



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 923 166 343
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 41 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 27.02.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 31.05.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income	1	65 162 093	
Sum inntekter		65 162 093	
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		2 596 488	
Voyage related expenses		55 728 068	
Crew-hire	2	16 258 123	62 768
Ordinary depreciation	3	21 132 625	
Other operating expenses		9 935 765	45 956
Administration	2	3 406 770	221 775
Sum kostnader		109 057 838	330 500
Driftsresultat		-43 895 745	-330 500
Finansinntekter og finanskostnader			
Financial income	4	390 610	741 050
Foreign exchange gain/loss		-473 936	-500 561
Sum finansinntekter		-83 326	240 489
Financial expenses	4	28 683 652	2 811 514
Sum finanskostnader		28 683 652	2 811 514
Netto finans		-28 766 977	-2 571 025
Ordinært resultat før skattekostnad		-72 662 722	-2 901 525
Taxes	5		
Ordinært resultat etter skattekostnad		-72 662 722	-2 901 525
Årsresultat		-72 662 722	-2 901 525
Årsresultat etter minoritetsinteresser		-72 662 722	-2 901 525
Totalresultat		-72 662 722	-2 901 525



Resultatregnskap

Beløp i: NOK	Note	2022	2021
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Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	1 361 352 220	
Vessel under construction	3		417 015 271
Sum varige driftsmidler		1 361 352 220	417 015 271
Sum anleggsmidler		1 361 352 220	417 015 271
Omløpsmidler			
Varer			
Inventories	6	2 859 530	
Sum varer		2 859 530	
Fordringer			
Accounts receivable		9 666 707	
Other short-term receivables		29 191 556	1 105 574
Konsernfordringer		561 769	13 561 224
Krav på innbetaling av selskapskapital		17 632 430	16
Sum fordringer		57 052 461	14 666 814
Bankinnskudd, kontanter og lignende			
Bank deposits	7	26 577 024	724 328
Sum bankinnskudd, kontanter og lignende		26 577 024	724 328
Sum omløpsmidler		86 489 015	15 391 142
SUM EIENDELER		1 447 841 235	432 406 412

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Share capital	8	30 000	30 000
Overkurs		1 027	1 027
Annen innskutt egenkapital		214 691 172	287 353 894
Sum innskutt egenkapital		214 722 200	287 384 922
Other equity			
Sum egenkapital	8, 9	214 722 200	287 384 922
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	1 132 190 324	116 092 883
Sum annen langsiktig gjeld		1 132 190 324	116 092 883
Sum langsiktig gjeld		1 132 190 324	116 092 883
Kortsiktig gjeld			
Leverandørgjeld		11 971 926	583 301
Tax payable	5		
Kortsiktig konserngjeld		69 088 891	26 151 380
Accrued interest		11 169 971	13 165
Payables to related parties		3 682 270	169 094
Other current liabilities		5 015 653	2 011 668
Sum kortsiktig gjeld		100 928 711	28 928 608
Sum gjeld		1 233 119 036	145 021 490
SUM EGENKAPITAL OG GJELD		1 447 841 235	432 406 412



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 337080

Enheten

Organisasjonsnummer: 923 166 343
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 41 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

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Morselskap i konsern: Nei

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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: 27.02.2023

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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Brønnøysundregistrene, 27.03.2023



Organisasjonsnr: 923 166 343
KNOT SHUTTLE TANKERS 41 AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income	1	65 162 093	
Sum inntekter		65 162 093	
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		2 596 488	
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Ordinary depreciation	3	21 132 625	
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Sum kostnader		109 057 838	330 500
Driftsresultat		-43 895 745	-330 500
Finansinntekter og finanskostnader			
Financial income	4	390 610	741 050
Foreign exchange gain/loss		-473 936	-500 561
Sum finansinntekter		-83 326	240 489
Financial expenses	4	28 683 652	2 811 514
Sum finanskostnader		28 683 652	2 811 514
Netto finans		-28 766 977	-2 571 025
Ordinært resultat før skattekostnad			
Taxes	5	-72 662 722	-2 901 525
Ordinært resultat etter skattekostnad		-72 662 722	-2 901 525
Årsresultat		-72 662 722	-2 901 525
Årsresultat etter minoritetsinteresser		-72 662 722	-2 901 525
Totalresultat		-72 662 722	-2 901 525



Organisasjonsnr: 923 166 343
KNOT SHUTTLE TANKERS 41 AS

BALANSE

Beløp i: NOK Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessel	3	1 361 352 220	
Vessel under construction	3		417 015 271
Sum varige driftsmidler		1 361 352 220	417 015 271
Sum anleggsmidler		1 361 352 220	417 015 271

Omløpsmidler

Varer

Inventories	6	2 859 530	
Sum varer		2 859 530	

Fordringer

Accounts receivable		9 666 707	
Other short-term receivables		29 191 556	1 105 574
Konsernfordringer		561 769	13 561 224
Krav på innbetaling av selskapskapital		17 632 430	16
Sum fordringer		57 052 461	14 666 814

Bankinnskudd, kontanter og lignende

Bank deposits	7	26 577 024	724 328
Sum bankinnskudd, kontanter og lignende		26 577 024	724 328

Sum omløpsmidler		86 489 015	15 391 142
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SUM EIENDELER		1 447 841 235	432 406 412
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	8	30 000	30 000
Overkurs		1 027	1 027
Annen innskutt egenkapital		214 691 172	287 353 894
Sum innskutt egenkapital		214 722 200	287 384 922

Other equity

Sum egenkapital	8, 9	214 722 200	287 384 922
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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	10	1 132 190 324	116 092 883
Sum annen langsiktig gjeld		1 132 190 324	116 092 883
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Kortsiktig gjeld			
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Sum gjeld		1 233 119 036	145 021 490
SUM EGENKAPITAL OG GJELD		1 447 841 235	432 406 412



Organisasjonsnr: 923 166 343
KNOT SHUTTLE TANKERS 41 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Domyo, Takashi	BANKID	2023-02-24 12:35 GMT+01
Seglem, Trygve	BANKID	2023-02-24 11:52 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-02-24 09:23 GMT+01



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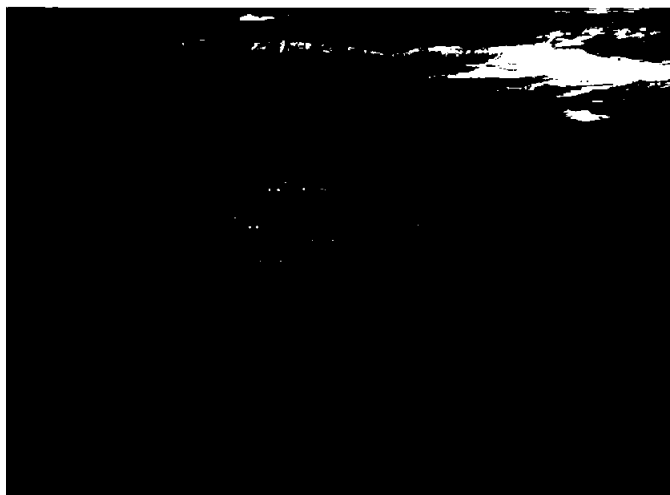
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KNOT Knutsen
NYK Offshore
Tankers

KNOT Shuttle Tankers 41 AS

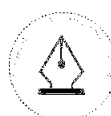
Annual Report 2022



M/T "Frida Knutsen"



Knutsen
Group



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KNOT SHUTTLE TANKERS 41 AS

REPORT OF THE BOARD OF DIRECTORS 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 contracted took delivery of the 124 000 DWT LNG Fueled DP 2 shuttle tanker M/T Frida Knutsen from Daewoo Shipbuilding & Marine Engineering Co- Ltd. in August 2022. The vessel will be able to reduce emissions of CO2 equivalents significantly compared to conventional oil-fueled shuttle tankers, through using LNG as the primary fuel and further utilizing the energy recovered from volatile organic compounds. There is also installed a battery package to save energy during DP operation.

The vessel has been operated in the spot market during the mobilization and final testing phase after delivery in South Korea before the vessel was delivered in the North Sea on time charter contract to Eni Trading and Shipping S.p.A. in December, on a seven-year charter agreement with three options of one year and will be operate in the North Sea.

Result for the year

The operating result for KNOT Shuttle Tankers 41 AS was minus NOK 43 895 745 in 2022 compared to a loss of NOK 330 500 in 2021. After net financial loss of NOK 28 766 977 in 2022, against a loss of NOK 2 571 025 in 2021, the loss of the year was NOK 72 662 722 in 2022 compared to a loss of NOK 2 901 525 in 2021.

The Board of Directors propose to cover the loss of the year by other paid in equity.

Total cash flow for operational activities was minus NOK 22 972 544 in 2022 compared to NOK 93 722 499 in 2021. The liquidity position was NOK 26 577 024 as per 31.12.2022 compared to NOK 724 328 as per 31.12.2021.

The company's short-term debts per 31.12.2022 was 8.2 % of total debt (20 % in 2021).

Total capital was by the end of the year NOK 1 447 841 235, compared to NOK 432 406 412 the year before. The equity-share as of 31.12.2022 was 15 % compared to 66 % per 31.12.2021.

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 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 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



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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 2022.

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 account for these due diligence assessments and other obligations pursuant to the Act's section 5 will be included in a report here www.knutsenoas.com within 30 June 2023.

Future prospects

M/T Frida Knutsen is operated on a long-term charter with Eni Trading and Shipping S.p.A. where the fixed period ends in the 4th quarter of 2029. The charterer and trading area is well known for the manager and the Board of Directors. Based on the construction testing and operation of the vessel in 2022, the long-term financing of the vessel and the long-term charter-party of the vessel, the Board of Directors of KNOT Shuttle Tankers 41 AS expects 2023 to be a satisfactory year for the vessel and the company.

Haugesund, February 24, 2023

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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KNOT Shuttle Tankers 41 AS

Profit & Loss Account

	<u>Note</u>	2022	2021
<u>Operating Income</u>			
Operating income	1	65 162 093	0
<i>Total Operating income</i>		<u>65 162 093</u>	<u>0</u>
<u>Operating Expenses</u>			
Commissions		2 596 488	0
Voyage related expenses		55 728 068	0
Crew-hire	2	16 258 123	62 768
Other operating expenses		9 935 765	45 956
Administration	2	3 406 770	221 775
<i>Total Operating Expenses</i>		<u>87 925 213</u>	<u>330 500</u>
Ordinary depreciation	3	21 132 625	0
<i>Operating Result</i>		<u>-43 895 745</u>	<u>-330 500</u>
<u>Financial Income and Expenses</u>			
Financial income	4	390 610	741 050
Foreign exchange gain/loss		-473 936	-500 561
Financial expenses	4	-28 683 652	-2 811 514
<i>Net Financial Items</i>		<u>-28 766 977</u>	<u>-2 571 025</u>
<i>Result before taxes</i>		<u>-72 662 722</u>	<u>-2 901 525</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>-72 662 722</u>	<u>-2 901 525</u>



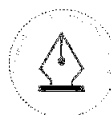
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KNOT Shuttle Tankers 41 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
Vessel	3	1 361 352 220	0
Vessel under construction	3	0	417 015 271
<i>Total Fixed Assets</i>		<u>1 361 352 220</u>	<u>417 015 271</u>
<u>Current Assets</u>			
Inventories	6	2 859 530	0
Accounts receivable		9 666 707	0
Other short-term receivables		29 191 556	1 105 574
Intercompany receivables		561 769	13 561 224
Receivables from related parties		17 632 430	16
Bank deposits	7	26 577 024	724 328
<i>Total Current Assets</i>		<u>86 489 015</u>	<u>15 391 142</u>
TOTAL ASSETS		<u>1 447 841 235</u>	<u>432 406 412</u>



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KNOT Shuttle Tankers 41 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2022	2021
<u>Equity</u>			
Share capital	8	30 000	30 000
Share premium		1 027	1 027
Other paid-in capital		214 691 172	287 353 894
<i>Total capital paid-in</i>		<u>214 722 200</u>	<u>287 384 922</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	8, 9	<u>214 722 200</u>	<u>287 384 922</u>
<u>Long Term Debt</u>			
Liabilities to financial institutions	10	1 132 190 324	116 092 883
<i>Total Long Term Debt</i>		<u>1 132 190 324</u>	<u>116 092 883</u>
<u>Current Liabilities</u>			
Trade payables		11 971 926	583 301
Accrued interest		11 169 971	13 165
Intercompany liabilities		69 088 891	26 151 380
Payables to related parties		3 682 270	169 094
Other current liabilities		5 015 653	2 011 668
<i>Total Current Liabilities</i>		<u>100 928 711</u>	<u>28 928 608</u>
<i>Total liabilities</i>		<u>1 233 119 036</u>	<u>145 021 490</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>1 447 841 235</u>	<u>432 406 412</u>

Haugesund, February 24, 2023,

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 Shuttle Tankers 41 AS

CASHFLOW 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.

	2022	2021
Result before tax	-72 662 722	-2 901 525
+ Ordinary depreciation	21 132 625	0
+ Paid tax	0	-30 538
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	1 353 970	0
+ Financial expenses - liabilities to financial institutions	448 656	0
= Total generated from operations	-49 727 470	-2 932 063
+ Net received on current assets	-45 245 177	67 789 259
+ Net received on current liabilities	72 000 103	28 865 303
Net cashflow from operations	-22 972 544	93 722 499
Cashflow from investments		
Payments for vessel under construction and conversion	-964 897 298	-208 685 234
Net cashflow from investments	-964 897 298	-208 685 234
Cashflow from financing		
Proceeds from liabilities to financial institutions	1 030 322 632	128 839 050
Paid debt issuance costs	-165 185	-13 504 639
Repayment of liabilities to financial institutions	-16 434 909	0
Net cashflow from financing	1 013 722 538	115 334 411
Net cashflow for the year	25 852 696	371 676
+ Bank deposits per 01.01.	724 328	352 652
= Bank deposits per 31.12.	26 577 024	724 328



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KNOT Shuttle Tankers 41 AS

Notes to the Financial Statement 31.12.2022

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 Currency

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. 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.

1 Contracts

The newbuilding has been chartered to Eni Trading and Shipping S.p.A on a seven-year time charter agreement with three options of one year. The contract involves operations in North Europe.

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

The Company has secured a construction contract for one 124 000 DWT LNG Fueled DP 2 shuttle tanker at Daewoo Shipbuilding & Marine Engineering Co- Ltd., in South Korea with hull number 5482. The vessel was delivered from the yard 2 August 2022.

KNOT Management AS is appointed as manager for the company and the vessel. The company has signed a contract regarding a construction supervision of the newbuildings with Knutsen OAS Shipping AS.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from related crewing companies in accordance with separate crewing agreements.

	2022	2021
Grants crew expenses	-1 091 121	0

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 (excl. VAT):	2022	2021
Audit	31 500	0
Tax advice	0	0
Other services besides audit	0	0
	31 500	0

3 Fixed Assets

Yard instalments paid on newbuildings and vessels under conversion are gradually recorded as fixed assets as the instalments are paid. All costs regarding construction supervision, construction financing (including building loan interest, arrangement fees, provision of guarantees), additions and upgrading beyond the yard contract regarding the individual contract and other expenses related to the construction or conversion of the vessel are recorded on the fixed asset under construction/conversion.



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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 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 certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2.5 year for vessels more than 15 years. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

<u>Vessel under construction and conversion</u>	2022	2021
Book value 01.01.	417 015 271	207 571 565
Additions	965 469 575	209 443 706
Delivery of vessel for operation	-1 382 484 846	0
Book value 31.12.	0	417 015 271

<u>Vessel</u>	2022	2021
Historical value 01.01.	0	0
Accumulated depreciation and impairment 01.01.	0	0
Book value 01.01.	0	0
Delivery of vessel for operation	1 351 489 624	0
Annual depreciation	18 549 690	0
Book value 31.12.	1 332 939 933	0

<u>Dry-docking</u>	2022	2021
Historical value 01.01.	0	0
Accumulated depreciation and impairment 01.01.	0	0
Capitalised dry-docking 01.01.	0	0
Delivery of vessel for operation - allocation of cost	30 995 222	0
Annual depreciation	2 582 935	0
Book value 31.12.	28 412 287	0

Total book value vessel 31.12.	1 361 352 220	0
--------------------------------	---------------	---

4 Financial Income and -Expenses

<u>Financial Income:</u>	2022	2021
Other interest income	263 958	18
Interest income from group companies	126 653	741 033
Total financial income	390 610	741 050

<u>Financial Expenses:</u>	2022	2021
Interest expenses to group companies	873 307	182 538
Interest expenses	27 190 383	0
Interest swaps	-2 332 925	0
Financial expenses to group companies	0	2 618 009
Other financial expenses	336 960	10 967
Guarantee fee to group companies	2 615 927	0
Total financial expenses	28 683 652	2 811 514

5 Tax

The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

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 an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

Specification on the temporary differences:

	31.12.2022	Change	31.12.2021
Loss carried forward	-16 728 276	11 004 315	-5 723 962
Temporary differences	-16 728 276	11 004 315	-5 723 962
Calculated deferred tax	3 680 221	-2 420 949	1 259 272
Deferred tax in balance	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.



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Tax cost

	2022	2021
Net financial Items	-28 766 977	-2 571 025
Non-taxable currency gain	377 672	432 554
Non-deductable interest	26 501 017	-2 525 241
Deductable financial items	-9 116 024	-1 562 294
Income supplement for high equity ratio	0	502 045
Taxable income before loss carried forward	-11 004 315	-5 723 962
Loss carried forward	-11 004 315	-5 723 962
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses	59 319	0

6 Inventories

Specification of inventories per 31.12.

	2022	2021
Lube oil	2 859 530	0

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity 01.01.	30 000	1 027	287 353 894	0	287 384 922
Result for the year	0	0	-72 662 722	0	-72 662 722
Equity 31.12.	30 000	1 027	214 691 172	0	214 722 200

Share capital consist of 1 000 shares à NOK 30.

The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

9 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 .

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.

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 object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the hedging over financial items.

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.



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	Currency	Outstanding currency amount	Hedge accounting rate 31.12.	Accounting balance	
				2022	2021
Mortgage debt	USD	120 906 250	9,4625	1 144 080 743	128 839 050
Debt issuance cost				-11 890 419	-12 746 167
Liabilities to financial institutions				1 132 190 324	116 092 883

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized currency gain/losses on the loans are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate.

	2022	2021
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-53 689 113	-3 617 087

Amounts due within 12 months of the balance sheet date:

Mortgage debt	60 323 720	0
Debt issuance cost	-1 011 656	-999 431
Liabilities to financial institutions	59 312 064	-999 431

Repayment profile:

0 - 12 months	6 375 000	1 593 750
13 - 24 months	6 375 000	6 375 000
25 - 36 months	6 375 000	6 375 000
37 - 48 months	6 375 000	6 375 000
49 - 60 months	6 375 000	6 375 000
After 60 months	89 031 250	95 406 250
	120 906 250	122 500 000

The exchange rate at the year-end	USDNOK	9,9066	8,8363
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Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 1 361 352 220.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	Currency	2022	2021
Outstanding fixed interest rate swaps	USD	24 675 000	0
Mark to market valuation	USD	2 568 784	0



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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 41 AS

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 41 AS (the Company), which comprise the balance sheet as at 31 December 2022, 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 2022 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 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 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT Shuttle Tankers 41 AS 2022

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"By my signature I confirm all dates and content in this document."

Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5990-4-2796687

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Skatteetaten

Vår dato
25.01.2020

Din/Deres dato
20.12.2019

Saksbehandler
Erik Østby

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
48133581

Org.nr
974761076

Vår referanse
2020/5001106

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, sktvl. § 3-1

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til TS Shipping Invest AS søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende konsernselskaper:

Selskapsnavn	Org.nr.
KNOT Shuttle Tankers 40 AS	923 822 070
KNOT Shuttle Tankers 41 AS	923 166 343
KNOT Shuttle Tankers 42 AS	923 166 211
Norspan LNG 16 AS	923 594 779
Norspan LNG 17 AS	923 594 736
Norspan LNG 18 AS	923 594 744
Norspan LNG 19 AS	923 594 760
Norspan LNG 20 AS	923 594 701
Norspan LNG 21 AS	923 991 824
ACE Norway as	919 018 755

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene 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.

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 siteres:

"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 2019. 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.

Utarbeidelse av årsregnskap på to språk innebærer en vesentlig kostnad for konsernet uten synlig gevinst."

Skattekontorets 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 mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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 dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En vesentlig andel av selskapenes eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.



Med hilsen

Roar Thorbjørnsen
Underdirektør
Innsats, storbedrift
Skatteetaten

Erik Østby

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.