



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 914 450 055  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 29 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: 25.02.2022

### 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>			
Operating Income	2	56 813 969	102 388 707
Other income		2 004 626	
<b>Sum inntekter</b>		<b>58 818 595</b>	<b>102 388 707</b>
<b>Kostnader</b>			
Crew-hire	9	31 532 685	29 746 660
Ordinary depreciation	12	70 768 273	50 638 093
Other operating expenses		17 257 545	21 104 796
Administration	6	5 736 923	6 187 845
<b>Sum kostnader</b>		<b>125 295 425</b>	<b>107 677 395</b>
<b>Driftsresultat</b>		<b>-66 476 830</b>	<b>-5 288 688</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	557 907	3 313 061
Foreign exchange gain/loss		-73 767	3 376 620
<b>Sum finansinntekter</b>		<b>484 140</b>	<b>6 689 681</b>
Financial expenses	4	9 208 728	15 516 801
<b>Sum finanskostnader</b>		<b>9 208 728</b>	<b>15 516 801</b>
<b>Netto finans</b>		<b>-8 724 588</b>	<b>-8 827 120</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-75 201 418</b>	<b>-14 115 807</b>
Taxes	10		
<b>Ordinært resultat etter skattekostnad</b>		<b>-75 201 418</b>	<b>-14 115 807</b>
<b>Årsresultat</b>		<b>-75 201 418</b>	<b>-14 115 807</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-75 201 418</b>	<b>-14 115 807</b>
<b>Totalresultat</b>		<b>-75 201 418</b>	<b>-14 115 807</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Bare-boat contract	2		
<b>Varige driftsmidler</b>			
Vessel	12	382 281 803	445 826 268
<b>Sum varige driftsmidler</b>		<b>382 281 803</b>	<b>445 826 268</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern			43 541 250
<b>Sum finansielle anleggsmidler</b>			<b>43 541 250</b>
<b>Sum anleggsmidler</b>		<b>382 281 803</b>	<b>489 367 518</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables		12 101 754	11 635 997
Konsernfordringer	5	30 204 017	24 570 318
<b>Sum fordringer</b>		<b>42 305 771</b>	<b>36 206 315</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	3	11 042 410	7 199 842
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>11 042 410</b>	<b>7 199 842</b>
<b>Sum omløpsmidler</b>		<b>53 348 181</b>	<b>43 406 157</b>
<b>SUM EIENDELER</b>		<b>435 629 984</b>	<b>532 773 675</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital

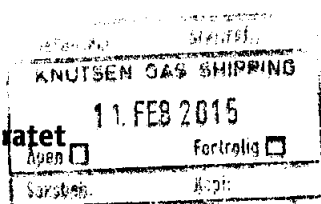


## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Share capital		100 000	100 000
Annen innskutt egenkapital		197 360 488	218 085 386
<b>Sum innskutt egenkapital</b>		<b>197 460 488</b>	<b>218 185 386</b>
Other equity			
<b>Sum egenkapital</b>	7, 8	<b>197 460 488</b>	<b>218 185 386</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	10		
Provision for obligations associated companies	11		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	11	228 665 243	293 993 918
Langsiktig konserngjeld	11		
Other non-current liabilities	5		
<b>Sum annen langsiktig gjeld</b>		<b>228 665 243</b>	<b>293 993 918</b>
<b>Sum langsiktig gjeld</b>		<b>228 665 243</b>	<b>293 993 918</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	5	8 305 897	10 433 730
Tax payable	10		
Kortsiktig konserngjeld		1 019 567	9 883 443
Accrued interest		30 947	136 217
Other current liabilities		147 843	140 981
<b>Sum kortsiktig gjeld</b>		<b>9 504 253</b>	<b>20 594 371</b>
<b>Sum gjeld</b>		<b>238 169 496</b>	<b>314 588 289</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>435 629 984</b>	<b>532 773 675</b>



Skattedirektoratet



Saksbehandler  
Torstein Kinden Helleland

Deres dato  
30.01.2015

Vår dato  
09.02.2015

Telefon  
22078139

Deres referanse  
Geir Tore Henriksen

Vår referanse  
2015/87104

KNUTSEN OAS SHIPPING AS  
Postboks 2017  
5504 HAUGESUND

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 30 AS	org. nr. 914 716 527
KNOT Shuttle Tankers 31 AS	org. nr. 914 750 326
Knutsen Technology AS	org. nr. 991 517 553
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 28 GP AS	org. nr. 914 450 160
KNOT Shuttle Tankers 28 LP AS	org. nr. 914 450 063
KNOT Shuttle Tankers 27 AS	org. nr. 914 021 456
KNOT Shuttle Tankers 29 AS	org. nr. 914 450 055
KNOT FSO 2 AS	org. nr. 814 450 112
KNOT Shuttle Tankers 24 AS	org. nr. 914 012 902
KNOT Shuttle Tankers 25 AS	org. nr. 914 006 600
KNOT Shuttle Tankers 26 AS	org. nr. 914 021 251

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

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. Konsernet ønsker nå å søke om samme dispensasjon for ytterligere et antall selskap som inngår i konsernet. Alle selskapene inngår i konsernregnskapet til TS Shipping Invest AS. Selskapene det søkes om dispensasjon for er enten eid 100 % av TS Shipping Invest AS, eller 50 % av TS Shipping Invest AS og 50 % av det nederlandske selskapet NYK Logistics Holding (Europe) B.V. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



**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.

De samme fakta og argument for dispensasjon foreligger i denne søknaden som ble vurdert ved innvilgelse av dispensasjon for konsernspissen og enkelte søsterselskap. Selskapenes aktivitet er knyttet til en internasjonal bransje hvor engelsk språk benyttes både internt i selskapene samt mot aksjonærer, og i kommunikasjon med eksterne forretningspartnere. Videre er eierkretsen begrenset.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

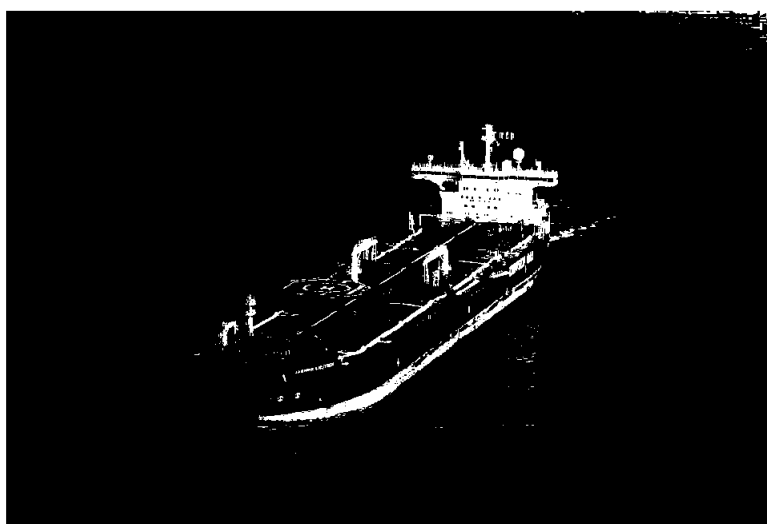
*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



**KNOT** Knutsen  
NYK Offshore  
Tankers

## KNOT Shuttle Tankers 29 AS

### Annual Report 2021



M/T “ Jasmine Knutsen ”



Knutsen  
Group





## **KNOT SHUTTLE TANKERS 29 AS**

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

KNOT Shuttle Tankers 29 AS owns one 148 644 DWT DP2 Suez-max shuttle tanker, MT Jasmine Knutsen, delivered from Samsung Heavy Industries in 2005.

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. Canship Ugland Ltd. is responsible for the company's vessel operations on behalf of the Company in accordance with a separate management agreement. KNOT Shuttle Tankers 29 AS hires crew from the manager.

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

MT Jasmine Knutsen have been operating in the pool of shuttle tankers in Knutsen Shuttle Tankers Pool AS and has operated in the North Europe shuttle tanker and tanker market.

#### **Profit for the year**

The operating result for KNOT Shuttle Tankers 29 AS was minus NOK 66 476 830 compared to minus NOK 5 288 688 in 2020. The net financial loss for the year was NOK 8 724 588, compared to a loss of NOK 8 827 120 the previous year. The result for the year became minus NOK 75 201 418 compared to minus NOK 14 115 807 the year before.

The Board of Directors suggests covering the loss for the year with other paid-in capital.

The liquidity position was NOK 11 042 410 as per 31.12.2021 compared to NOK 7 199 842 as per 31.12.2020.

The company's short term debts per 31.12.2021 was 4.0 % of total debt, compared to 6.5 % as of 31.12.20.

Total capital was by the end of the year NOK 435 629 984, compared to NOK 532 773 675 the year before.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Though, since the majority of the company's operating expenses and financial expenses 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 in order to reduce the company's foreign exchange risk, hence the operating related market risk.

The company is also exposed to changes in the interest rate level, as it has long term debt carrying floating interest rate.



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.

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

The requirements for environment and safety in the operations of the vessels are increasing, and both the company and the Knutsen NYK Offshore Tankers group emphasize operational quality.

The company, the manager and the group allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessel. There are no indications that the company pollutes the external environment significantly, and the board of directors considers the working conditions as satisfactory. All certificates are valid. MT Jasmine Knutsen is certified in accordance with both the ISM and ISPS codes.

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.


#### **Future prospects**

MT Jasmine Knutsen is operated in North Europe through Knutsen Shuttle Tankers Pool AS, lifting the charterers oil on different offshore oil fields. Based on the operation of the vessel in 2021, the long-term financing of the vessel and the employment in Knutsen Shuttle Tankers Pool AS, the Board of Directors of KNOT Shuttle Tankers 29 AS expects 2022 to be another challenging year for the vessel and the company.

Haugesund, February 24, 2022

  
Trygve Seglem  
Chairman of the Board

  
Karl Gerhard Bråstein Dahl  
Member of the Board

  
Takashi Domyo  
Member of the Board



## KNOT Shuttle Tankers 29 AS

### Profit & Loss Account

	Note	2021	2020
<b><u>Operating Income</u></b>			
Operating Income	2	56 813 969	102 388 707
Other income		2 004 626	0
<i>Total Operating income</i>		<b><u>58 818 595</u></b>	<b><u>102 388 707</u></b>
<b><u>Operating Expenses</u></b>			
Crew-hire	9	31 532 685	29 746 660
Other operating expenses		17 257 545	21 104 796
Administration	6	5 736 923	6 187 845
<i>Total Operating Expenses</i>		<b><u>54 527 152</u></b>	<b><u>57 039 302</u></b>
Ordinary depreciation	12	70 768 273	50 638 093
<i>Total depreciation and write-downs</i>		<b><u>70 768 273</u></b>	<b><u>50 638 093</u></b>
<i>Operating Result</i>		<b><u>-66 476 830</u></b>	<b><u>-5 288 688</u></b>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	557 907	3 313 061
Foreign exchange gain/loss		-73 767	3 376 620
Financial expenses	4	-9 208 728	-15 516 801
<i>Net Financial Items</i>		<b><u>-8 724 588</u></b>	<b><u>-8 827 120</u></b>
<i>Result before taxes</i>		<b><u>-75 201 418</u></b>	<b><u>-14 115 807</u></b>
Taxes	10	0	0
<i>Result for the year</i>		<b><u>-75 201 418</u></b>	<b><u>-14 115 807</u></b>




**KNOT Shuttle Tankers 29 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	Note	2021	2020
<b><u>Fixed assets</u></b>			
Vessel	12	382 281 803	445 826 268
Loan to group companies		0	43 541 250
<i>Total Fixed Assets</i>		<u>382 281 803</u>	<u>489 367 518</u>
<b><u>Current Assets</u></b>			
Receivables		12 101 754	11 635 997
Current receivables group		30 204 017	24 570 318
Bank deposits	3	11 042 410	7 199 842
<i>Total Current Assets</i>		<u>53 348 181</u>	<u>43 406 157</u>
<i>TOTAL ASSETS</i>		<u>435 629 984</u>	<u>532 773 675</u>



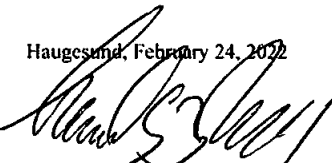
**KNOT Shuttle Tankers 29 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2021	2020
<b>Equity</b>			
Share capital		100 000	100 000
Other paid-in equity		197 360 488	218 085 386
<i>Total capital paid-in</i>		<u>197 460 488</u>	<u>218 185 386</u>
<b>Retained earnings</b>			
Other equity		0	0
<i>Total Shareholders' Equity</i>	7, 8	<u>197 460 488</u>	<u>218 185 386</u>
<b>Long Term Liabilities</b>			
Liabilities to financial institutions	11	228 665 243	293 993 918
<i>Total Long Term Liabilities</i>		<u>228 665 243</u>	<u>293 993 918</u>
<b>Current Liabilities</b>			
Accounts payable	5	8 305 897	10 433 730
Accrued interest		30 947	136 217
Current liabilities group		1 019 567	9 883 443
Other current liabilities		147 843	140 981
<i>Total Current Liabilities</i>		<u>9 504 253</u>	<u>20 594 371</u>
<i>Total liabilities</i>		<u>238 169 496</u>	<u>314 588 289</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>435 629 984</u>	<u>532 773 675</u>




Trygve Seglem  
chairman of the board

Haugesund, February 24, 2022



Karl Gerhard Bråstein Dahl  
member of the board



Takashi Doiyo  
member of the board



## KNOT Shuttle Tankers 29 AS

### CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	1 968 908	46 764 823
Change in working capital	-17 189 573	36 861 775
Net cashflow from operations	-15 220 665	83 626 598
<u>Cashflow from investments</u>		
Additions to vessel	-8 418 574	-15 850 380
Dry dock additions	1 194 766	-55 999 530
Net cashflow from investments	-7 223 808	-71 849 910
<u>Cashflow from financing</u>		
Repayment mortgage debt	-71 465 297	-80 902 904
Loan to group companies, net change	43 275 818	73 776 240
Received group contribution	54 476 520	0
Net cashflow from financing	26 287 041	-7 126 664
Net cashflow for the year	3 842 568	4 650 025
+ Cash balance per 01.01	7 199 842	2 549 818
<b>= Cash Balance per 31.12.</b>	<b>11 042 410</b>	<b>7 199 842</b>

#### 1) Generated from operations:

Result before tax	-75 201 418	-14 115 807
+Unrealized currency loss (gain) - loan to group companies	265 432	3 952 815
+Realized currency loss - mortgage debt	5 304 766	14 742 373
+Realized currency gain - loan to group companies	0	-9 286 785
+Amortization deferred debt issuance cost	831 855	834 134
+Ordinary depreciation	70 768 273	50 638 093
= Total generated from operations	1 968 908	46 764 823



## KNOT Shuttle Tankers 29 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 charter party 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 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 are capitalised and expensed 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. 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.

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**

Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction.

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 instruments. The realized foreign exchange gain and -losses are booked together with the hedging instrument. We book realized- and unrealized foreign exchange gain/-loss for any uneffective part of the debt in foreign currencies over financial items.

## **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 deposits.

## **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.



## 2 Contracts

The vessel MT Jasmine Knutsen has been in the Knutsen Shuttle Tankers Pool AS in 2021. KNOT Management AS is appointed as manager for the company and the vessel is managed by Canship Ugland Ltd.

## 3 Bank deposits

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

## 4 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
<b>Financial Income:</b>		
Interest income from related parties	506 693	3 229 383
Other interest income	2	83 678
Dividend	51 212	0
Total financial income	<u>557 907</u>	<u>3 313 061</u>
<b>Financial expenses:</b>		
Interest expenses	7 210 100	13 186 123
Interest expenses to related parties	282 087	63 466
Other financial expenses	250 663	326 864
Guarantee expenses related parties	1 465 878	1 940 348
Total financial expenses	<u>9 208 728</u>	<u>15 516 801</u>

## 5 Balances with related parties

	<u>2021</u>	<u>2020</u>
<u>Accounts payable</u>		
Knutsen O.A.S Shipping AS	4 610	7 935
Knutsen O.A.S Management AS	27 670	0
Knutsen O.A.S Crewing AS	25 101	7 109
	<u>57 381</u>	<u>15 044</u>
<u>Receivables</u>		
Knutsen O.A.S Shipping AS	35 369	0
Canship Ugland Ltd.	11 651 631	11 250 523
	<u>11 687 000</u>	<u>11 250 523</u>



## 6 Remuneration

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):	2021	2020
Audit	64 300	105 406
Other services besides audit	0	0
	<u>64 300</u>	<u>105 406</u>

## 7 Equity

Specification of the equity per 31.12.

	Share capital	Other paid in equity	Other equity	Total equity
Equity 01.01.	100 000	218 085 386	0	218 185 386
Group contribution	0	54 476 520	0	54 476 520
Result for the year	0	-75 201 418	0	-75 201 418
Equity 31.12.	<u>100 000</u>	<u>197 360 488</u>	<u>0</u>	<u>197 460 488</u>

Share capital consist of 100 shares à NOK 1,000

Knutsen NYK Offshore Tankers AS owns all the shares in the company. Accounting for the Group can be obtained at Smedasundet 40, Haugesund.

## 8 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.

## 9 Employees

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



## 10 Tax

The company is taxed based on the shipping tax regime. This means that companies 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 140 372 (NOK 140 372 in 2020). Tonnage tax is classified as an operating expense. Deferred tax benefit is not booked as an asset due to uncertainty of future utilization.

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

	<b>31.12.2021</b>	<b>Change</b>	<b>31.12.2020</b>
Loss carried forward	<u>-38 246 197</u>	<u>2 711 775</u>	<u>-35 534 422</u>
Basis for deferred tax (benefit)	<u>-38 246 197</u>	<u>2 711 775</u>	<u>-35 534 422</u>
Deferred tax (benefit)	<u>0</u>	<u>0</u>	<u>0</u>

Taxable result tonnage tax scheme:

	<b>2021</b>	<b>2020</b>
Net financial Items	<u>-8 724 588</u>	<u>-8 827 120</u>
Non-deductable currency loss	<u>-666 984</u>	<u>-5 100 809</u>
Non-deductable interest	<u>6 729 473</u>	<u>10 602 631</u>
Other deductible items	<u>-49 675</u>	<u>0</u>
Taxable income before loss carried forward	<u>-2 711 775</u>	<u>-3 325 297</u>
Loss carried forward	<u>-2 711 775</u>	<u>-3 325 297</u>
Taxable income	<u>0</u>	<u>0</u>
Tax payable	<u>0</u>	<u>0</u>
Change in deferred tax	<u>0</u>	<u>0</u>
Tax expense	<u>0</u>	<u>0</u>



## 11 Mortgage Debt and Financial Instruments

<u>31-12-21</u>	USD	Historical rate	Rate as at 31.12	NOK
USD-loan	29 166 670	7,9393	7,9393	231 561 922
Debt issuance cost				-2 896 680
				<u>228 665 243</u>
Current portion USD-loan	8 333 332		7,9393	66 160 531
Current portion debt issuance cost				-831 855
				<u>65 328 676</u>
<u>31-12-20</u>	USD	Historical rate	Rate as at 31.12	NOK
USD-loan	37 500 002	7,9393	7,9393	297 722 453
Debt issuance cost				-3 728 535
				<u>293 993 918</u>
Current portion USD-loan	8 333 332		7,9393	66 160 531
Current portion debt issuance cost				-831 855
				<u>65 328 676</u>

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

The USDNOK exchange rate at the year-end was 8,8363 (8,5375 in 2020).

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 382 million. (446 million in 2020)

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 26.2 million compared to a loss of NOK 22.4 million as per 31.12.2020.



## 12 Fixed Assets

<u>Vessel</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	659 861 246	644 010 866
Accumulated depreciation 1.1.	263 216 122	222 472 814
Book value 1.1.	396 645 124	421 538 052
Additions/Disposals	8 418 574	15 850 380
Annual depreciation	45 654 658	40 743 308
Book value 31.12.	359 409 040	396 645 124
<u>Dry-Docking</u>	<u>2021</u>	<u>2020</u>
Capitalised dry-docking	56 031 506	17 689 618
Acc. Depreciation 1.1	6 850 363	14 613 220
Capitalised dry-docking 01.01	49 181 143	3 076 399
Additions	-1 194 766	55 999 530
Annual depreciation	25 113 615	9 894 785
Book value 31.12.	22 872 762	49 181 143
<b>Total book value vessel 31.12.</b>	<b>382 281 803</b>	<b>445 826 268</b>

The company changed in third quarter 2021 the useful life estimate for M/T Jasmine Knutsen 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 23 years to estimated net sales price at end of the new estimated end of life.



Statsautoriserte revisorer  
Ernst & Young AS

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

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

www.ey.no  
Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders Meeting of KNOT Shuttle Tankers 29 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 29 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss accounts and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

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

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) 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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

### Responsibilities of management for the financial statements

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

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



Building a better  
working world

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 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT Shuttle Tankers 29 AS 2021

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: UQ4EF-PJGA1-JMUS-F4TXP-A4Y1E-31EVI



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".  
De signerende parter sin identitet er registrert, og er listet nedenfor.

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

## Magnus Hegertun Birkeland

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5990-4-2796687

IP: 213.52.xxx.xxx

2022-02-24 18:52:17 UTC



Penneo Dokumentnøkkel: UQ4EF-PJGA1-JMIXS-F4TXP-A4Y1E-3TEVI

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>