



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 832 529 982
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN OAS SHIPPING AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Peter Myklebust Opsal
Dato for fastsettelse av årsregnskapet: 08.04.2022

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, 09.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating income		272 771 462	194 000 073
Sum inntekter		272 771 462	194 000 073
Kostnader			
Wages and social expenses	6, 12	126 990 276	124 929 793
Depreciation	5	279 170	307 369
Other operating expenses	6	29 002 934	31 556 936
Sum kostnader		156 272 380	156 794 098
Driftsresultat		116 499 082	37 205 976
Finansinntekter og finanskostnader			
Financial income	8	1 641 579	2 552 624
Sum finansinntekter		1 641 579	2 552 624
Foreign exchange gain/loss		-441 112	-4 461 752
Financial expenses	8	1 112 726	569 564
Sum finanskostnader		671 614	-3 892 188
Netto finans		969 965	6 444 811
Ordinært resultat før skattekostnad		117 469 048	43 650 787
Tax	13	25 903 147	9 664 143
Ordinært resultat etter skattekostnad		91 565 901	33 986 644
Årsresultat		91 565 901	33 986 644
Årsresultat etter minoritetsinteresser		91 565 901	33 986 644
Totalresultat		91 565 901	33 986 644



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13		
Varige driftsmidler			
Property and docks	5		
Equipment and other tangible assets	5	639 122	918 292
Sum varige driftsmidler		639 122	918 292
Finansielle anleggsmidler			
Investering i datterselskap	2	5 690 640	5 690 640
Investering i annet foretak i samme konsern	3		
Lån til foretak i samme konsern	11	158 863 517	135 988 078
Other financial shares	3	210 000	210 000
Pension fund	12		
Sum finansielle anleggsmidler		164 764 157	141 888 718
Sum anleggsmidler		165 403 279	142 807 010
Omløpsmidler			
Varer			
Sum varer		2 821 734	2 821 734
Fordringer			
Accounts receivable		22 352 639	13 183 485
Other short-term receivables		10 526 686	3 453 752
Current receivable associates	11	89 587 949	97 834 804
Konsernfordringer	11	4 162 110	20 085 739
Sum fordringer		126 629 383	134 557 779
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	4	39 307 196	14 868 596
Sum bankinnskudd, kontanter og lignende		39 307 196	14 868 596
Sum omløpsmidler		168 758 312	152 248 109



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		334 161 591	295 055 119
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9, 10	808 000	808 000
Annen innskutt egenkapital		9 708 689	9 708 689
Sum innskutt egenkapital		10 516 689	10 516 689
Opptjent egenkapital			
Other equity		29 698 454	31 132 307
Sum opptjent egenkapital		29 698 454	31 132 307
Sum egenkapital	9	40 215 144	41 648 996
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13	167 345	232 590
Sum avsetninger for forpliktelser		167 345	232 590
Annen langsiktig gjeld			
Sum langsiktig gjeld		167 345	232 590
Kortsiktig gjeld			
Leverandørgjeld		33 808 711	19 826 627
Tax payable	13		
Public duties payable		17 933 699	77 654 365
Utbytte		929 998	348 629
Kortsiktig konserngjeld	11	148 447 286	75 045 533
Other payable associates	11	30 588 623	7 152 585
Other current liabilities		62 070 785	73 145 793
Sum kortsiktig gjeld		293 779 102	253 173 532
Sum gjeld		293 946 447	253 406 122



Balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		334 161 591	295 055 119



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 28.10.2009	Vår dato 02.06.2010
Telefon 22077325	Deres referanse Jørn Knutsen	Vår referanse 2009/867030

Ernst & Young AS
Postboks 6163 - Postterminalen
5892 Bergen

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk

Det vises til Deres søknad av 28. oktober 2009 samt telefonsamtaler 12. desember 2009 og 31. mai 2010 i sakens anledning. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- TS Shipping Invest AS org. nr: 975 883 914
- samt følgende datterselskap:
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Bøyelaster II KS org. nr: 959 321 752
- Knutsen Bøyelaster III KS org. nr: 959 505 349
- Knutsen Bøyelaster VI KS org. nr: 971 585 579
- Knutsen Bøyelaster VIII KS org. nr: 979 539 649
- Knutsen Bøyelaster IX KS org. nr: 979 685 521
- Knutsen Bøyelaster XI KS org. nr: 986 224 610
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Kjemikalie Tanker KS org. nr: 953 058 995
- Knutsen Kjemikalie Tanker II KS org. nr: 955 298 640
- Knutsen Kjemikalie Tanker III KS org. nr: 876 795 922
- Knutsen Kjemikalie Tanker IV KS org. nr: 982 741 092
- Knutsen Kjemikalie Tanker V KS org. nr: 983 452 884
- Knutsen Kyst LNG KS org. nr: 984 616 848
- Knutsen Newfoundland Chartering AS org. nr: 990 356 963
- Knutsen O.A.S Shipping AS org. nr: 832 529 982
- Knutsen Offshore KS org. nr: 893 435 832
- Knutsen Product Tankers KS org. nr: 983 453 007
- Knutsen Produkt Tanker IV KS org. nr: 961 068 355
- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Produkt Tanker VI AS org. nr: 965 870 105
- Knutsen Produkt Tanker IX AS org. nr: 983 857 191
- Knutsen Produkt Tanker X AS org. nr: 985 990 921
- Knutsen Produkt Tanker XI AS org. nr: 990 149 941
- Knutsen Produkt Tanker XII AS org. nr: 890 149 952
- Knutsen Produkt Tanker XIII AS org. nr: 891 028 342
- Knutsen Produkt Tanker XIV AS org. nr: 991 133 518

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- Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
- Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
- Knutsen Shuttle Tankers 13 AS org. nr: 868 286 962
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Terminal Tanker AS org. nr: 945 404 191
- TS Shipping Invest 2 AS org. nr: 992 826 762
- TS Shipping Invest 3 AS org. nr: 993 010 650

Bakgrunn:

TS Shipping Invest AS med datterselskap er gjennom selskapet Seglem Holding AS 100 % eid av Trygve Seglem og hans familie. Alle selskapene driver virksomhet innen internasjonal shipping. Konsernet omfatter også flere utenlandske datterselskap, og engelsk er arbeids- og rapporteringsspråk for hele konsernet. Selskapenes virksomhet er finansiert gjennom flere norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån, er det et krav fra bankene at regnskapet oversettes til engelsk språk.

Konsernet må derfor i dag utarbeide alle regnskaper både på norsk og engelsk. Denne praksisen innebærer en vesentlig kostnad uten at man ser noen synlig nytte av den norske versjonen. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at alle selskapene eies av samme familie, og denne ønsker at årsregnskapet utarbeides på engelsk språk. Selskapene opererer innen en bransje med sterk internasjonal



karakter og arbeidsspråket er engelsk. Finansieringen hentes fra profesjonelle institusjoner som etterspør engelsk versjon av årsregnskapet og årsberetning. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte navngitte selskapene i TS Shipping Invest konsernet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad



Skattedirektoratet

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- Norspan LNG AS org. nr: 981 146 131
- Norspan LNG II AS org. nr: 982 786 126
- Norspan LNG III AS org. nr: 986 860 045
- Norspan LNG IV AS org. nr: 987 755 628
- Norspan LNG V AS org. nr: 989 970 690
- Norspan LNG VI AS org. nr: 990 224 366
- Norspan LNG VII AS org. nr: 990 911 053
- Norspan LNG VIII AS org. nr: 991 817 603

Bakgrunn:

Selskapene er eid av de tre norske selskapene TS Shipping Invest AS, Umoe Shipping & Energy AS og Gas Maroil AS. Bak sistnevnte selskap står det spanske eierinteresser. Eierandelen mellom de tre aksjonærene er noe forskjellig for de ulike Norspan selskapene. Både eierne og selskapene det søkes dispensasjon for, driver alle innen internasjonal shipping. Selskapene har engelsk som arbeids og rapporteringsspråk. Selskapenes virksomhet er finansiert gjennom flere norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån, er det et krav fra bankene at regnskapet oversettes til engelsk språk.

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Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig. Dette inkluderer blant annet en forutsetning om at alle aksjonærer også i fortsettelsen er enig i at årsregnskap og årsberetning ikke ønskes utarbeidet på norsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hjelstad



KNUTSEN OAS SHIPPING AS

Annual Report 2021





KNUTSEN OAS SHIPPING AS

Annual Report 2021

Knutsen OAS Shipping AS ("Company") is the technical management company of the [TS Shipping Invest AS and its subsidiaries ("Group")]. The Company is based in Haugesund, Norway. The Company was providing technical management to 17 vessels at year end, of which 3 product/chemical tankers and 14 LNG carriers. In addition, the Company was responsible for the building supervision of in total 18 newbuildings.

The Company is a service provider and crewing manager to Knutsen NYK Offshore Tankers Group ("KNOT Group") and KNOT Offshore Partners Group. Knutsen OAS Shipping AS is responsible for management functions in Knutsen VOC KS, Knutsen Pressurized Natural Gas KS and Knutsen Ballastwater AS, which are technology companies of the Group.

The Company does not have employees in the land-based organization, and hire personnel from the subsidiaries; Knutsen OAS Management AS and KNOT Management AS which is the management company of KNOT Group.

Profit for the year

Total operating income was NOK 272,771 462 compared to NOK 194,000 073 in 2020. The operating profit was NOK 116,778,252 compared to NOK 37,205,976 in 2020. Result for the year was a profit of NOK 91,565,901 compared to profit of NOK 33,986,644 in 2020.

The Board of Directors recommends that the result for the year is transferred to other equity.

Total cash flow from operating activities in the company was NOK 91,911,782 compared to NOK 58,292,539 in 2020.

The Company's cash on deposits as per 31.12.21 was NOK 39,307,196 (NOK 14,868,596 as per 31.12.20). Total short-term debt amounted to 99.9 % of total debt and liabilities, in comparison to 99.9 % in 2020. Total assets as per 31.12.21 were NOK 334,161,591 (NOK 295,055,119 as per 31.12.20). The equity ratio as per 31.12.2021 was 12 % (14 % in 2020).

The Board of Directors confirms that the Financial Statements give a true picture of the Company's assets and liabilities, financial position and results and have been prepared under the assumption of going concern. The Board confirms the assumption of going concern.

The activities of the Company

The Company provides technical management and newbuilding supervision services to vessels owned and controlled by the Group. 2021 has been an active year in the newbuilding department with 18 vessels under construction/supervision at year end, consisting of 3 shuttle tankers and 15 LNG carriers.



The Company took delivery of one 30,000 M3 LNG carrier with onward time charter to Edison and two shuttle tankers with onward time charters to Total and Petrobras during 2021.

The Company had per year end 2021 newbuilding supervision contracts for in total 15 LNG Carriers under construction for delivery in 2021-2025.

The Company is managing the construction of nine 174,000 m3 LNG carriers under construction at the Hyundai Heavy Industries group in South Korea. These nine vessels will enter minimum 7 years' time charter contracts with a company within the Royal Dutch Shell Group. Deliveries are scheduled from 2022 to 2025.

The Company is managing the construction of four 174,000 m3 LNG carriers under construction at Hyundai Heavy Industries group in South Korea. The four vessels will enter minimum 10 years' time charter contracts with a company within Polskie Górnictwo Naftowe i Gazownictwo S.A. Group, the Polish state-controlled oil and gas company. Deliveries are scheduled for 2022-24.

The Company is supervising one 5,000 m3 LNG carrier under construction at Armon shipyard in Spain. The vessel will enter minimum 7 years' time charter with a company within the Royal Dutch Shell Group. Delivery is scheduled for end 2022.

The Company has also established site teams for the construction of one 154 000 dwt shuttle tankers for Total to be delivered in 2022 from the COSCO yard, and at DSME for two 124,000 dwt shuttle tankers to be delivered in 2022 to ENI.

Knutsen OAS Shipping AS operates a modern fleet of product/chemical tankers and LNG carriers which mainly are on time charter contracts to first class charterers.

The operations of the product/chemical fleet have been satisfactory with focus on safe, efficient and cost-effective operations. The product carriers are on one year rolling time charters with Total.

Group

2021 has been a challenging year operational wise due to the continued effects of the Covid-19 pandemic. The Board of Directors would like to give credit to officers and crew onboard the vessels as well as the staff of the manager and the charterer for establishing efficient guidelines and operational procedures in order to keep the vessel and everyone onboard safe.

The activity for the operating technology companies of Group has been according to plan.

Equal opportunity

The Company employs a total of 294 employees (including Knutsen OAS Crewing AS) all crews onboard the vessels and the Company has contracted from Knutsen OAS Management AS 91 employees (onshore staff).

Knutsen OAS Shipping AS strives to ensure that the Company be a 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, and this is included in the Company's policies. The Company has traditionally recruited from male dominated environment for applicants and recruitment. The Board of Directors consists of three men, and the gender distribution in the Company is as follows:



Gender balance and position levels				
Group and description	Women	Men	Share women	Total
Total	4	153	2,55 %	157
Group 1 - Leaders on board, Captains, Chief Officers, Chief Engineers	1	87	1 %	88
Group 2 – Seamen	3	66	4 %	69

The gender balance in the company Knutsen OAS Shipping AS is divided into 2.55% women and 97.45 % men.

Knutsen OAS Shipping AS are divided until two different positions levels. The levels are divided according to current laws and regulations.

Permanent employees		Temporary employees		Parental leave (average weeks)		Part time			
						Actual		Involuntary part time	
Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
4	153	0	0	0	5	0	0	0	0

At present we have three temporary employees in the company. The positions are temporary for a maternity leave and sick leave.

At present we have 0% of the employees working part time.

The average length of parental leave for men is 26.29 weeks divided on five men.

Average level and salary

Level 1	Average salary between men	976 652 NOK
Level 2	Average salary between men	1 001 733 NOK
Level 1	Salary between men and women	Will not be stated
Level 2	Salary between men and women	Will not be stated

Level 1, salary between men and women -The number of women is less than five at this level. According to GDPR, the salary between the gender will not be stated.

Level 2, salary between men and women- The number of women is less than five at this level. According to GDPR, the salary between the gender will not be stated.

The company employs a total of 157 employees in Knutsen Shipping. The company shall be a 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, and this is included in the company's policy. All our employees need to read and sign the company's equality and discrimination statement:

“Knutsen OAS Shipping AS does not accept any discrimination in regard to race, color, gender, religion, age, national origin, citizenship status, sexual orientation or disability”. This statement is taken from the Company Code of Conduct to ensure equality is ingrained in our documents and guidelines. We also believe that diversity drives innovation. Thus, the focus on equality and diversity will ultimately put us in a better position to succeed. The Company is committed to



creating an inclusive culture where diversity is regarded as real value and actively promoted in the work we do.

What we do to recruit more women to our company

The shipping business is a traditional business and a very male dominated one. In recent years the Company has had a special focus on recruitment of women. We want our working environment both in the offices and on our vessels to reflect our equality and discrimination statement. In order to achieve a more balanced workforce with equal opportunities, we need to pay special attention to applicants of all genders without being unfair to anyone. We have made some adjustments and changes to our recruitment process to achieve a more gender balanced workforce:

Make job posting more inclusive – Focus on the job descriptions on the expectations of the role. Use more straightforward job titles and descriptions. Be aware of the language and use words that are compatible with family life as; flexible, work from home, medical benefits. Share stories of women who are succeeding across all levels in the organization – On LinkedIn and in our magazine Knut'n.

Make Knutsen an attractive place to work – Visit universities for relationship building and show the career opportunities we can offer. Make the Company more visible both at the high school and university level by participation in career fairs and student arrangements. Employer branding and tailor-made messages out is a key factor.

Planning for the future– Build a gender- diverse recruiting strategy for the future. Make goals for improvement for the company. Invite to a focus group where this is on the agenda. Involve the organization in talking about the subject and create awareness and accountability.



Environment, safety and quality control

Safety and environmental compliance are our top operational priority. 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 Company has established overall guidelines to ensure that the Company 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 Company's operations shall be planned, and attention shall be taken in connection with executing activities and operations so that the environmental consequences are minimized.

Our business and the operation of our vessels are significantly affected by international conventions and national, state and local laws and regulations in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration. Because these conventions, laws and regulations change frequently, we cannot predict the ultimate cost of compliance or their impact on the resale price or useful life of the vessels we manage. While we believe that we are in substantial compliance with the current environmental laws and regulations, there is no assurance that compliance with current laws and regulations or amended or newly adopted laws and regulations can be maintained in the future. Additional conventions, laws, and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and that may materially adversely affect our operations. We are required by various governmental and other non-governmental agencies to obtain permits, licenses and certificates with respect to our operations. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operations of the vessels we manage depend on a number of factors, we believe that we will be able to continue to obtain all permits, licenses and certificates material to the conduct of our operations.

The company HSSE & QA system is in accordance with international requirements and standards, and the Company maintains all necessary certificates for its operation of activities. Knutsen OAS Shipping AS is certified according to the ISM, 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 & QA system.

The Company has an active approach regarding implementation of technology and operational procedures for reducing emissions to water and air.

Sick leave among employees was in 2021 at 5.5 (5.5% in 2020). The working environment aboard ships is considered to be satisfactory, and we also achieved a very satisfactory result for the year in health and safety on the KOAS operated fleet with zero lost time incidents.




Future prospects

The Board of Directors regards the prospects for the Company as promising. With its modern fleet, substantial contract coverage and a qualified staff the Company is well prepared to meet future challenges. The Company was profitable in 2021 and the Board of Directors is optimistic in respect of further improvement of the Company's profitability.

Thus, the Board of Directors has every reason to believe that 2022 will be a satisfactory year for the company.

Haugesund, 7. April 2022



Trygve Seglem
Chairman



Nils Kristian Strøm
Board member and
Managing Director



Ole Jacob Ræstad
Board member



Knutsen O.A.S. Shipping AS

Profit & Loss Account

	<u>Note</u>	2021	2020
<u>Driftsinntekter</u>			
Operating income		272 771 462	194 000 073
<i>Operating income</i>		<u>272 771 462</u>	<u>194 000 073</u>
<u>Driftskostnader</u>			
Wages and social expenses	6, 12	126 990 276	124 929 793
Other operating expenses	6	29 002 934	31 556 936
<i>Operating expenses</i>		<u>155 993 210</u>	<u>156 486 729</u>
<i>Operating result before depreciation</i>		<u>116 778 252</u>	<u>37 513 345</u>
Depreciation	5	279 170	307 369
<i>Depreciation and write downs</i>		<u>279 170</u>	<u>307 369</u>
<i>Operating profit</i>		<u>116 499 082</u>	<u>37 205 976</u>
<u>Finansinntekter og -kostnader</u>			
Financial income	8	1 641 579	2 552 624
Foreign exchange gain/loss		441 112	4 461 752
Financial expenses	8	-1 112 726	-569 564
<i>Net financial items</i>		<u>969 965</u>	<u>6 444 811</u>
<i>Result before tax</i>		<u>117 469 048</u>	<u>43 650 787</u>
Tax	13	25 903 147	9 664 143
<i>Result for the year</i>		<u>91 565 901</u>	<u>33 986 644</u>



Knutsen O.A.S. Shipping AS
Balance Sheet as of 31. Desember

<u>Assets</u>	<u>Note</u>	2021	2020
<u>Non-current assets</u>			
Equipment and other tangible assets	5	639 122	918 292
Investments in subsidiaries	2	5 690 640	5 690 640
Loan to group companies	11	158 863 517	135 988 078
Other financial shares	3	210 000	210 000
<i>Total non-current assets</i>		<u>165 403 279</u>	<u>142 807 010</u>
<u>Current assets</u>			
Inventories		2 821 734	2 821 734
Accounts receivable		22 352 639	13 183 485
Other short-term receivables		10 526 686	3 453 752
Current group receivables	11	4 162 110	16 506 500
Current receivable associates	11	89 587 949	97 834 804
Group contribution		0	3 579 239
Cash and cash equivalents	4	39 307 196	14 868 596
<i>Total current assets</i>		<u>168 758 312</u>	<u>152 248 109</u>
TOTAL ASSETS		<u>334 161 591</u>	<u>295 055 119</u>



KNUTSEN OAS SHIPPING AS

CASHFLOW STATEMENT

	2021	2020
Total generated from operations *)	117 748 218	43 958 156
Change in working capital	<u>-25 836 436</u>	<u>14 334 383</u>
Net cashflow from operations	<u>91 911 782</u>	<u>58 292 539</u>
Net change in intercompany loans	-22 875 439	-19 786 058
Investments in fixed assets	<u>0</u>	<u>-838 892</u>
Net cashflow from investments	<u>-22 875 439</u>	<u>-20 624 950</u>
Net repaid/drawn debt		
Dividend	-348 629	-272 254
Group contribution, net	<u>-44 249 116</u>	<u>-34 555 281</u>
Net cashflow from financing	<u>-44 597 745</u>	<u>-34 827 535</u>
Net change in cashflow for the year	24 438 598	2 840 054
+ Cash balance per 1.1	<u>14 868 596</u>	<u>12 028 540</u>
= Cash Balance per 31.12.	<u>39 307 196</u>	<u>14 868 596</u>
<u>*) Generated from operations:</u>		
Result before tax	117 469 048	43 650 787
Change in pensions	0	0
Total depreciation and write-downs	<u>279 170</u>	<u>307 369</u>
Total generated from operations	<u>117 748 218</u>	<u>43 958 156</u>



Knutsen OAS Shipping AS

Notes to financial statements 31.12.2021

1 Accounting Principles

The financial statement is prepared in accordance with the fundamental accounting principles and generally accepted accounting standards, NGAAP.

Investments in associated entities

Shares in associated entities are valued according to the cost method in the financial accounts. The investment is valued at acquisition cost for shares unless impairment is necessary. It is written down to fair value when the impairment is due to reasons that can not be assumed to be temporary, and considered necessary under generally accepted accounting principles. Impairment losses are reversed when the basis for impairment no longer exists.

Income

Income is recorded in line with the earning.

Current Assets/Current Liabilities

Fixed assets are intended for long-term ownership and use. Other assets are classified as current assets. Short-term liabilities are due within one year. Other liabilities as classified as long-term liabilities.

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

The fixed assets are valued to the lowest of the depreciated value and the market value unless the fall in value is assumed to be temporary. Long-term debt is stated at nominal value.

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

Tax

The tax cost in the profit and loss account consists payable tax and changes in deferred tax. Deferred tax is included in the balance sheet under provisions for liabilities.

Deferred tax is estimated using 22 % rate on basis of the temporary differences which exists between accounting related value and tax related value, additionally tax related losses carried forward by the end of each accounting year. Temporary differences between tax and accounting recognition of the ongoing results are calculated for the units in participating companies inside exemption model. Tax increasing and tax decreasing temporary differences may be reversed in the same period, offset and netted. Deferred tax on added values in connection with acquisitions of subsidiaries is not offset.

Inventories

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



Fixed Assets

The total cost of the properties are capitalised and depreciated lineary according to the expected economic life of the property. The Group assume 50 years economic life for the properties.

The total cost of othe fixed assets are capitalised and depreciated lineary according to the expected economic life of the fixed assets. The Group assume 10 years for cars and equipment, and 3 years for office furnitures.

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 cashflow value. Consequently fixed assets are not capatilised to a value that exceeds the value it can recover, either by sale or by continued use. Net sales value is the value the asset can be sold at after deducting any sales related expenses. Cashflow value is the present value of the future cash flows the fixed asset will generate, including cash flows related to scrapping/decommissioning. Impairments are reversed when the basis for the write-downs no longer exist. Reversal can be undertaken up to a value which an asset had before the write-downs.

Transactions in Foreign Currency

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

Realized and unrealized profit and loss on foreign exchange are recorded as financial income / expenses.

Realised and unrealised foreign exchange loss are recorded under financial items. Foreign exchange gain is recorded as a financial income when actually realised.

Research and development

Development costs are capitalized when a future economic benefit associated with the development of an identifiable intangible asset is identified and the costs can be measured reliably. Otherwise such costs are expensed as incurred. Capitalised development costs are depreciated over useful life. Research costs are expensed as incurred.

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 short-term liquid deposits.



2 Investments in group companies

	Capital paid in	Owner- and / voting share	Number of shares	Equity 31.12.	Last years result	Booked value
Knutsen OAS Management AS	500 000	100 %	500	2 884 610	3 988 639	5 078 640
Knutsen OAS Crewing AS	612 000	100 %	100	610 820	838 584	612 000
						<u>5 690 640</u>

The entities under common control has the same company adresse as the parent company, Smedasundet 40, 5504 Haugesund.

3 Long-term investments

Investments in other shares and securities, Knutsen OAS Shipping AS

	Number of shares	Face value	Booked value
Haugaland Golfklubb	42	5 000	<u>210 000</u>
			<u>210 000</u>

4 Bank deposit

From the company's bank deposits there are NOK 6 353 640 per 31.12.2021 (NOK 5 984 306 per 31.12.2020) in restricted cash in the form of tax funds.

5 Property, plant and equipment

	Useful life	Aquisition costs 01.01.	Accum. depre. 01.01.	Net disposals	Ordinary depreciation	Booked value
Cars	8 years	1 060 647	339 077		219 971	501 599
Office machinery	3 years	8 746 351	8 571 555		59 200	115 596
Art	-	21 926	0	0	0	21 926
		<u>9 828 924</u>	<u>8 910 632</u>	<u>0</u>	<u>279 170</u>	<u>639 122</u>



6 Employees

Knutsen OAS Shipping AS is the employer for all Norwegian sailors aboard the ships which the company is managing under separate management agreements. Knutsen OAS Management AS is the employer for all office staff at the group's head office in Haugesund. Both Knutsen OAS Shipping AS and Knutsen OAS Management have occupational pension schemes for employees who meet the law on mandatory occupational pension. See more details in a separate note.

<u>Spesifikasjon:</u>	<u>2021</u>	<u>2020</u>
Salary	9 839 126	9 029 941
Employer's taxes	1 452 132	2 153 486
Pensions costs	173 070	44 916
Hired personell	106 806 735	98 581 350
Other benefits	8 719 213	15 120 100
Total	<u>126 990 276</u>	<u>124 929 793</u>

Average number of employees in the administration of Knutsen OAS Management AS during the fiscal year was 85 (85 in 2020).

Average number of employed sailors on board of the group's ships employed in Knutsen OAS Shipping AS during the fiscal year was 157 (155 in 2020).

Benefits to executives

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

	<u>2021</u>	<u>2020</u>
Auditors remuneration (VAT not incl.)		
Audit	186 254	190 798
Other consulting services	61 750	53 500
	<u>248 004</u>	<u>244 298</u>

7 Receivables and debt subsidiaries and affiliates

Knutsen OAS Shipping AS finance the daily operations by advance payments from the companies that are managed, according to the latest notice from the group company intercompany balance will be net receivables or debt. The amounts are specified as short-term receivables and debt to the Group and group companies. These intercompany balances are considered to be current by nature, and therefore interest is not calculated on them.

As required by mother company, TS Shipping Invest AS, Knutsen OAS Shipping AS enters construction contracts and obtain short-term financing. It is agreed before entering into contracts on behalf of others how further structure, compensation and price should be used in subsequent transfers to group companies.

8 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
Financial Income:		
Interest income	692	37 849
Interest income group companies	1 640 887	2 514 774
Total financial income	<u>1 641 579</u>	<u>2 552 624</u>
Financial expenses:		
Interest expenses	1 055 451	515 179
Other financial expenses	57 276	54 385
Total financial expenses	<u>1 112 726</u>	<u>569 564</u>



9 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	808 000	9 708 689	31 132 307	41 648 996
Result for the year			91 565 901	91 565 901
Dividend			-929 998	-929 998
Given tax group contribution (Equity effect) *			-92 069 755	-92 069 755
Equity 31.12.	808 000	9 708 689	29 698 454	40 215 144

* TS Shipping Invest AS

The share capital consist of 1.000 shares à NOK 808.

All of the shares has equal voting rights

Share owners:	Number of shares	Ownership %
TS Shipping Invest AS	990	99 %
Ole Jacob Ræstad	10	1 %

The company has given a group contribution to TS Shipping Invest AS in 2021.

10 Shares Owned by Board Members and Affiliates

Ole Jacob Ræstad owns 1% of the company.

Trygve Seglem controls through TS Shipping Invest AS 99% of the company.

The company is included in the consolidated financial statements of TS Shipping Invest AS (the group) and Seglem Holding (Ultimate Parent Company)

Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

11 Intercompany transactions

Balances with group and group companies, transactions with companies where Knutsen OAS Shipping AS performs management.

	2021	2020
Long term receivables from group companies	158 863 517	135 988 078
Receivables from group companies	4 162 110	16 506 500
Short term debt to group companies	-30 409 139	-27 217 178
Balances with affiliated companies :		
Receivables from associates	89 587 949	97 834 804
Other short term liabilities	-30 588 623	-7 152 585



12 Pensions

The company has a contribution plan for its employees.

The pension plans in the Norwegian companies meet the Norwegian requirements for a Mandatory Company Pension (OTP).

13 Tax

Below is a specification of differences between the profit / loss for the year before tax and the basis for tax calculation:

	2021	2020
Profit/loss before tax	117 469 048	43 650 787
Permanent differences	272 533	277 131
Change in temporary differences	296 566	321 198
Annual tax base	118 038 147	44 249 116
Group contribution paid	-118 038 147	-44 249 116
Basis for taxation	0	0
Tax costs		
Tax payable, before group contribution	25 968 395	9 734 809
Change in deferred tax / tax benefit	-65 245	-70 665
Tax calculated	25 903 150	9 664 143

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 is given, as well as a calculation of the deferred tax at the year-end.

	31.12.2021	Change	31.12.2020
Fixed assets	-94 896	-82 675	-12 221
Gain and loss account	855 556	-213 891	1 069 447
Basis for deferred tax	760 660	-296 566	1 057 226
22% deferred tax(-asset)	167 345	65 245	232 590



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen O.A.S. Shipping AS

Opinion

We have audited the financial statements of Knutsen O.A.S. Shipping AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

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



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 08 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus H. Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen O.A.S. Shipping AS 2021

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Magnus Hegertun Birkeland

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