



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 911 778 165
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT FSO 1 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karl Gerhard Bråstein Dahl
Dato for fastsettelse av årsregnskapet: 20.03.2024

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 01.05.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating Income	1	582 112 486	555 073 693
Other income		3 874 838	2 024 981
Sum inntekter		585 987 324	557 098 675
Kostnader			
Crew-hire	2	90 892 595	82 544 030
Ordinary depreciation	3	273 164 557	271 659 404
Commissions		7 276 406	6 938 421
Other operating expenses		59 701 753	53 679 714
Administration	2	8 688 919	7 812 223
Sum kostnader		439 724 229	422 633 792
Driftsresultat		146 263 094	134 464 883
Finansinntekter og finanskostnader			
Financial income	4	5 040 946	1 381 249
Foreign exchange gain/loss		-8 763 240	-28 417 193
Sum finansinntekter		-3 722 294	-27 035 945
Financial expenses	4	47 381 294	48 033 817
Sum finanskostnader		47 381 294	48 033 817
Netto finans		-51 103 588	-75 069 762
Ordinært resultat før skattekostnad		95 159 506	59 395 121
Taxes	5	20 949 310	13 074 258
Ordinært resultat etter skattekostnad		74 210 196	46 320 863
Årsresultat		74 210 196	46 320 863
Årsresultat etter minoritetsinteresser		74 210 196	46 320 863
Totalresultat		74 210 196	46 320 863



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	238 568 605	259 517 915
Sum immaterielle eiendeler		238 568 605	259 517 915
Varige driftsmidler			
Vessel	3	1 406 064 825	1 666 190 805
Sum varige driftsmidler		1 406 064 825	1 666 190 805
Sum anleggsmidler		1 644 633 430	1 925 708 720
Omløpsmidler			
Varer			
Inventories	6	2 257 640	2 609 943
Sum varer		2 257 640	2 609 943
Fordringer			
Receivables		49 940 010	51 072 679
Other short-term receivables		1 387 103	7 093 362
Konsernfordringer			729 048
Krav på innbetaling av selskapskapital		1 173 738	1 989
Sum fordringer		52 500 851	58 897 078
Bankinnskudd, kontanter og lignende			
Bank deposits	7	229 717 026	130 598 391
Sum bankinnskudd, kontanter og lignende		229 717 026	130 598 391
Sum omløpsmidler		284 475 517	192 105 412
SUM EIENDELER		1 929 108 947	2 117 814 132

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2023	2022
Innskutt egenkapital			
Share capital	8	100 000	100 000
Annen innskutt egenkapital		1 147 739 818	1 147 739 818
Sum innskutt egenkapital		1 147 839 818	1 147 839 818
Opptjent egenkapital			
Other equity		120 531 059	46 320 863
Sum opptjent egenkapital		120 531 059	46 320 863
Sum egenkapital	8, 9	1 268 370 877	1 194 160 681
Gjeld			
Langsiktig gjeld			
Deferred income		4 319 738	6 640 790
Sum avsetninger for forpliktelser		4 319 738	6 640 790
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5, 10	629 131 430	894 617 521
Sum annen langsiktig gjeld		629 131 430	894 617 521
Sum langsiktig gjeld		633 451 168	901 258 311
Kortsiktig gjeld			
Leverandørgjeld		5 785 901	7 866 652
Kortsiktig konserngjeld		4 420 303	2 455 762
Accrued interest		2 231 532	4 170 787
Payables to related parties		7 989 275	4 662 704
Other current liabilities		6 859 891	3 239 234
Sum kortsiktig gjeld		27 286 902	22 395 140
Sum gjeld		660 738 070	923 653 451
SUM EGENKAPITAL OG GJELD		1 929 108 947	2 117 814 132



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List of Signatures Page 1/1

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Name	Method	Signed at
Domyo, Takashi	BANKID	2024-03-20 05:10 GMT+01
Seglem, Trygve	BANKID	2024-03-19 09:08 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-03-19 08:46 GMT+01



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KNOT FSO 1 AS

REPORT OF THE BOARD OF DIRECTORS 2023

KNOT FSO 1 AS (the Company) charter M/T Hanne Knutsen on a lease, operation and maintenance agreement as a FSO to Equinor Energy AS ("Equinor" or the "Charterer") for the Martin Linge oil and gas field. There are no employees in the Company, and the daily operations are managed by KNOT Management AS in Haugesund in accordance with separate agreements.

The Company's activities

The Company's FSO M/T Hanne Knutsen started on a 95 months charter with further four 12-months options in Charterer's option 16 November 2018. The FSO started to receive petrochemicals from the production unit at the field in the middle of 2021. The Martin Linge field was officially opened 27 January 2022.

KNOT Management AS is manager for the Company and the FSO.

Result for the year

The total operating income ended on NOK 585 987 324 for the year, up from NOK 557 098 675 in 2022. The operating result for KNOT FSO 1 AS was NOK 146 263 094, compared to NOK 134 464 883 last year. The company's net financial expenses was NOK 51 103 588, compared to net expenses of NOK 75 069 762 the year before. The result for the year shows a profit of NOK 74 210 196, compared to NOK 46 320 863 in 2022.

Total cash flow from operational activities in the Company was NOK 390 698 001. The liquidity position was NOK 229 717 026 as per 31.12.2023 where of NOK 165 080 849 is deposited on escrow accounts as security for the senior facility agreement and certain guarantees or fixed interest deposits.

The Company's short-term debt per 31.12.2023 was 4.1 % of total debt. Equity was by the end of the year NOK 1 268 370 877, the equity-share as of 31.12.2023 was 65,7 %.

The Company's income is denominated in NOK, although the Company is partly naturally hedged through the NOK 464 375 000 tranche of the credit facility the Company is exposed to foreign exchange risks as part of the operation expenses are denominated in USD, EUR and GBP and in addition to the USD tranche of the credit facility.

The Company is exposed to changes in interest rates levels as it has long term debt carrying floating interest rate. The Company manages its interest rate exposure through interest rates swap agreements covering parts of the Company's interest rate exposure.



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

Environment, safety and quality control

The requirements for safety and operation of ships are increasing, and the company, the group and the manager KNOT Management AS are concerned with operational excellence. The company vessel consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ship is maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources into quality assurance and there are strict requirements for safety systems and the operation of the ship.

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. 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. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2023.

The company has no employees and thus no working environment. The company aims to be a workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The board of directors considers the working conditions satisfactory. 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.

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



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Future prospects

KNOT FSO 1 AS has agreed contract for lease, operation and maintenance of a FSO with Equinor for the Martin Linge field. The Board of Directors is confident with the operation of the FSO in 2023. Based on the operation in 2023 and the long-term contract with Equinor the Board of Directors of KNOT FSO 1 AS expects 2024 to be a satisfactory year for the vessel and the Company.

Haugesund, March 19, 2024

Trygve Seglem
Chairman of the Board

Karl Gerhard Bråstein Dahl
Member of the Board

Takashi Domyo
Member of the Board



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KNOT FSO 1 AS
Profit & Loss Account

	Note	2023	2022
<u>Operating Income</u>			
Operating Income	1	582 112 486	555 073 693
Other income		3 874 838	2 024 981
<i>Total Operating income</i>		<u>585 987 324</u>	<u>557 098 675</u>
<u>Operating Expenses</u>			
Commissions		7 276 406	6 938 421
Crew-hire	2	90 892 595	82 544 030
Other operating expenses		59 701 753	53 679 714
Administration	2	8 688 919	7 812 223
<i>Total Operating Expenses</i>		<u>166 559 672</u>	<u>150 974 388</u>
<i>Operating result before depreciation</i>		<u>419 427 651</u>	<u>406 124 287</u>
Ordinary depreciation	3	273 164 557	271 659 404
<i>Total depreciation</i>		<u>273 164 557</u>	<u>271 659 404</u>
<i>Operating Result</i>		<u>146 263 094</u>	<u>134 464 883</u>
<u>Financial Income and Expenses</u>			
Financial income	4	5 040 946	1 381 249
Foreign exchange gain/loss		-8 763 240	-28 417 193
Financial expenses	4	-47 381 294	-48 033 817
<i>Net Financial Items</i>		<u>-51 103 588</u>	<u>-75 069 762</u>
<i>Result before taxes</i>		<u>95 159 506</u>	<u>59 395 121</u>
Taxes	5	20 949 310	13 074 258
<i>Result for the year</i>		<u>74 210 196</u>	<u>46 320 863</u>



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KNOT FSO 1 AS

Balance Sheet as of 31. December

<u>Assets</u>	Note	2023	2022
Fixed assets			
Deferred tax assets	5	238 568 605	259 517 915
Vessel	3	1 406 064 825	1 666 190 805
<i>Total Fixed Assets</i>		<u>1 644 633 430</u>	<u>1 925 708 720</u>
Current Assets			
Inventories	6	2 257 640	2 609 943
Receivables		49 940 010	51 072 679
Other short-term receivables		1 387 103	7 093 362
Intercompany receivables		0	729 048
Receivables from related parties		1 173 738	1 989
Bank deposits	7	229 717 026	130 598 391
<i>Total Current Assets</i>		<u>284 475 517</u>	<u>192 105 412</u>
TOTAL ASSETS		<u>1 929 108 947</u>	<u>2 117 814 132</u>



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KNOT FSO 1 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	Note	2023	2022
<u>Equity</u>			
Share capital	8	100 000	100 000
Other paid-in capital		<u>1 147 739 818</u>	<u>1 147 739 818</u>
<i>Total capital paid-in</i>		<u>1 147 839 818</u>	<u>1 147 839 818</u>
Other equity		120 531 059	46 320 863
<i>Total Shareholders' Equity</i>	8, 9	<u>1 268 370 877</u>	<u>1 194 160 681</u>
<u>Long Term Liabilities</u>			
Deferred income		4 319 738	6 640 790
Mortgage debt	5, 10	<u>629 131 430</u>	<u>894 617 521</u>
<i>Total Long Term Liabilities</i>		<u>633 451 168</u>	<u>901 258 311</u>
<u>Current Liabilities</u>			
Accounts payable		5 785 901	7 866 652
Accrued interest		2 231 532	4 170 787
Intercompany liabilities		4 420 303	2 455 762
Payables to related parties		7 989 275	4 662 704
Other current liabilities		6 859 891	3 239 234
<i>Total Current Liabilities</i>		<u>27 286 902</u>	<u>22 395 140</u>
<i>Total liabilities</i>		<u>660 738 070</u>	<u>923 653 451</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>1 929 108 947</u>	<u>2 117 814 132</u>

Haugesund, March 19, 2024

Trygve Seglem
chairman of the board

Karl Gerhard Brastein Dahl
member of the board

Takashi Domyo
member of the board



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KNOT FSO I AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

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

Going concern

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

Transactions in Foreign Currencies

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

Related party transactions

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

1 Contracts

M.T. Harne Knutsen has after completed conversion to FSO started up mid November 2018 on a 95 months fixed plus four 12 months options in charterer's choice as FSO at the Martin Lunge field for Equinor Energy AS as operator for the license.

The income from the time charter contract is received in norske kroner, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

KNOT Management AS is appointed as manager for the company and the vessel.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OLP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from related crewing companies in accordance with separate crewing agreements.

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

Auditors remuneration (incl. VAT):	2023	2022
Audit	92 400	69 485

3 Fixed Assets

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 a FSO is estimated to 25 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 25 year profile for that specific entity is not correct, i.e. fixed charter contracts above 25 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.

Expenses in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next class and survey to take into account that the vessel is classified to operate for an additional period. Main class is carried out every 5th year. Intermediate survey is carried out 30-36 months after special survey. 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.

<u>Vessel</u>	2023	2022
Historical value 01.01.	4 666 986 349	4 667 492 098
Accumulated depreciation and impairment 01.01.	3 025 793 278	2 760 655 022
Book value 01.01.	1 641 193 070	1 906 837 075
Disposals cost price	0	505 749
Received NOX support	3 908 699	0
Annual depreciation	264 168 736	265 138 256
Book value 31.12.	1 373 115 725	1 641 193 070

<u>Dry docking</u>	2023	2022
Historical value 01.01.	51 902 354	51 902 354
Accumulated depreciation and impairment 01.01.	26 904 620	20 383 472
Capitalised dry-docking 01.01.	24 997 734	31 518 882
Additions	16 947 186	0
Annual depreciation	8 995 821	6 521 148
Book value 31.12.	32 949 180	24 997 734
Total book value vessel 31.12.	1 406 064 825	1 666 190 805



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4 Financial Income and Expenses

	2023	2022
Financial Income:		
Interest income from group companies	49 096	767 933
Other interest income	4 991 849	613 315
Total financial income	5 040 946	1 381 249
Financial Expenses:		
Interest expenses	45 806 490	46 153 947
Interest expenses to group companies related parties	18 465	3 441
Guarantee fee to group companies	1 057 442	1 283 694
Other financial expenses	498 897	592 735
Total financial expenses	47 381 294	48 033 817

5 Tax

Deferred tax -benefits are calculated based on the temporary differences existing at the year-end between financial

	31.12.2023	Change	31.12.2022
Temporary differences			
Temporary difference vessel	-372 660 440	-29 433 948	-402 094 388
Temporary difference debt	7 901 231	2 970 081	10 871 312
Sum temporary differences	-364 759 209	-26 463 867	-391 223 076
Deficit carried forward	-719 643 540	-68 760 272	-788 403 812
Base for deferred tax calculation	-1 084 402 749	-95 224 139	-1 179 626 888
Deferred tax (benefit) based on 22 % tax rate	-238 568 605	20 949 310	-259 517 915

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

	2023	2022
Result before taxes	95 159 596	59 395 121
Change in temporary differences	-26 463 867	-62 068 102
Non-deductible items	64 632	33 323
Deficit carried forward	-68 760 272	2 639 658
Group contribution	0	0
Tax base	0	0

Calculation of tax expenses

Tax effect of group contribution	0	0
Change deferred tax (tax benefit) 22 % tax rate	-20 949 310	-13 074 258
Tax calculated	-20 949 310	-13 074 258

6 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube oil	2 257 640	2 609 943

7 Bank deposits

As of 31.12.2023 the Company had deposited NOK 14 on a debt service reserve account, NOK 21 712 903 and USD 1 349 397 on pledged retention accounts as security for the "senior secured financing agreement". Further, the company has a fixed income deposit of NOK 130 000 000. The funds are locked up at a rate of 4,5 % and will mature 28.02.2024. The payment received on the maturity date will be NOK 131 538 630.

8 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other Equity	Total equity
Equity 01.01	100 000	1 147 739 818	46 320 863	1 194 160 681
Result for the year	0	0	74 210 196	74 210 196
Equity 31.12	100 000	1 147 739 818	120 531 059	1 268 370 877

Share capital consist of 100 shares à NOK 1 000

The company is a wholly owned subsidiary of KNOT FSO AS. Both companies are consolidated into Knutsen NYK Offshore Tankers Group. Financial statements for the group can be obtained at company's registered office, Smedasundt 40, 5529 Haugestrand.

9 Shares Owned by Board Members and Affiliates

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



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10 Mortgage Debt and Financial Instruments

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

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

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

	Currency	Outstanding currency amount	Accounting balance	
			2023	2022
Senior facility NOK-tranche			464 375 000	676 875 000
Senior facility USD-tranche	USD	16 923 074	172 657 662	228 613 832
Debt issuance cost			-7 901 230	-10 871 312
Liabilities to financial institutions			629 131 430	894 617 521

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in NOK, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has also entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. The company has entered agreements on fixed rates on NOK 200 million and USD 9.2 million. Mark to market gain on interest swaps have not been taken into account with NOK 8,5 million (NOK 14 million last year).

Amounts due within 12 months of the balance sheet date

Mortgage debt	275 284 634	273 463 711
Debt issuance cost	-2 978 219	-2 970 081
Liabilities to financial institutions	272 306 415	270 493 630

Repayment profile USD loan

0 - 12 months	6 153 848	6 153 848
13 - 24 months	6 153 848	6 153 848
25 - 36 months	4 615 379	6 153 848
37 - 48 months	0	4 615 379
49 - 60 months	0	0
After 60 months	0	0
	16 923 075	23 076 923

Repayment profile NOK loans

0 - 12 months	212 500 000	212 500 000
13 - 24 months	212 500 000	212 500 000
25 - 36 months	39 375 000	212 500 000
37 - 48 months	0	39 375 000
49 - 60 months	0	0
After 60 months	0	0
	464 375 000	676 875 000

The exchange rate at the year-end USD/NOK 10,2025 9,9066

Security for the loans is through a first priority mortgage in the vessel, a sharepledge in owners share in the company, assignment in earnings and insurances, accounts pledges and factoring agreement.

Book value of mortgaged assets is NOK 1636 million



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knot Fso 1 AS

Opinion

We have audited the financial statements of Knot Fso 1 AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss account, the statement of cashflows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

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

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



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 20 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report - Knot Fso 1 AS 2023

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

Magnus Hegertun Birkeland

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 28.06.2013	Var dato 05.08.2013
Telefon 22078139	Deres referanse Geir Tore Henriksen	Var referanse 2009/867030

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsregnskap på engelsk språk

Det vises til deres brev av 28. juni 2013 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

KNOT Shuttle Tankers 12 AS	org. nr. 999 328 024
KNOT FSO AS	org. nr. 911 772 531
KNOT FSO 1 AS	org. nr. 911 778 165
KNOT FSO 2 AS	org. nr. 911 782 189

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

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

Skattedirektoratets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om

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regnskapslovens formål, jf. pkt. 1.1:

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland