



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	814 450 112
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNOT FSO 2 AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
-------------------------	-------------------------

### Konsern

Morselskap i konsern:	Nei
-----------------------	-----

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Karl Gerhard Bråstein Dahl
Dato for fastsettelse av årsregnskapet:	27.02.2023

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 27.05.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating Income	1	190 064 994	186 587 754
<b>Sum inntekter</b>		<b>190 064 994</b>	<b>186 587 754</b>
<b>Kostnader</b>			
Crew-hire	2	69 468 415	62 885 668
Ordinary depreciation	3	62 608 420	60 605 009
Commissions		2 559 930	2 342 348
Other operating expenses		25 687 617	27 035 470
Administration	2	7 561 422	6 429 111
<b>Sum kostnader</b>		<b>167 885 804</b>	<b>159 297 606</b>
<b>Driftsresultat</b>		<b>22 179 190</b>	<b>27 290 147</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	15 365 759	9 192 848
Foreign exchange gain/loss		32 026 475	9 952 587
<b>Sum finansinntekter</b>		<b>47 392 234</b>	<b>19 145 436</b>
Financial expenses	4	26 983 678	17 317 469
<b>Sum finanskostnader</b>		<b>26 983 678</b>	<b>17 317 469</b>
<b>Netto finans</b>		<b>20 408 556</b>	<b>1 827 966</b>
<b>Ordinært resultat før skattekostnad</b>		<b>42 587 746</b>	<b>29 118 114</b>
Taxes	5	9 371 201	6 286 357
<b>Ordinært resultat etter skattekostnad</b>		<b>33 216 545</b>	<b>22 831 757</b>
<b>Årsresultat</b>		<b>33 216 545</b>	<b>22 831 757</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>33 216 545</b>	<b>22 831 757</b>
<b>Totalresultat</b>		<b>33 216 545</b>	<b>22 831 757</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5		
<b>Varige driftsmidler</b>			
Vessel	3	177 327 364	239 935 784
<b>Sum varige driftsmidler</b>		<b>177 327 364</b>	<b>239 935 784</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern		277 384 800	267 416 400
<b>Sum finansielle anleggsmidler</b>		<b>277 384 800</b>	<b>267 416 400</b>
<b>Sum anleggsmidler</b>		<b>454 712 164</b>	<b>507 352 184</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	1 085 736	1 259 617
<b>Sum varer</b>		<b>1 085 736</b>	<b>1 259 617</b>
<b>Fordringer</b>			
Receivables		1 266 993	850 445
Other short-term receivables		6 508 978	1 880 127
Konsernfordringer		183 074	1 651 080
Krav på innbetaling av selskapskapital			1 188
<b>Sum fordringer</b>		<b>7 959 045</b>	<b>4 382 840</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	56 696 556	59 574 247
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>56 696 556</b>	<b>59 574 247</b>
<b>Sum omløpsmidler</b>		<b>65 741 337</b>	<b>65 216 704</b>
<b>SUM EIENDELER</b>		<b>520 453 501</b>	<b>572 568 888</b>

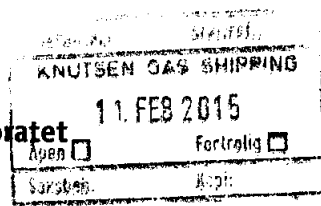


## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8	100 000	100 000
<b>Sum innskutt egenkapital</b>		<b>100 000</b>	<b>100 000</b>
<b>Opptjent egenkapital</b>			
Other equity		14 806 376	
<b>Sum opptjent egenkapital</b>		<b>14 806 376</b>	
<b>Sum egenkapital</b>	8, 9	<b>14 906 376</b>	<b>100 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5	12 968 781	8 790 192
<b>Sum avsetninger for forpliktelser</b>		<b>12 968 781</b>	<b>8 790 192</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	441 905 120	513 422 257
<b>Sum annen langsiktig gjeld</b>		<b>441 905 120</b>	<b>513 422 257</b>
<b>Sum langsiktig gjeld</b>		<b>454 873 901</b>	<b>522 212 450</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		3 200 684	2 629 514
Kortsiktig konserngjeld		26 195 301	34 387 515
Accrued interest		5 218 442	1 826 655
Payables to related parties		3 394 575	1 196 491
Other current liabilities		12 664 222	10 216 262
<b>Sum kortsiktig gjeld</b>		<b>50 673 224</b>	<b>50 256 438</b>
<b>Sum gjeld</b>		<b>505 547 125</b>	<b>572 468 888</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>520 453 501</b>	<b>572 568 888</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*



## List of Signatures Page 1/1

### 41F2 KNOT FSO 2 AS 2022.pdf

Name	Method	Signed at
Domyo, Takashi	BANKID	2023-02-24 12:42 GMT+01
Seglem, Trygve	BANKID	2023-02-24 11:52 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-02-24 10:32 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: B0591184E79D4C279A5A042BC73F329A



**KNOT** Knutsen  
NYK Offshore  
Tankers

**KNOT FSO 2 AS**

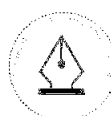
**Annual Report 2022**



M/T “ Jorunn Knutsen ”



Knutsen  
Group



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



## KNOT FSO 2 AS

### REPORT OF THE BOARD OF DIRECTORS 2022

KNOT FSO 2 AS operates out of Haugesund, Norway and has no employees and working environment. The daily operations of the company and the vessel are managed by KNOT Management AS in Haugesund in accordance with separate agreement and hires the crew from Knutsen OAS Offshore AS.

#### The company's activity

FSO Åsgård C / MT Jorunn Knutsen is chartered out to Equinor Energy AS on behalf of the Åsgård Group on a fixed time charter until September 2024 plus four one-year options. The FSO is used as a floating offshore installation for storage of the produced oil from the Åsgård field and connected fields.

#### Result for the year

The operating result for KNOT FSO 2 AS was NOK 22 179 190 compared to NOK 27 290 147 in 2021. The net financial profit for the year was NOK 20 408 556, compared to NOK 1 827 966 the previous year. The result for the year was NOK 33 216 545 compared to NOK 22 831 757 the year before.

The Board of Directors suggests to give the tax result as a tax deductible group contribution to the owner KNOT FSO AS with NOK 23 602 781 and transfer the remaining result to other equity. The book equity is NOK 14 906 376 at the end of 2022, compared to NOK 100 000 per 31.12.2021. The equity-share as of 31.12.2022 was 2.9 %, up from 0.02 % the year before.

The liquidity position was NOK 56 696 556 as per 31.12.2022 compared to NOK 59 574 247 as per 31.12.2021. The company's ability to self-finance investments is good.

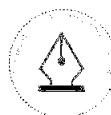
The company's short term debts per 31.12.2022 was 10 % of total debt, compared to 9 % as of 31.12.21. The financial position is satisfactory.

Total capital was by the end of the year NOK 520 453 501, compared to NOK 572 568 888 the year before. The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's capex income is denominated in USD. Though, since part 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 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 safety and operation of ships are increasing, and the company, the group and the manager KNOT Management AS are concerned with operational excellence. The



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



company vessel consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ship is maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources into quality assurance and there are strict requirements for safety systems and the operation of the ship.

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the Knutsen NYK Offshore Tankers Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2022.

The company has no employees and thus no working environment. The company aims to be a workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The board of directors considers the working conditions satisfactory. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men. There have not been taken out any board of directors' liability insurance.

The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99) section 4. The due diligence assessments cover the operations in the company. The account for these due diligence assessments and other obligations pursuant to the Act's section 5 will be included in a report here [www.knutsenoas.com](http://www.knutsenoas.com) within 30 June 2023.

## Future prospects

KNOT FSO 2 AS has a long-term contract now fixed until September 2024 and four one-year options in favour of the charterers with no off-hire in the period from start-up in 2000 until the date of the accounts. Based on the operation of the FSO in 2022, the long-term contract, the long-term sale-and lease-back and the utilization of the FSO the Board of Directors expects 2023 to be a satisfactory year for the FSO and the company.

Haugesund, February 24, 2023

Trygve Seglem  
*Chairman of the Board*

Takashi Domyo  
*Member of the Board*

Karl Gerhard Bråstein Dahl  
*Member of the Board*



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



## KNOT FSO 2 AS Profit & Loss Account

	Note	2022	2021
<b><u>Operating Income</u></b>			
Operating Income	1	190 064 994	186 587 754
<i>Total Operating income</i>		<b>190 064 994</b>	<b>186 587 754</b>
<b><u>Operating Expenses</u></b>			
Commissions		2 559 930	2 342 348
Crew-hire	2	69 468 415	62 885 668
Other operating expenses		25 687 617	27 035 470
Administration	2	7 561 422	6 429 111
<i>Total Operating Expenses</i>		<b>105 277 384</b>	<b>98 692 597</b>
Ordinary depreciation	3	62 608 420	60 605 009
<i>Total depreciation and write-downs</i>		<b>62 608 420</b>	<b>60 605 009</b>
<i>Operating Result</i>		<b>22 179 190</b>	<b>27 290 147</b>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	15 365 759	9 192 848
Foreign exchange gain/loss		32 026 475	9 952 587
Financial expenses	4	-26 983 678	-17 317 469
<i>Net Financial Items</i>		<b>20 408 556</b>	<b>1 827 966</b>
<i>Result before taxes</i>		<b>42 587 746</b>	<b>29 118 114</b>
Taxes	5	9 371 201	6 286 357
<i>Result for the year</i>		<b>33 216 545</b>	<b>22 831 757</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



**KNOT FSO 2 AS**

**Balance Sheet as of 31. December**

<u>Assets</u>	Note	2022	2021
<b><u>Fixed assets</u></b>			
Vessel	3	177 327 364	239 935 784
Loan to group companies		277 384 800	267 416 400
<i>Total Fixed Assets</i>		<u>454 712 164</u>	<u>507 352 184</u>
<b><u>Current Assets</u></b>			
Inventories	6	1 085 736	1 259 617
Receivables		1 266 993	850 445
Other short-term receivables		6 508 978	1 880 127
Current receivables group		183 074	1 164 377
Group contributions		0	486 703
Receivables from related parties		0	1 188
Bank deposits	7	56 696 556	59 574 247
<i>Total Current Assets</i>		<u>65 741 337</u>	<u>65 216 704</u>
<i>TOTAL ASSETS</i>		<u>520 453 501</u>	<u>572 568 888</u>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



**KNOT FSO 2 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2022	2021
<b>Equity</b>			
Share capital	8	100 000	100 000
<i>Total capital paid-in</i>		<u>100 000</u>	<u>100 000</u>
<b>Retained earnings</b>			
Other equity		14 806 376	0
<i>Total Shareholders' Equity</i>	8, 9	<u>14 906 376</u>	<u>100 000</u>
<b>Long Term Liabilities</b>			
Deferred tax	5	12 968 781	8 790 192
Liabilities to financial institutions	10	441 905 120	513 422 257
<i>Total Long Term Liabilities</i>		<u>454 873 901</u>	<u>522 212 450</u>
<b>Current Liabilities</b>			
Accounts payable		3 200 684	2 629 514
Accrued interest		5 218 442	1 826 655
Current liabilities group		2 592 520	4 010 541
Group contribution		23 602 781	30 376 974
Payables to related parties		3 394 575	1 196 491
Other current liabilities		12 664 222	10 216 262
<i>Total Current Liabilities</i>		<u>50 673 224</u>	<u>50 256 438</u>
<i>Total liabilities</i>		<u>505 547 125</u>	<u>572 468 888</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>520 453 501</u>	<u>572 568 888</u>

Haugesund, February 24, 2023,

\_\_\_\_\_  
Trygve Seglem  
chairman of the board

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

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



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



## KNOT FSO 2 AS

### CASHFLOW STATEMENT

The cash flow statement is presented using the indirect method of NRS. The liquidity balance is defined as the sum of cash, bank deposits and other short term liquid deposits.

	2022	2021
Result before tax	42 587 746	29 118 114
+ Ordinary depreciation	62 608 420	60 605 009
-/+Unrealized currency gain/loss - loan to group companies	-29 968 400	-8 366 400
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	9 468 618	566 116
+ Financial expenses - liabilities to financial institutions	2 078 635	2 078 635
= Total generated from operations	86 775 019	84 001 474
+ Net received on current assets	-3 889 027	339 768
+ Net received on current liabilities	7 190 980	-3 525 085
<b>Net cashflow from operations</b>	<b>90 076 972</b>	<b>80 816 158</b>
<u>Cashflow from investments</u>		
Upgrading of vessel	0	-4 836 150
<b>Net cashflow from investments</b>	<b>0</b>	<b>-4 836 150</b>
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-83 064 390	-74 161 888
Loan to group companies, net change	20 000 000	-20 000 000
Equity received - group contribution received	486 703	30 106 366
Group contribution paid-out	-30 376 974	0
<b>Net cashflow from financing</b>	<b>-92 954 661</b>	<b>-64 055 522</b>
<b>Net cashflow for the year</b>	<b>-2 877 689</b>	<b>11 924 486</b>
+ Bank deposits per 01.01.	59 574 247	47 649 762
<b>= Bank deposits per 31.12.</b>	<b>56 696 556</b>	<b>59 574 247</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



## KNOT FSO 2 AS

### Notes to the Financial Statement 31.12.2022

#### Accounting Principles

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

#### Going concern

The financial accounts are made on a going concern basis. The Board of Directors confirms the conditions for continued operation. The Board of Directors is of the opinion that the financial statements give a true and fair reflection of the company's assets and liabilities as well as financial strength and profitability.

#### Transactions in Foreign Currency

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

#### Related party transactions

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

### 1 Contracts

Since delivery in year 2000 FSO Åsgård C / Jorunn Knutsen has been on time charter contract with options with Equinor Energy AS on behalf of the Åsgård Group as a storage vessel. The fixed period have been extended until September 2024 and the charterer has 4 one-year options after the fixed period.

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

KNOT Management AS is appointed as manager for the company and the vessel.

### 2 Employees and remuneration

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. The company hires the crew from Knutsen OAS Offshore AS in accordance with separate crewing agreements.

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):

Audit

2022	2021
46 200	64 300

### 3 Fixed assets

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 FSO's is estimated to 25 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 25 year profile for that specific entity is not correct, i.e. fixed charter contracts above 25 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 seperately.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



Expenses in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next class and survey to take into account that the vessel is classified to operate for an additional period. Main class is carried out every 5th year. Intermediate survey is carried out 30-36 months after special survey. In the case of a newbuilding or second hand aquisition, we estimate a portion of the total cost of the vessel to be allocated to the class cost and to be capitalised seperately. Other expenses to repair and maintenance of the vessel are expensed when the work is executed.

<u>Vessel</u>	2022	2021
Historical value 01.01.	593 472 421	593 472 421
Accumulated depreciation 01.01.	373 909 667	325 350 604
Book value 01.01.	219 562 754	268 121 817
Annual depreciation	49 741 242	48 559 063
Book value 31.12.	169 821 512	219 562 754
<u>Dry dock</u>	2022	2021
Historical value 01.01.	49 611 093	44 774 943
Accumulated depreciation 01.01.	29 238 063	17 192 117
Book value 01.01.	20 373 030	27 582 826
Additions	0	4 836 150
Annual depreciation	12 867 178	12 045 946
Book value 31.12.	7 505 852	20 373 030
Total book value vessel 31.12.	177 327 364	239 935 784

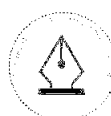
#### 4 Financial Income and -Expenses

<b>Financial Income:</b>	2022	2021
Dividend	0	572 345
Interest income from group companies	14 907 280	8 619 237
Other interest income	458 479	1 266
Total financial income	15 365 759	9 192 848
<b>Financial Expenses:</b>	2022	2021
Interest expenses	24 230 158	14 507 169
Interest expenses to group companies	10 613	9 439
Guarantee fee to group companies	2 726 945	2 786 137
Other financial expenses	15 962	14 724
Total financial expenses	26 983 678	17 317 469

#### 5 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. Below, a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

<u>Temporary differences</u>	31.12.2022	Change	31.12.2021
Temporary difference vessels	-8 334 425	32 384 408	24 049 983
Gain/loss account	1 307 412	326 854	1 634 266
Temporary difference USD debt	76 298 426	-51 153 500	25 144 926
Deductible interest carried forward	-10 322 409	-551 349	-10 873 758
Base for deferred tax calculation	58 949 004	-18 993 586	39 955 416
Deferred tax/(benefit) based on 22 % tax rate	12 968 781	4 178 589	8 790 192



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

	2022	2021
Result for the year before tax	42 587 746	29 118 114
Non-deductible items	8 622	-543 763
Change in temporary differences	-18 442 238	25 551 364
Tax base for the year before group contribution	24 154 130	54 125 714
Change in deductible interest carried forward	-551 349	-4 342 987
Deficit carried forward	0	-19 405 752
Group contribution given	-23 602 781	-30 376 974
Tax base	0	0
<b>Calculation of tax expenses</b>		
Tax payable	0	0
Adjustment tax from 2020	0	7
Tax effect group contribution 22%	5 192 612	6 682 933
Change deferred tax/(tax benefit)	4 178 589	-396 584
Tax calculated	9 371 201	6 286 357

## 6 Inventories

Specification of inventories per 31.12.

	2022	2021
Lube oil	1 085 736	1 259 617

## 7 Bank deposits

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

## 8 Equity

Specification of the equity per 31.12.

	Share capital	Other equity	Total equity
Equity 01.01.	100 000	0	100 000
Result for the year	0	33 216 545	33 216 545
Group Contribution given	0	-18 410 169	-18 410 169
Equity 31.12.	100 000	14 806 376	14 906 376

Share capital consist of 100 shares à NOK 1,000

KNOT FSO AS owns all the shares in the company. KNOT FSO AS and the company are both a part of Knutsen NYK Offshore Tankers Group and the financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

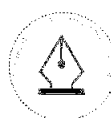
## 9 Shares Owned by Board Members and Affiliates

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

## 10 Mortgage Debt and Financial Instruments

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

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



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the hedging over financial items.

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

	Currency	Outstanding currency amount	Hedge accounting rate 31.12.	Accounting balance	
				2022	2021
Mortgage debt	USD	52 308 920	8,5176	445 544 155	519 139 928
Debt issuance cost				-3 639 035	-5 717 671
Liabilities to financial institutions				441 905 120	513 422 257

FSO Åsgård C/MT Jorunn Knutsen has been sold out and leased back on a financial lease and the vessel is formally transferred to the financial counterparty.

	2022	2021
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-72 659 392	-19 427 256

Amounts due within 12 months of the balance sheet date:

Mortgage debt	73 595 772	73 595 772
Debt issuance cost	2 078 635	2 078 635
Liabilities to financial institutions	75 674 407	75 674 407

Repayment profile:

0 - 12 months	8 640 480	8 640 480
13 - 24 months	8 640 480	8 640 480
25 - 36 months	8 640 480	8 640 480
37 - 48 months	8 640 480	8 640 480
49 - 60 months	8 640 480	8 640 480
After 60 months	9 106 518	17 746 998
	52 308 920	60 949 400

The exchange rate at the year-end	USDNOK	9,9066	8,8363
-----------------------------------	--------	--------	--------

Security for the lease is made through a first priority mortgage in the vessel, a sharepledge in the company's shares held by the owner KNOT FSO AS, transportation of income and insurances, assignment in hedging claims, account pledges, factoring agreement, and guarantees from the Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 520 million.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
B0591184E79D4C279A5A042BC73F329A



Statsautoriserte revisorer  
Ernst & Young AS

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

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

www.ey.no  
Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT FSO 2 AS AS

### Opinion

We have audited the financial statements of KNOT FSO 2 AS (the Company), which comprise the balance sheet as at 31 December 2022, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

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

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

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

### Responsibilities of management for the financial statements

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

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



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 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus Hegertun Birkeland  
State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT FSO 2 AS 2022

A member firm of Ernst & Young Global Limited

Penneo document key: DKEDHHTW-4S8EZ-NOZIA-V7PKU-0BVEW



# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

## Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5990-4-2796687

IP: 51.175.xxx.xxx

2023-02-24 17:22:13 UTC



Penneo document key: DKEDE-HHNTW-4S8EZ-NOZJA-V7PKU-0BVEW

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at **<https://penneo.com/validator>**