



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 984 963 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN ATLANTIC CHARTERING 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
RESULTATREGNSKAP			
Kostnader			
Administration	4	129 847	59 921
Sum kostnader		129 847	59 921
Driftsresultat		-129 847	-59 921
Finansinntekter og finanskostnader			
Financial income	2	485 746	1 311 720
Foreign exchange gain/loss		-34 628	2 260 264
Sum finansinntekter		451 118	3 571 984
Financial expenses	2	128 453	117 777
Sum finanskostnader		128 453	117 777
Netto finans		322 666	3 454 206
Ordinært resultat før skattekostnad		192 819	3 394 285
Taxes	6	-51 246	746 742
Ordinært resultat etter skattekostnad		244 065	2 647 543
Årsresultat		244 065	2 647 543
Årsresultat etter minoritetsinteresser		244 065	2 647 543
Totalresultat		244 065	2 647 543



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		
Finansielle anleggsmidler			
Lån til foretak i samme konsern		581 361	16 435 071
Sum finansielle anleggsmidler		581 361	16 435 071
Sum anleggsmidler		581 361	16 435 071
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables	8	516 587	108 535
Konsernfordringer		444 012	20 198 834
Sum fordringer		960 599	20 307 369
Bankinnskudd, kontanter og lignende			
Bank deposits, cash	7	219 606	68 111
Sum bankinnskudd, kontanter og lignende		219 606	68 111
Sum omløpsmidler		1 180 206	20 375 479
SUM EIENDELER		1 761 566	36 810 551
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		1 176 000	1 176 000
Sum innskutt egenkapital		1 176 000	1 176 000
Other equity			



Balanse

Beløp i: NOK	Note	2021	2020
Sum egenkapital	3, 5	1 176 000	1 176 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Tax payable	6		
Utbytte			35 526 016
Kortsiktig konserngjeld		585 566	108 535
Sum kortsiktig gjeld		585 566	35 634 551
Sum gjeld		585 566	35 634 551
SUM EGENKAPITAL OG GJELD		1 761 566	36 810 551



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

Postboks 9200 Grønland
0134 Oslo

For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

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 Høelstad



Knutsen Atlantic Chartering AS

Annual Report 2021



Knutsen
Group





KNUTSEN ATLANTIC CHARTERING AS
REPORT OF THE BOARD OF DIRECTORS 2021

The company operates out of Haugesund, Norway and has no employees and working environment. Company's manager is KNOT Management AS.

The company's activity

The company have not had any vessels in operation in 2021 and will use the time going forward to seek new business opportunities. KNOT Shuttle Tankers 36 AS and KNOT Shuttle Tankers 39 AS, two group companies with same owner, have been merged into the company in 2021 to simplify the group structure of Knutsen NYK Offshore Tankers Group.

Result for the year

The negative operating result for the year 2021 of NOK 129 847 compared to a result of NOK 59 921 in 2020.

The net financial result was NOK 322 666 in 2021, compared to NOK 3 454 206 in 2020, tax expense was minus NOK 51 246 in 2021 (tax expense of NOK 746 742 in 2020). Profit for the year ended with result of NOK 244 065 (NOK 2 647 543 in 2020).

Total capital was by the end of the year NOK 1 761 566, compared to NOK 36 810 551 in 2020. The equity share as of 31.12.21 was 67 % compared to 3 % the year before.

The Board of Directors suggests to give the equity proceeds from the receivable taxable group contribution and the profit for the year as a non-tax deductible group contribution to Knutsen NYK Offshore Tankers AS in the total amount of NOK 545 757.

The financial accounts are prepared on the assumption of going concern. The board confirms through an appeal process the assumption of going concern.

The environment safety and quality control

The company is not aware of any significant pollution to the external environment.

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

The company have now in February 2022 no vessels in operation and will use the time going forward to seek new business opportunities.

Haugesund, February 24, 2022



Trygve Seglem
Chairman of the Board



Takashi Domyo
Member of the board



Karl Gerhard Bråstein Dahl
Member of the board



Knutsen Atlantic Chartering AS

Profit & Loss Account

	<u>Note</u>	2021	2020
<u>Operating Expenses</u>			
Administration	4	129 847	59 921
<i>Total Operating Expenses</i>		<u>129 847</u>	<u>59 921</u>
<i>Operating Result</i>		<u>-129 847</u>	<u>-59 921</u>
<u>Financial Income and Expenses</u>			
Financial income	2	485 746	1 311 720
Foreign exchange gain/loss		-34 628	2 260 264
Financial expenses	2	-128 453	-117 777
<i>Net Financial Items</i>		<u>322 666</u>	<u>3 454 206</u>
<i>Result for the year before taxes</i>		<u>192 819</u>	<u>3 394 285</u>
Taxes	6	51 246	-746 742
<i>Result for the year</i>		<u>244 065</u>	<u>2 647 543</u>



Knutsen Atlantic Chartering AS

Balance Sheet as of 31. December

<u>EIENDELER</u>	<u>Note</u>	2021	2020
<u>Fixed Assets</u>			
Loan to Group companies		581 361	16 435 071
<i>Total Fixed Assets</i>		<u>581 361</u>	<u>16 435 071</u>
<u>Current Assets</u>			
Other short-term receivables	8	516 587	108 535
Intercompany receivables		211 074	0
Group contribution		232 938	20 198 834
Bank deposits, cash	7	219 606	68 111
<i>Total Current Assets</i>		<u>1 180 206</u>	<u>20 375 479</u>
<i>TOTAL ASSETS</i>		<u>1 761 566</u>	<u>36 810 551</u>




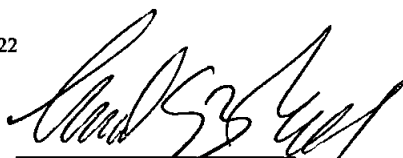
Knutsen Atlantic Chartering AS

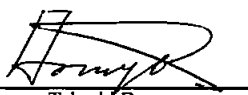
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity			
Share capital		1 176 000	1 176 000
Total capital paid-in		<u>1 176 000</u>	<u>1 176 000</u>
Total Shareholders' Equity	3, 5	<u>1 176 000</u>	<u>1 176 000</u>
Short Term Debt			
Short term debt to group companies/related parties		39 809	108 535
Group contribution		545 757	0
Dividends		0	35 526 016
Total Current Liabilities		<u>585 566</u>	<u>35 634 551</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>1 761 566</u>	<u>36 810 551</u>

Haugesund, February 24, 2022


Trygve Seglem
chairman of the board


Karl Gerhard Bråstein Dahl
member of the board


Takashi Domyo
member of the board



KNUTSEN ATLANTIC CHARTERING AS

CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	192 819	3 394 285
Change in working capital	<u>-687 852</u>	<u>13 034 642</u>
Net cashflow from operations	<u>-495 033</u>	<u>16 428 927</u>
Net loans to Group companies	<u>15 853 710</u>	<u>-8 227 799</u>
Net cashflow from investments	<u>15 853 710</u>	<u>-8 227 799</u>
Dividend paid-out	-35 526 016	0
Merger	120 001	0
Group contribution	<u>20 198 834</u>	<u>-8 207 272</u>
Net cashflow from financing	<u>-15 207 181</u>	<u>-8 207 272</u>
Net cashflow for the year	151 496	-6 144
+ Cash balance per 1.1	<u>68 111</u>	<u>74 254</u>
= Cash Balance per 31.12.	<u>219 606</u>	<u>68 111</u>

1) Generated from operations:

Result before tax	<u>192 819</u>	<u>3 394 285</u>
= Total generated from operations	<u>192 819</u>	<u>3 394 285</u>



KNUTSEN ATLANTIC CHARTERING 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.

Current Assets/Current Liabilities

Fixed assets are intended for long-term ownership and use. Other assets are classified as current assets. Short-term liabilities are due within one year or tied to the operation of the vessel. Other liabilities 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.

This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

Transactions in Foreign Currency

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

Receivables

Trade and other receivables are recorded at face value less provision for doubtful debts. The provision is made on the basis of an individual assessment of the receivables.

Tax

Taxable profit/loss is calculated based on the accounting profit/loss and the permanent and temporary differences that exist between accounting values and tax values at the end of the year.

Deferred tax is estimated on basis of the temporary differences in which exists between accounting related value and tax related value with the principal, additionally tax related losses carried forward. Deferred tax benefits are only recorded if it is likely that the company will utilize these at a later stage.

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 KNOT group. The level of fees are based on market terms and are in accordance with the arm's length principle.



2 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
Financial Income:		
Interest income from group companies	46 821	412 196
Dividend	438 924	0
Other interest income	2	899 524
Total financial income	<u>485 746</u>	<u>1 311 720</u>
Financial expenses:		
Interest expenses to group companies	3 169	0
Guarantee cost - financial institutions	108 535	0
Guarantee cost - group companies	0	110 476
Other financial expenses	16 749	7 301
Total financial expenses	<u>128 453</u>	<u>117 777</u>

3 Equity

Specification of the equity per 31.12.

	Share capital	Other paid-in equity	Other equity	Total equity
Equity 1.1	1 176 000	0	0	1 176 000
Merger	0	120 001	0	120 001
Group contribution, net	0	-120 001	-244 065	-364 066
Result for the year	0	0	244 065	244 065
Equity 31.12.	<u>1 176 000</u>	<u>0</u>	<u>0</u>	<u>1 176 000</u>

The share capital consists of 490 shares NOK 2 400 each.

The company is owned 90% by Knutsen NYK Offshore Tankers AS and 10% by Knutsen Shuttle Tankers 3 AS which is a wholly own company of Knutsen NYK Offshore Tankers AS. Consolidated financial statements can be obtained at company's registered office, Smedasundet 40, Haugesund.

Knutsen Atlantic Chartering AS have been merged with KNOT Shuttle Tankers 36 AS where Knutsen Atlantic Chartering AS is the surviving company. During the year KNOT Shuttle Tankers 36 AS also have been merged with KNOT Shuttle Tankers 39 AS where KNOT Shuttle Tankers 36 AS was the surviving company. Both the mergers were between companies with the same owner. The mergers has been effectuated in 2021 and the mergers is registered in financial- and tax accounts on continuity basis with effect from 1 January 2021.

4 Remuneration

The company has no employees and thereby no pension liabilities (under the OTP regulation).

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

	<u>2021</u>	<u>2020</u>
Auditor's fees (excl. VAT)		
Auditing	26 650	25 625
Assistance from Ernst & Young in Canada	0	4 134
	<u>26 650</u>	<u>29 759</u>

5 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.



6 Tax

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. A specification of the temporary differences and taxable deficit carried forward is given below, as well as a calculation of the deferred tax at the year-end.

Tax rate is 22%.

	<u>2021</u>	<u>Change</u>	<u>2020</u>
Deficit carried forward	0	0	0
Base for deferred tax calculation	0	0	0
Deferred tax/(-benefit)	0	0	0

A specification of the differences between the result before tax, and the basis for tax calculation is given below:

	<u>2021</u>	<u>2020</u>
Result for the year before tax	192 819	3 394 285
Non-deductible items	-425 757	0
Received Group contribution	232 938	20 198 834
Deficit carried forward/utilisation of deficit	0	-23 593 119
Basis for taxation	0	0

Calculation of tax expenses

Tax payable	0	0
Tax effect group contribution	-51 246	-4 443 744
Change deferred tax/(-benefit)	0	5 190 486
Tax expenses	-51 246	746 742

7 Bank deposits

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

8 Related party balances

<u>Other short-term receivables</u>	<u>2021</u>	<u>2020</u>
Knutsen OAS Shipping AS	303 138	0



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 Knutsen Atlantic Chartering AS

Opinion

We have audited the financial statements of Knutsen Atlantic Chartering 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.



Building a better
working world

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 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 - Knutsen Atlantic Chartering AS 2021

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Magnus Hegertun Birkeland

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5990-4-2796687

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