterer's option to extend the contract for up to four years. This project constitutes the largest single vessel investment made by the Group, and we expect that the vessel will remain working on the field far beyond the end of the firm charter period.

In 2024 KNOT sold Tuva Knutsen to KNOP and also purchased Dan Cisne from KNOP.

LNG Carriers:

Group's investments in LNG tankers is made through wholly owned Knutsen LNG AS ("KLNG"). Of the 29 LNG carriers in operation at year-end 2024, seven are owned 100%, while nine are jointly owned 50/50 with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Further partnerships are with Klaveness Group (three vessels), Cape Omega (six vessels), OMP, a HitecVision portfolio company (one vessel), Enagas through ScaleGas (one vessel), the Hatteland Group (one vessel) and jointly Klaveness Group and Hatteland Group (one vessel).

The Group's first LNG tanker was delivered in 2004. The Group has allocated significant resources into the LNG segment in recent years. KLNG took delivery of 1 vessel during 2024, a large LNG Carrier built at a Korean yard delivering onto long term contract to Shell.

The Group had per year-end 14 large LNG Carriers of 174,000 m³ under construction at Hyundai Heavy Industries in South Korea for delivery in 2025-2026. Eight of these vessels will be delivered in 2025. Including the vessels on order, the Group's LNG fleet counts 43 vessels.

All vessels have been ordered on the back of long-term charter contracts to first class charterers, and the Group is not subject to the spot market due to the long term nature of the charter contracts. Of the 14 vessels on order, one will enter minimum seven years' time charter contracts with Shell, the oil major. One vessel will enter long term charter with Engie, a leading European energy company. Two vessels will enter 10 years' firm time charter contracts with PKN and 10 vessels are backed by 15 years firm time charters to Qatar Energy.

The vessel "Bilbao Knutsen" ended its firm employment during 2024. The vessel has undergone dry-dock and is being upgraded to a floating storage unit (FSU) for delivery of gas for grid power generation. The vessel will enter a long term charter with a utility in Honduras / Central America mid 2025.

The vessel delivered in 2024 and all new vessels to be delivered during 2025 and 2026 will be owned through and managed by our wholly owned subsidiary in France, Knutsen LNG France SAS. The subsidiary has established a solid market presence in anticipation of future deliveries and has at year end a total of 78 employees (onshore and offshore). Knutsen expects to continue to draw on the local talent pool in growing the business in France.

Investment grade end-users continue to dominate the seaborne transportation of natural gas (LNG). This fundamental characteristic of the LNG industry suits the Group's strategy of basing its shipping activities on long-term contracts typically with a firm period of minimum 7

years while the vessels themselves typically service off take contracts of 20 years or longer which is reflected in optional periods in the time charter contracts.

LNG demand continues to see growth rates far beyond global GDP growth. A key driver is the requirement to reduce CO₂ emissions and improve local air quality by switching from coal to cleaner energy such as natural gas. Additionally, increased focus on security of supply to Europe has been a contributing factor. The rapid demand growth is reflected in a corresponding high tender activity for long-term transportation contracts. The Group continues to grow in the LNG segment through winning awards for long-term contracts to first class charterers. Combined with the Group's strong track record in newbuilding supervision and operations, the solid contract backlog ensures ample access to debt and equity capital to finance the expansion. The Group has a strong preference to expand through equity partnership with strong financial long-term oriented investors instead of increasing its financial leverage.

Marine Technology:

The Group has developed its proprietary technical solution for marine transportation of compressed natural gas ("CNG"). This Knutsen proprietary solution is named PNG[®] (Pressurised Natural Gas). The Company has previously made progress in commercialising the PNG[®] solution together with its venture partners and potential customers. In 2022 the Group formed of a 50/50 partnership with NYK relating to the PNG business, with a focus of commercialising the business for transport of CO₂. The name of this J/V is Knutsen NYK Carbon Carriers AS ("KNCC"). Transport of CO₂ will be a key part of the CCUS (Carbon Capture Utilisation and Storage) value chain, which is considered to play an important role in the years to come to reduce carbon emissions across a number of industry sectors.

The Group has also developed a proprietary system for handling emissions (Volatile Organic Compounds) from offshore crude oil loading. This technology is named KVOC[®] and has been installed on more than 45 shuttle and ordinary tankers. KVOC[®] is a passive installation, considerably less expensive both to install and operate than alternative technologies in the market. Knutsen VOC KS is now actively working with the classification companies, international maritime organisations and governments in order to secure international recognition and classification for KVOC[®]. Over the last few years the technology has been improved with a 2nd generation design scheduled for installation on shuttle tankers.

Based on the technology of KVOC[®], the Group has developed a Ballast Water Treatment system. The system holds both IMO G8 approval and USCG approval.

Safety and quality control

Safety and environmental compliance are our top operational priorities. Our vessels are operated in a manner intended to protect the safety and health of our employees, the general public and the environment. We actively manage the risks inherent in our business and are committed to eliminating incidents that threaten the safety and integrity of our vessels, such as groundings, fires, collisions and petroleum spills. We are also committed to reducing emissions and waste generation. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets.

The Group has established overall guidelines to ensure that the Group's activities shall be executed professionally and in accordance with national and international rules and regulations as well as internal and external standards and proactive actions shall be taken to avoid injuries, loss of life and material damages. In addition, the Group's operations shall be planned, and attention shall be made on executing activities and operations so that the environmental consequences are minimized.

Environment, Social and Governance (ESG) issues

The Group's HSSE and QA system is in accordance with international requirements and standards, and the Group maintains all necessary certificates for its operation of activities. Knutsen OAS Shipping AS and KNOT Management AS are certified according to the ISO 9001-2015, ISO 14001-2015 and OHSAS 18001 standards. Special attention is placed on preventive activities. Any deviation from implemented procedures is reported and processed in the HSSE and QA system.

The Group has an active approach regarding implementation and development of technology and operational procedures for reducing emissions to water and air. The Group has developed its own system for reducing VOC emissions (oil vapour) in connection with the loading of tankers. The Group has also developed its own Ballast Water Treatment System which it plans to further commercialize in the years to come. The Group is also establishing a comprehensive Energy Efficiency Management System for the vessels and has implemented a system for ECO Care actions in order to reduce fuel consumption and consequential emissions.

Our customers set the highest requirements to safety and reliability. We are therefore pleased that our clients have acknowledged the quality of our management system and operation by confirming our high score in the OCIMF Tanker Management Self-Assessment scheme. Rising concerns about our industry's environmental footprint are increasing demands for low-emitting energy efficient services and technologies, and the regulations related to emissions, pollution, and energy efficiency are tightening. We welcome these ambitions, and we are ready to contribute with solutions and practices that will help our industry reach and exceed its targets. The Group owns a young fleet and invests in modern vessels with improved fuel and emissions efficiency. We believe this strategy will become increasingly important in the years to come, meeting both regulatory and customer requirements.

Knutsen reports on ESG topics in accordance with The Norwegian Shipowner's Association's Guidelines for the shipping and offshore industries as published in February 2020 and updated in November 2021. The ESG topics identified by the Association allow the Group to report on issues that are material to the shipping industry and that are relevant to both internal and external stakeholders.

The Guidelines are based on the following internationally recognized reporting frameworks; The Global Reporting Initiative (GRI), The Sustainability Accounting Standards Board (SASB) and the 17 Sustainable Development Goals (SDGs).

Knutsen endorses the Poseidon Principles and assists banks who request information associated with the initiative. These principles aim to communicate relevant information to lenders, lessors, and financial guarantors allowing them to follow the Poseidon Principles when assessing and disclosing the climate alignment of their portfolios by providing measurement of carbon intensity and an assessment of Group climate alignment, as well as accountable data using the IMO's standard for collecting data on fuel consumption from ships.

The Group has produced ESG reports for both the shuttle tanker and LNG segments, starting for the year 2019.

The Group, the Company and the Norwegian subsidiaries regularly carry 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.

The Group has not taken out any insurance policy for members of the Board of Directors and the President and CEO of the parent company or the subsidiaries for their potential liability towards the Group companies and third parties.

Working environment and gender equality

The Group is an equal opportunity employer and strives to provide a working environment free of discrimination and harassment for employees regardless of location. All applicants will be considered for employment without attention to race, colour, religion, sex, sexual orientation, gender, national origin or disability. When we hire employees, it is based on business needs, job requirements and individual qualifications and not any considerations that are outside the protection of the laws and regulations in the locations in which we operate. In total, the share of women is 3.4% onboard the vessels. For the land-based employees the share of women is 39% in KOAS and 27% in KNOT. The members of the Board of Directors are three men and two women.

In a traditionally male-dominated business, we strive to progress in all aspects of diversity. This is an ongoing process and focus area for the Group.

Working environment is considered to be good. There have been no reports of injuries or accidents in the workplace.

Sick leave among overall crew was in 2024 at 1.4% for the KOAS operated fleet (2.7% in 2023) and 2.9% for the KNOT operated Shuttle tankers (1.6% in 2023) and 4.5% for the two FSO's (7.9% in 2023). For onshore employees in KOAS and KNOT, the sick leave was 2.7% in 2024 (2.5% in 2023) and 0.9% (1.4% in 2023) respectively. The working environment, both on land and aboard ships is considered to be satisfactory. There were no significant accidents or incidents in 2024, and the objectives for the year regarding health and safety were achieved.

The Company aims to provide a workplace where there is full gender equality.

Future prospects


The Board of Directors regards the future prospects of the Group as promising. With the advanced LNG fleet and substantial contract coverage the Group is well positioned to further build its leading market presence in its segments. The Group expects to expand the firm contracted revenue backlog that as of 31.12.24 stood at USD 9.8 billion for the LNG segment, and which, including extension options, is approximately USD 18.3 billion.

The Group actively works on a number of new projects through KNOT for offshore loading tankers, through KOAS for LNG carriers, through KNCC for CO2 carriers, through Deep Wind Offshore for offshore wind, as well as projects for the emission treatment system KVOC® and the new Ballast Water Treatment System. Thus, the Board of Directors has reason to believe that 2025 will be a satisfactory year for the Group.

Haugesund, 11 April 2025



Trygve Seglem
Managing Director



Øyvind Holte
Chairman of the Board




Synnøve Seglem
Board member



Jon Christian Syvertsen
Board member



Jorunn Seglem
Board member



Kjell Erik Jacobsen
Board member

TS SHIPPING INVEST GROUP

INCOME STATEMENT 01.01-31.12

2024	2023		2024	2023
Company			Group	
Amounts in NOK 1.000			Amounts in NOK 1.000	
		OPERATING INCOME		
0	0	Freight income on T/C basis	1	1 833 409
0	0	Share of profit/(loss) in associated companies	1, 2	881 144
22 960	18 821	Other income	1	776 569
0	0	Gain from sale of vessels	1	75 711
<u>22 960</u>	<u>18 821</u>	Operating income		<u>3 566 832</u>
		OPERATING EXPENSES		
0	0	Wages, Social expenses and crew hire	3, 4	495 068
2 847	2 302	Operating expenses	5	554 737
0	0	Bareboat hire		15 743
<u>2 847</u>	<u>2 302</u>	Operating expenses		<u>1 065 548</u>
20 114	16 519	OPERATING RESULT BEFORE DEPRECIATION AND WRITE DOWN		2 501 284
0	0	Depreciation		585 689
0	0	Write downs/-Reversal write downs		0
<u>0</u>	<u>0</u>	Depreciation and write downs	6	<u>585 689</u>
20 114	16 519	OPERATING RESULT		1 915 596
		FINANCIAL INCOME AND -EXPENSES		
402 569	599 764	Financial income	7	173 606
-42 093	-48 972	Foreign exchange gain/ -loss, net		-67 579
<u>78 020</u>	<u>100 388</u>	Financial expenses	7	<u>642 618</u>
<u>282 457</u>	<u>450 404</u>	Net financial items		<u>-536 591</u>
302 570	466 923	PROFIT BEFORE TAXES		1 379 005
23 547	58 822	Taxes	8	-90 102
279 024	408 101	PROFIT FOR THE PERIOD		1 469 107
0	0	Minority's share of the profit for the year		80 882
279 024	408 101	PROFIT FOR THE PERIOD AFTER MINORITIES		1 388 225

TS SHIPPING INVEST GROUP

BALANCE SHEET

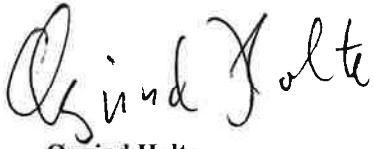
31.12.2024	31.12.2023		31.12.2024	31.12.2023	
Company			Group		
Amounts in NOK 1.000			Amounts in NOK 1.000		
ASSETS					
NON CURRENT ASSETS					
Intangible assets					
2 374	16 731	Deferred tax asset	8	157 135	67 032
<u>2 374</u>	<u>16 731</u>	Total intangible assets		<u>157 135</u>	<u>67 032</u>
Tangible assets					
0	0	Property and plant	6	8 363	7 773
0	0	Vessels	6	10 467 776	10 206 172
0	0	Vessels under construction	6	1 186 891	948 138
0	0	Equipment, and other tangible assets	6	8 231	3 564
<u>0</u>	<u>0</u>	Total tangible assets		<u>11 671 262</u>	<u>11 165 647</u>
Financial assets					
2 538 314	2 571 643	Investment in group companies		0	0
0	0	Loans to related parties	10	96 060	88 470
79 969	95 144	Loans to group companies		0	0
868 570	868 570	Investments in associates	2	5 616 614	4 237 096
0	0	Other long term receivables		290 464	216 645
<u>3 486 853</u>	<u>3 535 357</u>	Total financial assets		<u>6 003 138</u>	<u>4 542 212</u>
3 489 227	3 552 089	Total non current assets		17 831 535	15 774 892
CURRENT ASSETS					
0	0	Inventories	11	26 838	27 950
Receivables					
80	52	Accounts receivable		73 297	55 216
379	373	Other receivables	12	204 561	209 045
49 679	34 300	Current receivables associates and related party	10	363 539	267 613
517 455	276 088	Current group receivables		0	0
<u>567 593</u>	<u>310 813</u>	Total receivables		<u>641 398</u>	<u>531 875</u>
31 963	33 795	Cash and cash equivalents	13	905 285	981 941
<u>599 556</u>	<u>344 608</u>	Total current assets		<u>1 573 520</u>	<u>1 541 766</u>
4 088 784	3 896 697	TOTAL ASSETS		19 405 055	17 316 657

TS SHIPPING INVEST GROUP

BALANCE SHEET

31.12.2024	31.12.2023		31.12.2024	31.12.2023
Company			Group	
Amounts in NOK 1.000			Amounts in NOK 1.000	
EQUITY AND LIABILITIES				
EQUITY				
Owners equity				
29 154	29 154		14	29 154
433 935	433 935	Issued capital		433 935
<u>463 089</u>	<u>463 089</u>	Other paid-in capital		<u>463 089</u>
		Total owners equity		<u>463 089</u>
Accumulated profits				
2 826 499	2 547 476	Other equity	8 474 473	6 333 272
<u>2 826 499</u>	<u>2 547 476</u>	Total accumulated profits	<u>8 474 473</u>	<u>6 333 272</u>
0	0	Minority interest	538 859	551 272
<u>3 289 588</u>	<u>3 010 565</u>	Total equity	<u>14 9 476 421</u>	<u>7 347 634</u>
LIABILITIES				
Other non current liabilities				
486 902	559 658	Long term tax payable	8	430
129 910	186 418	Mortgage debt	16	9 174 503
<u>616 812</u>	<u>746 076</u>	Group debt		<u>0</u>
		Total other non current liabilities		<u>9 174 933</u>
Current liabilities				
0	555	Accounts payable	130 296	66 311
0	5 837	Accrued interest	116 342	141 298
181 543	132 778	Current group payable	0	0
0	0	Public duties payable	66 760	59 771
0	0	Current tax payable	8	1 637
0	0	Current payable associates	10	39 090
0	0	Customers paid in advance		270 753
840	886	Other current liabilities	17	128 823
<u>182 384</u>	<u>140 058</u>	Total current liabilities		<u>753 701</u>
<u>799 196</u>	<u>886 133</u>	Total Liabilities		<u>9 928 634</u>
<u>4 088 784</u>	<u>3 896 697</u>	TOTAL EQUITY AND LIABILITIES		<u>19 405 055</u>
				<u>17 316 657</u>

Haugesund , 11th April 2025




Øyvind Holte
Chairman



Trygve Seglem
Managing Director



Synnøve Seglem
Board member



Kjell Jacobsen
Board Member



Jon Christian Syvertsen
Board Member



Jorunn Seglem
Board Member

TS SHIPPING INVEST AS

CASHFLOW STATEMENT

01.01- 31.12.2024	01.01-31.12. 2023		01.01- 31.12.2024	01.01-31.12. 2023
Company			Group	
Amounts in NOK 1.000			Amounts in NOK 1.000	
		<u>Cash flow from operating activities</u>		
302 570	466 923	Profit/ (loss) before income taxes	1 379 005	1 620 766
0	0	Loss/ (profit) sale of vessels	-75 711	0
0	0	Depreciation and write downs of fixed assets/vessels	585 689	671 305
-66 802	-49 622	Net Write-down financial fixed assets	0	0
-197 074	-158 894	Group contrubtion from subsidiaries	0	0
0	0	Gain sale of shares	0	-645 845
-27 800	0	Result from associated companies	-881 144	-418 523
0	0	Net present value of deferred payment	52 716	0
41 197	36 774	Unrealized foreign exchange profit(s)/gain(s)	73 828	52 287
0	0	Unrealized mark to market FX forward	0	-371
0	0	Income tax payable	-1 656	-575
1 287	858	Amortization debt issuance cost	14 702	18 864
-223 644	21 718	Changes in accounts receivable, accounts payable and other	44 001	-169 077
-170 265	317 758	Net cash flow from operating activities	1 191 429	1 128 830
		<u>Cash flow from investing activities</u>		
0	0	Invested in property, plant and equipment	-354 034	-950 184
0	0	Sale of vessel	286 292	0
0	0	Deconsolidation of business	0	395 349
0	0	Net invested in associated entities	0	-248 232
100 131	138 999	Net invested in equities and shares	-49 658	-80
15 175	-20 849	Change in long-term receivables	-7 590	-87 377
197 074	158 894	Distribution from subsidiaries	0	0
27 800	0	Received distributions associates	48 402	232 126
340 180	277 044	Net cash flow from investing activities	-76 588	-658 398
		<u>Cash flow from financing activities</u>		
0	0	Drawdown mortgage debt	419 512	782 542
-115 241	-413 238	Repayment of borrowings	-1 512 539	-1 323 372
-56 507	-148 774	Change in other long-term debt	0	-6 901
0	0	Capital paid in minorities	-45 816	246 629
0	0	Dividends paid to minorities	-47 480	-37 655
0	0	Paid debt issuance costs	-5 177	0
-171 748	-562 013	Net cash flow from financing activities	-1 191 500	-338 757
-1 833	32 789	Net change in cash and cash equivalents	-76 659	131 675
33 795	1 006	Cash and cash equivalents at 01.01	981 941	850 264
31 963	33 795	Cash and cash equivalents at 31.12	905 285	981 941

Notes to the Financial Statement 2024

Note Accounting principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards in Norway.

Consolidation principles

The consolidated accounts comprise total financial performance and financial position when the parent company TS Shipping Invest AS and its ownership shares in other companies are presented as one financial unit. Companies where the Group has controlling interest are consolidated 100% according to the purchase method. On certain subsidiaries where part of the shares are preferred shares with special rights, (such as restrictions on voting rights, allocation of dividend etc) and there are shareholder agreements the control assessment is based on these agreements and rights. When such terms is deemed being such that TSSI have control the company is consolidated and the other shareholders share of equity are presented as non-controlling interest.

The consolidated accounts comprise TS Shipping Invest AS and the subsidiaries listed in Note 2. The consolidated accounts are constructed based on the same principles, by securing that the subsidiary follow the same accounting principles as the parent company. Internal transactions, receivables and liabilities are eliminated.

In the case of acquisition of subsidiaries, the purchase price of the shares is eliminated in the parent company against the subsidiary's equity at the time of acquisition. If the purchase price is more or less than the market value of the vessels and there are charter agreements attached to the vessels then the surplus is recorded as an intangible assets and the negative value recorded as a liability. The difference between the cost price assigned to the various assets in the subsidiaries and the book value of those assets at the time of acquisition is added to those assets to which the excess value refers. Any additional amount of the cost price is capitalised as goodwill.

Investment in subsidiaries and associated companies

Shares in subsidiaries and associated companies are valued according to the cost method in the financial statement of the parent company.

In the consolidated Group accounts the equity method is used for investments in companies where the Group has significant influence (normally 20% to 50%). Any surplus value is linearly depreciated over the vessel's life. If the remaining lifetime of the asset is uncertain then the surplus value is depreciated over 5 years in line with goodwill. Depreciation of surplus value and share of the company's result is classified under share of result in limited partnership and recorded as increase (reduction in case of a deficit) of investment in associated companies. Investments in associated companies are recorded as liabilities in case the share of the result and surplus value has reduced the value of the investment to negative, and the Group has a liability to increase the capital, has decided to continue to investment or has a loan to the company which would be written off in case of a windup. The liability will never be recorded higher than the value at stake for the Group. Share of result in associated companies is closely tied in with the ordinary activity of the Group and thus classified under operating income.

Income

The income from the charter parties is in USD, EUR and NOK, and income is recorded to the Profit & Loss account when actually earned. Sales incomes are reported net of VAT and discounts.

Income- and voyage related costs are expensed according to the percentage part of the voyage completed at the time of reporting. A voyage estimate is based on actual figures of completed voyages and estimates for started, not finished voyages. A normal voyage starts and ends with discharging. Unless the vessel is declared off-hire, due to technical or other circumstances related to the owner, the time is always allocated to a voyage.

Income from contracts is calculated linearly over remaining contract period and recorded as freight income or reduction of freight income. In case there is a significant change of a contract then the contract value is revised and the adjustment is recorded as adjustment of other operating costs. If the contract is acquired in connection with an asset transaction and the contract liability is reduced then the adjustment is recorded as other operating income.

Current assets/current liabilities

Current assets are valued at the lower of historical and market value in the balance sheet. Current liabilities are in the same manner valued at nominal value. This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

Tax

Tax calculated and reported to the Profit & Loss account includes both tax payable during the period, and the change in deferred tax. Deferred tax is treated as long-term debt provisions in the balance sheet.

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

Deferred tax is calculated with 22% based on temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Tax increasing and -reducing temporary differences, which will or can be reversed in the same period, are netted. Deferred tax on surplus values in relation to acquisition of subsidiaries is not netted.

Deferred tax related to acquisitions is calculated to nominal values according to Norwegian common practice according to "NRS Resultatskatt".

Fixed assets and dry-docking

The total cost of the vessel is capitalised and depreciated over the life expectancy of the vessel. The Group's life expectancy is 23 years for shuttle tankers and 25 years for FSO, product and chemical tankers, while LNG carriers are expected to last for 30-35 years.

Dry-docking expenses are capitalised and depreciated 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 new building, 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 total cost of property is capitalised and depreciated over the life expectancy of the property. The Group's life expectancy is 50 years from takeover. Inventory, office equipment etc. are capitalised and depreciated over the life expectancy of the assets. The Group's life expectancy is 3 years from takeover.

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.

By actual value is meant recoverable value, i.e. the highest of net sales value and cash flow value. Consequently fixed assets are not capitalised to a value that exceeds the value it can recover, either by sale or by continued use. Net sales value is the value the vessel, inclusive any freight contracts, can be sold at after deducting any sales related expenses. Cash flow value is the present value of the future cash flows the fixed asset will generate, including cash flows related to scrapping/decommissioning.

Write-offs are reversed if the foundation for them are no longer present. The value of the asset will then be the same as if no write-offs had occurred.

Transactions in foreign currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

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

The mortgage debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Financial instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

The company aims at reducing the exposure to fluctuations in interest rates and currency exchange rates, and therefore has entered into financial hedging contracts to cover this exposure. Revenues and expenses related to these hedging contracts and the corresponding items in the balance sheet are classified in the same manner.

Forward contracts not classified as hedging instruments are recognised to market value.

Shares

The company's shares in stock listed companies are classified as current assets, and are valued on a portfolio basis to market values at the year-end.

The groups investment in stocks and shares with an owner share below 20%, without a controlling interest, but for long-term ownership, are classified as fixed assets and valued according to the cost method.

Gains or losses from the realisation of shares are included under financial items in the Profit & Loss account. Dividends- and other payouts received from the companies are treated as financial income.

New building contracts

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.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

Pensions

The group has several defined contribution scheme pension seafarers and onshore personnel that meet s the Norwegian requirements for a Mandatory Company Pension (OTP).

Lease

A lease is classified as a financial or operational lease with reference to the agreement. If the substantial economic risk and control attached to the underlying object is held by the renter, the agreement is considered financial, thus the remaining assets and liability are recognized in the balance sheet. Other agreements are considered operational. Financial leases are recognized in the balance sheet at cost. The cost value are estimated as the present value of the lease payments.

Accounting for business combinations

All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Inventories

Inventories are valued at the lower of cost and market value. Write-downs for expected obsolescence are undertaken.

Cash flow analysis

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities

NOTE 1 Segment information , TS Shipping Invest Group

Figures in NOK 1.000

OPERATING SEGMENT:

The Group's activities are divided into LNG carriers , Shuttle- and Product Tankers, Ship Management, Research and Development. The Shuttle tankers activity is organized in Knutsen NYK Offshore Tankers AS jointly owned with NYK Logistics Holding B.V. LNG activity is at year-end 30 LNG carriers in operation and 14 under construction. Five of the vessels in operation are co-owned with CapeOmega Gas Transportation AS while nine of the vessels are jointly owned with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Klaveness Marine Holding AS is the co-owner in one of the vessels under construction and five in operation through various investment companies. The groups share of result from these segments is reported as share of profit in associated companies, it is referred to note 2 for further details. This is consistent with management reporting.

GEOGRAPHIC reporting:

The Group's activities are principally distributed geographically in Norway, Europe, and World Wide

2024					
Segment	Share of total operating income	Freight income and other income	Share of profit in associated companies	Sale of vessel	Operating income
LNG Carriers, Norway	63 %	1 842 572	410 830	-	2 253 402
LNG Carriers, France	9 %	-	304 266	-	304 266
Product Tankers, mainly Europe	3 %	39 201	-	75 711	114 912
Management, Norway,UK,Spain and France	19 %	669 039	-	-	669 039
Research & Development, and other income, Norway	1 %	59 145	-10 141	-	49 003
Offshore Tankers	5 %	-	176 210	-	176 210
Total	100 %	2 609 957	881 165	75 711	3 566 833

2023				
Segment	Share of total operating income	Freight income and other income	Share of profit in associated companies	Operating income
LNG Carriers, Norway	65 %	1 897 846	277 186	2 175 032
LNG Carriers, France	14 %	339 407	134 874	474 281
Product Tankers, mainly Europe	3 %	110 701	-	110 701
Management, Norway,UK,Spain and France	15 %	499 778	-	499 778
Research & Development, and other income, Norway	1 %	57 509	-10 467	47 042
Offshore Tankers	1 %	-	16 930	16 930
Total	100 %	2 905 241	418 523	3 323 764

Note 2 Long-term shareholdings

Shares in associated companies, TS Shipping Invest AS

	Ownership and voting share	Number of shares	Equity 31.12. NOK 1.000 MNOK 4 260 MEUR 2	Last years result NOK 1.000 MNOK -134 MEUR 0,3	Book value NOK 1.000 855 733 4 987 7 850
Knutsen NYK Offshore Tankers AS	50,0 %	106 790 960			
Knutsen Scale Gas S.L	50,0 %	1 003 600			
Knutsen New Energy AS	50,0 %	628	15 616	-33	868 570
Net booked value TS Shipping Invest AS					868 570

Knutsen NYK Offshore Tankers AS and Knutsen New Energy AS has the same address as the TS Shipping Invest AS, which is Smedasundet 40, Haugesund. Knutsen Scale Gas S.L. Calle Valazque 150 - 4 izquierda 28002 Madrid, Spain.

Stock and shares in associated companies, TS Shipping Invest Group

	Ownership and voting share	Book value 1.1. NOK 1.000	Last years share of result NOK 1.000	Book value 31.12. NOK 1.000
Canship Uglund Limited	49 %	7 498	1 350	8 289
Knutsen NYK Offshore Tankers AS	50 %	1 726 824	174 839	2 016 451
Knutsen NYK LNG Holding AS	50 %	1 580 822	325 394	2 105 143
Norspan LNG XII AS	50 %	157 930	26 721	203 694
Norspan LNG XIII AS	50,0 %	127 752	32 566	176 324
Norspan LNG 19 AS	50 %	41 716	18 742	66 130
Norfra LNG 14 SAS	50 %	47 469	40 028	96 892
Norfra LNG 15 SAS	50 %	43 173	15 305	64 124
Norspan LNG 17 SAS	50 %	79 453	48 922	139 903
Norspan LNG 18 SAS	50 %	67 779	52 017	130 195
Norspan LNG 20 SAS	50 %	56 354	52 251	117 744
Norspan LNG 21 SAS	50 %	42 299	51 937	107 360
Norspan LNG 22 SAS	50 %	24 675	-4 518	22 655
Norfra LNG 23 SAS	50 %	25 152	48 325	80 100
Norspan LNG 28 SAS	50 %	37 389	0	41 550
Norspan LNG 29 SAS	50 %	37 787	0	41 992
Norfra LNG 30 SAS	50 %	21 523	0	25 155
Norfra LNG 32 SAS	50 %	7 893	0	17 275
Norfra LNG 33 SAS	50 %	20 690	0	22 993
Norfra LNG 34 SAS	50 %	12 802	0	14 227
Norfra LNG 35 SAS	50 %	283	0	22 990
Norfra LNG 36 SAS	50 %	282	0	22 706
Norfra LNG 37 SAS	50 %	283	0	315
Norfra LNG 38 SAS	50 %	11 487	0	12 766
Norfra LNG 39 SAS	50 %	11 487	0	12 766
Norfra LNG 40 SAS	50 %	11 487	0	12 766
Norfra LNG 41 SAS	50 %	11 487	0	12 766
Knutsen New Energy	50 %	7 808	-16	7 791
Knutsen NYK Carbon Carriers AS	50 %	9 511	-10 125	-111
Knutsen Scale Gas S.L.	50 %	4 393	7 408	12 109
Knutsen Philippines INC	25,0 %	1 608 NA		1 557
Net booked value associated companies in TS Shipping Invest Group		4 237 096	881 144	5 616 614

Note 3 Crew hire

Knutsen OAS Shipping AS is responsible for the operation of most of the vessels in the Group, thus the manning of the Group vessels. Knutsen OAS Offshore AS is responsible for the crew on the offshore unit - MT Jorunn Knutsen /FSU Åsgard C. Knutsen OAS Crewing AS and Knutsen OAS Crewing Eastern Europe AS is responsible for handling of the Group's Eastern European seafarers and Nordic seafarers who are not members of the social security system in Norway.

Knutsen LNG Crewing France SAS handles the manning for the 13 vessels operating under the French flag.

Knutsen OAS España S.L. handles the manning for the 11 LNG vessels in the Group under Canarian flag, and have their own personnel to take care of the manning for these vessels, in addition to business development in Spain.

Knutsen OAS (UK) Ltd. have hired personnel to operate business development in Britain. Knutsen OAS Management AS handles the manning of Knutsen OAS Shipping AS so that they can focus on management on behalf of all the companies in the Group.

In addition to the above mentioned manning plan, the ship owning companies will hire crew from several external manning companies.

Note that its only the above mentioned companies that employ personnel, thus the only companies with pension scheme, which is in accordance to their respective countries tariff scale. The Norwegian companies Knutsen OAS Shipping AS, Knutsen Kyst LNG KS, Knutsen OAS Offshore AS, Knutsen OAS ML AS and Knutsen OAS Management AS have compulsory pension scheme in accordance with the Norwegian law on required compulsory pension ("Lov om obligatorisk tjenestepensjon").

<u>Specification:</u>	2024	2023
Grants crew expenses	6 057 587	5 598 282

Note 4 Pension scheme, TS Shipping Invest Group

The pension scheme for seafarers was converted into a defined contribution scheme pension (OTP) in 2020 and meets the Norwegian requirements for a Mandatory Company Pension (OTP). The group has a contribution plan for it onshore employees.

Note 5 Remuneration

TS Shipping Invest AS

The group has paid NOK 750 000 to the Board of directors during 2024. Auditors' fee recorded to the Profit & Loss account is specified below:

TS Shipping Invest Group

The group has paid NOK 983 333 to the Board of directors during 2024.

	TS Shipping Invest AS		TS Shipping Invest Group	
	2024	2023	2024	2023
Auditors' fee (VAT not included)	1 370 891	768 762	5 238 432	3 147 246
Audit fees relates to statutory audit of accounts	0	0	0	0
Other certification	0	0	12 883	13 709
Fee for tax services primarily relates to tax compliance and restructuring services	0	0	93 043	377 500
Other assurance services relates to attestation services and accounting consultations on accounting matters	1 370 891	908 437	5 344 357	3 538 455

Note 6 Fixed Assets, TS Shipping Invest Group

Figures in NOK 1.000

Vessels	2024	2023
Historical cost 01.01.	11 981 996	13 759 198
Accumulated depreciation 01.01.	1 873 349	1 282 982
Book Value 01.01.	10 108 647	12 476 216
Translation adjustment	934 882	238 859
Additions/reductions	-204 888	-2 236
Deconsolidation	0	2 013 825
Ord. depreciation	514 864	526 317
Write downs and - reversal write downs	0	64 050
Book Value 31.12.	10 323 777	10 108 647

Dry-docking vessels

Historical cost 01.01.	350 982	240 232
Accumulated depreciation 01.01.	253 457	174 772
Book Value 01.01.	97 525	65 460
Translation adjustment	0	2 349
Additions/reductions	115 287	170 618
Ord. depreciation	68 813	78 685
Deconsolidation	0	62 218
Book Value 31.12.	143 999	97 525

Net vessels

10 467 776	10 206 172
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Vessels under construction

Book Value 01.01.	948 138	2 482 223
Additions/reductions	238 753	611 675
Deconsolidation	0	2 145 760
Book Value 31.12.	1 186 891	948 138

Property

Historical cost 01.01.	11 464	10 613
Accumulated depreciation 01.01.	3 691	3 450
Book Value 01.01.	7 773	7 162
Translation adjustment	899	0
Additions/reductions	0	852
Ord. depreciation	309	241
Book Value 31.12.	8 363	7 773

Other assets

Historical cost 01.01.	16 694	12 773
-Accumulated depreciation and write-down 01.01.	13 130	12 134
Book Value 01.01.	3 564	639
Translation adjustment	0	0
Additions/reductions	6 371	3 921
Ord. depreciation	1 704	996
Book Value 31.12.	8 231	3 564

Note 7 Financial income and -expenses

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2024	2023	2024	2023
Financial income:				
Interest from Group companies	20 098	18 227	0	0
Interest from associated companies	0	2 193	16 601	13 796
Other interest income	919	564	26 815	21 930
Group contribution	197 074	303 675	0	0
Share dividend	27 800	158 894	0	25
Profit/ sale of shares/partnership		221	0	645 845
Guarantee commission income from associated companies	77 473	52 134	77 473	52 134
Guarantee commission group	12 403	14 234	0	0
Reversed write downs	66 802	49 622	0	0
MtM FX forward	0	0	0	2 478
NPV deferred payment sale of share	0	0	52 716	0
Total financial income	402 569	599 764	173 606	736 208
Financial expenses:				
Interest paid to Group companies	21 582	17 634	0	0
Interest paid to associated companies	2 613	0	0	0
Other interest expenses	51 296	79 376	631 303	748 385
Write-offs and losses	0	70	0	0
Guarantee commission expenses	2 450	2 485	10 730	10 208
Other financial expenses	79	824	585	9 748
Total financial expenses	78 020	100 388	642 618	768 340

Note 8 Tax

In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2024	2023	2024	2023
Profit before tax	302 570	472 783	1 379 005	1 620 766
Non-deductible items	-207 099	-205 294	-1 962 970	-1 581 388
Change Temporary differences	4 843	-267 373	87 205	281 627
Basis for tax calculation before Group contribution	100 314	116	-496 761	321 005
Received Group contribution	11 560	5 744	0	0
Paid Group contribution	-41 771	0	0	0
Basis for tax calculation after Group contribution	70 103	5 859	-496 761	321 005
Calculation of tax expenses				
Tax payable tonnage tax regime	0	0	0	1 774
Tax payable group contribution	-9 190	0	0	0
Change in deferred tax (22%)	-14 357	-58 822	-90 102	61 958
Tax calculated	-23 547	-58 822	-90 102	63 732

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Below a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

Temporary differences:	TS Shipping Invest AS			TS Shipping Invest Group		
	31.12.2024	Change	31.12.2023	31.12.2024	Change	31.12.2023
Business assets/equipment	0	0	0	77 403	77 637	-234
Limited partnership shares	-18 301	-2 966	-15 335	0	0	0
Current assets	0	0	0	14 679	5 817	8 862
Long term debt	0	0	0	0	0	0
Gain and loss account	7 509	-1 877	9 386	13 684	3 751	9 933
Deficit carried forward	0	70 103	-70 103	-820 014	-496 761	-323 254
Financial deficit carried forward	0	0	0	0	0	0
Deferred tax basis	-10 793	65 260	-76 052	-714 248	-409 556	-304 692
Deferred tax	-2 374	14 357	-16 731	-157 135	-90 102	-67 032
	22 %		22 %	22 %		22 %

Entering the tonnage tax in 2017 resulted in an entrance tax for Norspan LNG II AS and Norspan LNG III AS , which is payable with 20% of the balance each year.

	2024	2023
Entrance tax		
Opening balance gain/loss account	2 444	3 055
Short-term tax payable basis (20%)	489	611
Long-term tax payable basis (80%)	1 955	2 444
Incoming balance long-term	538	672
Tax payable short-term in balance sheet, 22% tax rate	108	134
Tax payable long-term in balance sheet, 22% tax rate	430	538
Tax costs calculated	0	0

Note 9 Shares in subsidiaries, TS Shipping Invest AS

	Direct owner- and voting share	Direct and indirect owner share voting	Equity 31.12. NOK 1.000	Last yrs result NOK 1.000	Book value in TSSI AS NOK 1.000
Global Noges S.L.	100 %	100 %	56 059	1 025	10 065
Knutsen Ballast water AS	96 %	96 %	52 475	6 754	44 740
Knutsen LNG AS	100 %	100 %	3 954 494	499 626	1 432 826
Knutsen Kyst LNG AS	0 %	100 %	9 018	-15	0
Knutsen Kyst LNG KS	0 %	100 %	37 077	-5 049	0
Norspan LNG AS	0 %	100 %	221 182	19 988	0
Norspan LNG II AS	0 %	100 %	268 399	8 980	0
Norspan LNG III AS	0 %	82 %	564 316	50 386	0
Norspan LNG V AS	0 %	100 %	533 546	50 809	0
Norspan LNG VI AS	0 %	100 %	565 516	39 842	0
Norspan LNG VII AS	0 %	100 %	595 234	33 829	0
Norspan LNG 14 AS	0 %	100 %	13 979	393	0
Norspan LNG 16 AS	0 %	63 %	313 861	53 804	0
Norfra LNG 31 SAS	0 %	100 %	385 906	-31 143	0
Norspan Gas Carriers AS	100 %	100 %	642 476	-22 652	654 505
Knutsen LNG France SAS	0 %	100 %	499 744	8 166	0
Knutsen Crewing France SAS	0 %	100 %	15 493	7 509	0
Knutsen Marine Services AS	100 %	100 %	9 419	-28	9 384
Knutsen OAS Crewing AS	0 %	99 %	268	-315	0
Knutsen OAS España S.L.	65 %	65 %	54 957	3 628	3 423
Knutsen OAS Management AS	0 %	99 %	2 796	6 022	0
Knutsen OAS ML AS	100 %	100 %	356	217	356
Knutsen OAS Offshore AS	100 %	100 %	889	128	2 701
Knutsen OAS Shipping AS	99 %	99 %	30 233	144 095	39 345
Knutsen OAS (UK) Limited	100 %	100 %	12 273	247	7 349
Knutsen Produkt Tanker XII AS	100 %	100 %	51 697	96 057	49 850
Knutsen Technology AS	90 %	90 %	345 571	9 017	276 666
Knutsen VOC AS	100 %	100 %	2 690	5	3 971
Knutsen VOC KS	76 %	88 %	24 909	3 995	3 133
					<u>2 538 314</u>

All of the Norwegian subsidiary companies have the same company address as the parent company, which is the same address as the general manager, Smedasundet 40, Haugesund. Knutsen LNG France SAS, Knutsen Crewing France SAS and Norfra LNG 31 SAS has its office in Marseille, France, Global Noges S.L. is managed by Knutsen OAS España S.L. in Madrid, Spain, and Knutsen OAS (UK) Ltd. has its office in Aberdeen, Britain.

Note 10, Receivables and -liabilities associated companies

Interest is calculated on all intercompany accounts in accordance with the loan agreements. TS Shipping Invest AS and the Groups receivables and liabilities are due in 1 year and forward, but settlement is usually within 5 years.

Note 11 Inventories and spare parts, TS Shipping Invest Group

Inventories and spare parts summarize to NOK 26 838 000 (NOK 27 950 079 in 2023) refer to the vessels' lube oil and stores with NOK 16 648 440 and NOK 10 189 560 for spare parts per. 31.12.24. For vessels on T/C contracts, bunkers and bunkers stock are for charterers' account.

Note 12 Other current receivables

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2024	2023	2024	2023
Accrued revenue	0	0	31 055	7 653
Other receivables	379	373	173 506	201 392
	<u>379</u>	<u>373</u>	<u>204 561</u>	<u>209 045</u>

Note 13 Bank deposits

The bank accounts for the vessel owning subsidiaries and associated companies have certain restrictions in terms of how the funds are used due to various loan financing covenants. Restricted cash is NOK 240 million of the group's cash deposit per. 31.12.24.

Note 14 Equity

Figures in NOK 1.000

Specification of equity per 31.12.2024

TS Shipping Invest AS

	Share capital	Other paid-in capital	Other equity	Total equity
Equity 01.01.	29 154	433 935	2 547 476	3 010 565
Result for the year	0	0	279 024	279 024
Equity 31.12	<u>29 154</u>	<u>433 935</u>	<u>2 826 499</u>	<u>3 289 588</u>

Share capital consist of 22 600 shares with face value NOK 1 290.

All shares have the same right to vote and is owned by the parent company Seglem Holding AS.

TS Shipping Invest Group

	2024	2023
Majority's equity per 01.01.	6 796 362	5 201 835
Purchase of minority interest	0	-76 505
Result for the year	1 388 225	1 521 189
Conversion difference, foreign subsidiary and investments	752 976	149 842
Majority's equity per 31.12.	<u>8 937 564</u>	<u>6 796 362</u>
Minority's equity per 01.01.	551 272	1 734 872
Paid in minority interests	0	246 629
Paid to minority interests	-47 480	-35 834
Subsidiary changed to associated company	0	-1 430 239
Majority purchased minority interests	-45 816	0
Result	80 882	35 844
Minority's equity per 31.12.	<u>538 859</u>	<u>551 272</u>
Total equity	<u>9 476 423</u>	<u>7 347 634</u>

Note 15 Shares owned by Board Members and Affiliates

TS Shipping Invest AS

Trygve Seglem owns 70 % through Seglem Holding AS and controls 100 % of the vote giving shares in the Seglem Holding AS.

Synnøve Seglem owns 15 % through Seglem Holding AS and controls 0 % of the vote giving shares in the Seglem Holding AS.

Jorunn Seglem owns 15 % through Seglem Holding AS and controls 0 % of the vote giving shares in the Seglem Holding AS.

TS Shipping Invest AS is a wholly-owned subsidiary of Seglem Holding AS. The parent company is situated at Smedasundet 40, 5529 Haugesund.

Note 16 Mortgage debt and financial instruments

Figures in USD/NOK 1.000

TS Shipping Invest AS

	Foreign currency	NOK
USD Loan	43 000	487 538
Deferred debt issuance costs		-636
Net loan		<u>486 902</u>

Current portion of debt:

USD Loan	43 000	487 538
Deferred debt issuance costs		-636
Net current portion		<u>486 902</u>

Figures from 2023

	Foreign currency	NOK
USD Loan	55 044	561 581
Deferred debt issuance costs		-1 923
Net loan		<u>559 658</u>

Current portion of debt:

USD Loan	6 100	60 430
Deferred debt issuance costs		-1 217
Net current portion		<u>59 213</u>

The USD facility has in June 2023 been extended to June 2025 with semiannual instalments of USD 3 050 000 and a final repayment of USD 43 000 000 on the maturity date.

Foreign exchange gain/loss on the portion of the debt exceeding the income is entered as income/cost. Accumulated unrealised foreign exchange loss per 31.12.2024 is estimated to MNOK 63,1 (loss MNOK 30,9 in 2023). The NOK/USD exchange rate at 31.12.2024 was 11,3381 (10,2025 per. 31.12.23)

Mortgage debt is secured in shares and stocks owned directly or indirectly in Knutsen LNG AS, Knutsen Kyst LNG KS/AS and Norspan LNG III AS and Knutsen OAS (UK) Ltd. property in Aberdeen, Britain. Book value for these assets were MNOK 3 011 (MNOK 3 011 in 2023).

TS Shipping Invest Group

Figures in USD/NOK 1.000

	Foreign currency	NOK
USD-loan	752 629	8 505 835
EUR-loan	75 631	742 632
NOK-loan		4 840
Deferred debt issuance costs		-78 805
Net loan		<u>9 174 503</u>

Current portion:

USD-loan	111 419	1 263 273
EUR-loan	8 090	95 484
NOK-loan		4 840
Deferred debt issuance costs		-15 275
Net loan		<u>1 348 322</u>

<u>Figures from 2023</u>	Foreign currency	NOK
USD-loan	797 529	8 108 463
EUR-loan	127 522	1 307 284
NOK-loan		27 053
Deferred debt issuance costs		<u>-83 779</u>
Net loan		<u>9 359 021</u>
Current portion:		
USD-loan	69 765	711 778
EUR-loan	50 029	564 902
NOK-loan		12 820
Deferred debt issuance costs		<u>-14 917</u>
Net loan		<u>1 274 583</u>

The NOK/USD exchange rate at the year-end was 11,3381 (10,2025 per. 31.12.23), the NOK/EUR exchange rate at the year-end was 11,8026 (11,2915 per. 31.12.23)

Mortgage debt is secured through stocks in subsidiaries and associated companies and real estate. The mortgage debt in the vessel owning companies is secured through mortgages in the vessels in addition to assignment of the vessels' earnings. Book value of mortgaged assets is NOK 12 569 million (NOK 13 377 million in 2023).

TS Shipping Invest AS has put up security and guaranties related to the debt, interest rate swaps and new building commitments in the associated ship owning companies.

Of the group's outstanding debt 78 % is secured through long-term interest rate swaps or fixed interest debt to hedge future cash flow. The interest swaps is included in the interest expenses and the liabilities is not taken into the balance sheet.

	Foreign currency	NOK
Outstanding debt per 31.12.2029 is estimated to:	USD	405 079
		4 592 781
	EUR	0
		<u>0</u>
		<u>4 592 781</u>

The company seek to reduce market risk and financial risk by use of long term contracts and financial instruments. Though, since a substantial part of the company's revenues, investments and debt also are denominated in the same currency, this limits the company's foreign exchange risk.

Note 17 Other current liabilities

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2024	2023	2024	2023
Other short term liabilities			0	0
Dividend	0	0	2 485	1 434
Other payables and accruals	840	886	126 338	153 004
	<u>840</u>	<u>886</u>	<u>128 823</u>	<u>154 438</u>

Note 18 Related party information

Related parties

Knutsen NYK Offshore Tankers AS (KNOT) is owned 50% by TS Shipping Invest AS and 50% by NYK Holding(Europe) B.V. Norspan LNG IV AS, Norspan LNG VIII - XI AS and Norspan LNG 24 - 27 SAS is owned 50% by TS Shipping Invest group and 50% by Nippon Yusen Kabushiki Kaisha (NYK) through Knutsen NYK LNG Holding AS.

TS Shipping Group performs ship management for associated companies and has also issued guarantees as securities for loan agreements and charter parties. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin.

Management agreements

Ship-management services fee from Norspan LNG I-19 AS	Total TNOK 47 546
Hire adm. service to Knutsen companies	Total TNOK 18 503
New building supervision fee from Norspan LNG 22 -41 SAS	Total TUSD 16 500
Hire project personnel to KNOT	Total TUSD 43
New building supervision fee from KNOT	Total TUSD 3 750
Hire crew to KNOT Group	Total TUSD 38 892
Hire administration services to KNOT	Total TUSD 7 026
Hire administration services to KNOP	Total TUSD 826
Guarantee commissions from associates	Total TUSD 7 182
Hire of property from Seglem Eiendom Group	Total TNOK 7 792

A number of the Contracts of Affreightment (CoA) of which are operated with KNOT vessels are formally entered into by either Knutsen OAS Shipping AS and/or Knutsen OAS (UK) Ltd. with end users. The CoA is formally not transferred but the economic effect of the contracts have been transferred to the operating entities in KNOT, and a process has in 2011 started up to agree memorandum to the original agreements that the contracts have been transferred to KNOT group.

Guarantees

TSSI loan Guarantee overview

(numbers per 31.12.24, all amounts in mill.)

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
NORSPAN LNG AS	USD	40,0	Bilbao Knutsen	2043
NORSPAN LNG II AS	EUR	26,0	Cadiz Knutsen	2029
NORSPAN LNG III AS	USD	20,0	Iberica Knutsen	2029
NORSPAN LNG IV AS	USD	20,0	Sestao Knutsen	2032
NORSPAN LNG V AS	USD	64,6	Barcelona Knutsen	2030
NORSPAN LNG VI AS	USD	30,0	Sevilla Knutsen	2030
NORSPAN LNG VII AS	USD	30,0	Valencia Knutsen	2030
NORSPAN LNG XI AS	USD	133,7	Rias Baxias Knutsen	2029
NORSPAN LNG XII AS	USD	132,1	Adriano Knutsen	2026
NORSPAN LNG XIII AS	USD	143,0	Traiano Knutsen	2027
NORSPAN LNG 16 AS	USD	144,8	Santander Knutsen	2029
NORSPAN LNG 19 AS	USD	147,4	Huelva Knutsen	2029
Knutsen Kyst LNG KS	USD	5,8	Pioneer Knutsen	2034
Knutsen Scale GAS, S.L.	EUR	15,0	Haugesund Knutsen	2028
Total	USD	911,4		
Total	EUR	41,0		

TS Shipping Invest has guaranteed that all of the French leases will be fulfilled.

TSSI Guarantee overview Interest rate swaps

(numbers per 31.12.24, all amounts in mill.)

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
Norspan LNG II AS	EUR	50,0	Cadiz Knutsen	2029
Norspan LNG III AS	USD	2,4	Iberica Knutsen	2029
Norspan LNG V AS	USD	32,0	Barcelona Knutsen	2030
Norspan LNG VI AS	USD	34,0	Sevilla Knutsen	2030
Norspan LNG VII AS	USD	44,0	Valencia Knutsen	2030
Norspan LNG IV AS	USD	9,4	Sestao Knutsen	2042
Total	USD	121,8		
Total	EUR	50,0		

Note 19 Subsequent events

Jakob Hatteland Holding AS invested in Norspan LNG AS in february 2025 and owns 50% of the shares. Norspan LNG AS signed in February 2025 a new credit facility agreement with the same bank in connection with the new 18 year contract as an FSU. The vessel is being upgraded to a floating storage unit (FSU) for delivery of gas for grid power generation. The vessel will enter a long term charter with a utility in Honduras / Central America mid 2025.

Knutsen LNG AS has in January 2025 purches the remaining 16% in Norspan LNG III AS. The group then fully owns the vessel Iberica Knutsen.

To the General Meeting in TS Shipping Invest AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of TS Shipping Invest AS (the Company) which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 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 and the Group 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)* (the 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

The Board of Directors and Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and



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- contains the information required by applicable statutory 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 and the Group'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 the Group, 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial



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statements. We are responsible for the direction, supervision and performance of the group audit.
We remain solely responsible for our audit opinion.

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.

Oslo, 28 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus H. Birkeland
State Authorised Public Accountant (Norway)

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Birkeland, Magnus Hegertun

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TS Shipping Invest AS

Annual Report 2023



TS Shipping Invest AS

DIRECTORS' REPORT 2023

GROUP AND COMPANY

TS Shipping Invest AS (“TSSI”) is the holding company of the maritime activities of the Trygve Seglem family. The Group is at the forefront in the development of the offshore energy markets by owning and operating vessels of high technical and operational standard, and through pioneering investments into new segments such as offshore wind and carbon capture and transport.

TSSI and its subsidiaries (“the Group / Knutsen”) own and operate vessels worldwide with leading market positions in the shuttle tanker segment, through Knutsen NYK Offshore Tankers AS (“KNOT”), a 50/50 joint venture with NYK, and in the LNG Carrier segment, through wholly owned Knutsen LNG AS (“KLNG”). The product tanker segment is no longer considered strategic, and the operations related to the two product tankers in the fleet have been discontinued in 2024 due to sale of the remaining 2 vessels. Knutsen NYK Carbon Carriers (“KNCC”) is a joint venture established with NYK set up to enter the prospective high growth marine transportation of CO₂ segment. Beyond the shipping activities, the Group is developing projects globally within offshore wind through its ownership in Deep Wind Offshore, capitalizing on a technology focused organization.

The strategy for the shipping segments rests on four pillars: advanced vessels, long term charter contracts, first class charterers and commitment to safety. We are committed to delivering environmentally friendly services and products of the highest quality related to Health, Security and Safety standards to meet international regulations and customer requirements. The entire fleet controlled by the Group is managed in-house by Knutsen OAS Shipping for the entire value-chain, including newbuilding supervision, chartering, vetting, crewing, technical and commercial management, financing, procurement, and general administration.

Our willingness to invest in research and development over time has produced several new independent business segments. The Group is a world leading technology provider in marine transportation of compressed natural gas with our proprietary Knutsen PNG® Technology that the Group now in partnership with NYK will deploy for CO₂ transport. The Group has its own proprietary technology for VOC reduction during tanker loading, Knutsen KVOC® Technology. Over the recent years the Group has also proven the commercial success of its technology for ballast water treatment for large tankers, KBAL®, with IMO and USCG approvals.

Our focus on operational excellence and technology leadership enables us to focus on and attract high quality customers. Our key customers are utilities and energy majors which set the highest requirements to safety and reliability standards.

The Group is incorporated in Norway and has its offices in Haugesund in Norway. The Group holds offices in Marseilles, Nantes, Madrid, Aberdeen, London, Riga, Copenhagen and Rio de Janeiro.

Financial Results

The Group's total operating income amounted to NOK 3,323 million in 2023 compared to NOK 1,517 million in 2022. The increase is mainly driven by more fully owned vessels in operation for parts of the year.

The operating result was NOK 2,350 million in 2023 compared to NOK 1,030 million in 2022, and ordinary profit after tax amounted to NOK 1,557 million in 2023 compared to NOK 878 million in 2022.

Total liquidity position (cash and cash equivalents) of the Group was NOK 982 million as per 31.12.23, compared to NOK 850 million per 31.12.22. Total short-term debt amounted to 6.11% of total debt and liabilities, compared to 4.78% in 2022.

Total assets at year-end 2023 for the Group amounted to NOK 17,317 million compared to NOK 20,080 million in 2022. While the number of delivered vessels and capital invested in vessels under construction increased during the year, the net decrease in total assets relates mainly to Knutsen LNG AS having brought in 50% partners in a number of these vessels, thereby no longer consolidating these on the TSSI balance sheet. These vessels are classified as investments associated companies. Equity capital's share of total assets as per 31.12.23 was 42.4% (34.5% as per 31.12.22).

The parent company TS Shipping Invest AS had a net profit of NOK 408 million for 2023 compared to a net profit of NOK 264 million in 2022. The unrestricted equity in TS Shipping Invest AS as of 31.12.23 amounted to NOK 3,011 million. The Board of Directors recommends that the result for the year is transferred to other equity.

Total assets of the parent company amounted to NOK 3,897 million per year-end 2023 compared to NOK 4,360 million in 2022.

The Financial Statements have been prepared under the assumption of going concern, and the Board of Directors confirms that this assumption is in accordance with the Norwegian Accounting Act § 3-3.

Operations

The Group takes an active approach in risk management of its business, with the main exposure categories being market risk, interest rate risk and currency risk. The Group's market risk is mainly related to utilization of optional time charter periods and re-chartering of vessels coming off firm time charter periods. Market risk is to a large extent mitigated through a significant part of the fleet being on long time charter contracts to utilities and energy companies. The operating expense element is typically inflation hedged through an index adjustment of the contractual time charter rates in the fixed contracts.

The Group is subject to currency risk related to operating expenses having a significant proportion of the costs in European currencies. Whereas the Group employs hedging actively, commonly by forward contracts in relation to USD, the vessels are mainly financed in USD which gives a natural hedge against USD fluctuations. The debt financings have variable interest rates, but a substantial part of the debt related to vessels on long-term charters is hedged through interest rates swaps.

The Group is undergoing a period of fleet expansion based on having secured a series of long-term contract awards mainly in the LNG segment. The fleet expansion is made in partnership with leading industrial companies and institutional investors. The philosophy behind this investment strategy is to capitalize on the Group's ability to win, develop and manage high quality shipping projects with a long-term horizon. This permits a project finance style financial strategy and is attractive to investors. A key objective for each of the projects is to ensure that they can support themselves on a stand-alone basis.

By partnering with institutional investors, mainly on a project-to-project basis, the TSSI Group can develop its shipping activities and strengthen its position as a major owner and operator in the Shuttle-tanker and LNG segments while maintaining a prudent financial profile. Our partners are leading industry players and institutional investors that share our long-term focus.

Offshore loading tankers:

TSSI's investments in offshore loading tankers are consolidated into Knutsen NYK Offshore Tankers AS ("KNOT"). KNOT is jointly owned 50/50 with the Japanese shipping group NYK through NYK Holding (Europe) B.V.

The Group ordered its first shuttle tankers in 1984 and has since then been a leader in the technical development of shuttle tankers. As of 31 December 2023, KNOT had technical and commercial management of 27 shuttle tankers and two FSOs in addition to two newbuilding orders. These newbuilds are scheduled for delivery in 2024 and 2025 on the back of respectively 10- and 15-year time charters to Petrobras. Further, during Q1 2024, KNOT signed contracts for three newbuilds with the option of one more newbuild. These vessels will be sister vessels to the two newbuilds currently under construction, and they are all chartered out under 10-years + option contracts with Petrobras. Eighteen of the shuttle tankers are owned by an associated company, KNOT Offshore Partners LP (KNOP), which is listed on the New York Stock Exchange and where KNOT is the Sponsor, General Partner and the largest owner with ownership interest at year-end 2023 of 30.47 per cent.

The KNOT fleet transports oil from offshore oil fields in North Europe, South America, and West Africa. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality and stable operations.

Offshore loading and dynamically positioned oil tanker vessels are KNOT's main strategic focus and the Group is actively involved in the technical development of this type of tankers commonly referred to as shuttle tankers. Despite the reduced investment activity globally related to offshore oil and gas in recent years, the level of activity in fields where offshore loading is required has been stable.

KNOT's ordinary profit after tax amounted to USD 3.3 million in 2023 compared to USD 40 million of ordinary profit after tax in 2022. The decrease in the result is mainly impacted by lower income from associated companies compared to 2022. The decrease is a result of an impairment done on some elderly shuttle tankers. The long-term outlook for shuttle tanker demand is strong where the demand is driven by the increase in the oil production in Brazil.

KNOT owns and operates two floating storage and offloading ("FSO") vessels. Jorunn Knutsen has operated on the Åsgard field offshore Norway without any off-hire since start-up in year 2000. In 2018, KNOT completed the conversion of Hanne Knutsen from shuttle tanker to FSO. The vessel operates on a long-term time-charter contract to Equinor for service on the Martin Linge oil and gas field offshore Norway until October 2026 with charterer's option to extend the contract for up to four years. This project constitutes the largest single vessel investment made by the Group, and we expect that the vessel will remain working on the field far beyond the end of the firm charter period.

In 2023 one shuttle tanker, "Grena Knutsen" was sold.

LNG Carriers:

Group's investments in LNG tankers is made through wholly owned Knutsen LNG AS ("KLNG"). Of the 28 LNG carriers in operation at year-end 2023, six are owned 100%, while nine are jointly owned 50/50 with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Further partnerships are with Klaveness Group (four vessels), Cape Omega (five vessels), OMP, a HitecVision portfolio company (one vessel), Enagas through ScaleGas (one vessel), the Hatteland Group (one vessel) and jointly Klaveness Group and Hatteland Group (one vessel).

The Group's first LNG tanker was delivered in 2004. The Group has allocated significant resources into the LNG segment in recent years. KLNG took delivery of 7 vessels during 2023. All the vessels are large LNG Carriers built at Korean yards delivering onto long term contracts to Shell, Engie and PKN Orlen ("PKN") the Polish state-controlled oil and gas company.

The Group had per year-end 15 large LNG Carriers of 174,000 m³ under construction at Hyundai Heavy Industries in South Korea for delivery in 2024-2026. One of these vessels will be delivered in 2024. Including the vessels on order, the Group's LNG fleet counts 43 vessels.

All vessels have been ordered on the back of long-term charter contracts to first class charterers, and the Group is not subject to the spot market due to the long term nature of the charter contracts. Of the 15 vessels on order, two will enter minimum seven years' time charter contracts with Shell, the oil major. One vessel will enter long term charters with Engie, a leading European energy company. Two vessels will enter 10 years' firm time charter contracts with PKN and 10 vessels are backed by 15 years firm time charters to Qatar Energy.

The first vessel ending firm employment is "Bilbao Knutsen". The vessel reached the end of its 20 years charter contract in Q1 2024. The vessel is currently in dry-dock and will be chartered in the spot market after the docking has been completed.

All the seven vessels delivered in 2023 and all new vessels to be delivered during 2024 to 2026 will be owned through and managed by our wholly owned subsidiary in France, Knutsen LNG France SAS. The subsidiary has established a solid market presence in anticipation of future deliveries and has at year end a total of 79 employees (onshore and offshore). Knutsen expects to continue to draw on the local talent pool in growing the business in France.

Investment grade end-users continue to dominate the seaborne transportation of natural gas (LNG). This fundamental characteristic of the LNG industry suits the Group's strategy of basing its shipping activities on long-term contracts typically with a firm period of minimum 7 years while the vessels themselves typically service off take contracts of 20 years or longer which is reflected in optional periods in the time charter contracts.

LNG demand continues to see growth rates far beyond global GDP growth. A key driver is the requirement to reduce CO₂ emissions and improve local air quality by switching from coal to cleaner energy such as natural gas. Additionally, increased focus on security of supply to Europe has been a contributing factor. The rapid demand growth is reflected in a corresponding high tender activity for long-term transportation contracts. The Group continues to grow in the LNG segment through winning awards for long-term contracts to first class charterers. Combined with the Group's strong track record in newbuilding supervision and operations, the solid contract backlog ensures ample access to debt and equity capital to finance the expansion. The Group has a strong preference to expand through equity partnership with strong financial long-term oriented investors instead of increasing its financial leverage.

Product tankers:

Both of the remaining product tankers, Eli- and Liv Knutsen, have been sold during Q1 2024. Their operations have been satisfactory with focus on safe, efficient and cost-effective operations.

Marine Technology:

The Group has developed its proprietary technical solution for marine transportation of compressed natural gas ("CNG"). This Knutsen proprietary solution is named PNG[®] (Pressurised Natural Gas). The Company has previously made progress in commercialising the PNG[®] solution together with its venture partners and potential customers. In 2022 the Group formed of a 50/50 partnership with NYK relating to the PNG business, with a focus of commercialising the business for transport of CO₂. The name of this J/V is Knutsen NYK Carbon Carriers AS ("KNCC"). Transport of CO₂ will be a key part of the CCUS (Carbon Capture Utilisation and Storage) value chain, which is considered to play an important role in the years to come to reduce carbon emissions across a number of industry sectors.

The Group has also developed a proprietary system for handling emissions (Volatile Organic Compounds) from offshore crude oil loading. This technology is named KVOC[®] and has been installed on more than 45 shuttle and ordinary tankers. KVOC[®] is a passive installation, considerably less expensive both to install and operate than alternative technologies in the market. Knutsen VOC KS is now actively working with the classification companies, international maritime organisations and governments in order to secure international recognition and classification for KVOC[®]. Over the last few years the technology has been improved with a 2nd generation design scheduled for installation on shuttle tankers.

Based on the technology of KVOC[®], the Group has developed a Ballast Water Treatment system. The system holds both IMO G8 approval and USCG approval.

Safety and quality control

Safety and environmental compliance are our top operational priorities. Our vessels are operated in a manner intended to protect the safety and health of our employees, the general public and the environment. We actively manage the risks inherent in our business and are committed to eliminating incidents that threaten the safety and integrity of our vessels, such as groundings, fires, collisions and petroleum spills. We are also committed to reducing emissions and waste generation. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets.

The Group has established overall guidelines to ensure that the Group's activities shall be executed professionally and in accordance with national and international rules and regulations as well as internal and external standards and proactive actions shall be taken to avoid injuries, loss of life and material damages. In addition, the Group's operations shall be planned, and attention shall be made on executing activities and operations so that the environmental consequences are minimized.

Environment, Social and Governance (ESG) issues

The Group's HSSE and QA system is in accordance with international requirements and standards, and the Group maintains all necessary certificates for its operation of activities. Knutsen OAS Shipping AS and KNOT Management AS are certified according to the ISO 9001-2015, ISO 14001-2015 and OHSAS 18001 standards. Special attention is placed on preventive activities. Any deviation from implemented procedures is reported and processed in the HSSE and QA system.

The Group has an active approach regarding implementation and development of technology and operational procedures for reducing emissions to water and air. The Group has developed its own system for reducing VOC emissions (oil vapour) in connection with the loading of tankers. The Group has also developed its own Ballast Water Treatment System which it plans to further commercialize in the years to come. The Group is also establishing a comprehensive Energy Efficiency Management System for the vessels and has implemented a system for ECO Care actions in order to reduce fuel consumption and consequential emissions.

Our customers set the highest requirements to safety and reliability. We are therefore pleased that our clients have acknowledged the quality of our management system and operation by confirming our high score in the OCIMF Tanker Management Self-Assessment scheme. Rising concerns about our industry's environmental footprint is increasing demands for low-emitting energy efficient services and technologies, and the regulations related to emissions, pollution, and energy efficiency are tightening. We welcome these ambitions, and we are ready to contribute with solutions and practices that will help our industry reach and exceed its targets. The Group owns a young fleet and invests in modern vessels with improved fuel and emissions efficiency. We believe this strategy will become increasingly important in the years to come, meeting both regulatory and customer requirements.

Knutsen reports on ESG topics in accordance with The Norwegian Shipowner's Association's Guidelines for the shipping and offshore industries as published in February 2020 and updated in November 2021. The ESG topics identified by the Association allow the Group to report on issues that are material to the shipping industry and that are relevant to both internal and external stakeholders.

The Guidelines are based on the following internationally recognized reporting frameworks; The Global Reporting Initiative (GRI), The Sustainability Accounting Standards Board (SASB) and the 17 Sustainable Development Goals (SDGs).

Knutsen endorses the Poseidon Principles and assists banks who request information associated with the initiative. These principles aim to communicate relevant information to lenders, lessors, and financial guarantors allowing them to follow the Poseidon Principles when assessing and disclosing the climate alignment of their portfolios by providing measurement of carbon intensity and an assessment of Group climate alignment, as well as accountable data using the IMOs standard for collecting data on fuel consumption from ships.

The Group has produced ESG reports for both the shuttle tanker and LNG segments, starting for the year 2019.

The Group, the Company and the Norwegian subsidiaries regularly carry 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.

The Group has not taken out any insurance policy for members of the Board of Directors and the President and CEO of the parent company or the subsidiaries for their potential liability towards the Group companies and third parties.

Working environment and gender equality

The Group is an equal opportunity employer and strives to provide a working environment free of discrimination and harassment for employees regardless of location. All applicants will be considered for employment without attention to race, colour, religion, sex, sexual orientation, gender, national origin or disability. When we hire employees, it is based on business needs, job requirements and individual qualifications and not any considerations that are outside the protection of the laws and regulations in the locations in which we operate. In total, the share of women is 3,9% onboard the vessels. For the land-based employees the share of women is 35% in KOAS and 27% in KNOT. The members of the Board of Directors are five men and one woman.

In a traditionally male-dominated business, we strive to progress in all aspects of diversity. This is an ongoing process and focus area for the Group.

Working environment is considered to be good. There have been no reports of injuries or accidents in the workplace.

Sick leave among overall crew was in 2023 at 2.72% for the KOAS operated fleet (4.8% in 2022) and 1.57% for the KNOT operated Shuttle tankers (2% in 2022) and 7.9 % for the two FSO's (10.9 % in 2022). For onshore employees in KOAS and KNOT, the sick leave was 2.5% in 2023 (2.7 % in 2022) and 1.4% (5% in 2022) respectively. The working environment, both on land and aboard ships is considered to be satisfactory. There were no significant accidents or incidents in 2023, and the objectives for the year regarding health and safety were achieved.

The Company aims to provide a workplace where there is full gender equality.

Future prospects

The Board of Directors regards the future prospects of the Group as promising. With the advanced LNG fleet and substantial contract coverage the Group is well positioned to further build its leading market presence in its segments. The Group expects to expand the firm contracted revenue backlog that as of 31.12.23 stood at USD 9.8 billion for the LNG segment, and which, including extension options, is approximately USD 19.2 billion.

The Group actively works on a number of new projects through KNOT for offshore loading tankers, through KOAS for LNG carriers, through KNCC for CO2 carriers, through Deep Wind Offshore for offshore wind, as well as projects for the emission treatment system KVOC® and the new Ballast Water Treatment System. Thus, the Board of Directors has reason to believe that 2024 will be a satisfactory year for the Group.

Haugesund, 10 April 2024



Øyvind Holte
Chairman of the Board



Trygve Seglem
Deputy chairman/
General Manager



Synnøve Seglem
Board member



Kjell Jacobsen
Board member



Georg Scheel
Board member



Jon Christian Syvertsen
Board member

TS SHIPPING INVEST GROUP

INCOME STATEMENT 01.01-31.12

2023	2022		2023	2022	
Company			Group		
Amounts in NOK 1.000			Amounts in NOK 1.000		
OPERATING INCOME					
0	0	Freight income on T/C basis	1	2 331 969	698 151
0	0	Share of profit/(loss) in associated companies	1, 2	418 523	233 880
18 821	8 287	Other income	1	573 272	562 810
0	0	Gain from sale of vessels		0	22 589
<u>18 821</u>	<u>8 287</u>	Operating income		<u>3 323 764</u>	<u>1 517 431</u>
OPERATING EXPENSES					
0	0	Wages, Social expenses and crew hire	3, 4	533 862	289 841
2 302	1 944	Operating expenses	5	429 123	188 664
0	0	Bareboat hire		11 043	8 517
<u>2 302</u>	<u>1 944</u>	Operating expenses		<u>974 028</u>	<u>487 022</u>
16 519	6 343	OPERATING RESULT BEFORE DEPRECIATION AND WRITE DOWN		2 349 736	1 030 408
0	0	Depreciation		607 255	222 089
0	0	Write downs/-Reversal write downs		64 050	-34 111
<u>0</u>	<u>0</u>	Depreciation and write downs	6	<u>671 305</u>	<u>187 978</u>
16 519	6 343	OPERATING RESULT		1 678 432	842 430
FINANCIAL INCOME AND -EXPENSES					
599 764	398 245	Financial income	7	736 208	303 312
-48 972	-48 080	Foreign exchange gain/ -loss, net		-25 535	-37 334
<u>100 388</u>	<u>35 183</u>	Financial expenses	7	<u>768 340</u>	<u>215 424</u>
<u>450 404</u>	<u>314 983</u>	Net financial items		<u>-57 666</u>	<u>50 553</u>
466 923	321 326	PROFIT BEFORE TAXES		1 620 766	892 983
58 822	56 892	Taxes	8	63 732	15 346
<u>408 101</u>	<u>264 433</u>	PROFIT FOR THE PERIOD		<u>1 557 034</u>	<u>877 637</u>
0	0	Minority's share of the profit for the year		35 844	49 258
408 101	264 433	PROFIT FOR THE PERIOD AFTER MINORITIES		1 521 189	828 379

TS SHIPPING INVEST GROUP

BALANCE SHEET

31.12.2023	31.12.2022		31.12.2023	31.12.2022	
Company			Group		
Amounts in NOK 1,000			Amounts in NOK 1,000		
ASSETS					
NON CURRENT ASSETS					
Intangible assets					
16 731	75 553	Deferred tax asset	8	67 032	128 990
<u>16 731</u>	<u>75 553</u>	Total intangible assets		<u>67 032</u>	<u>128 990</u>
Tangible assets					
0	0	Property and plant		7 773	7 789
0	0	Vessels		10 206 172	12 541 677
0	0	Vessels under construction		948 138	2 482 223
0	0	Equipment, and other tangible assets		3 564	660
<u>0</u>	<u>0</u>	Total tangible assets		<u>11 165 647</u>	<u>15 032 349</u>
Financial assets					
2 571 643	2 661 020	Investment in group companies	9	0	0
0	0	Loans to related parties	10	88 470	0
95 144	74 296	Loans to group companies	10	0	0
868 570	868 570	Investments in associates		4 237 096	3 651 782
0	0	Other long term receivables		216 645	1 093
<u>3 535 357</u>	<u>3 603 886</u>	Total financial assets		<u>4 542 212</u>	<u>3 652 875</u>
<u>3 552 089</u>	<u>3 679 439</u>	Total non current assets		<u>15 774 892</u>	<u>18 814 214</u>
CURRENT ASSETS					
0	0	Inventories	11	27 950	28 745
Receivables					
52	328	Accounts receivable		55 216	159 951
373	7 514	Other receivables	12	209 045	98 804
34 300	18 224	Current receivables associates and related party	10	267 613	128 484
276 088	653 310	Current group receivables	10	0	0
<u>310 813</u>	<u>679 376</u>	Total receivables		<u>531 875</u>	<u>387 239</u>
33 795	1 006	Cash and cash equivalents	13	981 941	850 264
<u>344 608</u>	<u>680 382</u>	Total current assets		<u>1 541 766</u>	<u>1 266 248</u>
<u>3 896 697</u>	<u>4 359 821</u>	TOTAL ASSETS		<u>17 316 657</u>	<u>20 080 463</u>

TS SHIPPING INVEST GROUP

BALANCE SHEET

31.12.2023	31.12.2022		31.12.2023	31.12.2022
Company			Group	
Amounts in NOK 1.000			Amounts in NOK 1.000	
EQUITY AND LIABILITIES				
EQUITY				
Owners equity				
29 154	29 154	Issued capital	14	29 154
433 935	433 935	Other paid-in capital		433 935
<u>463 089</u>	<u>463 089</u>	Total owners equity	15	<u>463 089</u>
Accumulated profits				
2 547 476	2 139 375	Other equity		6 333 272
<u>2 547 476</u>	<u>2 139 375</u>	Total accumulated profits		<u>4 738 746</u>
0	0	Minority interest		551 272
<u>3 010 565</u>	<u>2 602 464</u>	Total equity	14	<u>7 347 634</u>
LIABILITIES				
Other non current liabilities				
559 658	935 264	Long term tax payable		547
186 418	328 291	Mortgage debt	17	9 359 021
0	6 901	Group debt		0
<u>746 076</u>	<u>1 270 456</u>	Other long term debt		0
		Total other non current liabilities		<u>9 359 568</u>
Current liabilities				
555	1	Accounts payable		66 311
5 837	1 085	Accrued interest		141 298
132 778	485 816	Current group payable	10	0
0	0	Public duties payable		59 771
0	0	Current tax payable		1 656
0	0	Current payable associates	10	18 514
0	0	Customers paid in advance		167 468
886	0	Other current liabilities	18	154 438
<u>140 058</u>	<u>486 902</u>	Total current liabilities		<u>609 456</u>
<u>886 133</u>	<u>1 757 358</u>	Total Liabilities		<u>9 969 024</u>
<u>3 896 697</u>	<u>4 359 821</u>	TOTAL EQUITY AND LIABILITIES		<u>17 316 657</u>
				<u>20 080 463</u>

Haugesund , 10th April 2024


Øyvind Holte
Chairman


Trygve Seglem
Deputy Chairman/ Managing Director


Synnøve Seglem
Board member


Kjell Jacobsen
Board Member


Jon Christian Syvertsen
Board Member


Georg Scheel
Board Member

TS SHIPPING INVEST AS

CASHFLOW STATEMENT

01.01- 31.12.2023	01.01-31.12. 2022		01.01-31.12.2023	01.01-31.12. 2022
Company			Group	Group
Amounts in NOK 1,000			Amounts in NOK 1,000	
<u>Cash flow from operating activities</u>				
466 923	321 326	Profit/ (loss) before income taxes	1 620 766	892 983
0	0	Loss/ (profit) sale of fixed assets	0	8 517
0	0	Loss/ (profit) sale of assets	0	-22 589
0	0	Depreciation and write downs of fixed assets	671 305	187 978
0	0	Change in provisions	0	-2 556
-49 622	-82 476	Net Write-down financial fixed assets	0	0
-158 894	0	Distribution from subsidiaries	0	0
0	0	Gain sale of shares	-645 845	0
0	0	Result from associated companies	-418 523	-233 880
0	0	Change in pension liability	0	0
36 774	29 294	Unrealized foreign exchange profit(s)/gain(s)	52 287	29 294
0	0	Unrealized mark to market FX forward	-371	0
0	0	Income tax payable	-575	-330
858	837	Amortization debt issuance cost	18 864	-1 689
21 718	-170 246	Changes in accounts receivable, accounts payable and other	-169 077	-264 164
317 758	98 735	Net cash flow from operating activities	1 128 830	593 565
<u>Cash flow from investing activities</u>				
0	0	Invested in property, plant and equipment	-950 184	-5 353 832
0	0	Sale of vessel	0	134 087
0	0	Deconsolidation of business	395 349	204 666
0	0	Aquisition of business	0	-621 923
0	0	Cash from aquisition	0	327 301
0	-4 100	Net invested in associated entities	-248 232	-150 299
138 999	-800 670	Net invested in equities and shares	-80	0
-20 849	105 497	Change in long-term receivables	-87 377	62 690
158 894	0	Distribution from subsidiaries	0	0
0	0	Received distributions associates	232 126	34 642
277 044	-699 273	Net cash flow from investing activities	-658 398	-5 362 670
<u>Cash flow from financing activities</u>				
0	661 411	Drawdown mortgage debt	782 542	4 780 114
-413 238	-180 649	Repayment of borrowings	-1 323 372	-470 457
-148 774	109 040	Change in other long-term debt	-6 901	-488 581
0	0	Capital paid in minorities	246 629	1 441 436
0	0	Dividends paid to minorities	-37 655	-6 090
-562 013	589 802	Net cash flow from financing activities	-338 757	5 256 421
32 789	-10 736	Net change in cash and cash equivalents	131 675	487 317
1 006	11 742	Cash and cash equivalents at 01.01	850 264	362 948
33 795	1 006	Cash and cash equivalents at 31.12	981 941	850 264

Notes to the Financial Statement 2023

Note Accounting principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards in Norway.

Consolidation principles

The consolidated accounts comprise total financial performance and financial position when the parent company TS Shipping Invest AS and its ownership shares in other companies are presented as one financial unit. Companies where the Group has controlling interest are consolidated 100% according to the purchase method. On certain subsidiaries where part of the shares are preferred shares with special rights, (such as restrictions on voting rights, allocation of dividend etc) and there are shareholder agreements the control assessment is based on these agreements and rights. When such terms is deemed being such that TSSI have control the company is consolidated and the other shareholders share of equity are presented as non-controlling interest.

The consolidated accounts comprise TS Shipping Invest AS and the subsidiaries listed in Note 3. The consolidated accounts are constructed based on the same principles, by securing that the subsidiary follow the same accounting principles as the parent company. Internal transactions, receivables and liabilities are eliminated.

In the case of acquisition of subsidiaries, the purchase price of the shares is eliminated in the parent company against the subsidiary's equity at the time of acquisition. If the purchase price is more or less than the market value of the vessels and there are charter agreements attached to the vessels then the surplus is recorded as an intangible assets and the negative value recorded as a liability. The difference between the cost price assigned to the various assets in the subsidiaries and the book value of those assets at the time of acquisition is added to those assets to which the excess value refers. Any additional amount of the cost price is capitalised as goodwill.

Investment in subsidiaries and associated companies

Shares in subsidiaries and associated companies are valued according to the cost method in the financial statement of the parent company.

In the consolidated Group accounts the equity method is used for investments in companies where the Group has significant influence (normally 20% to 50%). Any surplus value is linearly depreciated over the vessel's life. If the remaining lifetime of the asset is uncertain then the surplus value is depreciated over 5 years in line with goodwill. Depreciation of surplus value and share of the company's result is classified under share of result in limited partnership and recorded as increase (reduction in case of a deficit) of investment in associated companies. Investments in associated companies are recorded as liabilities in case the share of the result and surplus value has reduced the value of the investment to negative, and the Group has a liability to increase the capital, has decided to continue to investment or has a loan to the company which would be written off in case of a windup. The liability will never be recorded higher than the value at stake for the Group. Share of result in associated companies is closely tied in with the ordinary activity of the Group and thus classified under operating income.

Income

The income from the charter parties is in USD, EUR and NOK, and income is recorded to the Profit & Loss account when actually earned. Sales incomes are reported net of VAT and discounts.

Income- and voyage related costs are expensed according to the percentage part of the voyage completed at the time of reporting. A voyage estimate is based on actual figures of completed voyages and estimates for started, not finished voyages. A normal voyage starts and ends with discharging. Unless the vessel is declared off-hire, due to technical or other circumstances related to the owner, the time is always allocated to a voyage.

Income from contracts is calculated linearly over remaining contract period and recorded as freight income or reduction of freight income. In case there is a significant change of a contract then the contract value is revised and the adjustment is recorded as adjustment of other operating costs. If the contract is acquired in connection with an asset transaction and the contract liability is reduced then the adjustment is recorded as other operating income.

Current assets/current liabilities

Current assets are valued at the lower of historical and market value in the balance sheet. Current liabilities are in the same manner valued at nominal value. This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

Tax

Tax calculated and reported to the Profit & Loss account includes both tax payable during the period, and the change in deferred tax. Deferred tax is treated as long-term debt provisions in the balance sheet.

Deferred tax is calculated with 22% based on temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Tax increasing and -reducing temporary differences, which will or can be reversed in the same period, are netted. Deferred tax on surplus values in relation to acquisition of subsidiaries is not netted.

Deferred tax related to acquisitions is calculated to nominal values according to Norwegian common practice according to "NRS Resultatskatt".

Fixed assets and dry-docking

The total cost of the vessel is capitalised and depreciated over the life expectancy of the vessel. The Group's life expectancy is 23 years for shuttle tankers and 25 years for FSO, product and chemical tankers, while LNG carriers are expected to last for 40 years.

Dry-docking expenses are capitalised and depreciated 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 new building, 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 total cost of property is capitalised and depreciated over the life expectancy of the property. The Group's life expectancy is 50 years from takeover. Inventory, office equipment etc. are capitalised and depreciated over the life expectancy of the assets. The Group's life expectancy is 3 years from takeover.

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.

By actual value is meant recoverable value, i.e. the highest of net sales value and cash flow value. Consequently fixed assets are not capitalised to a value that exceeds the value it can recover, either by sale or by continued use. Net sales value is the value the vessel, inclusive any freight contracts, can be sold at after deducting any sales related expenses. Cash flow value is the present value of the future cash flows the fixed asset will generate, including cash flows related to scrapping/decommissioning.

Write-offs are reversed if the foundation for them are no longer present. The value of the asset will then be the same as if no write-offs had occurred.

Transactions in foreign currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

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

The mortgage debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Financial instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

The company aims at reducing the exposure to fluctuations in interest rates and currency exchange rates, and therefore has entered into financial hedging contracts to cover this exposure. Revenues and expenses related to these hedging contracts and the corresponding items in the balance sheet are classified in the same manner.

Forward contracts not classified as hedging instruments are recognised to market value.

Shares

The company's shares in stock listed companies are classified as current assets, and are valued on a portfolio basis to market values at the year-end.

The groups investment in stocks and shares with an owner share below 20%, without a controlling interest, but for long-term ownership, are classified as fixed assets and valued according to the cost method.

Gains or losses from the realisation of shares are included under financial items in the Profit & Loss account. Dividends- and other payouts received from the companies are treated as financial income.

New building contracts

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.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

Pensions

The pension scheme for seafarers was converted into a defined contribution scheme pension (ITP) in 2020 and meets the Norwegian requirements for a Mandatory Company Pension (OTP).

Lease

A lease is classified as a financial or operational lease with reference to the agreement. If the substantial economic risk and control attached to the underlying object is held by the renter, the agreement is considered financial, thus the remaining assets and liability are recognized in the balance sheet. Other agreements are considered operational. Financial leases are recognized in the balance sheet at cost. The cost value are estimated as the present value of the lease payments.

Accounting for business combinations

All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Inventories

Inventories are valued at the lower of cost and market value. Write-downs for expected obsolescence are undertaken.

Cash flow analysis

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities

NOTE 1 Segment information , TS Shipping Invest Group

Figures in NOK 1.000

OPERATING SEGMENT:

The Group's activities are divided into LNG carriers , Shuttle- and Product Tankers, Ship Management, Research and Development. The Shuttle tankers activity is organized in Knutsen NYK Offshore Tankers AS jointly owned with NYK Logistics Holding B.V. LNG activity is at year-end 28 LNG carriers in operation and 15 under construction. Five of the vessels in operation are co-owned with CapeOmega Gas Transportation AS while nine of the vessels are jointly owned with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Klavness Marine Holding AS is the co-owner in one of the vessels under construction and five in operation through various investment companies. The groups share of result from these segments is reported as share of profit in associated companies, it is referred to note 2 for further details. This is consistent with management reporting.

GEOGRAPHIC reporting:

The Group's activities are principally distributed geographically in Norway, Europe, and World Wide

Segment	2023			
	Share of total operating income	Freight income and other income	Share of profit in associated companies	Operating income
LNG Carriers, Norway	65 %	1 897 846	277 186	2 175 032
LNG Carriers, France	14 %	339 407	134 874	474 281
Product Tankers, mainly Europe	3 %	110 701	-	110 701
Management, Norway,UK,Spain and France	15 %	499 778	-	499 778
Research & Development, and other income, Norway	1 %	57 509	-10 467	47 042
Offshore Tankers	1 %	-	16 930	16 930
Total	100 %	2 905 241	418 523	3 323 764

Segment	2022			
	Share of total operating income	Freight income and other income	Share of profit in associated companies	Operating income
LNG Carriers, Norway	46 %	589 352	109 571	698 923
LNG Carriers, France	0 %	-	-	-
Product Tankers, mainly Europe	9 %	132 650	-	132 650
Management, Norway,UK,Spain	30 %	462 827	-287	462 540
Research & Development, and other income, Norway	6 %	98 722	-12 146	86 576
Offshore Tankers	9 %	-	136 742	136 742
Total	100 %	1 283 550	233 880	1 517 431

Note 2 Long-term shareholdings

Shares in associated companies, TS Shipping Invest AS

	Ownership and voting share	Number of shares	Equity 31.12. NOK 1,000	Last yrs result NOK 1,000	Book value NOK 1,000
Knutsen NYK Offshore Tankers AS	50,0 %	106 782 956	4 449 567	225 039	855 733
Knutsen Scale Gas S.L.(2022 numbers)	50,0 %	1 003 600	EUR 619	EUR - 160	4 987
Knutsen New Energy AS	50,0 %	314	15 616	-44	7 850
Net booked value TS Shipping Invest AS					868 570

Knutsen NYK Offshore Tankers AS and Knutsen New Energy AS has the same address as the TS Shipping Invest AS, which is Smedasundet 40, Haugesund. Knutsen Scale Gas S.L. Calle Valazque 150 - 4 izquierda 28002 Madrid, Spain.

Stock and shares in associated companies, TS Shipping Invest Group

	Ownership and voting share	Book value 1.1. NOK 1,000	Last years share of result NOK 1,000	Book value 31.12. NOK 1,000
Canship Uglund Limited	49 %	6 863	261	7 498
Knutsen NYK Offshore Tankers AS	50 %	1 825 080	16 668	1 726 824
Knutsen NYK LNG Holding AS	50 %	1 245 814	191 616	1 580 822
Norspan LNG XII AS	50 %	120 321	35 226	157 930
Norspan LNG XIII AS	50,0 %	101 591	23 950	127 752
Norspan LNG 19 AS	50 %	24 721	16 836	41 716
Norspan LNG 14 AS *	100 %	39 961	9 558	0
Norspan LNG 23 AS **	0 %	49 632	0	0
Norfra LNG 14 SAS	50 %	0	-1 336	47 469
Norfra LNG 15 SAS	50 %	29 982	5 526	43 173
Norspan LNG 17 SAS	50 %	31 318	47 160	79 453
Norspan LNG 18 SAS	50 %	32 185	34 707	67 779
Norspan LNG 20 SAS	50 %	24 441	29 800	56 354
Norspan LNG 21 SAS	50 %	24 531	15 958	42 299
Norspan LNG 22 SAS	50 %	15 290	0	24 675
Norfra LNG 23 SAS	50 %	0	3 059	25 152
Norspan LNG 28 SAS	50 %	0	0	37 389
Norspan LNG 29 SAS	50 %	0	0	37 787
Norfra LNG 30 SAS	50 %	0	0	21 523
Norfra LNG 32 SAS	50 %	0	0	7 893
Norfra LNG 33 SAS	50 %	264	0	20 690
Norfra LNG 34 SAS	50 %	0	0	12 802
Norfra LNG 35 SAS	50 %	264	0	283
Norfra LNG 36 SAS	50 %	264	0	282
Norfra LNG 37 SAS	50 %	264	0	283
Norfra LNG 38 SAS	50 %	11 623	0	11 487
Norfra LNG 39 SAS	50 %	11 623	0	11 487
Norfra LNG 40 SAS	50 %	11 623	0	11 487
Norfra LNG 41 SAS	50 %	11 623	0	11 487
Knutsen New Energy	50 %	7 830	-22	7 808
Knutsen NYK Carbon Carriers AS	50 %	19 028	-10 445	9 511
Knutsen Scale Gas S.L.	50 %	4 105	0	4 393
Knutsen Philippines INC	25,0 %	1 541	0	1 608
Net booked value associated companies in TS Shipping Invest Group		3 651 782	418 523	4 237 096

* Norspan LNG 14 AS is a subsidiary as of 31.12.2023. The date the company became a subsidiary was 18.04.2023. Hence, the result before that is attributed to result from associated companies.

** Knutsen LNG AS bought the rest of the shares in Norspan LNG 23 AS. The company is merged with Knutsen Kyst LNG AS where the latter is the surviving entity.

Note 3 Crew hire

Knutsen OAS Shipping AS is responsible for the operation of most of the vessels in the Group, thus the manning of the Group vessels. Knutsen OAS Offshore AS is responsible for the crew on the offshore unit - MT Jorunn Knutsen /FSU Åsgard C. Knutsen OAS Crewing AS and Knutsen OAS Crewing Eastern Europe AS is responsible for handling of the Group's Eastern European seafarers and Nordic seafarers who are not members of the social security system in Norway.

Knutsen LNG Crewing France SAS handles the manning for the 11 vessels operating under the French flag.

Knutsen OAS España S.L. handles the manning for the 11 LNG vessels in the Group under Canarian flag, and have their own personnel to take care of the manning for these vessels, in addition to business development in Spain.

Knutsen OAS (UK) Ltd. have hired personnel to operate business development in Britain. Knutsen OAS Management AS handles the manning of Knutsen OAS Shipping AS so that they can focus on management on behalf of all the companies in the Group.

In addition to the above mentioned manning plan, the ship owning companies will hire crew from several external manning companies.

Note that its only the above mentioned companies that employ personnel, thus the only companies with pension scheme, which is in accordance to their respective countries tariff scale. The Norwegian companies Knutsen OAS Shipping AS, Knutsen Kyst LNG KS, Knutsen OAS Offshore AS, Knutsen OAS ML AS and Knutsen OAS Management AS have compulsory pension scheme in accordance with the Norwegian law on required compulsory pension ("Lov om obligatorisk tjenstepensjon").

<u>Specification:</u>	2023	2022
Grants crew expenses	5 598 282	5 054 442

Note 4 Pension scheme, TS Shipping Invest Group

The pension scheme for seafarers was converted into a defined contribution scheme pension (OTP) in 2020 and meets the Norwegian requirements for a Mandatory Company Pension (OTP). The group has a contribution plan for it onshore employees.

Note 5 Remuneration

TS Shipping Invest AS

The group has paid NOK 650 000 to the Board of directors during 2023. Auditors' fee recorded to the Profit & Loss account is specified below:

TS Shipping Invest Group

The group has paid NOK 650 000 to the Board of directors during 2023.

	TS Shipping Invest AS		TS Shipping Invest Group	
	2023	2022	2023	2022
Auditors' fee (VAT not included)				
Audit fees relates to statutory audit of accounts	768 762	420 000	3 147 246	1 405 615
Other certification	0	0	0	195 434
Fee for tax services primarily relates to tax compliance and restructuring services	0	0	13 709	13 856
Other assurance services relates to attestation services and accounting consultations on:	139 675	0	377 500	31 500
	<u>908 437</u>	<u>420 000</u>	<u>3 538 455</u>	<u>1 646 404</u>

Note 6 Fixed Assets, TS Shipping Invest Group

Figures in NOK 1.000

	2023	2022
Vessels		
Historical cost 01.01.	13 759 198	3 663 066
Accumulated depreciation 01.01.	1 282 982	1 126 862
Book Value 01.01.	12 476 216	2 536 204
Translation adjustment	238 859	212 471
Additions/reductions	-2 236	9 883 660
Deconsolidation	2 013 825	0
Ord. depreciation	526 317	190 230
Write downs and - reversal write downs	64 050	-34 111
Book Value 31.12.	<u>10 108 647</u>	<u>12 476 216</u>
Dry-docking vessels		
Historical cost 01.01.	240 232	233 432
Accumulated depreciation 01.01.	174 772	144 150
Book Value 01.01.	65 460	89 282
Translation adjustment	2 349	0
Additions/reductions	170 618	6 800
Ord. depreciation	78 685	30 622
Deconsolidation	62 218	0
Book Value 31.12.	<u>97 525</u>	<u>65 460</u>
Net vessels	<u>10 206 172</u>	<u>12 541 677</u>
Vessels under construction		
Book Value 01.01.	2 482 223	994 028
Additions/reductions	611 675	1 488 195
Deconsolidation	2 145 760	0
Book Value 31.12.	<u>948 138</u>	<u>2 482 223</u>

Property		
Historical cost 01.01.	11 480	10 613
Accumulated depreciation 01.01.	3 691	3 450
Book Value 01.01.	7 789	7 162
Translation adjustment	293	0
Additions/reductions	0	868
Ord. depreciation	309	241
Book Value 31.12.	7 773	7 789
Other assets		
Historical cost 01.01.	13 790	12 773
-Accumulated depreciation and write-down 01.01.	13 130	12 134
Book Value 01.01.	660	639
Translation adjustment	846	0
Additions/reductions	3 517	1 017
Ord. depreciation	1 459	996
Book Value 31.12.	3 564	660

Note 7 Financial income and -expenses

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2023	2022	2023	2022
Financial income:				
Interest from Group companies	18 227	15 811	0	0
Interest from associated companies	2 193	369	13 796	
Other interest income	564	23	21 930	3 003
Group contribution	303 675	266 722	0	0
Share dividend	158 894	0	25	8 505
Profit/ sale of shares/partnership	221	0	645 845	264 768
Guarantee commission income from associated companies	52 134	27 035	52 134	27 035
Guarantee commission group	14 234	5 810	0	0
Reversed write downs	49 622	82 476	0	0
MtM FX forward	0	0	2 107	0
MtM Swap	0	0	371	0
Total financial income	599 764	398 245	736 208	303 312
Financial expenses:				
Interest paid to Group companies	17 634	7 563	0	0
Interest paid to associated companies	0	0	0	4 090
Other interest expenses	79 376	25 203	748 385	208 749
Write-offs and losses	70	0	0	0
Guarantee commission expenses	2 485	2 406	10 208	2 312
Other financial expenses	824	11	9 748	274
Total financial expenses	100 388	35 183	768 340	215 424

Note 8 Tax

In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2023	2022	2023	2022
Profit before tax	472 783	321 326	1 620 766	892 983
Non-deductible items	-205 294	-82 460	-1 581 388	-962 727
Change Temporary differences merger	0	0		0
Change Temporary differences acquired business	0	0		0
Change Temporary differences	-267 373	-258 601	281 627	69 744
Basis for tax calculation before Group contribution	116	-19 736	321 005	0
Received Group contribution	5 744	19 736		0
Basis for tax calculation after Group contribution	5 859	0	321 005	0
Calculation of tax expenses				
Tax payable tonnage tax regime	0	0	1 774	0
Currency effect tax payable	0	0	0	2
Change in deferred tax (22%)	-58 822	-56 892	61 958	15 344
Tax calculated	-58 822	-56 892	63 732	15 346

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Below a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

Temporary differences:	TS Shipping Invest AS			TS Shipping Invest Group		
	31.12.2023	Change	31.12.2022	31.12.2023	Change	31.12.2022
Business assets/equipment	0	0	0	-234	222	-456
Limited partnership shares	-15 335	-1 310	-14 026	0	0	0
Current assets	0	0	0	8 862	14 184	-5 322
Long term debt	0	0	0	0	0	0
Gain and loss account	9 386	-2 346	11 732	9 933	-2 483	12 417
Deficit carried forward	-70 103	271 029	-341 131	-323 254	269 704	-592 958
Financial deficit carried forward	0	0	0	0	0	0
Deferred tax basis	-76 052	267 373	-343 425	-304 692	281 627	-586 319
Deferred tax	-16 731	58 822	-75 553	-67 032	61 958	-128 990
	22 %		22 %	22 %		22 %

Entering the tonnage tax in 2017 resulted in an entrance tax for Norspan LNG II AS and Norspan LNG III AS, which is payable with 20% of the balance each year.

Entrance tax

	2023	2022
Opening balance gain/loss account	3 055	3 819
Short-term tax payable basis (20%)	611	764
Long-term tax payable basis (80%)	2 444	3 055
Incoming balance long-term	672	840
Tax payable short-term in balance sheet, 22% tax rate	134	168
Tax payable long-term in balance sheet, 22% tax rate	538	672
Tax costs calculated	0	0

Note 9 Shares in subsidiaries, TS Shipping Invest AS

	Direct owner- and voting share	Direct and indirect owner share voting	Equity 31.12. NOK 1.000	Last yrs result NOK 1.000	Book value in TSSI AS NOK 1.000
Global Noges S.L.	100 %	100 %			10 065
Knutsen Ballast water AS	100 %	100 %	70 653	16 073	20 310
Knutsen LNG AS	100 %	100 %	2 649 526	818 223	1 432 826
Knutsen Kyst LNG AS *	0 %	100 %	1 157 875	136 315	0
Knutsen Kyst LNG KS	0 %	100 %	42 126	2 181	0
Norspan LNG AS	0 %	100 %	207 061	-84 392	0
Norspan LNG II AS	0 %	100 %	251 011	42 132	0
Norspan LNG III AS	0 %	74 %	486 942	52 166	0
Norspan LNG V AS	0 %	100 %	424 185	26 644	0
Norspan LNG VI AS	0 %	100 %	452 618	18 043	0
Norspan LNG VII AS	0 %	100 %	464 366	10 766	0
Norspan LNG 14 AS	0 %	100 %	450 421	341 909	0
Norspan LNG 16 AS	0 %	63 %	270 331	47 247	0
Norfra LNG 31 SAS	0 %	100 %	374 985	1 655	0
Norspan Gas Carriers AS	100 %	100 %	560 922	8 690	621 923
Knutsen LNG France SAS	0 %	100 %	238 296	-3 262	0
Knutsen Crewing France SAS	0 %	100 %	7 530	1 879	0
Knutsen Marine Services AS	99 %	100 %	9 447	-11	9 384
Knutsen OAS Crewing AS	0 %	99 %	528	-64	0
Knutsen OAS España S.L.	65 %	65 %	50 864	5 828	3 423
Knutsen OAS Management AS	0 %	99 %	2 844	5 038	0
Knutsen OAS ML AS	100 %	100 %	356	158	356
Knutsen OAS Offshore AS	100 %	100 %	889	90	2 701
Knutsen OAS Shipping AS	99 %	99 %	34 494	140 626	39 345
Knutsen OAS (UK) Limited	100 %	100 %	11 117	1 127	7 349
Knutsen Produkt Tanker XII AS	100 %	100 %	53 630	-3 249	128 841
Knutsen Technology AS	90 %	90 %	346 573	4 480	288 225
Knutsen VOC AS	100 %	100 %	2 684	19	3 971
Knutsen VOC KS	75 %	85 %	20 915	1 764	2 924
					2 571 643

All of the Norwegian subsidiary companies have the same company address as the parent company, which is the same address as the general manager, Smedasundet 40, Haugesund. Knutsen LNG France SAS, Knutsen Crewing France SAS and Norfra LNG 31 SAS has its office in Marseille, France, Global Noges S.L. is managed by Knutsen OAS España S.L. in Madrid, Spain, and Knutsen OAS (UK) Ltd. has its office in Aberdeen, Britain.

* Norspan LNG 23, 26, 27, 28, 29 & 31 AS have all been merged with Knutsen Kyst LNG AS where the latter company is the surviving entity. Hence, the result of the company stems from the accounting gain booked in connection with the novation of the shipbuilding contracts to associated companies in France.

Note 10, Receivables and -liabilities associated companies

Interest is calculated on all intercompany accounts in accordance with the loan agreements. TS Shipping Invest AS and the Groups receivables and liabilities are due in 1 year and forward, but settlement is usually within 5 years.

Note 11 Inventories and spare parts, TS Shipping Invest Group

Inventories and spare parts summarize to NOK 27 950 079 (NOK 28 745 000 in 2022) refer to the vessels' lube oil and stores with NOK 13 096 534 and NOK 14 853 545 for spare parts per. 31.12.23. For vessels on T/C contracts, bunkers and bunkers stock are for charterers' account.

Note 12 Other current receivables

Figures in NOK 1,000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2023	2022	2023	2022
Accrued revenue	0	0	7 653	15 009
Other receivables	373	7 514	201 392	83 795
	<u>373</u>	<u>7 514</u>	<u>209 045</u>	<u>98 804</u>

Note 13 Bank deposits

The bank accounts for the vessel owning subsidiaries and associated companies have certain restrictions in terms of how the funds are used due to various loan financing covenants. Restricted cash is NOK 148,87 million of the group's cash deposit per. 31.12.23.

Note 14 Equity

Figures in NOK 1,000

Specification of equity per 31.12.2023

TS Shipping Invest AS

	Share capital	Other paid-in capital	Other equity	Total equity
Equity 01.01.	29 154	433 935	2 139 374	2 602 464
Result for the year	0	0	408 101	408 101
Equity 31.12	<u>29 154</u>	<u>433 935</u>	<u>2 547 476</u>	<u>3 010 565</u>

Share capital consist of 22 600 shares with face value NOK 1 290.

All shares have the same right to vote and is owned by the parent company Seglem Holding AS.

TS Shipping Invest Group

	2023	2022
Majority's equity per 01.01.	5 201 835	3 980 895
Equity share of Group contribution	0	0
Group contribution to Seglem Holding AS	0	0
Purchase of minority interest	-76 505	
Result for the year	1 521 189	828 379
Conversion associated companies to subsidiaries		
Conversion difference, foreign subsidiary and investments	149 842	392 562
Majority's equity per 31.12.	<u>6 796 362</u>	<u>5 201 835</u>
Minority's equity per 01.01.	1 734 872	254 020
Paid in minority interests	246 629	1 668 208
Paid to minority interests	-35 834	-9 842
Subsidiary changed to associated company	-1 430 239	-226 772
Majority paid out minority interests	0	0
Result	35 844	49 258
Minority's equity per 31.12.	<u>551 272</u>	<u>1 734 872</u>
Total equity	<u>7 347 634</u>	<u>6 936 707</u>

Note 15 Shares owned by Board Members and Affiliates

TS Shipping Invest AS

Trygve Seglem owns 70 % through Seglem Holding AS and controls 100 % of the vote giving shares in the Seglem Holding AS
Synnøve Seglem owns 15 % through Seglem Holding AS and controls 0 % of the vote giving shares in the Seglem Holding AS.

TS Shipping Invest AS is a wholly-owned subsidiary of Seglem Holding AS. The parent company is situated at Smedasundet 40, 5529 Haugesund.

Note 16 Contracts provisions, TS Shipping Invest Group

Figures in NOK 1.000

	2023	2022
Contract provisions		
Historical cost 01.01.	48 470	48 470
-Accumulated amortization 01.01.	48 470	45 916
Book Value 01.01.	0	2 556
Additions/reductions	0	0
Booked reduction in income	0	2 556
Book Value 31.12.	0	0

Note 17 Mortgage debt and financial instruments

Figures in USD/NOK 1.000

	Foreign currency	NOK
TS Shipping Invest AS		
USD Loan	55 044	561 581
Deferred debt issuance costs		-1 923
Net loan		<u>559 658</u>
Current portion of debt:		
USD Loan	6 100	60 430
Deferred debt issuance costs		-1 217
Net current portion		<u>59 213</u>
Figures from 2022		
USD Loan	94 493	936 100
Deferred debt issuance costs		-837
Net loan		<u>935 264</u>
Current portion of debt:		
USD Loan	73 100	724 172
Deferred debt issuance costs		-837
Net current portion		<u>723 336</u>

The USD facility has in June 2023 been extended to June 2025 with semiannual instalments of USD 3 050 000 and a final repayment of USD 55 893 507 on the maturity date.

The NOK/USD exchange rate at 31.12.2023 was 10,2025 (9,9066 per. 31.12.22)

Foreign exchange gain/loss on the portion of the debt exceeding the income is entered as income/cost. Accumulated unrealised foreign exchange loss per 31.12.2023 is estimated to MNOK 30,9 (loss MNOK 32,7 in 2022).

Mortgage debt is secured in shares and stocks owned directly or indirectly in Knutsen LNG AS, Knutsen Kyst LNG KS/AS and Norspan LNG III AS and Knutsen OAS (UK) Ltd. property in Aberdeen, Britain. Book value for these assets were MNOK 3 011 (MNOK 1 440 in 2022).

TS Shipping Invest Group

Figures in USD/NOK 1.000

	Foreign currency	NOK
USD-loan	797 529	8 108 463
EUR-loan	127 522	1 307 284
NOK-loan		27 053
Deferred debt issuance costs		-83 779
Net loan		<u>9 359 021</u>
Current portion:		
USD-loan	69 765	711 778
EUR-loan	50 029	564 902
NOK-loan		12 820
Deferred debt issuance costs		-14 917
Net loan		<u>1 274 583</u>

<u>Figures from 2022</u>	Foreign currency	NOK
USD-loan	1 121 502	11 077 120
EUR-loan	148 114	1 490 893
NOK-loan		35 044
Deferred debt issuance costs		<u>-95 368</u>
Net loan		<u>12 507 689</u>
Current portion:		
USD-loan	140 507	1 391 950
EUR-loan	20 592	217 286
NOK-loan	7 991	880
Deferred debt issuance costs		<u>-4 098</u>
Net loan		<u>1 606 018</u>

The NOK/USD exchange rate at the year-end was 10,2025 (9,9066 per. 31,12,22), the NOK/EUR exchange rate at the year-end was 11,2915 (10,5522 per. 31,12,22)

Mortgage debt is secured through stocks in subsidiaries and associated companies and real estate. The mortgage debt in the vessel owning companies is secured through mortgages in the vessels in addition to assignment of the vessels' earnings. Book value of mortgaged assets is NOK 13 377 million (NOK 12 549 million in 2022). TS Shipping Invest AS has put up security and guaranties related to the debt, interest rate swaps and new building commitments in the associated ship owning companies.

Of the group's outstanding debt 81 % is secured through long-term interest rate swaps or fixed interest debt to hedge future cash flow. The interest swaps is included in the interest expenses and the liabilities is not taken into the balance sheet.

	Foreign currency	NOK
Outstanding debt per 31,12.2028 is estimated to:	USD	2 990 416 923
	EUR	375 767 706
	NOK	0
		<u>3 366 184 629</u>

The company seek to reduce market risk and financial risk by use of long term contracts and financial instruments. Though, since a substantial part of the company's revenues, investments and debt also are denominated in the same currency, this limits the company's foreign exchange risk.

Note 18 Other current liabilities

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2023	2022	2023	2022
Other short term liabilities		0	0	0
Dividend	0	0	1 434	2 042
Other payables and accruals	886	0	153 004	196 860
	<u>886</u>	<u>0</u>	<u>154 438</u>	<u>198 902</u>

Note 19 Related party information

Related parties

Knutsen NYK Offshore Tankers AS (KNOT) is owned 50% by TS Shipping Invest AS and 50% by NYK Logistics Holding(Europe) B.V. Norspan LNG IV AS, Norspan LNG VIII - XI AS and Norspan LNG 24 - 27 SAS is owned 50% by TS Shipping Invest group and 50% by Nippon Yusen Kabushiki Kaisha (NYK) through Knutsen NYK LNG Holding AS.

TS Shipping Group performs ship management for associated companies and has also issued guarantees as securities for loan agreements and charter parties. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin.

Management agreements

Ship-management services fee from Norspan LNG I-14 AS	Total TNOK 42 381
Hire adm. service to Knutsen companies	Total TNOK 16 493
New building supervision fee from Norspan LNG 16 -41 SAS	Total TUSD 16 187
Hire project personnel to KNOT	Total TUSD 362
New building supervision fee from KNOT	Total TUSD 3 200
Hire crew to KNOT Group	Total TUSD 21 113
Hire administration services to KNOT	Total TUSD 5 917
Hire administration services to KNOP	Total TUSD 631
Guarantee commissions from associates	Total TUSD 4 843
Hire of property from Seglem Eiendom Group	Total TNOK 8 149

A number of the Contracts of Affreightment (CoA) of which are operated with KNOT vessels are formally entered into by either Knutsen OAS Shipping AS and/or Knutsen OAS (UK) Ltd, with end users. The CoA is formally not transferred but the economic effect of the contracts have been transferred to the operating entities in KNOT, and a process has in 2011 started up to agree memorandum to the original agreements that the contracts have been transferred to KNOT group.

Guarantees

TSSI loan Guarantee overview

(numbers per 31.12.23, all amounts in mill.)

<u>Company</u>	<u>Currency</u>	<u>Amount</u>
Knutsen Product Tankers XII AS	USD	18,5

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
NORSPAN LNG AS	EUR	20,0	Bilbao Knutsen	2024
NORSPAN LNG II AS	EUR	26,0	Cadiz Knutsen	2029
NORSPAN LNG III AS	USD	20,0	Iberica Knutsen	2029
NORSPAN LNG IV AS	USD	20,0	Sestao Knutsen	2032
NORSPAN LNG V AS	USD	64,6	Barcelona Knutsen	2030
NORSPAN LNG VI AS	NOK	21,3		
NORSPAN LNG VI AS	USD	30,0	Sevilla Knutsen	2030
NORSPAN LNG VII AS	USD	30,0	Valencia Knutsen	2030
NORSPAN LNG XI AS	USD	143,5	Rias Baxias Knutsen	2029
NORSPAN LNG XII AS	USD	142,0	Adriano Knutsen	2026
NORSPAN LNG XIII AS	USD	152,4	Traiano Knutsen	2027
NORSPAN LNG 16 AS	USD	152,0	Santander Knutsen	2029
NORSPAN LNG 19 AS	USD	154,3	Huelva Knutsen	2029
Knutsen Kyst LNG KS	USD	5,84	Pioneer Knutsen	2034
Knutsen Scale GAS, S.L.	EUR	15,0	Haugesund Knutsen	2028
Total	USD	908,8		
Total	EUR	61,0		
Total	NOK	21,3		

TS Shipping Invest has guaranteed that all of the French leases will be fulfilled.

TSSI Guarantee overview Interest rate swaps

(numbers per 31.12.23, all amounts in mill.)

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
Norspan LNG AS	EUR	50,0	Bilbao Knutsen	2024
Norspan LNG II AS	EUR	50,0	Cadiz Knutsen	2029
Norspan LNG III AS	USD	2,4	Iberica Knutsen	2029
Norspan LNG V AS	USD	32,0	Barcelona Knutsen	2030
Norspan LNG VI AS	USD	34,0	Sevilla Knutsen	2030
Norspan LNG VII AS	USD	44,0	Valencia Knutsen	2030
Norspan LNG IV AS	USD	9,4	Sestao Knutsen	2042
Total	USD	121,8		
Total	EUR	100,0		

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TS Shipping Invest AS

Opinion

We have audited the financial statements of TS Shipping Invest AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2023, the income statement and the 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 and the Group as at 31 December 2023 and their 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 and the Group 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 and the General Manager) 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 and the Group'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 the Group, 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Oslo, 19 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

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

Birkeland, Magnus Hegertun

Statsautorisert revisor

På vegne av: ERNST & YOUNG AS

Serienummer; no_bankid:9578-5990-4-2796687

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TS Shipping Invest AS

Annual Report 2022



TS SHIPPING INVEST AS

DIRECTORS' REPORT 2022

GROUP AND COMPANY

TS Shipping Invest AS (“TSSI”) is the holding company of the maritime activities of the Trygve Seglem family. The Group is at the forefront in the development of the offshore energy markets by owning and operating vessels of high technical and operational standard, and through pioneering investments into new segments such as offshore wind and carbon capture and transport.

TSSI and its subsidiaries (“the Group / Knutsen”) own and operate vessels worldwide with leading market positions in the shuttle tanker segment, through Knutsen NYK Offshore Tankers AS (“KNOT”), a 50/50 joint venture with NYK, and in the LNG Carrier segment, through wholly owned Knutsen LNG AS (“KLNG”). Whilst the product tanker segment is no longer considered strategic with only two vessels left in the fleet, Knutsen NYK Carbon Carriers (“KNCC”) is a newly established joint venture with NYK set up to enter the prospective high growth marine transportation of CO2 segment.

The strategy for the shipping segments rests on four pillars: advanced vessels, long term charter contracts, first class charterers and commitment to safety. We are committed to delivering environmentally friendly services and products of the highest quality related to Health, Security and Safety standards to meet international regulations and customer requirements. The entire fleet controlled by the Group is managed in-house by Knutsen OAS Shipping for the entire value-chain, including newbuilding supervision, chartering, vetting, crewing, technical and commercial management, financing, procurement, and general administration.

Our willingness to invest in research and development over time has produced several new independent business segments. The Group is a world leading technology provider in marine transportation of compressed natural gas with our proprietary Knutsen PNG® Technology. The Group has its own proprietary technology for VOC reduction during tanker loading, Knutsen KVOC® Technology. Over the recent years the Group has also proven the commercial success of its technology for ballast water treatment for large tankers, KBAL®, with IMO and USCG approvals. Beyond the shipping activities, the Group is developing projects globally within offshore wind through its ownership in Deep Wind Offshore, capitalizing on a technology focused organization.

Our focus on operational excellence and technology leadership enables us to focus on and attract high quality customers. Our key customers are utilities and energy majors which set the highest requirements to safety and reliability standards.

TSSI is incorporated in Norway and has its offices in Haugesund in Norway. TSSI Group holds offices in Marseilles, Nantes, Madrid, Aberdeen, London, Riga, Copenhagen and Rio de Janeiro.

Financial Results

The Group's total operating income amounted to NOK 1,517 million in 2022 compared to NOK 910 million in 2021.

The operating result was NOK 1,030 million in 2022 compared to NOK 495 million in 2021, and ordinary profit after tax amounted to NOK 878 million in 2022 compared to NOK 225 million in 2021.

Total liquidity position (cash and cash equivalents) of the Group was NOK 850 million as per 31.12.22, compared to NOK 362 million per 31.12.21. Total short-term debt amounted to 4.78% of total debt and liabilities, compared to 12.46% in 2021.

Total assets at year-end 2022 for the Group amounted to NOK 20,080 million compared to NOK 8,049 million in 2021. The increase in total assets relates mainly to Knutsen LNG AS having grown its fleet of fully owned LNG tankers. Equity capital's share of total assets as per 31.12.22 was 34.5% (52.6% as per 31.12.21). The reduced equity ratio is linked to the vessel expansion program in mainly Knutsen LNG AS including buyout of an equity partner in four vessels.

The parent company TS Shipping Invest AS had a net profit of NOK 264 million for 2022 compared to a net profit of NOK 555 million in 2021. The unrestricted equity in TS Shipping Invest AS as of 31.12.2022 amounted to NOK 2,602 million. The Board of Directors recommends that the result for the year is transferred to other equity.

Total assets of the parent company amounted to NOK 4,360 million per year-end 2022 compared to NOK 3,129 million in 2021.

The Financial Statements have been prepared under the assumption of going concern, and the Board of Directors confirms that this assumption is in accordance with the Norwegian Accounting Act § 3-3.

Operations

The Group takes an active approach in risk management of its business, with the main exposure categories being market risk, interest rate risk and currency risk. The Group's market risk is mainly related to utilization of optional time charter periods and re-chartering of vessels coming off firm time charter periods. Market risk is to a large extent mitigated through a significant part of the fleet being on long time charter contracts to utilities and energy companies. The operating expense element is typically inflation hedged through an index adjustment of the contractual time charter rates in the fixed contracts.

The Group is subject to currency risk related to operating expenses having a significant proportion of the costs in European currencies. Whereas the Group employs hedging actively, commonly by forward contracts in relation to USD, the vessels are mainly financed in USD which gives a natural hedge against USD fluctuations. The debt financings have variable interest rates, but a substantial part of the debt related to vessels on long-term charters is hedged through interest rates swaps.

The Group is undergoing a period of fleet expansion based on having secured a series of long-term contract awards mainly in the LNG segment. The fleet expansion is made in partnership with leading industrial companies and institutional investors. The philosophy behind this investment strategy is to capitalize on the Group's ability to win, develop and manage high quality shipping projects with a long-term horizon. This permits a project finance style financial strategy and is attractive to investors. A key objective for each of the projects is to ensure that they can support themselves on a stand-alone basis.

By partnering with institutional investors, mostly on a project-to-project basis, the TSSI Group can develop its shipping activities and strengthen its position as a major owner and operator in the Shuttle-tanker and LNG segments while maintaining a prudent financial profile. Our partners are leading industry players and institutional investors that share our long-term focus.

Offshore loading tankers:

TSSI Group's investments in offshore loading tankers are consolidated into Knutsen NYK Offshore Tankers AS ("KNOT"). KNOT is jointly owned 50/50 with the Japanese shipping group NYK through NYK Holding (Europe) B.V.

The Group's first shuttle tankers were ordered in 1984 and has since then been a leader in the technical development of shuttle tankers. As of 31 December 2022, KNOT had technical and commercial management of 30 shuttle tankers and two FSOs in addition to two newbuilding orders. Eighteen of the shuttle tankers are owned by an associated company, KNOT Offshore Partners LP (KNOP), which is listed on the New York Stock Exchange and where KNOT is the Sponsor, General Partner and the largest owner with ownership interest at year-end 2022 of 30.47 per cent.

The KNOT fleet transports oil from offshore oil fields in North Europe, South America, and West Africa. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality and stable operations.

Offshore loading and dynamically positioned oil tanker vessels are KNOT's main strategic focus and the Group is actively involved in the technical development of this type of tankers commonly referred to as shuttle tankers. Despite the reduced investment activity globally related to offshore oil and gas in recent years, the level of activity in fields where offshore loading is required has been stable.

KNOT's ordinary profit after tax amounted of USD 40 million in 2022 compared to loss of USD 44 million in 2021. The improved result reflects a rebalancing of supply and demand in carrying capacity in Brazil. Additionally, strong demand for conventional tankers contributed to increased deployment of North Sea shuttle tankers which continue to be affected by slower than expected development of new production capacity following delays mainly caused by the pandemic.

KNOT owns and operates two floating storage and offloading ("FSO") vessels. Jorunn Knutsen has operated on the Åsgard field offshore Norway without any off-hire since start-up in year 2000. In 2018, KNOT completed the conversion of Hanne Knutsen from shuttle tanker to FSO. The vessel operates on a long-term time-charter contract to Equinor for service on the Martin

Linge oil and gas field offshore Norway until October 2026 with charterer's option to extend the contract for up to four years. This project constitutes the largest single vessel investment made by the Group, and we expect that the vessel will remain working on the field far beyond the end of the firm charter period.

KNOT took delivery of three new shuttle tankers in 2022; "Daqing Knutsen" employed on long-term charter to PetroChina, "Frida Knutsen" and "Sindre Knutsen", both employed on long-term charters to ENI. KNOT contracted 2 vessels for delivery in 2024 and 2025 on the back of respectively 10- and 15-year time charters to Petrobras.

In 2022 one older small, shuttle tanker, "Anneleen Knutsen" has been sold. The vessel was sold for further trading.

LNG Carriers:

TSSI Group's investments in LNG tankers is made through wholly owned Knutsen LNG AS ("KLNG"). Of the 21 LNG carriers in operation at year-end 2022, seven are owned 100%, while five are jointly owned 50/50 with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Further partnerships are with Klaveness Group (four vessels), Cape Omega (two vessels), OMP, a HitecVision portfolio company (one vessel), Enagas through ScaleGas (one vessel) and the Hatteland Group (one vessel).

The Group's first LNG tanker was delivered in 2004. The Group has allocated significant resource into the LNG segment in recent years. KLNG took delivery of 6 vessels during 2022, of which 5 were large LNG Carriers built at Korean yards delivering onto long term contracts to Shell and PKN Orlen ("PKN") the Polish state-controlled oil and gas company, and one LNG bunker tanker built in Spain and employed on a long-term contract with Shell.

The Group had per year-end 22 large LNG Carriers of 174,000 m³ under construction at Hyundai Heavy Industries in South Korea for delivery in 2022-2026. Seven of these vessels will be delivered in 2023. Including the vessels on order, the Group's LNG fleet counts 43 vessels.

All vessels have been ordered on the back of long-term charter contracts to first class charterers, and the Group is not subject to the spot market due to the long term nature of the charter contracts. Of the 22 vessels on order, five will enter minimum seven years' time charter contracts with Shell, the oil major. Two vessels will enter long term charters with Engie, a leading European energy company. Five vessels will enter 10 years' firm time charter contracts with PKN and 10 vessels are backed by 15 years firm time charters to Qatar Energy.

The first vessel ending firm employment is "Bilbao Knutsen". This vessel will reach the end of its 20 years charter contract in Q1 2024. If the charterer does not opt for an extension of the time charter, the current favourable period market for tonnage provides for suitable alternative employment.

Three of the six vessels delivered in 2022 and all new vessels to be delivered during 2023 to 2026 will be owned through and managed by our wholly owned subsidiary in France, Knutsen LNG France SAS. The subsidiary has established a solid market presence in anticipation of future deliveries and has at year end a total of 40 employees (onshore and offshore). Knutsen expects to continue to draw on the local talent pool in growing the business in France.

Investment grade end-users continue to dominate the seaborne transportation of natural gas (LNG). This fundamental characteristic of the LNG industry suits the Group's strategy of basing its shipping activities on long-term contracts typically with a firm period of minimum 7 years while the vessels themselves typically service off take contracts of 20 years or longer which is reflected in optional periods in the time charter contracts.

LNG demand continues to see growth rates far beyond global GDP growth. A key driver is the requirement to reduce CO2 emissions and improve local air quality by switching from coal to cleaner energy such as natural gas. Additionally, increased focus on security of supply to Europe has been a contributing factor. The rapid demand growth is reflected in a corresponding high tender activity for long-term transportation contracts. The Group continues to grow in the LNG segment through winning awards for long-term contracts to first class charterers. Combined with the Group's strong track record in newbuilding supervision and operations, the solid contract backlog ensures ample access to debt and equity capital to finance the expansion. The Group has a strong preference to expand through equity partnership with strong financial long-term oriented investors instead of increasing its financial leverage.

Product tankers:

The product tanker "Birgit Knutsen" was sold in 2022. The vessel was taken back on a short term bareboat charter to complete our time charter employment for this vessel with Total. The operations of the remaining two product tankers have been satisfactory with focus on safe, efficient and cost-effective operations. The market for product tankers improved in 2022 leading to an upward adjustment in earnings under the rolling time charter employment with Total.

Marine Technology:

The Group has developed its proprietary technical solution for marine transportation of compressed natural gas ("CNG"). This Knutsen proprietary solution is named PNG[®] (Pressurised Natural Gas). The Company has previously made progress in commercialising the PNG[®] solution together with its venture partners and potential customers. In 2022 the Group formed of a 50/50 partnership with NYK relating to the PNG business, with a focus of commercialising the business for transport of CO2. The name of this new J/V is Knutsen NYK Carbon Carriers AS ("KNCC"). Transport of CO2 will be a key part of the CCUS (Carbon Capture Utilisation and Storage) value chain, which is considered to play an important role in the years to come to reduce carbon emissions across a number of industry sectors.

The Group has also developed a proprietary system for handling emissions (Volatile Organic Compounds) from offshore crude oil loading. This technology is named KVOC® and has been installed on more than 45 shuttle and ordinary tankers. KVOC® is a passive installation, considerably less expensive both to install and operate than alternative technologies in the market. Knutsen VOC KS is now actively working with the classification companies, international maritime organisations and governments in order to secure international recognition and classification for KVOC®. Over the last few years the technology has been improved with a 2nd generation design scheduled for installation on shuttle tankers.

Based on the technology of KVOC®, the Group has developed a Ballast Water Treatment system. The system holds both IMO G8 approval and USCG approval.

Safety and quality control

Safety and environmental compliance are our top operational priorities. Our vessels are operated in a manner intended to protect the safety and health of our employees, the general public and the environment. We actively manage the risks inherent in our business and are committed to eliminating incidents that threaten the safety and integrity of our vessels, such as groundings, fires, collisions and petroleum spills. We are also committed to reducing emissions and waste generation. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets.

The Group has established overall guidelines to ensure that the Group's activities shall be executed professionally and in accordance with national and international rules and regulations as well as internal and external standards and proactive actions shall be taken to avoid injuries, loss of life and material damages. In addition, the Group's operations shall be planned, and attention shall be made on executing activities and operations so that the environmental consequences are minimized.

Environment, Social and Governance (ESG) issues

The Group's HSSE and QA system is in accordance with international requirements and standards, and the Group maintains all necessary certificates for its operation of activities. Knutsen OAS Shipping AS and KNOT Management AS are certified according to the ISO 9001-2015, ISO 14001-2015 and OHSAS 18001 standards. Special attention is placed on preventive activities. Any deviation from implemented procedures is reported and processed in the HSSE and QA system.

The Group has an active approach regarding implementation and development of technology and operational procedures for reducing emissions to water and air. The Group has developed its own system for reducing VOC emissions (oil vapour) in connection with the loading of tankers. The Group has also developed its own Ballast Water Treatment System which it plans to further commercialize in the years to come. The Group is also establishing a comprehensive Energy Efficiency Management System for the vessels and has implemented a system for ECO Care actions in order to reduce fuel consumption and consequential emissions.

Our customers set the highest requirements to safety and reliability. We are therefore pleased that our clients have acknowledged the quality of our management system and operation by confirming our high score in the OCIMF Tanker Management Self-Assessment scheme. Rising concerns about our industry's environmental footprint is increasing demands for low-emitting energy efficient services and technologies, and the regulations related to emissions, pollution, and energy efficiency are tightening. We welcome these ambitions, and we are ready to contribute with solutions and practices that will help our industry reach and exceed its targets. The Group owns a young fleet and invests in modern vessels with improved fuel and emissions efficiency. We believe this strategy will become increasingly important in the years to come, meeting both regulatory and customer requirements.

Knutsen reports on ESG topics in accordance with The Norwegian Shipowner's Association's Guidelines for the shipping and offshore industries as published in February 2020 and up-dated in November 2021. The ESG topics identified by the Association allow the Group to report on issues that are material to the shipping industry and that are relevant to both internal and external stakeholders.

The Guidelines are based on the following internationally recognized reporting frameworks; The Global Reporting Initiative (GRI), The Sustainability Accounting Standards Board (SASB) and the 17 Sustainable Development Goals (SDGs).

Knutsen endorses the Poseidon Principles and assists banks who request information associated with the initiative. These principles aim to communicate relevant information to lenders, lessors, and financial guarantors allowing them to follow the Poseidon Principles when assessing and disclosing the climate alignment of their portfolios by providing measurement of carbon intensity and an assessment of Group climate alignment, as well as accountable data using the IMO's standard for collecting data on fuel consumption from ships.

The Group has produced ESG reports for both the shuttle tanker and LNG segments, starting for the year 2019.

The Group, the Company and the Norwegian subsidiaries regularly carry 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 will be included in a report here www.knutsenoas.com by 30 June 2023.

The Group has not taken out any insurance policy for members of the Board of Directors and the President and CEO of the parent company or the subsidiaries for their potential liability towards the Group companies and third parties.

Working environment and gender equality

The Group is an equal opportunity employer and strives to provide a working environment free of discrimination and harassment for employees regardless of location. All applicants will be considered for employment without attention to race, colour, religion, sex, sexual orientation, gender, national origin or disability. When we hire employees, it is based on business needs, job requirements and individual qualifications and not any considerations that are outside the protection of the laws and regulations in the locations in which we operate. In total, the share of women is 3.03% onboard the vessels. For the land-based employees the share of women is 32% in KOAS and 30% in KNOT. The members of the Board of Directors are four men and one woman.

In a traditionally male-dominated business, we strive to progress in all aspects of diversity. This is an ongoing process and focus area for the Group.

Working environment is considered to be good. There have been no reports of injuries or accidents in the workplace.

Sick leave among overall crew was in 2022 at 4,8% for the KOAS operated fleet (3.6% in 2021) and 2% for the KNOT operated Shuttle tankers and 10.9% for the two FSO (4 % in 2021). For onshore employees in KOAS and KNOT, the sick leave was 2.7 % in 2022 (2.6 % in 2021) and 5% (2.3% in 2021) respectively. The working environment, both on land and aboard ships is considered to be satisfactory. There were no significant accidents or incidents in 2022, and the objectives for the year regarding health and safety were achieved.

The Company aims to provide a workplace where there is full gender equality.

Future prospects

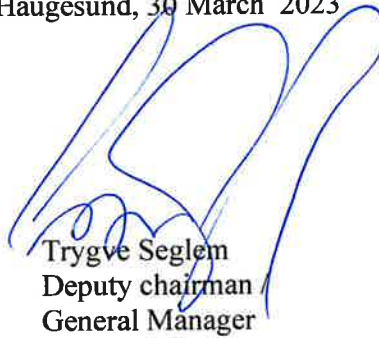
The Board of Directors regards the future prospects of the Group as promising. With the advanced LNG fleet and substantial contract coverage the TSSI Group is well positioned to further build its leading market presence in its segments. The Group expects to expand the firm contracted backlog that as of 31.12.22 stood at USD 10.5 billion for the LNG segment, and which, including extension options, is approximately USD 15billion.

The Group actively works on a number of new projects through KNOT for offshore loading tankers, through KOAS for LNG carriers, through KNCC for CO2 carriers, through Deep Wind Offshore for offshore wind, as well as projects for the emission treatment system KVOC® and the new Ballast Water Treatment System. Thus, the Board of Directors has reason to believe that 2023 will be a satisfactory year for the Group.

Haugesund, 30 March 2023



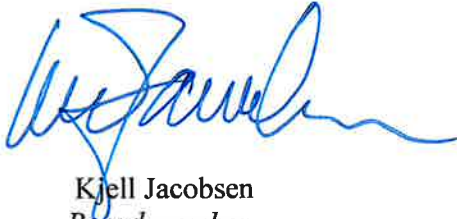
Øyvind Holte
Chairman of the Board



Trygve Seglem
Deputy chairman
General Manager



Synnøve Seglem
Board member



Kjell Jacobsen
Board member



Georg Scheel
Board member

TS SHIPPING INVEST GROUP

INCOME STATEMENT 01.01-31.12

2022	2021		Note	2022	2021
Company				Group	
Amounts in NOK 1.000				Amounts in NOK 1.000	
OPERATING INCOME					
0	0	Freight income on T/C basis	1	698 151	481 264
0	0	Share of profit/(loss) in associated companies	1,2	233 880	20 761
8 287	5 740	Other income	1	562 810	408 800
0	0	Gain from sale of vessels		22 589	0
<u>8 287</u>	<u>5 740</u>	Operating income		<u>1 517 431</u>	<u>910 825</u>
OPERATING EXPENSES					
0	0	Wages, Social expenses and crew hire	3,4	289 841	217 512
1 944	1 932	Operating expenses	5	188 664	198 083
0	0	Bareboat hire		8 517	0
<u>1 944</u>	<u>1 932</u>	Operating expenses		<u>487 022</u>	<u>415 596</u>
6 343	3 808	OPERATING RESULT BEFORE DEPRECIATION AND WRITE DOWN		1 030 408	495 230
0	0	Depreciation		222 089	149 833
0	0	Write downs/-Reversal write downs		-34 111	-10 877
<u>0</u>	<u>0</u>	Depreciation and write downs	6	<u>187 978</u>	<u>138 956</u>
6 343	3 808	OPERATING RESULT		842 430	356 273
FINANCIAL INCOME AND -EXPENSES					
398 245	615 183	Financial income	7	303 312	87 184
-48 080	-8 730	Foreign exchange gain/ -loss, net		-37 334	-20 314
<u>35 183</u>	<u>25 846</u>	Financial expenses	7	<u>215 424</u>	<u>171 904</u>
<u>314 983</u>	<u>580 607</u>	Net financial items		<u>50 553</u>	<u>-105 035</u>
321 326	584 415	PROFIT BEFORE TAXES		892 983	251 238
56 892	29 004	Taxes	8	15 346	25 759
<u>264 433</u>	<u>555 411</u>	PROFIT FOR THE PERIOD		<u>877 637</u>	<u>225 479</u>
0	0	Minority's share of the profit for the year		49 258	7 919
264 433	555 411	PROFIT FOR THE PERIOD AFTER MINORITIES		828 379	217 560

TS SHIPPING INVEST GROUP

BALANCE SHEET

31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
Company				Group	
Amounts in NOK 1.000				Amounts in NOK 1.000	
ASSETS					
NON CURRENT ASSETS					
Intangible assets					
75 553	132 446	Deferred tax asset		128 990	144 234
<u>75 553</u>	<u>132 446</u>	Total intangible assets		<u>128 990</u>	<u>144 234</u>
Tangible assets					
0	0	Property and plant	6	7 789	7 162
0	0	Vessels	6	12 541 677	2 625 487
		Vessels under construction	6	2 482 223	994 028
0	0	Equipment, and other tangible assets	6	660	639
<u>0</u>	<u>0</u>	Total tangible assets		<u>15 032 349</u>	<u>3 627 317</u>
Financial assets					
2 661 020	1 777 875	Investment in group companies	9	0	0
74 296	174 246	Loans to group companies	10	0	0
868 570	864 470	Investments in associates	2	3 651 782	3 529 532
0	5 546	Loans to associates	10	0	62 178
0	0	Other long term receivables		1 093	1 606
<u>3 603 886</u>	<u>2 822 137</u>	Total financial assets		<u>3 652 875</u>	<u>3 593 315</u>
<u>3 679 439</u>	<u>2 954 583</u>	Total non current assets		<u>18 814 214</u>	<u>7 364 866</u>
CURRENT ASSETS					
0	0	Inventories	11	28 745	9 888
Receivables					
328	0	Accounts receivable		159 951	93 436
7 514	0	Other receivables	12	98 804	86 694
18 224	15 330	Current receivables associates and related party	10	128 484	131 675
653 310	147 675	Current group receivables		0	0
<u>679 376</u>	<u>163 005</u>	Total receivables		<u>387 239</u>	<u>311 805</u>
1 006	11 742	Cash and cash equivalents	13	850 264	362 947
<u>680 382</u>	<u>174 747</u>	Total current assets		<u>1 266 248</u>	<u>684 640</u>
<u>4 359 821</u>	<u>3 129 330</u>	TOTAL ASSETS		<u>20 080 463</u>	<u>8 049 506</u>

TS SHIPPING INVEST GROUP

BALANCE SHEET

31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
Company				Group	
Amounts in NOK 1.000				Amounts in NOK 1.000	
EQUITY AND LIABILITIES					
EQUITY					
Owners equity					
29 154	29 154	Issued capital	14	29 154	29 154
433 935	433 935	Other paid-in capital		433 935	433 935
<u>463 089</u>	<u>463 089</u>	Total owners equity	15	<u>463 089</u>	<u>463 089</u>
Accumulated profits					
2 139 375	1 874 941	Other equity		4 738 746	3 517 805
<u>2 139 375</u>	<u>1 874 941</u>	Total accumulated profits		<u>4 738 746</u>	<u>3 517 805</u>
0	0	Minority interest		1 734 872	254 020
<u>2 602 464</u>	<u>2 338 030</u>	Total equity	14	<u>6 936 707</u>	<u>4 234 914</u>
LIABILITIES					
Provisions					
0	0	Deferred income and contract provisions	16	0	2 556
<u>0</u>	<u>0</u>	Total provisions		<u>0</u>	<u>2 556</u>
Other non current liabilities					
		Long term tax payable	8	578	840
935 264	424 371	Mortgage debt	17	12 507 689	2 840 190
328 291	208 406	Group debt	10	0	0
6 901	17 746	Other long term debt		6 901	491 796
0	0	Other long term liabilities associates	10	0	3 687
<u>1 270 456</u>	<u>650 523</u>	Total other non current liabilities		<u>12 515 169</u>	<u>3 336 513</u>
Current liabilities					
1	1	Accounts payable		88 353	69 940
1 085	0	Accrued interest		118 766	50 479
485 816	140 507	Current group payable	10	0	0
0	0	Public duties payable		61 714	35 458
0	0	Current tax payable	8	575	330
0	269	Current payable associates	10	30 999	76 318
0	0	Customers paid in advance		129 278	84 668
0	0	Other current liabilities	18	198 902	158 330
<u>486 902</u>	<u>140 778</u>	Total current liabilities		<u>628 586</u>	<u>475 523</u>
<u>1 757 358</u>	<u>791 301</u>	Total Liabilities		<u>13 143 756</u>	<u>3 814 592</u>
<u>4 359 821</u>	<u>3 129 330</u>	TOTAL EQUITY AND LIABILITIES		<u>20 080 463</u>	<u>8 049 506</u>

Haugesund , 30th March 2023



Øyvind Holte
Chairman



Trygve Seglem
Deputy Chairman/ Managing Director



Synnøve Seglem
Board member



Kjell Jacobsen
Board Member



Georg Scheel
Board Member

TS SHIPPING INVEST AS

CASHFLOW STATEMENT

01.01-31.12. 2022	01.01-31.12. 2021		01.01-31.12. 2022	01.01-31.12. 2021
Company			Group	Group
Amounts in NOK 1.000			Amounts in NOK 1.000	
		<u>Cash flow from operating activities</u>		
321 326	584 415	Profit/ (loss) before income taxes	892 983	251 238
0	0	Loss/ (profit) sale of fixed assets	8 517	0
0	0	Loss/ (profit) sale of assets	-22 589	0
0	0	Depreciation and write downs of fixed assets	187 978	138 956
0	-24 407	Change in provisions	-2 556	-3 826
-82 476	862	Net Write-down financial fixed assets	0	0
0	-68 275	Distribution from subsidiaries	0	0
0	-365 067	Gain sale of shares	0	0
0	0	Result from associated companies	-233 880	-20 761
0	0	Change in pension liability	0	0
29 294	14 834	Unrealized foreign exchange profit(s)/gain(s)	29 294	14 834
0	0	Income tax payable	-330	-473
837	624	Amortization debt issuance cost	-1 689	-4 126
-170 246	862	Changes in accounts receivable, accounts payable and other	-264 164	-19 990
98 735	143 847	Net cash flow from operating activities	593 565	355 853
		<u>Cash flow from investing activities</u>		
0	0	Invested in property, plant and equipment	-5 353 832	-987 115
0	0	Sale of vessel	134 087	0
0	0	Deconsolidation of business	204 666	0
0	0	Aquisition of business	-621 923	0
0	0	Cash from aquisition	327 301	0
-4 100	-1 250	Net invested in associated entities	-150 299	-79 860
-800 670	-138 468	Net invested in equities and shares	0	0
105 497	-78 171	Change in long-term receivables	62 690	-14 103
0	68 275	Distribution from subsidiaries	0	0
0	0	Received distributions associates	34 642	109 479
-699 273	-149 614	Net cash flow from investing activities	-5 362 670	-971 599
		<u>Cash flow from financing activities</u>		
661 411	17 891	Drawdown mortgage debt	4 780 114	396 512
-180 649	-29 963	Repayment of borrowings	-470 457	-240 177
109 040	13 751	Change in other long-term debt	-488 581	422 198
0	0	Capital paid in minorities	1 441 436	92 166
0	0	Dividends paid to minorities	-6 090	-930
589 802	1 679	Net cash flow from financing activities	5 256 421	669 769
-10 736	-4 088	Net change in cash and cash equivalents	487 317	54 023
11 742	15 830	Cash and cash equivalents at 01.01	362 948	308 924
1 006	11 742	Cash and cash equivalents at 31.12	850 264	362 948

Notes to the Financial Statement 2022

Note Accounting principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards in Norway.

Consolidation principles

The consolidated accounts comprise total financial performance and financial position when the parent company TS Shipping Invest AS and its ownership shares in other companies are presented as one financial unit. Companies where the Group has controlling interest are consolidated 100% according to the purchase method. On certain subsidiaries where part of the shares are preferred shares with special rights, (such as restrictions on voting rights, allocation of dividend etc) and there are shareholder agreements the control assessment is based on these agreements and rights. When such terms is deemed being such that TSSI have control the company is consolidated and the other shareholders share of equity are presented as non-controlling interest.

The consolidated accounts comprise TS Shipping Invest AS and the subsidiaries listed in Note 3. The consolidated accounts are constructed based on the same principles, by securing that the subsidiary follow the same accounting principles as the parent company. Internal transactions, receivables and liabilities are eliminated.

In the case of acquisition of subsidiaries, the purchase price of the shares is eliminated in the parent company against the subsidiary's equity at the time of acquisition. If the purchase price is more or less than the market value of the vessels and there are charter agreements attached to the vessels then the surplus is recorded as an intangible assets and the negative value recorded as a liability. The difference between the cost price assigned to the various assets in the subsidiaries and the book value of those assets at the time of acquisition is added to those assets to which the excess value refers. Any additional amount of the cost price is capitalised as goodwill.

Investment in subsidiaries and associated companies

Shares in subsidiaries and associated companies are valued according to the cost method in the financial statement of the parent company.

In the consolidated Group accounts the equity method is used for investments in companies where the Group has significant influence (normally 20% to 50%). Any surplus value is linearly depreciated over the vessel's life. If the remaining lifetime of the asset is uncertain then the surplus value is depreciated over 5 years in line with goodwill. Depreciation of surplus value and share of the company's result is classified under share of result in limited partnership and recorded as increase (reduction in case of a deficit) of investment in associated companies. Investments in associated companies are recorded as liabilities in case the share of the result and surplus value has reduced the value of the investment to negative, and the Group has a liability to increase the capital, has decided to continue to investment or has a loan to the company which would be written off in case of a windup. The liability will never be recorded higher than the value at stake for the Group. Share of result in associated companies is closely tied in with the ordinary activity of the Group and thus classified under operating income.

Income

The income from the charter parties is in USD and NOK, and income is recorded to the Profit & Loss account when actually earned. Sales incomes are reported net of VAT and discounts.

Income- and voyage related costs are expensed according to the percentage part of the voyage completed at the time of reporting. A voyage estimate is based on actual figures of completed voyages and estimates for started, not finished voyages. A normal voyage starts and ends with discharging. Unless the vessel is declared off-hire, due to technical or other circumstances related to the owner, the time is always allocated to a voyage.

Income from contracts is calculated linearly over remaining contract period and recorded as freight income or reduction of freight income. In case there is a significant change of a contract then the contract value is revised and the adjustment is recorded as adjustment of other operating costs. If the contract is acquired in connection with an asset transaction and the contract liability is reduced then the adjustment is recorded as other operating income.

Current assets/current liabilities

Current assets are valued at the lower of historical and market value in the balance sheet. Current liabilities are in the same manner valued at nominal value. This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

Tax

Tax calculated and reported to the Profit & Loss account includes both tax payable during the period, and the change in deferred tax. Deferred tax is treated as long-term debt provisions in the balance sheet.

Deferred tax is calculated with 22% based on temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Tax increasing and -reducing temporary differences, which will or can be reversed in the same period, are netted. Deferred tax on surplus values in relation to acquisition of subsidiaries is not netted.

Deferred tax related to acquisitions is calculated to nominal values according to Norwegian common practice according to "NRS Resultatskatt".

Fixed assets and dry-docking

The total cost of the vessel is capitalised and depreciated over the life expectancy of the vessel. The Group's life expectancy is 23 years for shuttle tankers and 25 years for FSO, product and chemical tankers, while LNG carriers are expected to last for 40 years.

Dry-docking expenses are capitalised and depreciated 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 new building, 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 total cost of property is capitalised and depreciated over the life expectancy of the property. The Group's life expectancy is 50 years from takeover. Inventory, office equipment etc. are capitalised and depreciated over the life expectancy of the assets. The Group's life expectancy is 3 years from takeover.

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.

By actual value is meant recoverable value, i.e. the highest of net sales value and cash flow value. Consequently fixed assets are not capitalised to a value that exceeds the value it can recover, either by sale or by continued use. Net sales value is the value the vessel, inclusive any freight contracts, can be sold at after deducting any sales related expenses. Cash flow value is the present value of the future cash flows the fixed asset will generate, including cash flows related to scrapping/decommissioning.

Write-offs are reversed if the foundation for them are no longer present. The value of the asset will then be the same as if no write-offs had occurred.

Transactions in foreign currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

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

The mortgage debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Financial instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

The company aims at reducing the exposure to fluctuations in interest rates and currency exchange rates, and therefore has entered into financial hedging contracts to cover this exposure. Revenues and expenses related to these hedging contracts and the corresponding items in the balance sheet are classified in the same manner.

Forward contracts not classified as hedging instruments are recognised to market value.

Shares

The company's shares in stock listed companies are classified as current assets, and are valued on a portfolio basis to market values at the year-end.

The groups investment in stocks and shares with an owner share below 20%, without a controlling interest, but for long-term ownership, are classified as fixed assets and valued according to the cost method.

Gains or losses from the realisation of shares are included under financial items in the Profit & Loss account. Dividends- and other payouts received from the companies are treated as financial income.

New building contracts

Yard instalments paid on the new buildings are gradually recorded as fixed assets as payments are actually paid. Interest on construction loans are capitalised.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

Pensions

The pension scheme for seafarers was converted into a defined contribution scheme pension (ITP) in 2020 and meets the Norwegian requirements for a Mandatory Company Pension (OTP).

Lease

A lease is classified as a financial or operational lease with reference to the agreement. If the substantial economic risk and control attached to the underlying object is held by the renter, the agreement is considered financial, thus the remaining assets and liability are recognized in the balance sheet. Other agreements are considered operational. Financial leases are recognized in the balance sheet at cost. The cost value are estimated as the present value of the lease payments.

Accounting for business combinations

All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Inventories

Inventories are valued at the lower of cost and market value. Write-downs for expected obsolescence are undertaken.

Cash flow analysis

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities

NOTE 1 Segment information , TS Shipping Invest Group

Figures in NOK 1.000

OPERATING SEGMENT:

The Group's activities are divided into LNG carriers , Shuttle- and Product Tankers, Ship Management, Research and Development. The Shuttle tankers activity is organized in Knutsen NYK Offshore Tankers AS jointly owned with NYK Logistics Holding B.V. LNG activity is year-end 21 LNG carriers in operation and 22 under construction. 2 of the vessels are co-owned with CapeOmega Gas TransportationAS while 5 of the vessels are jointly owned with NYK through Knutsen NYK LNG Holding AS ("KNLH"). Klavness Ship Investments AS is the co-owner in two of the vessels under construction and four in operation. The groups share of result from these segments is reported as share of profit in associated companies, it is referred to note 4 for further details. This is consistent with management reporting.

GEOGRAPHIC reporting:

The Group's activities are principally distributed geographically in Norway, Europe, and World Wide

Segment	2022			
		Freight income and other income	Share of profit in associated companies	Operating income
LNG Carriers, Norway	46 %	589 352	109 571	698 923
Product Tankers, mainly Europe	9 %	132 650		132 650
Management, Norway,UK,Spain	30 %	462 827	-287	462 540
Research & Development, and other income, Norway	6 %	98 722	-12 146	86 576
Offshore Tankers	9 %	-	136 742	136 742
Total	100 %	1 283 550	233 880	1 517 431

Segment	2021			
		Freight income and other income	Share of profit in associated companies	Operating income
LNG Carriers, Norway	71 %	401 601	243 043	644 644
Product Tankers, mainly Europe	11 %	132 649 702		100 436
Management, Norway,UK,Spain	31 %	288 602	-2 243	286 360
Research & Development, and other income, Norway	11 %	99 425		99 425
Offshore Tankers	-24 %	-	-220 039	-220 039
Total	100 %	890 064	20 761	910 825

Note 2 Long-term shareholdings

Shares in associated companies, TS Shipping Invest AS

	Ownership and voting share	Number of shares	Equity 31.12. NOK 1.000	Last yrs result NOK 1.000	Book value NOK 1.000
Knutsen NYK Offshore Tankers AS	50,0 %	106 782 956	4 537 818	531 422	855 733
Knutsen Scale Gas S.L.(2021 numbers)	50,0 %	1 003 600	EUR 986	EUR -17	4 987
Knutsen New Energy AS	50,0 %	314	15 659	NOK -38	7 850
Net booked value TS Shipping Invest AS					868 570

Knutsen NYK Offshore Tankers AS and Knutsen New Energy AS has the same address as the TS Shipping Invest AS, which is Smedasundet 40, Haugesund. Knutsen Scale Gas S.L. Calle Valazque 150 - 4 izquierda 28002 Madrid, Spain

Stock and shares in associated companies, TS Shipping Invest Group

	Ownership and voting share	Book value 1.1. NOK 1.000	Last yrs share of result NOK 1.000	Book value 31.12. NOK 1.000
Canship Uglund Limited	49 %	6 769	-268	6 863
Knutsen NYK Offshore Tankers AS	50 %	1 563 199	136 742	1 825 080
Knutsen NYK LNG Holding AS	50 %	1 033 031	113 016	1 245 814
Norspan LNG AS	100,0 %	188 469	-101 152	0
Norspan LNG V AS	100,0 %	122 805	16 400	0
Norspan LNG VI AS	100,0 %	129 326	13 244	0
Norspan LNG VII AS	100,0 %	140 792	7 230	0
Norspan LNG XII AS	50 %	81 804	27 780	120 321
Norspan LNG XIII AS	50,0 %	72 358	19 876	101 591
Norspan LNG 14 AS	50 %	28 235	11 726	39 961
Norfra LNG 15 SAS	50 %	0	0	29 982
Norspan LNG 19 AS	50 %	30 685	-3 910	24 721
Norspan LNG 17 SAS	50 %	16 142	0	31 318
Norspan LNG 18 SAS	50 %	16 140	0	32 185
Norspan LNG 20 SAS	50 %	15 907	0	24 441
Norspan LNG 21 SAS	50 %	15 947	0	24 531
Norspan LNG 22 SAS	50 %	14 474	0	15 290
Norspan LNG 23 AS	50 %	44 270	5 362	49 632
Norfra LNG 33 SAS	50 %	0	0	264
Norfra LNG 35 SAS	50 %	0	0	264
Norfra LNG 36 SAS	50 %	0	0	264
Norfra LNG 37 SAS	50 %	0	0	264
Norfra LNG 38 SAS	50 %	0	0	11 623
Norfra LNG 39 SAS	50 %	0	0	11 623
Norfra LNG 40 SAS	50 %	0	0	11 623
Norfra LNG 41 SAS	50 %	0	0	11 623
Knutsen New Energy	50 %	3 749	-19	7 830
Knutsen NYK Carbon Carriers AS	50 %	30	-12 146	19 028
Knutsen Scale Gas S.L.	50 %	3 886	0	4 105
Knutsen Philippines INC	25,0 %	1 514	0	1 541
Net booked value associated companies in TS Shipping Invest Group		3 529 532	233 880	3 651 782

Note 3 Crew hire

Knutsen OAS Shipping AS is responsible for the operation of most of the vessels in the Group, thus the manning of the Group vessels. Knutsen OAS Offshore AS is responsible for the crew on the offshore unit - MT Jorunn Knutsen /FSU Åsgard C . Knutsen OAS Crewing AS is responsible for handling of the Group's Eastern European seafarers and Nordic seafarers who are not members of the social security system in Norway.

Knutsen OAS España S.L. handles the manning for the 11 LNG vessels in the Group under Canarian flag, and have their own personnel to take care of the manning for these vessels, in addition to business development in Spain.

Knutsen OAS (UK) Ltd. have hired personnel to operate business development in Britain. Knutsen OAS Management AS handles the manning of Knutsen OAS Shipping AS so that they can focus on management on behalf of all the companies in the Group.

In addition to the above mention manning plan, the ship owning companies will hire crew from several external manning companies.

Note that its only the above mentioned companies that employ personnel, thus the only companies with pension scheme, which is in accordance to their respective countries tariff scale. The Norwegian companies Knutsen OAS Shipping AS, Knutsen Kyst LNG KS, Knutsen Subsea Solutions AS, Knutsen OAS Offshore AS, Knutsen OAS ML AS and Knutsen OAS Management AS have compulsory pension scheme in accordance with the Norwegian law on required compulsory pension ("Lov om obligatorisk tjenestepensjon").

Specification:

2022

2021

5 054

6 337

Note 4 Pension scheme, TS Shipping Invest Group

The pension scheme for seafarers was converted into a defined contribution scheme pension (OTP) in 2020 and meets the Norwegian requirements for a Mandatory Company Pension (OTP). The group has a contribution plan for it onshore employees.

Note 5 Remuneration

TS Shipping Invest AS

The group has paid NOK 650 000 to the Board of directors during 2022. Auditors' fee recorded to the Profit & Loss account is specified below:

TS Shipping Invest Group

The group has paid NOK 650 000 to the Board of directors during 2022.

	TS Shipping Invest AS		TS Shipping Invest Group	
	2022	2021	2022	2021
Auditors' fee (VAT not included)				
Audit fees relates to statutory audit of accounts	420 000	388 842	1 405 615	925 985
Other certification	0	0	195 434	114 981
Fee for tax services primarily relates to tax compliance and restructuring services	0	0	13 856	53 420
Other assurance services relates to attestation services and accounting consultations on	0	0	31 500	39 969
	<u>420 000</u>	<u>388 842</u>	<u>1 646 404</u>	<u>1 134 355</u>

Note 6 Fixed Assets, TS Shipping Invest Group

Figures in NOK 1.000

	2022	2021
Vessels		
Historical cost 01.01.	3 663 066	3 584 931
Accumulated depreciation 01.01.	1 126 862	1 012 116
Book Value 01.01.	2 536 204	2 572 815
Translation adjustment	212 471	38 460
Additions/reductions	9 883 660	39 675
Ord. depreciation	190 230	125 623
Write downs and - reversal write downs	-34 111	-10 877
Book Value 31.12.	<u>12 476 216</u>	<u>2 536 204</u>
Dry-docking vessels		
Historical cost 01.01.	233 432	186 271
Accumulated depreciation 01.01.	144 150	121 029
Book Value 01.01.	89 282	65 242
Additions/reductions	6 800	47 162
Ord. depreciation	30 622	23 121
Book Value 31.12.	<u>65 460</u>	<u>89 282</u>
Net vessels	<u>12 541 677</u>	<u>2 625 487</u>
Vessels under construction		
Book Value 01.01.	994 028	441 696
Additions/reductions	1 488 195	899 442
Deconsolidation	0	-347 110
Book Value 31.12.	<u>2 482 223</u>	<u>994 028</u>
Property		
Historical cost 01.01.	10 613	10 364
Accumulated depreciation 01.01.	3 450	3 236
Book Value 01.01.	7 162	7 128
Translation adjustment		
Additions/reductions	868	249
Ord. depreciation	241	215
Book Value 31.12.	<u>7 789</u>	<u>7 162</u>
Other assets		
Historical cost 01.01.	12 773	12 116
-Accumulated depreciation and write-down 01.01.	12 134	11 198
Book Value 01.01.	639	918
Additions/reductions	1 017	657
Ord. depreciation	996	936
Book Value 31.12.	<u>660</u>	<u>639</u>

Note 7 Financial income and -expenses

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2022	2021	2022	2021
Financial income:				
Interest from Group companies	15 811	6 426	0	0
Interest from associated companies	369	278		4 382
Other interest income	23	0	3 003	0
Group contribution	266 722	124 184	0	0
Share dividend	0	68 275	8 505	0
Distribution from DNK		8 589		22 628
Profit/ sale of shares/partnership	0	365 067	264 768	33 764
Guarantee commission	27 035	26 410	27 035	26 410
Guarantee commission group	5 810	5 920	0	0
Reversed write downs		10 033	0	0
Total financial income	315 769	615 183	303 312	87 184
Financial expenses:				
Interest paid to Group companies	7 563	1 228	0	0
Interest paid to associated companies			4 090	1 297
Other interest expenses	25 203	22 824	208 749	168 404
Write-offs and losses	0	0	0	0
Guarantee commission	2 406	1 783	2 312	1 817
Other financial expenses	11	11	274	387
Total financial expenses	35 183	25 846	215 424	171 904

Note 8 Tax

In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

Figures in NOK 1.000

	TS Shipping Invest AS		TS Shipping Invest Group	
	2022	2021	2022	2021
Profit before tax	321 326	584 415	892 983	251 238
Non-deductible items	-82 460	-452 582	-962 727	-367 576
Change Temporary differences merger	0	0	0	0
Change Temporary differences acquired business	0	0	0	0
Change Temporary differences	-258 601	-131 833	69 744	116 338
Basis for tax calculation before Group contribution	-19 736	0	0	0
Received Group contribution	19 736	0	0	0
Basis for tax calculation after Group contribution	0	0	0	0
Calculation of tax expenses				
Tax payable tonnage tax regime	0	0	0	0
Currency effect tax payable	0	0	2	165
Change in deferred tax (22%)	-56 892	-29 003	15 344	25 594
Tax calculated	-56 892	-29 003	15 346	25 759

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Below a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

	TS Shipping Invest AS			TS Shipping Invest Group		
	2022	Change	2021	2022	Change	2021
Temporary differences:						
Business assets/equipment	0	0	0	-456	42	-498
Limited partnership shares	-14 026	-358	-13 668	0	0	0
Current assets	0	0	0	-5 322	-35 473	30 152
Long term debt	0	0	0	0	0	0
Gain and loss account	11 732	-2 933	14 665	12 417	-3 104	15 521
Deficit carried forward	-341 131	261 892	-603 023	-592 504	108 279	-700 783
Financial deficit carried forward	0	0	0	0	0	0
Deferred tax basis	-343 425	258 601	-602 026	-585 864	69 744	-655 609
Deferred tax	-75 553	56 892	-132 446	-128 890	15 344	-144 234
	22 %		22 %	22 %		22 %

Entering the tonnage tax in 2017 resulted in an entrance tax for Norspan LNG II AS and Norspan LNG III AS , which is payable with 20% of the balance each year.

Entrance tax	2022	2021
Opening balance gain/loss account	3 819	4 773
Short-term tax payable basis (20%)	764	955
Long-term tax payable basis (80%)	3 055	3 819
Incoming balance long-term	840	1 050
Tax payable short-term in balance sheet, 22% tax rate	168	210
Tax payable long-term in balance sheet, 22% tax rate	672	840
Tax costs calculated	<u>0</u>	<u>0</u>

Note 9 Shares in subsidiaries, TS Shipping Invest AS

	Direct owner- and voting share	Direct and indirect owner share	Equity 31.12. NOK 1.000	Last yrs result NOK 1.000	Book value in TSSI AS NOK 1,000
Global Noges S.L.	100 %	100 %	48 028	474	10 065
Knutsen Ballastwater AS	100 %	100 %	84 291	-12 736	20 310
Knutsen LNG AS	100 %	100 %	1 944 303	36 475	1 432 896
Knutsen Kyst LNG AS	0 %	100 %	2 468	-82	0
Knutsen Kyst LNG KS	0 %	100 %	39 945	4 837	0
Norspan LNG AS	0 %	100 %	291 453	-85 485	0
Norspan LNG II AS	0 %	100 %	175 532	37 433	0
Norspan LNG III AS	0 %	74 %	422 166	44 957	0
Norspan LNG V AS	0 %	100 %	358 670	33 778	0
Norspan LNG VI AS	0 %	100 %	363 820	27 278	0
Norspan LNG VII AS	0 %	100 %	387 048	14 891	0
Norspan LNG 16 AS	0 %	63 %	248 927	22 058	0
Norspan LNG 26 AS	0 %	100 %	127 831	21 162	0
Norspan LNG 27 AS	0 %	100 %	127 843	21 174	0
Norspan LNG 28 AS	0 %	100 %	112 235	-557	0
Norspan LNG 29 AS	0 %	100 %	112 212	-90	0
Norspan LNG 31 AS	0 %	100 %	118 272	3 587	0
Norpsan Gas Carriers AS	100 %	100 %	54 127	-453	621 923
Norspan LNG 24 SAS	0 %	100 %	199 859		0
Norspan LNG 25 SAS	0 %	100 %	118 408		0
Norspan LNG 26 SAS	0 %	100 %	269 380		0
Norspan LNG 27 SAS	0 %	100 %	269 087		0
Norspan LNG 28 SAS	0 %	100 %	526		0
Norspan LNG 29 SAS	0 %	100 %	525		0
Norfra LNG 31 SAS	0 %	100 %	519		0
Norfra LNG 32 SAS	0 %	100 %	136 581		0
Norfra LNG 34 SAS	0 %	100 %	242 873		0
Knutsen LNG France SAS	0 %	100 %	199 859		0
Knutsen Crewing France SAS	0 %	100 %	5 562		0
Knutsen Marine Services AS	99 %	100 %	9 458	-22	9 384
Knutsen OAS Crewing AS	0 %	99 %	611	1 323	0
Knutsen OAS España S.L.	65 %	65 %	42 819	5 022	3 423
Knutsen OAS Management AS	0 %	99 %	2 804	4 470	0
Knutsen Shuttle Tanker Limited	100 %	100 %	GBP 0	GBP 0	0
Knutsen OAS ML AS	100 %	100 %	288	55	356
Knutsen OAS Offshore AS	100 %	100 %	889	32	2 701
Knutsen OAS Shipping AS	99 %	99 %	37 250	201 246	39 345
Knutsen OAS (UK) Limited	100 %	100 %	9 809,00	107	7 349
Knutsen Produkt Tanker XII AS	100 %	100 %	190 024	55 288	212 364
Knutsen Technology AS	90 %	90 %	347 070	15 009	293 969
Knutsen VOC AS	100 %	100 %	2 665	2 357	3 971
Knutsen VOC KS	75 %	85 %	19 256	914	2 963
					<u>2 661 020</u>

All of the Norwegian subsidiary companies have the same company address as the parent company, which is the same address as the general manager, Smedasundet 40, Haugesund. Knutsen LNG France SAS has its office in Marseille, France, Global Noges S.L. is managed by Knutsen OAS España S.L. in Madrid, Spain, and Knutsen OAS (UK) Ltd. has its office in Aberdeen, Britain.

All of the Norwegian subsidiary companies have the same company address as the parent company, which is the same address as the general manager, Smedasundet 40, Haugesund. Global Noges S.L. is managed by Knutsen OAS España S.L. in Madrid, Spain, and Knutsen OAS (UK) Ltd. has its office in Aberdeen, Britain.

Note 10. Receivables and -liabilities associated companies

Interest is calculated on all intercompany accounts in accordance with the loan agreements. TS Shipping Invest AS and the Groups receivables and liabilities are due in 1 year and forward, but settlement is usually within 5 years.

Note 11 Inventories and spare parts, TS Shipping Invest Group

Inventories and spare parts summarize to NOK 28 745 000 (NOK 9 888 000 in 2021) refer to the vessels' lube oil and stores with NOK 26 045 045 and NOK 2 699 955 for spare parts per. 31.12.22. For vessels on T/C contracts, bunkers and bunkers stock are for charterers' account.

Note 12 Other current receivables

	TS Shipping Invest AS		TS Shipping Invest Group	
	2022	2021	2022	2021
Accrued revenue	0	0	15 009	13 446
Other receivables	7 514	0	83 795	73 248
	<u>7 514</u>	<u>0</u>	<u>98 804</u>	<u>86 694</u>

Note 13 Bank deposits

The bank accounts for the vessel owning subsidiaries and associated companies have certain restrictions in terms of how the funds are used due to various loan financing covenants. Restricted cash is NOK 21.3 million of the group's cash deposit per. 31.12.22.

Note 14 Equity

Figures in NOK 1.000

Specification of equity per 31.12.2022

TS Shipping Invest AS

	Share capital	Other paid-in capital	Other equity	Total equity
Equity 01.01.	29 154	433 935	1 874 941	2 338 030
Result for the year	0	0	264 433	264 433
Equity 31.12	<u>29 154</u>	<u>433 935</u>	<u>2 139 374</u>	<u>2 602 464</u>

Share capital consist of 22 600 shares with face value NOK 1 290.

All shares have the same right to vote and is owned by the parent company Seglem Holding AS.

TS Shipping Invest Group

	2022	2021
Majority's equity per 01.01.	3 980 895	3 654 124
Equity share of Group contribution	0	0
Group contribution to Seglem Holding AS	0	0
Purchase of minority interest		0
Result for the year	828 379	217 560
Conversion associated companies to subsidiaries		
Conversion difference, foreign subsidiary and investments	392 562	109 211
Majority's equity per 31.12.	<u>5 201 835</u>	<u>3 980 895</u>
Minority's equity per 01.01.	254 020	536 079
Paid in minority interests	1 668 208	92 166
Paid to minority interests	-9 842	-930
Subsidiary changed to associated company	-226 772	-381 214
Majority paid out minority interests	0	0
Result	49 258	7 919
Minority's equity per 31.12.	<u>1 734 872</u>	<u>254 020</u>
Total equity	<u>6 936 707</u>	<u>4 234 915</u>

Note 15 Shares owned by Board Members and Affiliates

TS Shipping Invest AS

Trygve Seglem owns 70 % through Seglem Holding AS and controls 100 % of the vote giving shares in the Seglem Holding AS
Synnøve Seglem owns 15 % through Seglem Holding AS and controls 0 % of the vote giving shares in the Seglem Holding AS.

TS Shipping Invest AS is a wholly-owned subsidiary of Seglem Holding AS. The mother company is situated at Smedasundet 40, 5529 Haugesund.

Note 16 Contracts provisions, TS Shipping Invest Group

Figures in NOK 1,000

	2022	2021
Contract provisions		
Historical cost 01.01.	48 470	48 470
-Accumulated amortization 01.01.	45 916	42 090
Book Value 01.01.	2 556	6 382
Additions/reductions	0	0
Booked reduction in income	2 556	3 826
Book Value 31.12.	0	2 556

Note 17 Mortgage debt and financial instruments

Figures in USD/NOK 1,000

	Foreign currency	NOK
TS Shipping Invest AS		
USD Loan	94 493	936 100
Deferred debt issuance costs		-837
Net loan		<u>935 264</u>
USD Loan	73 100	724 172
Deferred debt issuance costs		-837
Net current portion		<u>723 336</u>
Figures from 2021		
USD Loan	48 253	426 382
Deferred debt issuance costs		-1 674
Net loan		<u>424 708</u>
USD Loan	8 100	71 574
Deferred debt issuance costs		0
Net current portion		<u>70 685</u>

The USD facility has in January 2021 been extended to January 2024 with semiannual instalments of USD 3 050 000 and an instalment of USD 63 000 000 in 2023

The NOK/USD exchange rate at 31.12.2022 was 9,9066 (8,8363 per. 31.12.21)

Foreign exchange gain/loss on the portion of the debt exceeding the income is entered as income/cost. Accumulated unrealised foreign exchange loss per 31.12.2022 is estimated to MNOK 32,7 (loss MNOK 14,5 in 2021).

Mortgage debt is secured in shares and stocks owned directly or indirectly in Knutsen LNG AS, Knutsen Kyst LNG KS/AS and Norspan LNG III AS and Knutsen OAS (UK) Ltd property in Aberdeen, Britain. Book value for these assets were MNOK 1 440 (MNOK 1 091 in 2021).

TS Shipping Invest Group

Figures in USD/NOK 1,000

	Foreign currency	NOK
USD-loan	1 121 502	11 077 120
EUR-loan	148 114	1 490 893
NOK-loan		35 044
Deferred debt issuance costs		-95 368
Net loan		<u>12 507 689</u>
Current position:		
USD-loan	140 507	1 391 950
EUR-loan	20 592	217 286
NOK-loan	7 991	880
Deferred debt issuance costs		-4 098
Net loan		<u>1 606 018</u>

<u>Figures from 2021</u>	Foreign currency	NOK
USD-loan	213 605	1 866 310
EUR-loan	102 153	1 003 052
NOK-loan		7 480
Deferred debt issuance costs		<u>-36 651</u>
Net loan		<u>2 840 190</u>
Current position:		
USD-loan	24 360	215 257
EUR-loan	8 039	80 302
NOK-loan		<u>880</u>
Deferred debt issuance costs		<u>-4 098</u>
Net loan		292 341

The NOK/USD exchange rate at the year-end was 9,9066 (8,8363 per. 31.12.21), the NOK/EUR exchange rate at the year-end was 10,5522 (9,9888 per. 31.12.21)

Mortgage debt is secured through stocks in subsidiaries and associated companies and real estate. The mortgage debt in the vessel owning companies is secured through mortgages in the vessels in addition to assignment of the vessels' earnings. Book value of mortgaged assets is NOK 12 549 million (NOK 2 632 million in 2021). TS Shipping Invest AS has put up security and guaranties related to the debt, interest rate swaps and new building commitments in the associated ship owning companies.

Of the group's outstanding debt 87 % is secured through long-term interest rate swaps or fixed interest debt to hedge future cash flow. The interest swaps is included in the interest expenses and the liabilities is not taken into the balance sheet.

Outstanding debt per 31.12.2027 is estimated to:	Foreign currency		NOK
	USD	427 832	4 238 362
EUR	45 937	484 737	
NOK		<u>30 644</u>	
		<u>4 753 743</u>	

The company seek to reduce market risk and financial risk by use of long term contracts and financial instruments. Though, since a substantial part of the company's revenues, investments and debt also are denominated in the same currency, this limits the company's foreign exchange risk.

Note 18 Other current liabilities

	TS Shipping Invest AS		TS Shipping Invest Group	
	2022	2021	2022	2021
Other short term liability	0	0	0	62 512
Dividend	0	0	2 042	930
Other payables and accruals	0	93	196 860	94 889
	<u>0</u>	<u>93</u>	<u>198 902</u>	<u>158 331</u>

Note 19 Related party information

Related parties

Knutsen NYK Offshore Tankers AS (KNOT) is owned 50% by TS Shipping Invest AS and 50% by NYK Logistics Holding(Europe) B.V. Norspan LNG I & V-VII is owned 50%-50% with Norspan Gas Carriers AS an equal partner. Norspan LNG IV AS and Norspan LNG VIII - XI AS is owned 50% by TS Shipping Invest group and 50% by Nippon Yusen Kabushiki Kaisha (NYK) through Knutsen NYK LNG Holding AS.

TS Shipping Group performs ship management for associated companies and has also issued guarantees as securities for loan agreements and charter parties. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin.

Management agreements

Ship-management services fee from Norspan LNG I-14	Total TNOK 52 544
Hire adm. service to Norspan LNG	Total TNOK 11 756
New building supervision fee from Norspan LNG 16 -41	Total TUSD 29 137
Hire project personnel to KNOT	Total TUSD 1 166
New building supervision fee from KNOT	Total TUSD -2 832
Hire crew to KNOT Group	Total TUSD 21 529
Hire administration services to KNOT	Total TUSD 6 422
Hire administration services to KNOP	Total TUSD 699
Guarantee commissions from associates	Total TUSD 2 781
Hire of property from Seglem Eiendom Group	Total TNOK 8 339

A number of the Contracts of Affreightment (CoA) of which are operated with KNOT vessels are formally entered into by either Knutsen OAS Shipping AS and/or Knutsen OAS (UK) Ltd. with end users. The CoA is formally not transferred but the economic effect of the contracts have been transferred to the operating entities in KNOT, and a process has in 2011 started up to agree memorandum to the original agreements that the contracts have been transferred to KNOT group.

Guarantees

TSSI loan Guarantee overview

(numbers per 31.12.22, all amounts in mill.)

<u>Company</u>	<u>Currency</u>	<u>Amount</u>
Knutsen NYK Offshore Tankers AS	USD	18,0
Smedasundet 40 AS	NOK	56,1
Knutsen Product Tankers XII AS	USD	6,4
Total	USD	24,4
Total	NOK	56,1

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
NORSPAN LNG AS	EUR	20,0	Bilbao Knutsen	2024
NORSPAN LNG II AS	EUR	26,0	Cadiz Knutsen	2029
NORSPAN LNG III AS	USD	18,1	Iberica Knutsen	2029
NORSPAN LNG IV AS	USD	20,0	Sestao Knutsen	2032
NORSPAN LNG V AS	USD	52,0	Barcelona Knutsen	2030
NORSPAN LNG VI AS	USD	39,0	Sevilla Knutsen	2030
NORSPAN LNG VII AS	USD	40,0	Valencia Knutsen	2030
NORSPAN LNG XI AS	USD	152,8	Adriano Knutsen	2029
NORSPAN LNG XII AS	USD	160,2	Rias Baxias Knutsen	2026
NORSPAN LNG XIII AS	USD	151,3	Traiano Knutsen	2027
NORSPAN LNG 14 AS	EUR	28,3	Ravenna Knutsen	2033
NORSPAN LNG 16 AS	USD	158,8	Santander Knutsem	2029
NORSPAN LNG 19 AS	USD	161,0	Huelva Knutsen	2029
Knutsen Kyst LNG KS	USD	6,4	Pioneer Knutsen	2024
Total	USD	959,6		
Total	EUR	74,3		

TS Shipping Invest has guaranteed that the all French leases will be fulfilled.

TSSI Guarantee overview Interest rate swaps*(numbers per 31.12.22, all amounts in mill.)*

<u>Company</u>	<u>Currency</u>	<u>Amount</u>	<u>Related Vessel</u>	<u>Fix contract end</u>
Norspan LNG AS	EUR	50,0	Bilbao Knutsen	2024
Norspan LNG II AS	EUR	50,0	Cadiz Knutsen	2029
Norspan LNG V AS	USD	32,0	Barcelona Knutsen	2030
Norspan LNG VI AS	USD	34,0	Sevilla Knutsen	2030
Norspan LNG VII AS	USD	44,0	Valencia Knutsen	2030
Total	USD	110,0		
Total	EUR	100		

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of TS Shipping Invest AS

Opinion

We have audited the financial statements of TS Shipping Invest AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022, the income statement 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 and the Group as at 31 December 2022 and their 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 and the Group 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 and the General Manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, 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 and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Oslo, 30 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically
Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

PENNEO

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Magnus Hegertun Birkeland

Statsautorisert revisor

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APPENDIX 2

THE ISSUER'S ARTICLES OF ASSOCIATION

Vedtekter for
TS Shipping Invest AS
Sist endret 20.12.2024

§ 1.
Firma

Selskapets navn er TS Shipping Invest AS.

§ 2.
Forretningskontor-kommune.

Selskapets forretningskontor er i Haugesund kommune.

§ 3.
Virksomhet.

Selskapets formål er å drive rederivirksomhet samt hva hermed står i forbindelse, herunder å delta i andre selskaper med lignende virksomhet.

§ 4.
Aksjekapitalens størrelse og aksjenes pålydende.

Selskapets aksjekapital er NOK 29 154 000,- fordelt på 22 600 aksjer, hver pålydende NOK 1 290.

”§ 5.
Styret. Representasjon utad.

Selskapets styre skal ha fra 1 til 6 medlemmer etter generalforsamlingens nærmere beslutning. Selskapets firma tegnes av styrets leder eller daglig leder hver for seg eller 2 styremedlemmer i fellesskap.

§ 6.
Ordinær generalforsamling.

Den ordinære generalforsamling skal behandle og avgjøre:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Valg av styre og styrets leder og nestleder.
3. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

§ 7.
Aksjenes omsettelighet – forkjøpsrett.

Aksjeeierne har rett til å overta en aksje som har skiftet eier, jfr. aksjelovens § 4-19, første ledd, andre punktum, men ikke en aksje som skal avhendes eller for øvrig skifte eier, jfr. aksjelovens § 4-19, første ledd, første punktum. – Forkjøpsretten gjelder overfor enhver erverver, uten unntak, dog ikke ved overdragelse til selskap i samme konsern som overdrager og heller ikke ved overdragelse til ektefelle eller livsarvinger. – Aksjer som ikke kan fordeles likelig i samsvar med aksjelovens § 4-22, første og annet ledd, skal overtas av den som på forhånd har flest aksjer. Hvis det ikke er noen som således har flest aksjer, skal den/de aktuelle aksje/r overtas av rettighetshaverne i sameie. - Forkjøpsretten etter bestemmelsen

foran og aksjelovens regler, utløses også ved eierovergang av flertallet av aksjene i et selskap som eier aksjer i nærværende selskap.
- For øvrig gjelder aksjelovens regler.

§ 8.

Voldgift m.v.

Tvist om forståelsen av vedtektenes § 7 skal løses ved voldgift. Hvis det ikke oppnås enighet vedr. fastsettelse av løsningssum for aksjene, skal denne tilsvarende fastsettes ved voldgift.

Partene i tvisten oppnevner hvert sitt medlem til voldgiftsnemnda, og disse medlemmer oppnevner i fellesskap det tredje medlem, formannen. Formannen skal være jurist. Hvis det ikke oppnås enighet om valg av formann, skal denne oppnevnes av Sorenskriveren i Haugesund. Det samme gjelder hvis flere aksjonærer sammen utgjør samme part i en tvist, og disse ikke blir enige om partsmedlem. Dersom det bestrides at oppgitt kjøpesum er reell eller det forøvrig ikke oppnås enighet om løsningssummen ved utøvelse av forkjøpsrett til aksjene, jfr. § 7, skal denne fastsettes ved voldgift som bestemt foran. Voldgift må i så fall, innen 8 uker etter at selskapet fikk melding om eierskifte, som nevnt i aksjelovens § 4-20, annet punktum, være begjært av den/de som ønsker å gjøre forkjøpsretten gjeldende. Ved oppnevning av voldgiftsnemnd, skal den/de som skal overdra aksjene anses som en part, og den/de som skal erverve aksjene som den annen part. Den løsningssum som fastsettes av nemnda, er bindende for overdrageren og den forkjøpsberettigede, dvs. at en av disse ikke ensidig kan gå tilbake på tidligere beslutning om salg/respektive utøvelse av forkjøpsretten. Voldgiftsnemnda bestemmer etter en samlet vurdering hvem som skal betale utgiftene til fastsettelse av løsningssummen, herunder de samlede utgifter/salær til nemnda. – Løsningssummen skal av voldgiftsnemnda fastsettes som aksjenes virkelige verdi, jfr. aksjelovens § 4-17, femte ledd.

Løsningssummen må erlegges innen 4 uker etter at kravet om forkjøpsrett ble fremsatt eller i tilfelle innen 2 uker etter at tvist om løsningssummen er bindende avgjort. Som sikkerhet for sistnevnte betaling, må det innen 4 uker, etter at krav om forkjøpsrett ble fremsatt, være deponert et så stort beløp som selskapets styre bestemmer.

Rett utskrift bekreftes.
Haugesund,

APPENDIX 3

BOND TERMS

BOND TERMS

FOR

**TS Shipping Invest AS 7.50% USD 250,000,000 senior unsecured bonds
2025/2030**

ISIN NO0013673921

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ATTACHMENT 1: COMPLIANCE CERTIFICATE

BOND TERMS between	
ISSUER:	TS Shipping Invest AS, a company existing under the laws of Norway with registration number 975 883 914 and LEI-code 549300TLFR420UEXBS60; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	15 October 2025
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Acceptable Bank**” means (i) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognized credit rating agency or (ii) such other bank or financial institution reasonably acceptable to the Bond Trustee.

“**Accounting Standard**” means generally accepted accounting practices and principles in Norway, if applicable, IFRS.

“**Additional Bonds**” means debt instruments issued under a Tap Issue.

“**Adjusted EBITDA**” means in respect of a Relevant Period, earnings before interest expenses, taxes, depreciation and amortization of the Group calculated in accordance with the Accounting Standard, after deducting the amount of any profit (or adding back the amount of any loss) which is attributable to minority interests and after adding back the amount actually received in cash by Group Companies through distributions from an entity (which itself is not a member of the Group) in which a Group Company has an ownership interest.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“Annual Financial Statements” means the audited unconsolidated and consolidated annual financial statements of the Issuer for the financial year ending 31 December 2025 and any subsequent financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“Attachment” means any schedule, appendix or other attachment to these Bond Terms.

“Bond Currency” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Bond Terms” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“Bond Trustee” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“Bond Trustee Fee Agreement” means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“Bondholder” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“Bonds” means (a) the debt instruments issued by the Issuer pursuant to these Bond Terms including any Additional Bonds, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“Business Day” means a day on which both the relevant CSD settlement system and the relevant settlement system for the Bond Currency is open, including London.

“Business Day Convention” means that if the last day of any Interest Period originally falls on a day that is not a Business Day no adjustment will be made to the Interest Period.

“Call Option Notice” has the meaning ascribed to such term in paragraph (c) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“Call Option” has the meaning ascribed to such term in paragraph (a) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Change of Control Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Cash and Cash Equivalents” means at any time:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank; and
- (b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank,

in each case to which a Group Company is beneficially entitled at the time and to which it has free and unrestricted access.

“Change of Control Event” means a person or group of persons acting in concert, other than the Existing Shareholder, gaining Decisive Influence over the Issuer.

“Compliance Certificate” means a statement substantially in the form as set out in Attachment 1 hereto.

“CSD” means the central securities depository in which the Bonds are registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)).

“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“Distribution” means:

- (a) payment of dividend, charge or fee or other distribution (whether in cash or in kind) on or in respect of share capital;
- (b) repayment or distribution of dividend or share premium reserve;
- (c) redemption, repurchase or repayment of share capital or other restricted equity with repayment to shareholders;
- (d) repayment or service of any Shareholder Loan (other than through adding such amounts to the principal amount); or
- (e) other similar distributions or transfers of value to the direct and indirect shareholders of any Group Company or the Affiliates of such direct and indirect shareholders.

“Default Notice” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

“Default Repayment Date” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Discount Rate**” means 3.8028 per cent. per annum.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means:

- (a) Nordic ABM, a self-regulated marketplace organised and operated by Euronext Oslo Børs; or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR) or an equivalent third-country market (including the New York Stock Exchange and London Stock Exchange).

“**Existing Shareholder**” means Trygve Seglem and his immediate family.

“**Existing TSSI Debt**” means the revolving credit facility agreement dated 20 June 2025 between the Issuer as borrower and DNB Bank ASA as agent.

“**Finance Charges**” means, for the Relevant Period and in respect of the Group on a consolidated basis, the aggregate amount of the accrued interest, commission, fees (excluding arrangement and any other upfront fees in respect of the Bond Issue), discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness or other finance arrangements (including non-recourse factoring arrangements), in each case whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis), without taking into account, interest paid by a Group Company to another Group Company, any capitalised interest in respect of any Shareholder Loan, or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“**Finance Documents**” means these Bond Terms, the Bond Trustee Fee Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Financial Covenants**” means the financial covenant set out in paragraph (a) of Clause 13.18 (*Financial covenants*).

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;

- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the mark to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**First Call Date**” means the Interest Payment Date falling on 16 April 2028.

“**First Call Price**” has the meaning ascribed to such term in paragraph (a) (ii) of Clause 10.2 (*Voluntary early redemption - Call Option*).

“**Group**” means the Issuer and all its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Incurrence Test**” has the meaning ascribed to such term in Clause 13.19 (*Incurrence Test*).

“**Initial Bond Issue**” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Interest Coverage Ratio**” means, in respect of any Relevant Period, the ratio of Adjusted EBITDA to Net Finance Charges in respect of that Relevant Period.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 16 April 2026 and the last Interest Payment Date being the Maturity Date.

“**Interest Periods**” means, subject to adjustment in accordance with the Business Day Convention, the periods between 16 April and 16 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Rate**” means 7.50 percentage points per annum.

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each Quarter Date (for the first time for the financial quarter ending on 31 December 2025) prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**ISIN**” means International Securities Identification Number.

“**Issue Date**” means 16 October 2025.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer.

“**Joint Venture**” means any entity that is not consolidated in the Financial Reports and is partially owned.

“**Liquidity**” means the sum of any Cash and Cash Equivalents and any undrawn commitments under any revolving credit or working capital facility which is available for immediate drawing, provided that the maturity date of such facility is no less than 6 months.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Call Option Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the First Call Price as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using the Discount Rate.

“**Manager**” means Pareto Securities AS.

“**Market Debt**” means any present or future indebtedness in the form of, or represented by securities which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any exchange, over-the-counter or other securities market.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any Finance Document; or
- (b) the validity or enforceability of any Finance Document.

“**Maturity Date**” means 16 October 2030.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Net Finance Charges**” means, for any Relevant Period, the Finance Charges for that Relevant Period, after deducting any interest and commissions fees in relation to guarantees payable to a Group Company for that Relevant Period from external third parties and any income relating to Cash and Cash Equivalents (other than by another Group Company).

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (k) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by the Issuer under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Distribution**” means any Distribution (provided that no Event of Default has occurred and is continuing):

- (a) by a Group Company (other than the Issuer) if such Distribution is made to another Group Company; and
- (b) made by the Issuer, of up to 50 per cent of Profit After Minorities in the previous calendar year, subject to being in compliance with the Incurrence Test,

and provided that if made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the time.

“**Profit After Minorities**” means, in respect of any Relevant Period, the consolidated net profit of the Group for such period, attributable to the shareholding of the Issuer (i.e. after deduction of minority interests/non-controlling interests) as shown in the consolidated financial statements of the Group prepared in accordance with the Accounting Standard (or such other accounting principles as are adopted by the Issuer in accordance with the Finance Documents). Any share of profit from any associated companies plus any revaluation surplus shall be excluded from the above calculation.

“**Put Option**” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Change of Control Event*).

“**Put Option Repayment Date**” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Change of Control Event*).

“**Quarter Date**” means, in each financial year, 31 March, 30 June, 30 September and 31 December.

“**Relevant Jurisdiction**” means the country in which the Bonds are issued, being Norway.

“**Relevant Period**” means each period of 12 consecutive calendar months ending on the last day of the preceding financial quarter.

“**Relevant Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Repayment Date**” means any date for payment of instalments in accordance with Clause 10.1 (Redemption of Bonds), any Call Option Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no. 75 of the Relevant Jurisdiction.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Shareholder Loan**” means any loan granted to the Issuer from any of its direct or indirect shareholders which is fully subordinated to the Bonds to the satisfaction of the Bond Trustee and where any servicing of interest or principal of such loan is subject to all present and future obligations and liabilities under the Bonds having been discharged in full.

“**Subsidiary**” means a person over which another person has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tangible Net Worth**” means Total Assets less Total Liabilities.

“**Tangible Net Worth Ratio**” means the ratio between Tangible Net Worth and Total Assets.

“**Tap Issue**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Total Assets**” means the consolidated book value of the Group’s total assets treated as assets in accordance with the Accounting Standard.

“**Total Liabilities**” means, at any time, the aggregate amount of all liabilities of the Group, calculated in accordance with the Accounting Standard.

“**Unsecured Bonds**” means any unsecured bonds issued by either the Issuer, Knutsen LNG AS or Knutsen LNG France SAS or any other future wholly-owned sub-holding company having a maturity date falling no earlier than six (6) months after the Maturity Date and with no amortisation.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) resolution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);
- (j) references to an “**instruction**” from the Bondholders includes any instruction or demand in writing or a resolution in accordance with Clause 15 (*Bondholders’ Decisions*);
- (k) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (l) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of up to USD 250,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 150,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond

Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders’ Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the Net Proceeds for:

- (a) financing of future growth and fleet expansions of the Group including potential investments in any Joint Ventures; and
- (b) for general corporate purposes of the Group.

2.4 Status of the Bonds

The Bonds shall constitute senior unsecured unsubordinated debt obligations of the Issuer and will rank *pari passu* between themselves and at least *pari passu* with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

The Bonds are unsecured.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that the Bonds are listed on Nordic ABM within 9 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD (as the primary recording of the Bonds) according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country’s legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds to the Issuer will be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;
 - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
 - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;
 - (iv) copies of the Issuer’s articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (v) copies of the Issuer’s latest Financial Reports;
 - (vi) evidence that the Existing TSSI Debt has been cancelled, and any Security granted in relation thereto will be released;
 - (vii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (viii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Manager in connection with the issuance of the Bonds;
 - (x) the Bond Trustee Fee Agreement duly executed by all parties thereto; and
 - (xi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive or postpone the requirements of certain conditions precedent.

6.2 Issuance of the Bonds and disbursement of the Net Proceeds

Issuance of the Bonds to the Bondholders and disbursement of the Net Proceeds are conditional on the Bond Trustee's confirmation to the Paying Agent and the Managers that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived or postponed by the Bond Trustee pursuant to paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Tap Issues

- (a) The Issuer may issue Additional Bonds if:
 - (i) the Bond Trustee has received each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (A) a duly executed Tap Issue Addendum;
 - (B) a Compliance Certificate which includes (in reasonable detail) calculations and figures evidencing compliance with the Incurrence Test;
 - (C) copies of all corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for the execution of the Tap Issue Addendum and any other Finance Documents;
 - (D) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing; and
 - (E) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue Addendum and any other Finance Documents (if applicable));
 - (ii) no Event of Default is continuing; and
 - (iii) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.3, waive or postpone the requirements of certain conditions precedent.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7, in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date; and

(c) on the date of issuance of any Additional Bonds.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect and have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above-mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
 - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.

- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee (as the case may be) receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.

- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem the Outstanding Bonds (in whole or in part) (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but excluding, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but excluding, the Interest Payment Date falling in October 2028 at a price equal to 103.75 per cent. of the Nominal Amount of each redeemed Bond (the “**First Call Price**”);
 - (iii) the Interest Payment Date falling in October 2028 to, but excluding, the Interest Payment Date falling in April 2029 at a price equal to 103.00 per cent. of the Nominal Amount of each redeemed Bond;
 - (iv) the Interest Payment Date falling in April 2029 to, but excluding, the Interest Payment Date falling in October 2029 at a price equal to 102.25 per cent. of the Nominal Amount of each redeemed Bond;
 - (v) the Interest Payment Date falling in October 2029 to, but excluding, the Interest Payment Date falling in April 2030 at a price equal to 101.50 per cent. of the Nominal Amount of each redeemed Bond; and
 - (vi) the Interest Payment Date falling in April 2030 to, but excluding, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount of each redeemed Bond,

in each case, plus accrued and unpaid interest.

- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date and not based on the date which the Call Option Notice was sent to the Bondholders.
- (c) The Call Option may be exercised by the Issuer by written notice (a “**Call Option Notice**”) to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such Call Option Notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date, but may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the Call Option Notice shall be null and void.
- (d) The Call Option Repayment Date may, at the Issuer’s discretion, be postponed maximum 3 times by written notice to the Bond Trustee at least 3 Business Days before the then applicable Call Option Repayment Date, provided that the Call Option Repayment Date will not be delayed with more than a total of 10 Business Days from the original Call Option Repayment Date.
- (e) Unless the Make Whole Amount is set out in the Call Option Notice, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the Call Option Notice.
- (f) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Change of Control Event

- (a) Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to require that the Issuer repurchases that Bondholder’s Bonds (the “**Put Option**”) at a price equal to 101.00 per cent. of the Nominal Amount of the repurchased Bonds (plus accrued and unpaid interest on the repurchased Bonds).
- (b) The Put Option must be exercised no later than 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders via the CSD that a Change of Control Event has occurred pursuant to Clause 12.3 (*Change of Control Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of the 15 Business Days exercise period referred to in paragraph (b) above (the “**Put Option Repayment Date**”). However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer will be entitled to repurchase all the

remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount (plus accrued and unpaid interest). The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer has the right to acquire and own Bonds. Such Bonds may at the Issuer's discretion be retained or sold, but not discharged (other than in relation to a process of full redemption of all Outstanding Bonds), including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Change of Control Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year, first time for the financial year ending 31 December 2025.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 2 months after the end of each Quarter Date, first time for the financial quarter ending 31 December 2025.

- (c) The Issuer shall procure that the Financial Reports are prepared using the Accounting Standard consistently applied.

12.2 Requirements for Compliance Certificates

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying *inter alia* that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) calculations and figures evidencing compliance with Clause 13.18 (*Financial Covenants*) as at such date.
- (b) If there is an event which is subject to the Incurrence Test, the Compliance Certificate shall include (in reasonable detail) calculations and figures evidencing compliance with the Incurrence Test (with relevant supporting documentation acceptable to or as required by the Bond Trustee).

12.3 Change of Control Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Change of Control Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company shall, comply in all material respects with all laws and regulations it may be subject from time to time (including any environmental laws and regulations).

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business of the Group from that carried on by the Group at the Issue Date.

13.4 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

13.5 Distributions

The Issuer shall not and shall procure that no other Group Company shall make any Distributions to the shareholders of the Issuer, other than any Permitted Distribution.

13.6 Mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person, if such transaction would have a Material Adverse Effect and provided that in any merger or other business combination or corporate reorganisation involving the Issuer, the Issuer shall be the surviving entity.

13.7 De-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out any de-merger or other corporate reorganisation having the same effect as a de-merger, other than any de-merger or other corporate reorganisation of any Group Company (other than the Issuer) into two or more separate companies or entities which are wholly-owned by the Issuer (or, in the case of a Group Company that was not wholly-owned prior to such de-merger, owned with the same ownership percentage as the original Group Company), provided that any such de-merger or other corporate reorganisation is carried out at arm's length terms and does not have a Material Adverse Effect.

13.8 Financial Indebtedness

The Issuer shall not, and shall procure that none of Knutsen LNG AS, Knutsen LNG France SAS or any other future wholly-owned sub-holding company will, incur or maintain any Market Debt other than:

- (a) Market Debt constituted by the Bonds; or
- (b) Market Debt constituting Unsecured Bonds,

provided that if Knutsen LNG AS, Knutsen LNG France SAS or any other future wholly-owned sub-holding company issues any Unsecured Bonds, the issuer of such Unsecured Bonds shall provide a guarantee for the full amount under the Bonds to the Bond Trustee (on behalf of the Bondholders) which shall rank *pari passu* with the Unsecured Bonds.

13.9 No guarantees or indemnities

The Issuer shall not, and shall procure that none of Knutsen LNG AS, Knutsen LNG France SAS or any other future wholly-owned sub-holding company will, incur or allow to remain outstanding any guarantee in respect of Market Debt unless the Issuer procures that such guarantee is simultaneously provided in favour of the Bond Trustee (on behalf of the Bondholders) on terms and conditions no less favourable than those provided in respect of any other Market Debt.

13.10 Disposals

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of all or a substantial part of its assets (including shares or other securities in any person) or operations (other than to the Issuer), unless such sale, transfer or disposal:

- (a) is carried out in the ordinary course of business;
- (b) is carried out on arm's length basis; and
- (c) would not have a Material Adverse Effect.

13.11 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Group Company will, conduct all business transactions with any Affiliate which is not a Group Company on an arm's length basis.

13.12 Anti-corruption and sanctions

- (a) The Issuer shall, and shall procure that each Group Company will:
 - (i) ensure that no proceeds from the issuance of the Bonds are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption, money laundering or similar; and
 - (ii) conduct its business and maintain policies and procedures in compliance with applicable anti-corruption and sanction laws; and
- (b) The Issuer shall ensure that no Group Company will engage in any conduct prohibited by any sanctions applicable to any Group Company.

13.13 Insurances

The Issuer shall, and shall procure that each Group Company will, maintain customary insurances on or in relation to their business and assets with reputable independent insurance companies and underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.14 Subsidiaries' distributions

The Issuer shall procure that no Group Company creates or permits to exist any contractual obligation (or encumbrance) restricting the right to pay dividends or make other Distributions to its shareholders, other than where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

13.15 Ownership of Knutsen LNG AS

The Issuer shall at all times during the term of the Bonds:

- (a) maintain 100% ownership of Knutsen LNG AS;
- (b) procure that all of the shares in Knutsen LNG AS remain unencumbered; and
- (c) procure that Knutsen LNG AS does not incur, assume, provide or grant any guarantee, indemnity or other contractual obligation (whether actual or contingent) in respect of any Financial Indebtedness, other than in accordance with Clause 13.9 (*No guarantees or indemnities*) above.

13.16 Ownership of Knutsen LNG France SAS

The Issuer shall procure that the shares in Knutsen LNG France SAS remain:

- (a) 100 per cent. owned by Knutsen LNG AS; and
- (b) unencumbered.

13.17 Sustainable vessel dismantling

The Issuer will ensure that any ship owned or controlled by the Group or sold to an intermediary with the intention of being scrapped, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and/or EU Ship Recycling Regulation (both as amended from time to time).

13.18 Financial Covenants

- (a) The Issuer shall ensure that the:
 - (i) Minimum Liquidity shall not be less than NOK 150 million at any time.
 - (ii) Tangible Net Worth shall not to be less than NOK 3.0 billion.
 - (iii) Interest Coverage Ratio shall not be less than 2.0x.

- (b) The Financial Covenants shall be calculated on a consolidated basis for the Group. Compliance with the Financial Covenants shall be measured on the relevant Quarter Dates and certified by the Issuer by the delivery to the Bond Trustee of a Compliance Certificate, setting out such compliance in reasonable detail, with the delivery of each Financial Report.

13.19 Incurrence Test

- (a) The Incurrence Test shall be applied in respect of Permitted Distributions and incurrence of Additional Bonds and/or any Unsecured Bonds. The Incurrence Test is met if the:
 - (i) Tangible Net Worth is higher than NOK 5.0 billion; and
 - (ii) Tangible Net Worth Ratio is higher than 30%.
- (b) The Incurrence Test shall be calculated on a consolidated basis for the Group.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond

Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period;
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 25,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its payment obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or

- (E) for paragraphs (A) to (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a notice (a "**Default Notice**") to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early*

redemption – Call Option), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of paragraph (a) (*Non-payment*) of Clause 14.1 (*Events of Default*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the First Call Price.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) Subject to Clause 17.1 (*Procedure for amendments and waivers*), a Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting.
- (e) Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (f) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (g) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (h) below.
- (h) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:

- (i) the Issuer;
- (ii) Bondholders representing at least 1/10 of the Voting Bonds;
- (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
- (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on www.stamdata.com (or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives,

unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on www.stamdata.com (or other relevant electronic platform or stock exchange announcement).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Bonds which are owned by the Issuer, a Group Company or an Affiliate of the Issuer or a Group Company shall not carry voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at www.stamdata.com, or other relevant electronic platform or via stock exchange announcement.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders' Meetings*); or

- (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,

shall not apply to a Written Resolution.

- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the “**Voting Period**”).
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders’ rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (f) or (g) of Clause 15.1 (*Authority of the Bondholders’ Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of the Bondholders’ Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders’ rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law. The Bond Trustee may, but is not obligated to, assess or monitor whether any instruction or resolution may be in conflict with these Bond Terms, any other Finance Document or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions or resolutions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with

such instructions or resolutions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) If the Bond Trustee, in its reasonable opinion, may incur any cost, loss or liability for not acting in accordance with any request or demand from any party to a Finance Document or any court or governmental authority, which will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or Bondholders to its satisfaction, the Bond Trustee may act in accordance with any such request or demand, without any liability towards the Bondholders, the Issuer or others.
- (j) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (k) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act only as representative for the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions or resolutions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.

- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders;
or
 - (iii) requesting funding, indemnities or security as conditions for taking any action.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. In this respect, if the Bond Trustee may borrow funds from Bondholders or others, the costs of such borrowings shall be considered as such costs and expenses incurred by the Bond Trustee. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged in relation to events or circumstances which (i) constitute an Event of Default, (ii) which the Bond Trustee reasonably believes is or may lead to an Event of Default or (iii) which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bond Trustee or Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person and to set-off and cover any such costs and expenses from those funds. The Bond Trustee may also refrain from taking any further action until such fees, costs and expenses are paid to the Bond Trustee from others, hereunder the Bondholders and the Issuer, if the Bond Trustee such demands.

- (i) As a condition to effecting any instruction or resolution from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and including a resolution pursuant to Clause 16.5 (*Replacement of the Bond Trustee*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any potential liability, loss, costs and expenses which may arise as a result of effecting such instruction or resolution (and, at its discretion, which may arise or have already arisen as a result of the Bond Trustee's engagement or previous actions in relation to the Bonds) from those Bondholders who have given that instruction or resolution and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The Bond Trustee may in its discretion decide that the change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, hereunder covering of such fees, loss, costs and expenses referred to in Clause 16.4 (*Expenses, liability and indemnity*). The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Unless otherwise specified, written notices to the Bondholders shall be provided as follows:
 - (i) if made by the Bond Trustee, on www.stamdata.com or other relevant information platform;
 - (ii) if made by the Issuer, by stock exchange announcement (if the Bonds are listed) or other relevant information platform.
- (b) Any notice sent to the Bondholders via the CSD will be deemed to be given or made when sent from the CSD, unless otherwise specifically provided.
- (c) Unless otherwise specified, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone number and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);

- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements for Compliance Certificates*), Clause 12.3 (*Change of Control Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and Financial Undertakings*).

- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any of its assets for another competent court of a contracting state to the Lugano Convention of 2007, the applicable court in the jurisdiction of the Issuer or in any court in any other jurisdiction (to the extent possible under applicable law); and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed by way of electronic signatures.

SIGNATURES:

<p>The Issuer:</p> <p>TS Shipping Invest AS</p> <p><small>DocuSigned by:</small> <i>Geir Tore Henriksen</i> <small>88E9A13144AD10F...</small></p> <p>By: Geir Tore Henriksen</p> <p>Position: Attorney-in-fact</p>	<p>As Bond Trustee:</p> <p>Nordic Trustee AS</p> <p><small>Signed by:</small> <i>Jørgen Andersen</i> <small>58A2C1FDB37C410...</small></p> <p>By: Jørgen Andersen</p> <p>Position: Per procuration</p>
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**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

**TS Shipping Invest AS 7.50% USD 250,000,000 senior unsecured bonds 2025/2030 ISIN NO
0013673921**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements for Compliance Certificates*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements for Compliance Certificates*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

The financial covenants set out in Clause 13.18 (*Financial Covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

TS Shipping Invest AS

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

APPENDIX 4

LOAN DESCRIPTION



TS Shipping Invest AS 7.50% USD 250,000,000 senior unsecured bonds 2025/2030

Terms:

Documentation:	Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.		
<i>The Loan Agreement¹⁾ is described more closely in Standard Terms</i>			
Relevant places:	https://knutsenoas.com/		
Issuer:	TS Shipping Invest AS		
Borrowing Limit – Tap Issue:	USD 250,000,000 – Tap Issue(s) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount (USD 250,000,000) less the Initial Bond Issue		
First Tranche / Loan Amount :²⁾	USD 150,000,000		
Disbursement Date:³⁾	16 October 2025		
Maturity Date:⁴⁾	16 October 2030		
Interest Rate:	7.50 per cent pa.		
Yield on Disbursement Date:	7.50 per cent.		
Day Count Fraction– Interest rate:⁵⁾	30/360		
Business Day Convention:⁶⁾	Unadjusted		
Interest Payment Date(s):⁷⁾	16 April and 16 October		
Interest accrual date:	16 October 2025		
Date until which interest accrues:	Maturity Date (16 October 2030)		
Status of the loan:⁸⁾	Senior Unsecured		
Issue Price:⁹⁾	100 per cent. of the Nominal Amount		
Denomination:	Minimum subscription and allocation in the Bond Issue is USD 200,000, but in no event less than the equivalent of EUR 100,000. Any higher amounts can be subscribed for in integral multiples of USD 100,000 in excess thereof.		
Call:¹⁰⁾	Redemption Date(s):	See Special (distinct) conditions	Price: See Special (distinct) conditions

Issuer's org. number/LEI number:	975883914/549300TLFR420UEXBS60		
Number / Codes:	Sector code:	9100	Geographic code: NO Industry (trade) Code: 50201
Usage of funds:	The Issuer will use the Net Proceeds for: <ul style="list-style-type: none"> a) financing of future growth and fleet expansions of the Group including potential investments in any Joint Ventures; and b) for general corporate purposes of the Group. 		

Please refer to the Loan Agreement Clause 1.1 (Definitions) for Definitions and Clause 2.3 (Use of proceeds).

Approvals / Permissions:	<ul style="list-style-type: none"> • The issuance was approved by the board of directors on 14 October 2025 • The admission document has been inspected by Oslo Børs, cf. ABM-rules sec. 2.7
Trustee:	Nordic Trustee Services AS, P.O. Box 1470 Vika, N-0116 Oslo, Norway
Arranger(s):	Pareto Securities AS, P.O. Box 1411 Vika, 0115 Oslo, Norway
Paying Agent:	Pareto Securities AS, P.O. Box 1411 Vika, 0115 Oslo, Norway
Securities Depository:	Verdipapirsentralen ASA (Euronext VPS)
FISN- and CFI-code:	FISN: TS SHIPPING INV/7.5 BD 20301016 CFI: DBFUGR
Market Making:	No market-making agreement has been made for this Bond Issue
MiFID II target market of end clients:	Professional clients/Eligible Counterparties No PRIIPS, no KID
Withholding tax: ¹¹⁾	Gross up
Special (distinct) conditions:	<u>Redemption of Bonds</u> The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.1 (Redemption of Bonds).

Voluntary early redemption - Call Option

The Issuer may redeem the Outstanding Bonds (in whole or in part) (the “Call Option”) on any Business Day from and including:

- i. the Issue Date to, but excluding, the First Call Date at a price equal to the Make Whole Amount;
- ii. the First Call Date to, but excluding, the Interest Payment Date falling in October 2028 at a price equal to 103.75 per cent. of the Nominal Amount of each redeemed Bond (the “First Call Price”);
- iii. the Interest Payment Date falling in October 2028 to, but excluding, the Interest Payment Date falling in April 2029 at a price equal to 103.00 per cent. of the Nominal Amount of each redeemed Bond;
- iv. the Interest Payment Date falling in April 2029 to, but excluding, the Interest Payment Date falling in October 2029 at a price equal to 102.25 per cent. of the Nominal Amount of each redeemed Bond;
- v. the Interest Payment Date falling in October 2029 to, but excluding, the Interest Payment Date falling in April 2030 at a price equal to 101.50 per cent. of the Nominal Amount of each redeemed Bond; and
- vi. the Interest Payment Date falling in April 2030 to, but excluding, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount of each redeemed Bond,

in each case, plus accrued and unpaid interest.

Any redemption of Bonds pursuant to paragraph (i) to (vi) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date and not based on the date which the Call Option Notice was sent to the Bondholders.

The Call Option can be made subject to the satisfaction of one or more conditions precedent to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the Call Option Notice shall be null and void.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.2 (Voluntary early redemption – Call Option).

Mandatory repurchase due to a Change of Control Event

Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to require that the Issuer repurchases that Bondholder’s Bonds (the “Put Option”) at a price equal to 101.00 per cent. of the Nominal Amount of the repurchased Bonds (plus accrued and unpaid interest on the repurchased Bonds).

If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to the Loan Agreement Clause 10.3, the Issuer will be entitled to repurchase all the outstanding Bonds at the price stated in the paragraph above.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.3 (Mandatory repurchase due to a Change of Control Event).

Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to the Loan Agreement Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of the Loan Agreement, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount (plus accrued and unpaid interest).

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.4 (Early redemption option due to a tax event).

Undertakings

Information undertakings

The Issuer shall comply with certain information undertakings set forth in the Loan Agreement Clause 12 (*Information Undertakings*). This includes, inter alia, delivering certain annual and interim accounts, a Compliance Certificate, as well as promptly informing the Bond Trustee of any Change of Control Event.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 12 (Information Undertakings).

General and Financial Undertakings

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in the Loan Agreement Clause 13 (*General and Financial Undertakings*).

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 13 (General and Financial Undertakings).

Purchase and transfer of Bonds

The Issuer has the right to acquire and own Bonds. Such Bonds may at the Issuer’s discretion be retained or sold, but not discharged (other than in relation to a process of full redemption of all Outstanding Bonds), including with respect to Bonds purchased pursuant to the Loan Agreement Clause 10.3 (*Mandatory repurchase due to a Change of Control Event*).

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 11 (Purchase and transfer of Bonds).

Supplementary information about status of the loan and collateral: ⁸⁾

Status of the Bonds

The Bonds shall constitute senior unsecured unsubordinated debt obligations of the Issuer and will rank *pari passu* between themselves and at least *pari passu* with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 2.4 (Status of the Bonds).

Transaction Security

The Bonds are unsecured.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 2.5 (Transaction Security).

Standard terms:

If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.

Loan Agreement: ¹⁾	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder’s rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties’ rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: ^{3) 4)}	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.
Disbursement date: ³⁾	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to “lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m.” will accrue.

Expansions – Tap Issues: ²⁾	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
Issue price – Tap Issues: ⁹⁾	Any taps under the Tap Issue will be made at market prices.
Interest Period: ⁷⁾	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate is paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction– Interest rate: ⁵⁾	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where <ul style="list-style-type: none"> a) the last day in the period is the 31st calendar day, and the first day of the period is neither the 30th nor the 31st of the month, in which the month containing the period shall not be reduced to 30 days; or b) the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention ⁶⁾	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (<i>The Norwegian Society of Financial Analysts</i>).
Condition – Call: ¹⁰⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
Issuer’s acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest rate and matured principal will be credit each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan amount has been sold by the Arranger. Later taps can also take place by other authorized investment firms.
Legislation:	Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee’s competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: ¹¹⁾	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.

Haugesund, 20 February 2026

