



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 921 657 633  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 37 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karl Gerhard Bråstein Dahl  
Dato for fastsettelse av årsregnskapet: 25.02.2022

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 28.03.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Administration	5, 8	579 099	127 294
<b>Sum kostnader</b>		<b>579 099</b>	<b>127 294</b>
<b>Driftsresultat</b>		<b>-579 099</b>	<b>-127 294</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	175	53
Foreign exchange gain/loss		-137 590	-1 363 414
<b>Sum finansinntekter</b>		<b>-137 415</b>	<b>-1 363 361</b>
Financial expenses	4	417 207	43 602
<b>Sum finanskostnader</b>		<b>417 207</b>	<b>43 602</b>
<b>Netto finans</b>		<b>-554 622</b>	<b>-1 406 963</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 133 720</b>	<b>-1 534 257</b>
Taxes	9		-337 537
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Årsresultat</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Totalresultat</b>		<b>-1 133 720</b>	<b>-1 196 720</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel under construction	10	155 857 863	53 681 517
<b>Sum varige driftsmidler</b>		<b>155 857 863</b>	<b>53 681 517</b>
<b>Sum anleggsmidler</b>		<b>155 857 863</b>	<b>53 681 517</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivable		1 202 226	2 080 288
Konsernfordringer		100 426 835	9 695 108
<b>Sum fordringer</b>		<b>101 629 060</b>	<b>11 775 396</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	3	4 007 863	497 427
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>4 007 863</b>	<b>497 427</b>
<b>Sum omløpsmidler</b>		<b>105 636 923</b>	<b>12 272 823</b>
<b>SUM EIENDELER</b>		<b>261 494 786</b>	<b>65 954 340</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		30 000	30 000
Overkurs		9 930	9 930
Annen innskutt egenkapital		197 712 701	56 156 421
<b>Sum innskutt egenkapital</b>		<b>197 752 631</b>	<b>56 196 351</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Other equity			
<b>Sum egenkapital</b>	6, 7	<b>197 752 631</b>	<b>56 196 351</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		1 053 304	
Kortsiktig konserngjeld		62 688 852	9 757 989
<b>Sum kortsiktig gjeld</b>		<b>63 742 156</b>	<b>9 757 989</b>
<b>Sum gjeld</b>		<b>63 742 156</b>	<b>9 757 989</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>261 494 786</b>	<b>65 954 340</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 173933

#### Enheten

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Foretaksnavn: KNOT SHUTTLE TANKERS 37 AS  
Forretningsadresse: Smedasundet 40  
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Benyttet ved utarbeidelsen av  
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Brønnøysundregistrene, 05.04.2022



Organisasjonsnr: 921 657 633  
KNOT SHUTTLE TANKERS 37 AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Administration	5, 8	579 099	127 294
<b>Sum kostnader</b>		<b>579 099</b>	<b>127 294</b>
<b>Driftsresultat</b>		<b>-579 099</b>	<b>-127 294</b>
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Financial income	4	175	53
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Taxes	9		-337 537
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Årsresultat</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-1 133 720</b>	<b>-1 196 720</b>
<b>Totalresultat</b>		<b>-1 133 720</b>	<b>-1 196 720</b>



Organisasjonsnr: 921 657 633  
KNOT SHUTTLE TANKERS 37 AS

## BALANSE

Beløp i: NOK Note 2021 2020

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

#### Varige driftsmidler

Vessel under construction 10 155 857 863 53 681 517  
Sum varige driftsmidler 155 857 863 53 681 517

Sum anleggsmidler 155 857 863 53 681 517

#### Omløpsmidler

#### Varer

#### Fordringer

Accounts receivable 1 202 226 2 080 288  
Konsernfordringer 100 426 835 9 695 108  
Sum fordringer 101 629 060 11 775 396

#### Bankinnskudd, kontanter og lignende

Bank deposits 3 4 007 863 497 427  
Sum bankinnskudd,  
kontanter og lignende 4 007 863 497 427

Sum omløpsmidler 105 636 923 12 272 823

SUM EIENDELER 261 494 786 65 954 340

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

#### Innskutt egenkapital

Share capital 30 000 30 000  
Overkurs 9 930 9 930  
Annen innskutt egenkapital 197 712 701 56 156 421  
Sum innskutt egenkapital 197 752 631 56 196 351

#### Other equity

Sum egenkapital 6, 7 197 752 631 56 196 351

Sum langsiktig gjeld 0 0

#### Kortsiktig gjeld

Leverandørgjeld 1 053 304  
Kortsiktig konserngjeld 62 688 852 9 757 989  
Sum kortsiktig gjeld 63 742 156 9 757 989



Sum gjeld	63 742 156	9 757 989
SUM EGENKAPITAL OG GJELD	261 494 786	65 954 340



Organisasjonsnr: 921 657 633  
KNOT SHUTTLE TANKERS 37 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

Omløpsmidler                      Startdato      Sluttdato      Endring

Skattemessig fremf.undersk. Startdato      Sluttdato      Endring

Kortsiktig gjeld                      Startdato      Sluttdato      Endring



Skatteetaten

TS SHIPPING INVEST AS  
Postboks 2017  
5504 HAUGESUND

Vår dato  
13.02.2019

Din/Deres dato  
11.01.2019

Saksbehandler  
Henning Stokke

800 80 000  
Skatteetaten.no

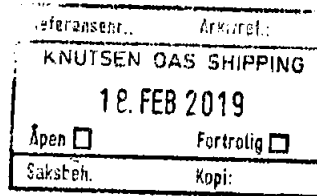
Din/Deres referanse  
Petter M Opsal

Telefon  
800 80 000

Org.nr  
974761076

Vår referanse  
2019/5238778

Postadresse  
Postboks 9200 Grønland  
0134 OSLO



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

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

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

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

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

### Bakgrunn

Fra søknaden gjengis:

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

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



### Skattedirektoratets vurdering

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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen  
seniorrådgiver  
Juridisk avdeling, næring  
Skattedirektoratet

Henning Stokke

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

Side 2 / 2



# KNOT Shuttle Tankers 37 AS

## Annual Report 2021





## **KNOT SHUTTLE TANKERS 37 AS**

### **REPORT OF THE BOARD OF DIRECTORS 2021**

KNOT Shuttle Tankers 37 AS have signed one building contract for one 154,000 DWT suez-max DP2 shuttle tanker to be constructed at COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd. in China for delivering in the 2<sup>nd</sup> quarter of 2022.

The company operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS in Haugesund manages the daily operations of the company in accordance with separate agreement.

#### **The company's activity**

The Company has entered into construction contract for one suez-max DP2 shuttle tanker at COSCO (Zhoushan) Shipyard Co., Ltd. in Zhoushan, China with hull number N786. USD 14 million have been paid in after signing the agreement, total contract value is USD 92 million.

The newbuilding will be chartered to PetroChina International (America), Inc., from delivery on a five-year time charter agreement with one option of five year and will operate in Brazil.

#### **Result for the year**

The operating result for KNOT Shuttle Tankers 37 AS was minus NOK 579 099 in 2021 compared to minus NOK 127 294 in 2020. After net financial loss of NOK 554 622 in 2021, against a loss of NOK 1 406 963 in 2020, the loss of the year was NOK 1 133 720 in 2021 compared to a loss of NOK 1 196 720 in 2020.

The Board of Directors propose to cover the loss by the received group contribution.

The liquidity position was NOK 4 007 863 as per 31.12.2021 compared to NOK 497 427 as per 31.12.2020.

The company's short-term debts per 31.12.2021 was 100 % of total debt (100 % in 2020).

Total capital was by the end of the year NOK 261 494 786, compared to NOK 65 954 340 the year before. The equity-share as of 31.12.2021 was 76 %, compared to 85 % per 31.12.2020.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the construction contract is denominated in USD. The company has not entered into any forward contracts or other agreements in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

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

#### **The environment safety and quality control**



The requirements for environment and safety in the operations of vessels are increasing, and both the Company, the manager and the Knutsen NYK Offshore Tankers Group emphasize operational quality.

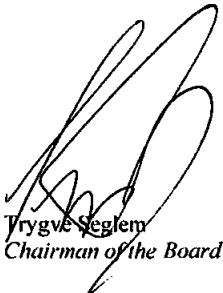
The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of vessels. There are no indications that the company pollutes the external environment significantly, and the board of directors considers the working conditions as satisfactory. All certificates are valid. The new-building will be certified in accordance with both the ISM and ISPS codes.

The company have no employees and thus no working environment. The company aims to be workplace where there is no discrimination related to gender, ethnicity, religion or disability. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men. There have not been taken out any board of directors liability insurance.

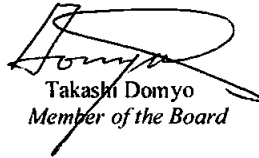
#### **Future prospects**

The Board of directors have secured long-term occupation of the newbuilding. The company are working on the pre- and post-delivery financing for the vessel under construction.

Haugesund, February 24, 2022



Trygve Seglem  
Chairman of the Board



Takashi Domyo  
Member of the Board



Karl Gerhard Bråstein Dahl  
Member of the Board



**KNOT Shuttle Tankers 37 AS**

**Profit & Loss Account**

	<u>Note</u>	2021	2020
<b><u>Operating Expenses</u></b>			
Administration	5, 8	579 099	127 294
<i>Total Operating Expenses</i>		<u>579 099</u>	<u>127 294</u>
<i>Operating Result</i>		<u>-579 099</u>	<u>-127 294</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	175	53
Foreign exchange gain/loss		-137 590	-1 363 414
Financial expenses	4	-417 207	-43 602
<i>Net Financial Items</i>		<u>-554 622</u>	<u>-1 406 963</u>
<i>Result before taxes</i>		<u>-1 133 720</u>	<u>-1 534 257</u>
Taxes	9	0	-337 537
<i>Result for the year</i>		<u>-1 133 720</u>	<u>-1 196 720</u>




**KNOT Shuttle Tankers 37 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	<u>Note</u>	2021	2020
<b><u>Fixed assets</u></b>			
Vessel under construction	10	155 857 863	53 681 517
<i>Total Fixed Assets</i>		<u>155 857 863</u>	<u>53 681 517</u>
<b><u>Current Assets</u></b>			
Accounts receivable		1 202 226	2 080 288
Intercompany receivables		426 835	0
Group contribution		100 000 000	9 695 108
Bank deposits	3	4 007 863	497 427
<i>Total Current Assets</i>		<u>105 636 923</u>	<u>12 272 823</u>
<i>TOTAL ASSETS</i>		<u>261 494 786</u>	<u>65 954 340</u>




**KNOT Shuttle Tankers 37 AS**  
**Balance Sheet as of 31. December**

<b><u>Shareholders Equity and Liabilities</u></b>	<b><u>Note</u></b>	<b>2021</b>	<b>2020</b>
<b><u>Equity</u></b>			
Share capital		30 000	30 000
Share premium		9 930	9 930
Other paid-in capital		197 712 701	56 156 421
<i>Total capital paid-in</i>		<u>197 752 631</u>	<u>56 196 351</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	6, 7	<u>197 752 631</u>	<u>56 196 351</u>
<b><u>Current Liabilities</u></b>			
Accounts payable		1 053 304	0
Intercompany liabilities		62 688 852	9 757 989
<i>Total Current Liabilities</i>		<u>63 742 156</u>	<u>9 757 989</u>
<i>Total liabilities</i>		<u>63 742 156</u>	<u>9 757 989</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u><b>261 494 786</b></u>	<u><b>65 954 340</b></u>




Trygve Sæviem  
chairman of the board

Haugesund, February 24, 2022



Karl Gerhard Bråstein Dahl  
member of the board



Takashi Domyo  
member of the board



**KNOT Shuttle Tankers 37 AS**

**CASHFLOW STATEMENT**

	<b>2021</b>	<b>2020</b>
Total generated from operations 1)	-1 133 720	-1 534 257
Change in working capital	54 435 394	7 683 525
Net cashflow from operations	<u>53 301 674</u>	<u>6 149 268</u>
<u>Cashflow from investments</u>		
Invested in vessel under construction	<u>-102 176 346</u>	<u>-53 681 517</u>
Net cashflow from investments	<u>-102 176 346</u>	<u>-53 681 517</u>
<u>Cashflow from financing</u>		
Received group contribution	<u>52 385 108</u>	<u>48 008 412</u>
Net cashflow from financing	<u>52 385 108</u>	<u>48 008 412</u>
Net cashflow for the year	3 510 436	476 163
+ Cash balance per 01.01	<u>497 427</u>	<u>21 264</u>
<b>= Cash Balance per 31.12.</b>	<u><b>4 007 863</b></u>	<u><b>497 427</b></u>
1) Generated from operations:		
Result before tax	<u>-1 133 720</u>	<u>-1 534 257</u>
= Total generated from operations	<u>-1 133 720</u>	<u>-1 534 257</u>



## KNOT Shuttle Tankers 37 AS

### Notes to the Financial Statement 31.12.2021

#### 1 Accounting Principles

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

##### Fixed Assets and Dry-Docking

Yard instalments paid on vessels under construction and 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), purchases beyond the yard contract regarding the individual contract are also registered.

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of shuttle tankers and FSO's is estimated to 23 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 23 year profile for that specific entity is not correct, i.e. fixed charter contracts above 23 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

Dry-docking expenses in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next dry-docking to take 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 30-36 month for vessels more than 15 years. In the case of a newbuilding or second hand acquisition, we estimate a portion of the total cost of the vessel to be allocated to the class cost and to be capitalised separately. Other expenses to repair and maintenance of the vessel are expensed when the work is executed.

##### Interest-bearing loan and borrowings

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

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

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

##### Tax

The company qualify for and have elected to be taxed under the Norwegian tonnage tax regime. The tonnage tax regime have a list of requirements that companies have to fulfill to qualify for election of the regime, such as minimum 3% direct or indirect ownership in vessels that perform transportation only. The company are restricted to what assets, liabilities and business they can participate in, and the same will apply for underlying companies and/or partnerships.

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

The calculated tax expenses in the profit and loss statement includes both the payable tax for the period in addition to the change in deferred tax. Deferred tax is calculated based on the temporary differences between the balance sheet values in the accounts and the tax values in addition to the tax loss carried forward at the end of the financial year. Tax increasing and decreasing changes in temporary differences that can be reversed in the same period are offset and the net value is taken into the accounts.



The calculated tax costs in the accounting includes both the payable tax for the period in addition to the change in deferred tax. Deferred tax is calculated using 22 % as the basis for taxation on the temporary differences between the accounting and the taxable values in addition to the loss carried forward at the end of the financial year. Tax increasing and decreasing changes in temporary differences which are reversed or can be reversed in the same period are offset and the net value is booked.

### **Transactions in Foreign Currency**

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

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

### **Cash flow statement**

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

### **Related party transactions**

The Company has undertaken several agreements and transactions with related parties in the Knutsen NYK Offshore Tankers Group. The level of fees are based on market terms and are in accordance with the arm's length principle. The company have no own employees and have outsourced management and crewing to related parties. Knutsen OAS Shipping AS delivers newbuilding service supervision for the Company's newbuilding.

## **2 Contracts**

The Company has secured a construction contract for one 154 000 DWT shuttle tanker at Cosco Shipping Heavy Industry (Zhoushan) Co., Ltd, in China with hull number 786. The vessel is expected to be delivered from the yard in 2nd quarter of 2022. USD 4.6 million x 3 have been paid under the contract and the total contract value is USD 92 million. The newbuilding will be chartered to Petro China, from delivery on a five-year time charter agreement with one options of five year and will operate in Brazil.

KNOT Management AS is appointed as manager for the company. The company have agreed an agreement regulating building supervision and management of the construction of the vessel with the related party Knutsen OAS Shipping AS.

Knutsen NYK Offshore Tankers AS have committed to inject the required equity for the construction of the vessel and startup of the time charter contract as well as working capital for the company and the company is working with securing long term post-delivery financing of the vessel with assistance from KNOT Management AS.

## **3 Bank deposits**

The company doesn't have restricted bank funds per 31.12.



## 4 Financial Income and -Expenses

	2021	2020
<b>Financial Income:</b>		
Other interest income	175	53
Total financial income	175	53
<b>Financial expenses:</b>		
Interest expenses to group companies	407 440	35 248
Other financial expenses	9 767	8 354
Total financial expenses	417 207	43 602

## 5 Remuneration

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

## 6 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 01.01	30 000	9 930	56 156 421	0	56 196 351
Result for the year	0	0	-1 133 720	0	-1 133 720
Group contribution received	0	0	142 690 000	0	142 690 000
Equity 31.12.	30 000	9 930	197 712 701	0	197 752 631

Share capital consist of 1 000 shares à NOK 30.

Knutsen NYK Offshore Tankers AS owns all the shares in the company. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

## 7 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the parent company Knutsen NYK Offshore Tankers AS.

## 8 Employees

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

## 9 Tax

The company is taxed based on the shipping tax regime after entering into the regime in 2021. This means that companies are not taxed on the basis of its operating income. However it is calculated an annual tax of 22% on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which amounted to NOK 0 (NOK 0 last year). Tonnage tax is classified as an operating expense.

Below is a specification of the temporary differences at the end of the financial year.

	31.12.2021	Change	01.01.2021
Loss carried forward	-3 537 811	-3 537 811	0
Basis for deferred tax (benefit)	0	0	0
Deferred tax (benefit)	0	0	0

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



Taxable result tonnage tax scheme:

	<b>2021</b>
Net financial Items	-554 622
Non-taxable currency gain	88 046
Non-deductable interest	260 727
Income supplement for high equity ratio	111 306
Capitalized guarantee cost	-3 443 267
Taxable income before loss carried forward	-3 537 811
Loss carried forward	3 537 811
Taxable income	<u>0</u>
Tax payable	0
Change in deferred tax	<u>0</u>
Tax expense	<u>0</u>

## 10 Fixed Assets

<u>Vessel under construction</u>	<b>2021</b>	<b>2020</b>
Book value 01.01.	53 681 517	0
Additions	<u>102 176 346</u>	<u>53 681 517</u>
Book value 31.12.	<u>155 857 863</u>	<u>53 681 517</u>



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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 37 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 37 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss account 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 as at 31 December 2021 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management for the financial statements

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

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



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 24 February 2022  
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*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT Shuttle Tankers 37 AS 2021

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## Magnus Hegertun Birkeland

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