



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 897 099 152  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 20 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: 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: 10.03.2022

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 28.03.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	2	70 819 511	72 853 934
Commissions		-1 080 252	-1 203 281
<b>Sum inntekter</b>		<b>69 739 259</b>	<b>71 650 654</b>
<b>Kostnader</b>			
Ordinary depreciation	3	23 548 485	24 241 830
Other operating expenses		126 713	139 065
Administration expenses	6	643 979	569 623
<b>Sum kostnader</b>		<b>24 319 177</b>	<b>24 950 518</b>
<b>Driftsresultat</b>		<b>45 420 083</b>	<b>46 700 136</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	6	66 014
Foreign exchange profit/loss		97 342	2 401 108
<b>Sum finansinntekter</b>		<b>97 348</b>	<b>2 467 123</b>
Financial expenses	4	10 167 963	14 603 957
<b>Sum finanskostnader</b>		<b>10 167 963</b>	<b>14 603 957</b>
<b>Netto finans</b>		<b>-10 070 615</b>	<b>-12 136 834</b>
<b>Ordinært resultat før skattekostnad</b>		<b>35 349 468</b>	<b>34 563 301</b>
Taxes	11		
<b>Ordinært resultat etter skattekostnad</b>		<b>35 349 468</b>	<b>34 563 301</b>
<b>Årsresultat</b>		<b>35 349 468</b>	<b>34 563 301</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>35 349 468</b>	<b>34 563 301</b>
<b>Totalresultat</b>		<b>35 349 468</b>	<b>34 563 301</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	11		
<b>Varige driftsmidler</b>			
Vessel	3	358 260 338	381 808 823
<b>Sum varige driftsmidler</b>		<b>358 260 338</b>	<b>381 808 823</b>
<b>Sum anleggsmidler</b>		<b>358 260 338</b>	<b>381 808 823</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables		57 919	64 493
Konsernfordringer			21 721
<b>Sum fordringer</b>		<b>57 919</b>	<b>86 214</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits		21 851 936	22 012 556
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>21 851 936</b>	<b>22 012 556</b>
<b>Sum omløpsmidler</b>		<b>21 909 855</b>	<b>22 098 770</b>
<b>SUM EIENDELER</b>		<b>380 170 192</b>	<b>403 907 593</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	5	10 000 000	10 000 000
Overkurs		10 411 424	10 411 424
Annen innskutt egenkapital		132 363 728	132 363 728
<b>Sum innskutt egenkapital</b>		<b>152 775 152</b>	<b>152 775 152</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Opptjent egenkapital</b>			
Other equity		85 060 136	75 140 998
<b>Sum opptjent egenkapital</b>		<b>85 060 136</b>	<b>75 140 998</b>
<b>Sum egenkapital</b>	5	<b>237 835 288</b>	<b>227 916 151</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	126 585 703	165 817 116
<b>Sum annen langsiktig gjeld</b>		<b>126 585 703</b>	<b>165 817 116</b>
<b>Sum langsiktig gjeld</b>		<b>126 585 703</b>	<b>165 817 116</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7	132 889	216 510
Tax payable	11		
Utbytte		6 093 080	
Kortsiktig konserngjeld		209 424	387 219
Other current liabilities		9 313 808	9 570 597
<b>Sum kortsiktig gjeld</b>		<b>15 749 201</b>	<b>10 174 326</b>
<b>Sum gjeld</b>		<b>142 334 904</b>	<b>175 991 442</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>380 170 192</b>	<b>403 907 593</b>



## **KNOT Shuttle Tankers 20 AS**

### **Annual Report 2021**



**M/T "Dan Cisne"**

**KNOT**  
Offshore Partners LP



## **KNOT SHUTTLE TANKERS 20 AS**

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

KNOT Shuttle Tankers 20 AS owns one 59,336 DWT MR shuttle tanker, M/T Dan Cisne, delivered from COSCO Nantong Shipyard in China in 2011.

The company operates out of Haugesund, Norway and has no employees and working environment. The daily operations of the company are managed by KNOT Management AS in Haugesund in accordance with separate agreement. The daily operations of the vessel are managed by KNOT Management Denmark A/S in Copenhagen, Denmark on behalf of the charterer in accordance with a separate agreement.

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

M/T Dan Cisne with bare-boat charter was purchased from the J. Lauritzen group in Copenhagen, Denmark in 2014. The vessel has been chartered out to Transpetro International Company B.V., a Transpetro Group company for operation offshore Brazil on a 12-year bareboat charter party agreement from delivery at yard.

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

The operating result for KNOT Shuttle Tankers 20 AS was NOK 45 420 083 in 2021 compared to NOK 46 700 136 in 2020. After net financial loss of NOK 10 070 615 in 2021, against a loss of NOK 12 136 834 in 2020, the results of the year were NOK 35 349 468 in 2021 compared to NOK 34 563 301 in 2020.

The Board of Directors suggests the result for the year transferred to other equity.

Total cash flow from operating activities in the company was NOK 75 011 170, compared to NOK 81 048 533 in 2020. The liquidity position was NOK 21 851 936 as per 31.12.2021 compared to NOK 22 012 556 as per 31.12.2020. The outstanding mortgage loan is at the end of 2021 USD 20 769 555 compared to USD 27 269 555 at end of 2020. The company's ability to finance its investments is good. The company's short-term debt per 31.12.2021 was 11.1 % of total debt (5.8 % in 2020).

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most of the company's operating expenses and financial costs also are denominated in USD, this limits the company's foreign exchange risk. The company has not entered into any forward contracts or other agreements to reduce the company's foreign exchange risk, and thereby operating related market risk.

The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. 55 % of the long-term debt, is secured with long-term interest rate swaps at the end of the year.

Total capital was by the end of the year NOK 380 170 192, NOK 403 907 593 at the end of 2020. The equity share as of 31.12.2021 was 63 %, compare to 56 % per 31.12.2020.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern. The Board of Directors confirms that the Financial



Statements give a true picture of the company's assets and liabilities, financial position and results.

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

The requirements for a safety operation of ships are increasing, and both the company and the manager KNOT Management AS are concerned with an operational excellence. KNOT Offshore Partners Group's fleet consists of modern ships, which are designed and engineered for safe, environmentally sound and efficient operations. The ships are maintained and upgraded continuously to meet the demands and expectations from a government and employers. The company and the manager put significant resources to the quality assurance and there are strict requirements for safety systems and an operation of the ships.

The company is not aware of any significant pollution to the external environment, and the Board of Directors considers the working conditions on-board 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. There have not been taken out any board of directors liability insurance.

#### **Future prospects**

M/T Dan Cisne is operated on a long-term charter with Transpetro International Company B.V., a Transpetro Group company in Brazil. The charterer and trading area is well known for the manager and the Board of Directors.

Based on the operation of the vessel, and the secured long-term employment contract of the vessel the Board of Directors of KNOT Shuttle Tankers 20 AS expects 2022 to be a satisfactory year for the vessel and the company. The charterer has taken the vessel through 10-year class renewal in 2021 and installed ballast water treatment systems on the vessel.

  
Trygve Seglem  
Chairman of the Board

Haugesund, March 10, 2022

  
Takashi Domyo  
Member of the Board

  
Karl Gerhard Brastein Dahl  
Member of the Board



## KNOT Shuttle Tankers 20 AS

### Profit & Loss Account

	Note	2021	2020
<b><u>Operating Income</u></b>			
Freight income	2	70 819 511	72 853 934
Commissions		-1 080 252	-1 203 281
<i>Total Operating Income</i>		<b>69 739 259</b>	<b>71 650 654</b>
<b><u>Operating Expenses</u></b>			
Other operating expenses		126 713	139 065
Administration expenses	6	643 979	569 623
<i>Total Operating Expenses</i>		<b>770 692</b>	<b>708 688</b>
<i>Operating result before depreciation</i>		<b>68 968 568</b>	<b>70 941 966</b>
Ordinary depreciation	3	23 548 485	24 241 830
<i>Total depreciation</i>		<b>23 548 485</b>	<b>24 241 830</b>
<i>Operating Result</i>		<b>45 420 083</b>	<b>46 700 136</b>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	6	66 014
Foreign exchange profit/loss		97 342	2 401 108
Financial expenses	4	-10 167 963	-14 603 957
<i>Net Financial Items</i>		<b>-10 070 615</b>	<b>-12 136 834</b>
<i>Net profit before tax</i>		<b>35 349 468</b>	<b>34 563 301</b>
Taxes	11	0	0
<i>Result for the year</i>		<b>35 349 468</b>	<b>34 563 301</b>




**KNOT Shuttle Tankers 20 AS**  
**Balance Sheet as of 31. December**

<u>ASSETS</u>	Note	2021	2020
<b><u>Fixed Assets</u></b>			
Vessel	3	358 260 338	381 808 823
<i>Total Fixed Assets</i>		<u>358 260 338</u>	<u>381 808 823</u>
<b><u>Current Assets</u></b>			
Receivables		57 919	64 493
Current receivables group		0	21 721
Bank deposits		21 851 936	22 012 556
<i>Total Current Assets</i>		<u>21 909 855</u>	<u>22 098 770</u>
<i>ASSETS</i>		<u>380 170 192</u>	<u>403 907 593</u>

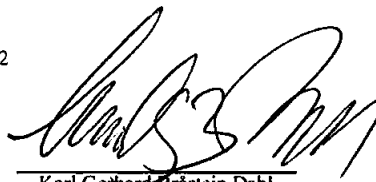


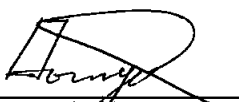
**KNOT Shuttle Tankers 20 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2021	2020
<u>Equity</u>			
Share capital	5	10 000 000	10 000 000
Share premium		10 411 424	10 411 424
Other paid-in equity		132 363 728	132 363 728
<i>Total paid in capital</i>		<u>152 775 152</u>	<u>152 775 152</u>
Other equity		85 060 136	75 140 998
<i>Total Equity</i>	5	<u>237 835 288</u>	<u>227 916 151</u>
<u>Other non-current liabilities</u>			
Liabilities to financial institutions	10	126 585 703	165 817 116
<i>Total Long Term Debt</i>		<u>126 585 703</u>	<u>165 817 116</u>
<u>Current Liabilities</u>			
Accounts payable	7	132 889	216 510
Current liabilities group		209 424	387 219
Dividends		6 093 080	0
Other current liabilities		9 313 808	9 570 597
<i>Total Current Liabilities</i>		<u>15 749 201</u>	<u>10 174 326</u>
<i>Total liabilities</i>		<u>142 334 904</u>	<u>175 991 442</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>380 170 192</u>	<u>403 907 593</u>

  
\_\_\_\_\_  
Trygve Seglen  
chairman of the board

Haugesund, March 10, 2022

  
\_\_\_\_\_  
Karl Gerhard Bråstein Dahl  
member of the board

  
\_\_\_\_\_  
Takashi Domyo  
member of the board



**KNOT SHUTTLE TANKERS 20 AS**

**CASH FLOW STATEMENT**

	<b>2021</b>	<b>2020</b>
<u>Cashflow from operations</u>		
Total generated from operations 1)	75 501 080	82 514 680
Change in working capital	<u>-489 910</u>	<u>-1 466 147</u>
Net cashflow from operations	<u>75 011 170</u>	<u>81 048 533</u>
Net cashflow from investments	<u>0</u>	<u>0</u>
<u>Cashflow from financing</u>		
Dividend paid-out	-19 337 250	-17 682 800
Paid installments on mortgage debt	<u>-55 834 540</u>	<u>-61 086 430</u>
Net cashflow from financing	<u>-75 171 790</u>	<u>-78 769 230</u>
Net change in cashflow for the period	-160 620	2 279 302
+ Cash balance per 01.01.	<u>22 012 556</u>	<u>19 733 255</u>
<b>= Cash Balance per 31.12.</b>	<b><u>21 851 936</u></b>	<b><u>22 012 556</u></b>
1) Generated from operations:		
The result for the period before taxes	35 349 468	34 563 301
+ Ordinary depreciation	23 548 485	24 241 830
+Amortization deferred debt issuance cost	911 937	913 699
+Realized currency gain mortgage debt	<u>15 691 190</u>	<u>22 795 850</u>
= Total generated from operations	<u>75 501 080</u>	<u>82 514 680</u>



## KNOT SHUTTLE TANKERS 20 AS

### Notes to the Financial Statement 31.12.2021

#### 1 Accounting Principles

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

#### Income

The income from the bareboat is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

#### Fixed Assets and Dry-Docking

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

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.

#### Interest-bearing loan and borrowings

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

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

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

#### Tax

The company have elected to be taxed based on the Norwegian tonnage tax regime. In the tonnage tax regime the company pay a tonnage tax based on the weight of the owned vessels and taxable result is based on a taxable financial result. This means that the company's operating results is not taxable. The taxable financial result is based on the net financial items in the profit and loss account where only a portion of the foreign exchange gain is taxable and a portion of the foreign exchange loss and interest expenses is deductible. The portion is based on the amount of financial assets compared to total assets in the balance sheet. The company will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital. Tonnage tax is classified as an operating expense in the profit and loss statement.

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

#### Transactions in Foreign Currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out. Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction.

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 loss are registered as financial items.



The debt is valued at the historical rate, to the extent that the future net nominal income flow 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.

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

## **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 assets.

## **Related party transactions**

The Company has undertaken several agreements and transactions with related parties in the Knutsen NYK Offshore Tankers Group and KNOT Offshore Partners Group. The level of fees are based on market terms and are in accordance with the arm's length principle. KNOT Management AS delivers services to the Company performed by corporate functions like management, legal, accounting and controlling, risk management and commercial management.

## **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.

## **2 Contracts**

The company has secured employment of the vessel with a long-term fix bareboat contract which expires in September 2023.

KNOT Management Denmark A/S has been appointed by the charterer as ship manager for the vessel and by the company as agent towards the ship registry in Denmark. KNOT Management AS has been appointed by the company as manager for the company.

## **3 Fixed Assets**

<b><u>Vessel</u></b>	<b>2021</b>	<b>2020</b>
Historical value 01.01	536 377 203	536 377 203
Acc. Depreciation 01.01	154 568 381	130 326 551
Book value 01.01	381 808 823	406 050 653
Additions	0	0
Ordinary annual depreciation	23 548 485	24 241 830
Book value 31.12.	358 260 338	381 808 823

The economic life of the vessels is estimated to 23 years, and is depreciated accordingly.

The company changed in third quarter 2021 the useful life estimate for M/T Dan Cisne from 25 years to 23 years due to prevailing longer-term market trends. The company updated at the same time the estimated net sales price at the end of estimated life from NOK 0 at 25 years to estimated net sales price at end of the new estimated end of life.

## **4 Financial Income and -Expenses**

	<b>2021</b>	<b>2020</b>
<b>Financial Income:</b>		
Other interest income	6	66 014
<b>Financial expenses:</b>		
Interest expenses	8 938 006	12 949 806
Guarantee expenses group companies/related parties	998 764	1 386 939
Other financial expenses	231 193	267 212
Total financial expenses	10 167 963	14 603 957



## 5 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01	10 000 000	10 411 424	132 363 728	75 140 998	227 916 151
Dividends	0	0	0	-19 337 250	-19 337 250
Paid-out dividend in 2022	0	0	0	-6 093 080	-6 093 080
Result for the year	0	0	0	35 349 468	35 349 468
Equity 31.12.	10 000 000	10 411 424	132 363 728	85 060 136	237 835 288

Share capital consists of 100 shares NOK 100,000 each, all held by KNOT Shuttle Tankers AS.

KNOT Shuttle Tankers 20 AS is controlled 100% by KNOT Offshore Partners LP. Accounting for the Group can be obtained from the website, <http://knotoffshorepartners.com/>.

## 6 Remuneration

No remuneration is paid to the Board of Directors during the year.

The company have not given any loan or guarantees to any leading person or board member during the year.

Auditor's fee (excl. VAT):	2021	2020
Auditing	18 818	33 079
Other consultancy	0	0
	18 818	33 079

## 7 Balances with related parties

	2021	2020
<u>Accounts payable</u>		
KNOT Management AS	132 889	106 898
KNOT Management Denmark A/S	0	18 304
	132 889	125 201

## 8 Salary and social costs

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

## 9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company Knutsen NYK Offshore Tankers AS, which controls 30,47 % of KNOT Offshore Partners LP.



## 10 Mortgage Debt and Financial Instruments

31-12-21

	USD	Historical rate	Rate per 31.12	NOK
USD-loan	20 769 555	6,1759	6,1759	128 270 695
Deferred debt issuance				-1 684 992
				<u>126 585 703</u>
Current portion:				
USD-loan	6 800 000			41 996 120
Deferred debt issuance				-911 937
				<u>41 084 183</u>

31-12-20

	USD	Historical rate	Rate per 31.12	NOK
USD-loan	27 269 555	6,1759	6,1759	168 414 045
Deferred debt issuance				-2 596 929
				<u>165 817 116</u>
Current portion:				
USD-loan	6 500 000			40 143 350
Deferred debt issuance				-913 699
				<u>39 229 651</u>

The USDNOK exchange rate at the year-end was 8,8363 (8,5375 as per 31.12.2020)

Estimated outstanding debt per year end 2026 is USD 0 million.

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 31.12.2021 the not recorded foreign exchange loss (i.e. off-balance) is NOK 55 million compared to a loss of NOK 64 million as per 31.12.2020.

Security for the loan is made through a first priority mortgage in the vessel, transportation of income, pledged bank deposit, factoring agreement, pledged shares in the company and guarantees from the owner.

Book value of mortgaged assets is NOK 380 million (NOK 404 million in 2020).

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 minimize the effects of fluctuations in the interest rate. The Company has entered agreements on fixed interest rates on USD 11.4 million. Mark to market loss on the interest rate swaps have not been taken into account with USD 0.2 million (loss of USD 0.6 million in 2020).



## 11 **Tax**

The company is taxed based on the shipping tax regime. This means that the company are not taxed on the basis of its operating income. However it is calculated an annual tax of 22 % on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which in 2021 amounted to NOK 70 956 (NOK 70 956 in 2020). Tonnage tax is classified as an operating expense.

The company should meet certain requirements to be within the scheme, such as only ownership of ship/ shares in the shipping companies, and only own certain types of financial assets.

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

	<b>2021</b>	<b>Change</b>	<b>2020</b>
Loss carried forward	-41 349 544	-4 773 279	-36 576 265
Basis for deferred tax (benefit)	-41 349 544	-4 773 279	-36 576 265
Deferred tax (benefit) (22 %)	-9 096 900	-1 050 121	-8 046 778
Deferred tax (benefit) booked	0	0	0

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

Taxable result tonnage tax scheme:

	<b>2021</b>	<b>2020</b>
Net financial items	-10 070 615	-12 136 834
Non-deductible currency loss	-972 592	-3 430 854
Interest deduction	6 269 927	10 828 492
Taxable income before loss carried forward	-4 773 279	-4 739 196
Change in loss carried forward	-4 773 279	-4 739 196
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0



Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the Shareholders' Meeting of KNOT Shuttle Tankers 20 AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Knot Shuttle Tankers 20 AS (the company) which comprise the balance sheet as at December 31, 2021, the statement of income 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 statutory requirements, and
- the financial statements present fairly in all material respects the financial position of the Company as at December 31, 2021 and (of) its financial performance and its 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International 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 information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is materially inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or the information in the Board of Directors' report and for the other information presented with the financial statements 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 the management for the Financial Statements

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



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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 insofar as it is not likely that the enterprise will cease operations.

## 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 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.

Oslo, 10 March 2022  
Ernst & Young AS

Johan Lid Nordby  
State Authorised Public Accountant  
(This document is signed electronically)

Independent auditor's report - Knot Shuttle Tankers 20 AS

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

## Johan Nordby

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5997-4-729076

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## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	17.11.2011	08.12.2011
Telefon	Deres referanse	Vår referanse
22078139	Jørn Knutsen	2009/867030

ERNST & YOUNG AS  
Postboks 20 Oslo Atrium  
0051 OSLO

## Dispensasjon fra kravet om å utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 17. november 2011 og telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

<b>Knutsen NYK Shuttle Tankers 8 AS</b>	<b>org. nr. 997 091 051</b>
<b>Knutsen NYK Offshore Tankers 1 AS</b>	<b>org. nr. 897 099 152</b>
<b>Knutsen Shuttle Tankers 13 AS</b>	<b>org. nr. 996 661 016</b>
<b>Knutsen Shuttle Tankers 14 AS</b>	<b>org. nr. 996 821 374</b>
<b>Knutsen Shuttle Tankers 15 AS</b>	<b>org. nr. 997 006 968</b>
<b>Knutsen NYK Shuttle Tankers 16 AS</b>	<b>org. nr. 997 404 009</b>

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

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

### Bakgrunn

De overnevnte selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS fikk i vedtak (2010/867030) av 2. juni 2010 dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. Styrene i selskapene har medlemmer som ikke er norskspråklige. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

### Skattedirektoratets vurdering

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

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



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 vesentlig berørt negativt ved en eventuell dispensasjon.

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland