



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 971 585 579  
Organisasjonsform: Kommandittselskap  
Foretaksnavn: KNUTSEN BØYELASTER VI KS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

### 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: 04.03.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 01.05.2021



## Resultatregnskap

Beløp i: NOK	Note	2018	2017
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	260 806 750	278 607 756
Annen driftsinntekt		314 431 874	
<b>Sum inntekter</b>		<b>575 238 624</b>	<b>278 607 756</b>
<b>Kostnader</b>			
Lønnskostnad	10	62 904 932	43 279 981
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	49 893 940	54 604 557
Annen driftskostnad	9	125 189 798	107 667 494
<b>Sum kostnader</b>		<b>237 988 670</b>	<b>205 552 032</b>
<b>Driftsresultat</b>		<b>337 249 954</b>	<b>73 055 724</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	7	-34 800 624	-4 292 837
<b>Sum finansinntekter</b>		<b>-34 800 624</b>	<b>-4 292 837</b>
Annen finanskostnad	7	20 103 503	23 742 584
<b>Sum finanskostnader</b>		<b>20 103 503</b>	<b>23 742 584</b>
<b>Netto finans</b>		<b>-54 904 127</b>	<b>-28 035 421</b>
<b>Ordinært resultat før skattekostnad</b>		<b>282 345 827</b>	<b>45 020 302</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>282 345 827</b>	<b>45 020 302</b>
<b>Årsresultat</b>		<b>282 345 827</b>	<b>45 020 302</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>282 345 827</b>	<b>45 020 302</b>
<b>Totalresultat</b>		<b>282 345 827</b>	<b>45 020 302</b>



## Balanse

Beløp i: NOK	Note	2018	2017
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Skip, rigger, fly og lignende	5, 6	92 282 635	383 400 539
<b>Sum varige driftsmidler</b>		<b>92 282 635</b>	<b>383 400 539</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	4, 11		
Lån til foretak i samme konsern	4	248 130 905	
<b>Sum finansielle anleggsmidler</b>		<b>248 130 905</b>	
<b>Sum anleggsmidler</b>		<b>340 413 540</b>	<b>383 400 539</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	3	2 043 191	1 554 058
<b>Sum varer</b>		<b>2 043 191</b>	<b>1 554 058</b>
<b>Fordringer</b>			
Andre fordringer	4	1 507 264	2 440 918
Konsernfordringer		23 699 075	20 083 918
<b>Sum fordringer</b>		<b>25 206 339</b>	<b>22 524 835</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		89 942 607	145 098 455
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>89 942 607</b>	<b>145 098 455</b>
<b>Sum omløpsmidler</b>		<b>117 192 138</b>	<b>169 177 348</b>
<b>SUM EIENDELER</b>		<b>457 605 678</b>	<b>552 577 887</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2018	2017
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8	65 572 500	65 572 500
<b>Sum innskutt egenkapital</b>		<b>65 572 500</b>	<b>65 572 500</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		282 345 827	45 020 303
<b>Sum opptjent egenkapital</b>		<b>282 345 827</b>	<b>45 020 303</b>
<b>Sum egenkapital</b>	8	<b>347 918 327</b>	<b>110 592 803</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Andre avsetninger for forpliktelser			16 071 120
<b>Sum avsetninger for forpliktelser</b>			<b>16 071 120</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	6	100 450 040	351 367 043
Langsiktig konserngjeld	4	32 558	33 029 274
<b>Sum annen langsiktig gjeld</b>		<b>100 482 598</b>	<b>384 396 317</b>
<b>Sum langsiktig gjeld</b>		<b>100 482 598</b>	<b>400 467 437</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	4	4 660 478	4 960 902
Kortsiktig konserngjeld		2 066 593	34 636 435
Annen kortsiktig gjeld		2 477 681	1 920 311
<b>Sum kortsiktig gjeld</b>		<b>9 204 753</b>	<b>41 517 647</b>
<b>Sum gjeld</b>		<b>109 687 350</b>	<b>441 985 085</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>457 605 678</b>	<b>552 577 887</b>



## Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 11.03.2011	Vår dato 30.03.2011
Telefon 22077325	Deres referanse Jørn Knutsen	Vår referanse 2011/327976

Ernst & Young AS  
Postboks 6163, Postterminalen  
5892 Bergen

## Dispensasjon fra kravet om utarbeidelse av årsregnskap og -beretning på norsk språk

Det vises til deres brev av 11. mars 2011 samt e-post av 30. mars 2011 med supplerende opplysninger i sakens anledning. Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010 TS Shipping Invest AS samt en rekke navngitte datterselskap, dispensasjon fra kravet om å utarbeide årsregnskap og – beretning på norsk språk. Da det er etablerte enkelte nye selskap i konsernet samt at er gjort endringer i konsernstruktur og eierskap for enkelte av de tidligere selskapene søkes det på nytt om dispensasjon for følgende selskap:

- Knutsen NYK Offshore Tankers AS org. nr: 995 221 713
- samt følgende datterselskap:
  - Knutsen Bøyelaster XI KS org. nr: 986 224 610
  - Knutsen Bøyelaster XI AS org. nr: 986 224 602
  - Knutsen Bøyelaster II KS \* org. nr: 959 321 752
  - Knutsen Bøyelaster II AS org. nr: 959 321 663
  - Knutsen Bøyelaster III KS \* org. nr: 959 505 349
  - Knutsen Bøyelaster III AS org. nr: 959 504 822
  - Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
  - Knutsen Shuttle Tankers XII AS org. nr: 991 959 556
  - Knutsen Produkt Tanker IV KS \* org. nr: 961 068 355
  - Knutsen Produkt Tanker IV AS org. nr: 961 068 177
  - Knutsen Bøyelaster VI KS org. nr: 971 585 579
  - Knutsen Bøyelaster VI AS org. nr: 993 011 681
  - Knutsen Bøyelaster VIII KS org. nr: 979 539 649
  - Knutsen Bøyelaster VIII AS org. nr: 993 010 596
  - Knutsen Bøyelaster IX KS org. nr: 979 685 521
  - Knutsen Bøyelaster IX AS org. nr: 879 685 362
  - Knutsen Terminal Tanker AS org. nr: 945 404 191
  - Knutsen Newfoundland Chartering AS org. nr: 990 356 963
  - Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
  - Knutsen Offshore KS org. nr: 893 435 832
  - Knutsen Offshore AS org. nr: 992 593 881

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland 0134 Oslo	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org. nr: 996250318	800 80 000 Telefaks
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		22 17 08 60



- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Offshore Tankers AS org. nr: 995 206 870
- Knutsen Offshore Tankers 2 AS org. nr: 995 206 862
- Knutsen Shuttle Tankers 3 AS org. nr: 995 146 584
- Knutsen NYK Management AS org. nr: 996 124 916
- Knutsen Shuttle Tanker 13 AS org. nr: 996 661 016
- Knutsen Tankers 2 AS org. nr: 992 593 792
- Knutsen Tankers 3 AS org. nr: 992 593 814

Alle datterselskapene er eid 100 % med unntak av selskapene merket med \*. I de tre selskapene som også har andre eiere, utgjør disse andre eierne et lite antall og kan anses som etablerte investorer.

**Søknad:**

Fra deres brev gjengis:

*"TS Shipping Invest AS etablerte det 100 % eide datterselskapet Knutsen Offshore Tankers ASA (KOT) i februar 2010. I april 2010 ble hele bøyelastervirksomheten i konsernet flyttet inn under KOT, hvor en rekke av de selskapene som var søkt avleggelse av regnskaper på engelsk fulgte med.*

*I desember 2010 solgte TS Shipping Invest AS seg ned til 50 % i KOT ved at det japanske rederiet NYK Line gikk inn på eiersiden og overtok 50 % av aksjene. Selskapet skiftet navn til Knutsen NYK Offshore Tankers AS (KNOT).*

*Alle selskapene i KNOT konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper. Som tidligere beskrevet er brukerne av regnskapene hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Nytt fra tidligere er at den andre eieren NYK Line er engelskspråklig. Aksjonærstrukturen er begrenset til 2 hovedeiere.*

*Selskapets virksomhet er finansiert av en rekke norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån er det et krav fra bankene at regnskapene oversettes til i engelsk språkdrakt.*

*Også de aller fleste av selskapenes kunder og leverandører og andre brukerne har engelsk som sitt naturlige språk/forretningsspråk..."*

**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.


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.

I forhold til tidligere gitte dispensasjon, har det kommet inn japanske interessenter i tillegg på eiersiden. For øvrig anses øvrige sentrale faktorer som fortsatt til stede. Dette gjelder også de nyetablerte selskapene.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte 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.

Med hilsen

  
Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

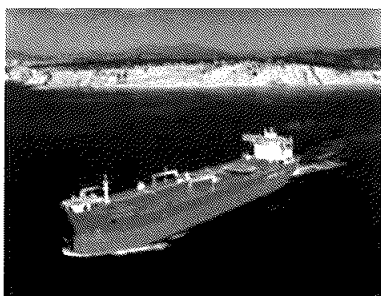
  
Jan Hoelstad



**KNOT** Knutsen  
NYK Offshore  
Tankers

## Knutsen Bøyelaster VI KS

### Annual Report 2018



M/T "Elisabeth Knutsen"



M/T "Loch Rannoch"



Knutsen  
Group





## **KNUTSEN BØYELASTER VI KS**

### **REPORT OF THE BOARD OF DIRECTORS 2018**

At the year-end, the company owns one shuttle tanker in addition to one shuttle tanker on bareboat contract. The company has a total limited partnership capital of NOK 66 million, all restricted capital. The General Partner participates with a General Partner's capital of NOK 32.8 million, equivalent to 50% of the committed capital.

Knutsen Bøyelaster VI KS operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS, in Haugesund, are the manager for M/T Elisabeth Knutsen and M/T Loch Rannoch according to separate management agreements. Canship Uglund Ltd. operated M/T Heather Knutsen until the vessel was sold. Knutsen Bøyelaster VI KS is hiring crew from the managers and related crewing companies.

#### **The company's activities**

MT Heather Knutsen had been bare-boat chartered out to the group company Knutsen Canadian Chartering AS. The charterer was responsible for the operation of the vessel. The vessel had been chartered further on time-charter contracts to a company in the Teekay Offshore Partners group for CoA operation offshore Canada. The vessel was redelivered to the company February 2<sup>nd</sup> 2018 and after mobilisation to the North Sea was operated on a new one year time charter for the Teekay Offshore Partners group in the North Sea. MT Heather Knutsen and all contracts regarding her was sold to KNOT Shuttle Tankers 33 AS on September 30, 2018.

MT Elisabeth Knutsen and MT Loch Rannoch have been operated in Knutsen Shuttle Tankers Pool AS. MT Loch Rannoch is bare-boat chartered in and will in April 2019 be redelivered to the owner, Knutsen Shuttle Tankers 2 AS when the charterparty ends. The owner will also step into the management contract for the vessel from redelivery.

#### **Environment, safety and quality control**

Shipping is being subjected to ever-stricter environment and safety requirements, and the company, the Knutsen NYK Offshore Tankers Group and KNOT Management AS, as manager, have joint objectives concerning high quality of the operation of the vessels.

All vessels are advanced vessels with a very high technical standard. The company and the managers place considerable emphasis on safety and quality control regarding operation of the vessels.

The company is not aware of any significant pollution to the external environment, and the Board of Directors considers the working conditions onboard the ships as satisfactory. All the vessels are certified in accordance with both ISM code and the ISPS code.



The company have no employees and thus no working environment. The company aims to be workplace where there is no discrimination related to gender, ethnicity, religion or disability. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men.

## **Profit for the year**

The operating result for the company was NOK 337 249 954 in 2018, compared to NOK 73 055 724 in 2017. After a net financial loss of NOK 54 904 127 against net financial loss of NOK 28 035 421 the previous year, the result for the year was NOK 282 345 827, compared NOK 45 020 302 in 2017.

Total cash flow from operating activities in the company was NOK 26 574 861 compared to NOK 161 981 171 in 2017.

The company's liquidity position was NOK 89 942 607 as of 31.12.18 compared to NOK 145 098 455 per 31.12.17. The company's position of being self financing is good.

The company's short term debts per 31.12.18 were 8.4 % of total debt, compared to 9.4% as of 31.12.17. The financial position is satisfactory, and the company can as of 31.12.2018 pay short term debt by using its most liquid assets (current assets-inventories).

The total capital was by the end of the year NOK 458 million, compared to NOK 553 million the year before. The equity share as of 31.12.18 was 76%, compared to 20% per. 31.12.2017.

The Board of Directors proposes that the profit for the year is transferred to other equity.

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.


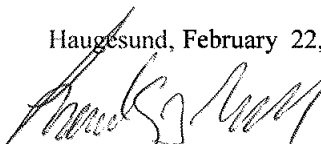
## **Future prospects**

The Board of Directors has every reason to believe that 2019 will be a positive year for the company. The Board of Directors expect the shuttle tanker demand in Northern Europe to improve resulting in increased earnings and distribution from the current fleet in Knutsen Shuttle Tankers Pool AS during 2019.



Trygve Seglem  
*Chairman of the Board*

Haugesund, February 22, 2019



Karl Gerhard Bråstein Dahl  
*Member of the Board*

Fumitake Shishido  
*Member of the Board*



**Knutsen Bøyelaster VI KS**

**Profit & Loss Account**

	Note	2018	2017
<b><u>Net operating income</u></b>			
Freight income	2	260 806 750	278 607 756
Commissions		-1 039 260	0
Gain sale vessel		315 471 134	0
<i>Net Operating income</i>		<u>575 238 624</u>	<u>278 607 756</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	10	62 904 932	43 279 981
Other operating expenses		48 958 421	27 374 361
Administration	9	13 500 314	10 709 796
<i>Total operating expenses</i>		<u>125 363 668</u>	<u>81 364 139</u>
<i>Operating result before depreciation</i>		<u>449 874 957</u>	<u>197 243 617</u>
Vessel rent		59 098 934	60 679 042
Provisions rented vessels		3 632 128	8 904 295
Ordinary depreciation	5	49 893 940	54 604 557
<i>Total rent, depreciations and impairment</i>		<u>112 625 002</u>	<u>124 187 894</u>
<i>Operating profit</i>		<u>337 249 954</u>	<u>73 055 724</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	7	5 359 940	730 027
Foreign exchange gain/ loss		-40 160 564	-5 022 865
Financial expenses	7	-20 103 503	-23 742 584
<i>Net Financial Items</i>		<u>-54 904 127</u>	<u>-28 035 421</u>
<i>Result for the year</i>		<u>282 345 827</u>	<u>45 020 302</u>




**Knutsen Bøyelaster VI KS**  
**Balance Sheet as of 31. December**

<u>ASSETS</u>	Note	2018	2017
<b>Fixed Assets</b>			
Vessels	5, 6	92 282 635	383 400 539
Sellers credit to related parties	4	248 130 905	0
<i>Total Fixed Assets</i>		<u>340 413 540</u>	<u>383 400 539</u>
<b>Current Assets</b>			
Inventories	3	2 043 191	1 554 058
Receivables		1 507 264	2 435 448
Other current receivables	4	0	5 470
Current receivables group		23 699 075	20 083 918
Cash and bank deposits		89 942 607	145 098 455
<i>Total Current Assets</i>		<u>117 192 138</u>	<u>169 177 348</u>
<i>TOTAL ASSETS</i>		<u>457 605 678</u>	<u>552 577 887</u>





**Knutsen Bøyelaster VI KS**  
**Balance Sheet as of 31. December**

<u>Shareholders' Equity and Liabilities</u>	Note	2018	2017
<b>Equity</b>			
Limited partnership capital	8	65 572 500	65 572 500
<i>Total capital paid-in</i>		<u>65 572 500</u>	<u>65 572 500</u>
Other equity		282 345 827	45 020 303
<i>Total Shareholders' Equity</i>	8	<u>347 918 327</u>	<u>110 592 803</u>
<b>Long Term Debt</b>			
Provisions rented vessels		0	16 071 120
Mortgage debt	6	100 450 040	351 367 043
Long-term debt group	4	32 558	33 029 274
<i>Total Long Term Debt</i>		<u>100 482 598</u>	<u>400 467 437</u>
<b>Short Term Debt</b>			
Accounts payable	4	4 660 478	4 960 902
Accrued interest		1 127 176	1 770 148
Current liabilities group		2 066 593	34 636 435
Other current liabilities		1 350 505	150 162
<i>Total Current Liabilities</i>		<u>9 204 753</u>	<u>41 517 647</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>457 605 678</u>	<u>552 577 887</u>

  
Trygve Seglem  
Chairman of the Board

Haugesund, February 22, 2019

  
Karl Gerhard Bråstein Dahl  
Member of the Board

  
Fumitake Shishido  
Member of the Board



**KNUTSEN BØYELASTER VI KS**

**CASH FLOW STATEMENT**

	<b>2018</b>	<b>2017</b>
Total generated from operations 1)	62 058 394	125 379 558
Change in working capital	<u>-35 483 533</u>	<u>36 601 613</u>
Net cashflow from operations	<u>26 574 861</u>	<u>161 981 171</u>
Sale vessel	556 695 098	0
Dry-docking	0	-19 827 742
Net change sellercredit to group	<u>-232 842 380</u>	<u>0</u>
Net cashflow from investments	<u>323 852 718</u>	<u>-19 827 742</u>
Paid-out to partners	-45 020 303	-65 352 566
Increase in other long-term debt	0	0
Net change in Group loans	-32 996 716	27 345 929
Net change in mortgage debt	<u>-327 566 409</u>	<u>-72 235 040</u>
Net cashflow from financing	<u>-405 583 428</u>	<u>-110 241 677</u>
Net cashflow for the year	-55 155 849	31 911 752
+ Cash balance per 1.1	<u>145 098 455</u>	<u>113 186 702</u>
<b>= Cash Balance per 31.12.</b>	<u><b>89 942 607</b></u>	<u><b>145 098 455</b></u>
1) Generated from operations:		
Profit for the year	282 345 827	45 020 302
Ordinary depreciation	49 893 940	54 604 557
Gain sale vessels	-315 471 134	
Amortized expenses debt issuance cost	1 625 455	1 270 331
Provision hired vessels	-16 071 120	8 294 868
Currency gain mortgage debt	75 023 951	16 189 500
Currency gain Seller Credit	<u>-15 288 525</u>	<u>0</u>
<b>= Total generated from operations</b>	<u><b>62 058 394</b></u>	<u><b>125 379 558</b></u>



## KNUTSEN BØYELASTER VI KS Notes to Financial Statement 31.12.2018

### 1 Accounting principles

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

#### Income

The income from the contract is denominated in USD and is recorded in line with the earning.

Income and voyage dependent cost are booked according to the percentage completed of the voyage on the reporting cut-off. The voyage calculation are based on actual figures for completed voyages and estimates for voyages which are not completed yet. The vessels are always allocated voyages, unless the vessels are declared off-hire due to technical issues or other decisions by the owners.

#### Inventories

Inventories are evaluated to market value as the principle of lower of cost and market value is considered as unpractical.

#### Current assets/current liabilities

Short-term assets/liabilities are due within one year or tied to the operation of the vessel. Other posts are 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.

Fixed assets are valued at cost, but written down to fair value unless an impairment is expected to be temporary. Long-term liabilities are stated at nominal value at the time of entering.

This does not cover current items denominated in foreign currency which are evaluated to the rate of exchange at year end.

#### Fixed Assets and Dry-Docking

The total cost of the vessel is capitalised and depreciated to zero at the date 25 years after delivery.

Dry-docking expenses are capitalized and depreciated over the period till the next dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2,5 year for vessels more than 15 years. Dry-docking for vessels more than 15 years is decomposed into two parts, one part that is depreciated over 2.5 years and one part that is depreciated over 5 years. The expenses are capitalized and depreciated accordingly. In the Profit & Loss statement the portion of the dry-docking expenses is presented under the heading "Depreciation". Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

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.



## Transactions in foreign currency

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

All current assets and current liabilities in foreign 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.

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

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

## Financial instruments

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

If the intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, then the income and expenses related to the hedging and the corresponding items in the balance sheet are classified in the same manner.

## Tax

Limited partnerships are not tax liable as each partner is taxed directly on its share of the partnership. Consequently the company do not calculate and record deferred tax in the Profit & Loss account.

## Cash flow statement

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

## Related party transactions

The Company has undertaken several agreements and transactions with related parties in the KNOT group. The level of fees are based on market terms and are in accordance with the arm's length principle. KNOT Management AS delivers ship management services for the Company's vessel(s). Ship management fee includes services like technical management, crewing management, IT and energy management.



## 2 Contracts

The company controls 2 advanced shuttle tankers (one owned and one chartered in).

Vessel	Owner	Charter	Contract expire
M/T Elisabeth Knutsen	Knutsen Bøyelaster VI KS	Knutsen Shuttle Tankers Pool AS	Ongoing
M/T Loch Rannoch	Knutsen Shuttle Tankers 2 AS*	Knutsen Shuttle Tankers Pool AS	Ongoing

\*) Vessel will be redelivered to the owner in April 2019.

KNOT Management AS is the manager for the company and is the ship manager for M/T Elisabeth Knutsen and M/T Loch

## 3 Inventories

Inventories refer to lube oil per 31.12.

## 4 Balances with related parties

	2018	2017
<b><u>Long-term receivables group</u></b>		
KNOT Shuttle Tankers 33 AS	248 130 905	0
<b><u>Receivables related parties</u></b>		
Knutsen Shuttle Tankers 13 AS	0	1 180
	0	1 180
<b><u>Long-term debt group</u></b>		
Knutsen NYK Offshore Tankers AS	32 558	33 029 274
<b><u>Accounts payable</u></b>		
Knutsen OAS Shipping AS	554 407	2 457 830
Knutsen OAS Crewing AS	12 798	0
Knutsen Subsea Solutions AS	179 414	0
	746 619	2 457 830



## 5 Fixed assets

<u>Vessel</u>	<u>2018</u>	<u>2017</u>
Historical value 01.01.	1 045 832 026	1 064 017 140
Accumulated depreciation 01.01.	696 818 824	652 591 239
Book value 01.01.	349 013 202	411 425 901
Additions/Disposals	-228 607 109	-18 185 114
Annual depreciation	37 773 363	44 227 585
Book value 31.12.	82 632 730	349 013 202

The economic life of the vessels is estimated to 25 years, and is depreciated accordingly.

<u>Dry docking</u>	<u>2018</u>	<u>2017</u>
Capitalised dry-docking 01.01	38 012 856	30 453 780
Accumulated depreciation dry-docking 01.01	3 625 519	23 702 327
Capitalised dry-docking 01.01	34 387 337	6 751 453
Additions/Disposals	-12 616 855	38 012 856
Annual depreciation	12 120 577	10 376 972
Book value 31.12.	9 649 905	34 387 337
Total book value vessel 31.12.	92 282 635	383 400 539



## 6 Mortgage debt and financial instruments

	<u>31.12.2018</u>	USD	Historical rate	Rate used 31/12	NOK
USD-loans		15 000 000	6,728	6,728	100 918 500
Debt issuance cost					-468 460
					<u>100 450 040</u>
Current portion USD-loans		15 000 000			100 918 500
Current portion debt issuance cost					-468 460
	<u>31.12.2017</u>	USD	Historical rate	Rate used 31/12	NOK
USD-loans		55 200 000	6,403	6,403	353 460 959
Debt issuance cost					-2 093 916
					<u>351 367 043</u>
Current portion USD-loans		8 600 000			55 068 193
Current portion debt issuance cost					-1 267 790

The NOK/USD exchange rate at the year-end was 8,6911 (8,2411 in 2017).

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in USD (cash flow hedge). Loans in USD are used as hedging instrument. The profit and loss impact of the hedging instrument (loan in USD) 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 contracts in USD exceed debt in USD. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate. Per 31.12.2018 the not recorded foreign exchange loss (i.e. off-balance) is NOK 29 million compared to a loss of NOK 101 million as per 31.12.2017.

Security for the loans is made through first priority mortgage over the vessel, assignment of earnings, insurance and requisition compensation in respect of the vessel, assignment of charterparty and the pool agreement in respect of the vessel, earnings account pledge and pledged security in the bank account, factoring agreement, and guarantee from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 458 millions (NOK 553 millions in 2017).

Outstanding debt with more than five years to maturity is estimated to USD 0 millions.

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in USD, 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 fluctuations in the interest rate. The Company has entered agreements on fixed interest rates on USD 10 million. Mark to market loss on the interest rate swap have not been taken into account with USD 0.4 million per 31.12.2018 (loss of USD 0.7 million per 31.12.2017).



## 7 Financial income and -expenses

<b>Financial income:</b>	<b>2018</b>	<b>2017</b>
Interest income from group company	3 897 138	3 564
Other interests	1 462 802	726 464
Total financial income	5 359 940	730 027

<b>Financial expenses:</b>	<b>2018</b>	<b>2017</b>
Interest expenses	17 927 735	20 207 447
Interest to group companies	326 309	765 876
Guarantee expenses group	1 655 255	2 439 348
Other financial expenses	194 203	329 912
Total financial expenses	20 103 503	23 742 584

## 8 Equity

Specification of company capital as of 31.12.

Description	Capital 31.12.	Restricted capital	Capital paid in and called in
General partner's capital	32 786 250	0	32 786 250
Limited partnership capital	32 786 250	0	32 786 250
Total capital	65 572 500	0	65 572 500
Other equity 01.01			45 020 303
Dividende			-45 020 303
Result for the year			282 345 827
Total equity 31.12			347 918 327

The restricted capital is more than 40% of the total capital, which is in accordance with the requirements regarding the restricted capital's share of total capital as stated in the Norwegian Partnership Act. 100% of the total capital is paid in, which is in accordance with the requirement in the Norwegian Partnership Act that minimum 40% of the total capital must be paid in within 2 years.

The Owners of the company are the limited partner Knutsen NYK Offshore Tankers AS (50%) and the general partner Knutsen Offshore Tankers 2 AS (50%).

## 9 Remuneration

No remuneration is paid to the Board members during the year.

Auditor's fee (excl. VAT):	<b>2018</b>	<b>2017</b>
Auditing	88 150	85 587
Other consulting services	0	0
	88 150	85 587



## 10 Crew

The company has no own employees. Consequently, the company has no pension liabilities under the pension regulation. All crew are hired from the ship managers or related subcontractors of the ship managers.

All direct costs associated with crewing is presented in crew hire, while fees to operating and crewing are presented under administration costs.

<u>Specifications</u>	<u>2018</u>	<u>2017</u>
Salaries etc.	31 864 505	31 640 504
Government grant crew expenses	-42 961	0
Social security tax	1 036 574	1 519 173
Other salary related benefits	30 046 815	10 120 304
Total	<u>62 904 932</u>	<u>43 279 981</u>

## 11 Shares owned by board members and affiliates

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



## 12 Tax

Knutsen Bøvelaster VI KS is not tax liable as each partner is taxed directly on its share of the partnership. Consequently the company does not calculate and record deferred tax in the Profit & Loss account.

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

	2018	Change	2017
<u>Temporary differences:</u>			
Vessels	71 640 585	211 677 851	283 318 436
Allocation of dry docking from hired vessels	0	-16 071 120	-16 071 120
Profit/Loss account	547 978 029	-343 929 875	204 048 154
Long-term currency position	29 916 460	73 625 217	103 541 677
Total positive temporary differences	649 535 075	-74 697 929	574 837 146

Below is a specification of the difference between the profit/loss before tax and the basis for this years taxation:

<u>Tax based profit/loss for allocation to partners:</u>	2018	2017
Result for the year	282 345 827	45 020 302
Change in temporary differences	-74 697 929	119 442 875
Non-deductible items	36 716	36 850
Tax base for the year for allocation to partners	207 684 614	164 500 027

### Additional information, Norwegian tonnage tax:

<u>Positive temporary differences</u>	31.12.2018	Change	31.12.2017
Temporary difference USD debt	15 476 430	-12 436 283	27 912 713
Sum temporary differences	15 476 430	-12 436 283	27 912 713

### Tax based profit/loss for allocation to partners of tonnage tax:

	2018	2017
Net financial result	-54 904 127	-28 035 421
Agio/disagio over freight income	-13 982 231	-16 189 500
Non-deductible interest	8 698 247	13 983 899
Foreign exchange gain/loss, not taxable	17 653 084	15 375 916
Change in temporary differences	12 436 283	29 501 175
Tax base for the year for allocation to partners	-30 098 747	14 636 069



Dronning Eufemias gate 6, NO-0191 Oslo  
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA

Tlf: +47 24 00 24 00

[www.ey.no](http://www.ey.no)

## INDEPENDENT AUDITOR'S REPORT

To the Partnership Meeting of Knutsen Bøyelaster VI KS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Knutsen Bøyelaster VI KS, which comprise the balance sheet as at 31 December 2018, the income statement and statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

#### Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including 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 those charged with governance 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.



## Report on other legal and regulatory requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 22 February 2019  
ERNST & YOUNG AS

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)