



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 923 166 211  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 42 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### 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: 20.03.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*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, 04.05.2025



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating income	1	226 352 878	39 333 534
<b>Sum inntekter</b>		<b>226 352 878</b>	<b>39 333 534</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		8 793 729	1 497 555
Voyage related expenses		87 354 104	38 794 738
Crew-hire	2	33 367 425	13 892 254
Ordinary depreciation	3	50 680 205	16 948 570
Other operating expenses		22 911 352	6 443 264
Administration	2	8 340 276	2 428 997
<b>Sum kostnader</b>		<b>211 447 090</b>	<b>80 005 378</b>
<b>Driftsresultat</b>		<b>14 905 789</b>	<b>-40 671 843</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	1 211 496	254 206
Foreign exchange gain/loss		1 301 911	1 835 204
<b>Sum finansinntekter</b>		<b>2 513 407</b>	<b>2 089 411</b>
Financial expenses	4	97 325 321	24 997 700
<b>Sum finanskostnader</b>		<b>97 325 321</b>	<b>24 997 700</b>
<b>Netto finans</b>		<b>-94 811 914</b>	<b>-22 908 289</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
Taxes	5		
<b>Ordinært resultat etter skattekostnad</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Årsresultat</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Totalresultat</b>		<b>-79 906 125</b>	<b>-63 580 133</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
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### Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel	3	1 319 759 665	1 361 529 813
Vessel under construction	3		
<b>Sum varige driftsmidler</b>		<b>1 319 759 665</b>	<b>1 361 529 813</b>
<b>Sum anleggsmidler</b>		<b>1 319 759 665</b>	<b>1 361 529 813</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	2 934 045	15 971 448
<b>Sum varer</b>		<b>2 934 045</b>	<b>15 971 448</b>
<b>Fordringer</b>			
Other short-term receivables		4 694 179	12 108 125
Konsernfordringer			9 559 927
Krav på innbetaling av selskapskapital			17 668 194
<b>Sum fordringer</b>		<b>4 694 179</b>	<b>39 336 246</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	26 832 814	24 963 244
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>26 832 814</b>	<b>24 963 244</b>
<b>Sum omløpsmidler</b>		<b>34 461 038</b>	<b>80 270 938</b>
<b>SUM EIENDELER</b>		<b>1 354 220 704</b>	<b>1 441 800 751</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8	30 000	30 000



### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Overkurs		1 036	1 036
Annen innskutt egenkapital		262 845 944	224 124 285
<b>Sum innskutt egenkapital</b>		<b>262 876 980</b>	<b>224 155 321</b>
Other equity			
<b>Sum egenkapital</b>	8, 9	<b>262 876 980</b>	<b>224 155 321</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	1 069 256 139	1 128 367 787
<b>Sum annen langsiktig gjeld</b>		<b>1 069 256 139</b>	<b>1 128 367 787</b>
<b>Sum langsiktig gjeld</b>		<b>1 069 256 139</b>	<b>1 128 367 787</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		4 405 004	13 478 564
Tax payable	9		
Kortsiktig konserngjeld		4 200 849	60 712 029
Accrued interest		7 207 208	6 925 624
Payables to related parties		2 914 997	3 287 462
Other current liabilities		3 359 526	4 873 964
<b>Sum kortsiktig gjeld</b>		<b>22 087 584</b>	<b>89 277 644</b>
<b>Sum gjeld</b>		<b>1 091 343 724</b>	<b>1 217 645 431</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 354 220 704</b>	<b>1 441 800 751</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 375612

#### Enheten

Organisasjonsnummer: 923 166 211  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 42 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

#### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

#### 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: 20.03.2024

#### Grunnlag for avgivelse

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År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 23.05.2024



Organisasjonsnr: 923 166 211  
KNOT SHUTTLE TANKERS 42 AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating income	1	226 352 878	39 333 534
<b>Sum inntekter</b>		<b>226 352 878</b>	<b>39 333 534</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer			
Voyage related expenses		8 793 729	1 497 555
Crew-hire	2	87 354 104	38 794 738
Ordinary depreciation	3	33 367 425	13 892 254
Other operating expenses		50 680 205	16 948 570
Administration	2	22 911 352	6 443 264
<b>Sum kostnader</b>		<b>211 447 090</b>	<b>80 005 378</b>
<b>Driftsresultat</b>		<b>14 905 789</b>	<b>-40 671 843</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	1 211 496	254 206
Foreign exchange gain/loss		1 301 911	1 835 204
<b>Sum finansinntekter</b>		<b>2 513 407</b>	<b>2 089 411</b>
Financial expenses	4	97 325 321	24 997 700
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<b>Netto finans</b>		<b>-94 811 914</b>	<b>-22 908 289</b>
<b>Ordinært resultat før skattekostnad</b>			
Taxes	5	-79 906 125	-63 580 133
<b>Ordinært resultat etter skattekostnad</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Årsresultat</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-79 906 125</b>	<b>-63 580 133</b>
<b>Totalresultat</b>		<b>-79 906 125</b>	<b>-63 580 133</b>



Organisasjonsnr: 923 166 211  
KNOT SHUTTLE TANKERS 42 AS

## BALANSE

**Beløp i: NOK** **Note** **2023** **2022**

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

#### Varige driftsmidler

Vessel	3	1 319 759 665	1 361 529 813
Vessel under construction	3		
<b>Sum varige driftsmidler</b>		<b>1 319 759 665</b>	<b>1 361 529 813</b>
<b>Sum anleggsmidler</b>		<b>1 319 759 665</b>	<b>1 361 529 813</b>

#### Omløpsmidler

#### Varer

Inventories	6	2 934 045	15 971 448
<b>Sum varer</b>		<b>2 934 045</b>	<b>15 971 448</b>

#### Fordringer

Other short-term receivables		4 694 179	12 108 125
Konsernfordringer			9 559 927
Krav på innbetaling av selskapskapital			17 668 194
<b>Sum fordringer</b>		<b>4 694 179</b>	<b>39 336 246</b>

#### Bankinnskudd, kontanter og lignende

Bank deposits	7	26 832 814	24 963 244
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>26 832 814</b>	<b>24 963 244</b>
<b>Sum omløpsmidler</b>		<b>34 461 038</b>	<b>80 270 938</b>

**SUM EIENDELER** **1 354 220 704** **1 441 800 751**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

#### Innskutt egenkapital

Share capital	8	30 000	30 000
Overkurs		1 036	1 036
Annen innskutt egenkapital		262 845 944	224 124 285
<b>Sum innskutt egenkapital</b>		<b>262 876 980</b>	<b>224 155 321</b>

#### Other equity

**Sum egenkapital** **8, 9** **262 876 980** **224 155 321**

#### Gjeld



<b>Langsiktig gjeld</b>		
<b>Annen langsiktig gjeld</b>		
Gjeld til		
kredittinstitusjoner	10	1 069 256 139
<b>Sum annen langsiktig gjeld</b>		<b>1 128 367 787</b>
<b>Sum langsiktig gjeld</b>		<b>1 128 367 787</b>
<b>Kortsiktig gjeld</b>		
Leverandørgjeld		4 405 004
Tax payable	9	
Kortsiktig konserngjeld		4 200 849
Accrued interest		7 207 208
Payables to related parties		2 914 997
Other current liabilities		3 359 526
<b>Sum kortsiktig gjeld</b>		<b>22 087 584</b>
<b>Sum gjeld</b>		<b>1 091 343 724</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 354 220 704</b>



Organisasjonsnr: 923 166 211  
KNOT SHUTTLE TANKERS 42 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



 Admincontrol

## List of Signatures Page 1/1

### 67S2 KNOT Shuttle Tankers 42 AS 2023.pdf

Name	Method	Signed at
Domyo, Takashi	BANKID	2024-02-23 12:40 GMT+01
Seglem, Trygve	BANKID	2024-02-23 08:15 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-02-23 08:11 GMT+01



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External reference: 74A282DDCF73457D88A722CA3F9003AF



**KNOT** Knutsen  
NYK Offshore  
Tankers

## KNOT Shuttle Tankers 42 AS

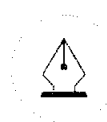
### Annual Report 2023



M/T “Sindre Knutsen”



Knutsen  
Group



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## KNOT SHUTTLE TANKERS 42 AS

### REPORT OF THE BOARD OF DIRECTORS 2023

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.

#### The company's activity

The Company took delivery of the 124 000 DWT LNG Fueled DP 2 shuttle tanker M/T Sindre Knutsen from Daewoo Shipbuilding & Marine Engineering Co- Ltd. in August 2022. The vessel is able to reduce emissions of CO2 equivalents significantly compared to conventional oil-fueled shuttle tankers, through using LNG as the primary fuel and further utilizing the energy recovered from volatile organic compounds. There is also installed a battery package to save energy during DP operation.

The vessel has been operated in the spot market during the mobilization and final testing phase after delivery in South Korea before the vessel was delivered 3 September 2023 on the time charter contract to Eni Trading and Shipping S.p.A. for a five-year charter agreement with charterers option to extend the fixed period for two additional periods each of twenty-four months plus one additional period of twelve months and will be operate in the North Sea.

#### Result for the year

The operating result for KNOT Shuttle Tankers 42 AS was NOK 14 905 789 in 2023 compared to a loss of NOK 40 671 843 in 2022. After net financial loss of NOK 94 811 914 in 2023, against a loss of NOK 22 908 289 in 2022, the loss of the year was NOK 79 906 125 in 2023 compared to a loss of NOK 63 580 133 in 2022.

The Board of Directors propose to cover the loss of the year by other paid in equity.

Total cash flow for operational activities was minus NOK 39 495 886 in 2023 compared to minus NOK 22 265 028 in 2022. The liquidity position was NOK 26 832 814 as per 31.12.2023 compared to NOK 24 963 244 as per 31.12.2022.

The company's short-term debts per 31.12.2023 was 2.0 % of total debt (7.3 % in 2022).

Total capital was by the end of the year NOK 1 354 220 704, compared to NOK 1 441 800 751 the year before. The equity-share as of 31.12.2023 was 19 % compared to 16 % per 31.12.2022.

The financial accounts are made on the assumption of a going concern. 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.

#### 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 company vessel consists of modern ships which are designed and engineered for safe,



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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 2023.

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 accounts for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that can be found here [www.knutsenoas.com](http://www.knutsenoas.com) and the report is updated minimum one time per year.

## Future prospects

M/T Sindre Knutsen started operating on a long-term charter with Eni Trading and Shipping S.p.A. for a fixed period of five years in September 2023 and the company and manager expect that the long-term lease contract of the VRU unit onboard the vessel to VOCIC could start up in first half of 2024. The charterers and trading area is well known for the manager and the Board of Directors. Based on the operation of the vessel in 2023, the long-term financing of the vessel and the long-term charter-party of the vessel, the Board of Directors of KNOT Shuttle Tankers 42 AS expects 2024 to be a satisfactory year for the vessel and the company.

Haugesund, February 23, 2024

Trygve Seglem  
*Chairman of the Board*

Takashi Domyo  
*Member of the Board*

Karl Gerhard Bråstein Dahl  
*Member of the Board*



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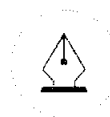
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**KNOT Shuttle Tankers 42 AS**

**Profit & Loss Account**

	<u>Note</u>	<b>2023</b>	<b>2022</b>
<b><u>Operating Income</u></b>			
Operating income	1	226 352 878	39 333 534
<i>Total Operating income</i>		<u>226 352 878</u>	<u>39 333 534</u>
<b><u>Operating Expenses</u></b>			
Commissions		8 793 729	1 497 555
Voyage related expenses		87 354 104	38 794 738
Crew-hire	2	33 367 425	13 892 254
Other operating expenses		22 911 352	6 443 264
Administration	2	8 340 276	2 428 997
<i>Total Operating Expenses</i>		<u>160 766 885</u>	<u>63 056 808</u>
Ordinary depreciation	3	50 680 205	16 948 570
<i>Operating Result</i>		<u>14 905 789</u>	<u>-40 671 843</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	1 211 496	254 206
Foreign exchange gain/loss		1 301 911	1 835 204
Financial expenses	4	-97 325 321	-24 997 700
<i>Net Financial Items</i>		<u>-94 811 914</u>	<u>-22 908 289</u>
<i>Result before taxes</i>		<u>-79 906 125</u>	<u>-63 580 133</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>-79 906 125</u>	<u>-63 580 133</u>



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**KNOT Shuttle Tankers 42 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
Vessel	3	1 319 759 665	1 361 529 813
<i>Total Fixed Assets</i>		<u>1 319 759 665</u>	<u>1 361 529 813</u>
<u>Current Assets</u>			
Inventories	6	2 934 045	15 971 448
Other short-term receivables		4 694 179	12 108 125
Intercompany receivables		0	9 559 927
Receivables from related parties		0	17 668 194
Bank deposits	7	26 832 814	24 963 244
<i>Total Current Assets</i>		<u>34 461 038</u>	<u>80 270 938</u>
<i>TOTAL ASSETS</i>		<u>1 354 220 704</u>	<u>1 441 800 751</u>



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**KNOT Shuttle Tankers 42 AS**  
**Balance Sheet as of 31. December**

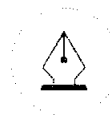
<b>Shareholders Equity and Liabilities</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Equity</b>			
Share capital	8	30 000	30 000
Share premium		1 036	1 036
Other paid-in capital		262 845 944	224 124 285
<i>Total capital paid-in</i>		<b>262 876 980</b>	<b>224 155 321</b>
Other equity		0	0
<i>Total Shareholders' Equity</i>	8, 9	<b>262 876 980</b>	<b>224 155 321</b>
<b>Long Term Debt</b>			
Liabilities to financial institutions	10	1 069 256 139	1 128 367 787
<i>Total Long Term Debt</i>		<b>1 069 256 139</b>	<b>1 128 367 787</b>
<b>Current Liabilities</b>			
Trade payables		4 405 004	13 478 564
Accrued interest		7 207 208	6 925 624
Intercompany liabilities		4 200 849	60 712 029
Payables to related parties		2 914 997	3 287 462
Other current liabilities		3 359 526	4 873 964
<i>Total Current Liabilities</i>		<b>22 087 584</b>	<b>89 277 644</b>
<i>Total liabilities</i>		<b>1 091 343 724</b>	<b>1 217 645 431</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1 354 220 704</b>	<b>1 441 800 751</b>

Haugesund, February 23, 2024

Trygve Seglem  
chairman of the board

Karl Gerhard Bråstein Dahl  
member of the board

Takashi Domyo  
member of the board



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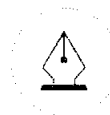


## KNOT Shuttle Tankers 42 AS

### 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.

	2023	2022
Result before tax	-79 906 125	-63 580 133
· Ordinary depreciation	50 680 205	16 948 570
-· Profit loss on foreign exchange liabilities to fin. institutions	8 232 197	833 691
· Financial expenses - liabilities to financial institutions	1 008 427	350 877
= Total generated from operations	-19 985 296	-45 446 995
· Net received on current assets	47 679 470	-49 966 611
· Net received on current liabilities	-67 190 060	73 148 578
<b>Net cashflow from operations</b>	<b>-39 495 886</b>	<b>-22 265 028</b>
<u>Cashflow from investments</u>		
Payments for vessel under construction and conversion	0	-968 622 948
Upgrading of vessel	-8 910 057	0
<b>Net cashflow from investments</b>	<b>-8 910 057</b>	<b>-968 622 948</b>
<u>Cashflow from financing</u>		
Proceeds from liabilities to financial institutions	0	1 031 028 152
Repayment of liabilities to financial institutions	-68 352 272	-15 863 709
Equity received - group contribution received	118 627 785	0
<b>Net cashflow from financing</b>	<b>50 275 513</b>	<b>1 015 164 443</b>
<b>Net cashflow for the year</b>	<b>1 869 570</b>	<b>24 276 466</b>
· Bank deposits per 01.01.	24 963 244	686 778
<b>= Bank deposits per 31.12.</b>	<b>26 832 814</b>	<b>24 963 244</b>



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## KNOT Shuttle Tankers 42 AS

### Notes to the Financial Statement 31.12.2023

#### 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

The vessel was built at Daewoo Shipbuilding & Marine Engineering Co. Ltd., in South Korea, and delivered 30 August 2022. It is a LNG Fuelled DP 2 shuttle tanker of 124 000 DWT. The vessel has been chartered to Uni Trading and Shipping S.p.A. on a five year time charter agreement with charters option to extend the fixed period for two additional periods each of twenty-four months plus one additional period of twelve months. The contract involves operations in North Europe.

The income from the time charter contract is received in united states dollars, 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 GTP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from related crewing companies in accordance with separate crewing agreements.

	2023	2022
Grants crew expenses	-2 212 540	660 006

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.

	2023	2022
Auditors remuneration (excl. VAT):		
Audit	57 750	31 500

#### 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 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, in connection with certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with 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.

	2023	2022
<b>Vessel</b>		
Historical value 01.01.	1 347 600 841	0
Accumulated depreciation and impairment 01.01.	14 890 066	0
Book value 01.01.	1 332 710 775	0
Delivery of vessel for operation	0	1 347 600 841
Additions	8 910 057	0
Annual depreciation	44 504 693	14 890 066
Book value 31.12.	1 297 116 140	1 332 710 775

	2023	2022
<b>Dry-docking</b>		
Historical value 01.01.	30 877 542	0
Accumulated depreciation and impairment 01.01.	2 058 504	0
Capitalised dry-docking 01.01.	28 819 038	0
Delivery of vessel for operation - allocation of cost	0	30 877 542
Annual depreciation	6 175 512	2 058 504
Book value 31.12.	22 643 526	28 819 038
<b>Total book value vessel 31.12.</b>	<b>1 319 759 665</b>	<b>1 361 529 813</b>



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#### 4 Financial Income and Expenses

	2023	2022
<b>Financial Income:</b>		
Other interest income	1 211 496	254 206
<b>Financial Expenses:</b>		
Interest expenses to group companies	3 162 383	706 655
Interest expenses	87 379 146	21 856 636
Other financial expenses	619 412	321 968
Guarantee fee to group companies	6 164 380	2 112 440
Total financial expenses	97 325 321	24 997 700

#### 5 Tax

The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

We classify the tonnage tax as an operating expense.

#### Specification on the temporary differences:

	31.12.2023	Change	31.12.2022
Loss carried forward	-23 079 726	7 072 973	-16 006 753
Temporary differences	-23 079 726	7 072 973	-16 006 753
Calculated deferred tax	5 077 540	-1 556 054	3 521 486
Deferred tax in balance	0	0	0

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

#### Tax cost

	2023	2022
Net financial items	-94 811 914	-22 908 289
Non-taxable currency gain	-1 546 701	-1 797 276
Non-deductible interest	89 285 641	21 693 540
Deductible financial items	0	-7 963 015
Income supplement for high equity ratio	0	0
Taxable income before loss carried forward	-7 072 973	-10 975 040
Loss carried forward	7 072 973	10 975 040
Taxable income	0	0
Tax payable	0	0
Change deferred tax (tax benefit)	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses	109 226	48 392

#### 6 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube oil	2 934 045	2 734 687
Bunker	0	13 236 761
Total inventory	2 934 045	15 971 448

#### 7 Bank deposits

According to the loan agreement the company is restricted to keep a cash balance of at least USD 500 000. Which equals NOK 5 101 250 as of 31.12.2023.

#### 8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity 01.01.	30 000	1 036	224 124 285	0	224 155 321
Group contribution received	0	0	118 627 785	0	118 627 785
Result for the year	0	0	-79 906 125	0	-79 906 125
Equity 31.12.	30 000	1 036	262 845 944	0	262 876 980

Share capital consist of 1,000 shares à NOK 30.

The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. 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 Siglem controls TS Shipping Invest AS, which owns 50 % of the parent company Knutsen NYK Offshore Tankers AS.



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## 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.

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 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	
				2023	2022
Mortgage debt	USD	114 531 250	9.4306	1 080 100 188	1 140 220 263
Debt issuance cost				-10 844 049	-11 852 476
Liabilities to financial institutions				1 069 256 139	1 128 367 787

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument 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 revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate.

	2023	2022
Foreign exchange gain/loss not taken over profit and loss (i.e. off-balance):	-88 404 800	-57 549 593

### Amounts due within 12 months of the balance sheet date:

Mortgage debt	60 120 168	60 120 168
Debt issuance cost	-1 008 427	-1 008 427
Liabilities to financial institutions	59 111 741	59 111 741

### Repayment profile:

0 - 12 months	6 375 000	6 375 000
13 - 24 months	6 375 000	6 375 000
25 - 36 months	6 375 000	6 375 000
37 - 48 months	6 375 000	6 375 000
49 - 60 months	6 375 000	6 375 000
After 60 months	82 656 250	89 031 250
	114 531 250	120 906 250

The exchange rate at the year-end	USD/NOK	10.2025	9.9066
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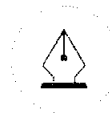
Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 1 320 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	Currency	2023	2022
Outstanding fixed interest rate swaps	USD	43 750 000	0
Mark to market valuation	USD	364 724	0



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Ernst & Young AS

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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 42 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 42 AS (the Company), which comprise the balance sheet as at 31 December 2023, 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 2023 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



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, 23 February 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus Hegertun Birkeland  
State Authorized Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers 42 AS 2023

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

## Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

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Skatteetaten

Vår dato 25.01.2020	Din/Deres dato 20.12.2019	Saksbehandler Erik Østby
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 48133581
Org.nr 974761076	Vår referanse 2020/5001106	Postadresse Postboks 9200 Grønland 0134 OSLO

U.off. offl. § 13, sktvl. § 3-1

TS SHIPPING INVEST AS  
Postboks 2017  
5504 HAUGESUND

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til TS Shipping Invest AS søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende konsernselskaper:

Selskapsnavn	Org.nr.
KNOT Shuttle Tankers 40 AS	923 822 070
KNOT Shuttle Tankers 41 AS	923 166 343
KNOT Shuttle Tankers 42 AS	923 166 211
Norspan LNG 16 AS	923 594 779
Norspan LNG 17 AS	923 594 736
Norspan LNG 18 AS	923 594 744
Norspan LNG 19 AS	923 594 760
Norspan LNG 20 AS	923 594 701
Norspan LNG 21 AS	923 991 824
ACE Norway as	919 018 755

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering 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.

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

Fra søknaden siteres:

"TS Shipping Invest AS ønsker å omfatte flere av selskapene i konsernet til å kunne utarbeide regnskaper og årsberetning på engelsk fra og med regnskapsåret 2019. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.



Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Aksjonærstrukturen er begrenset. Noen av selskapene eies 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V.

De aller fleste av selskapenes kunder og leverandører og andre brukere har engelsk som sitt naturlige språk/forretningsspråk. Dette gjelder også konsernets långivere.

Utarbeidelse av årsregnskap på to språk innebærer en vesentlig kostnad for konsernet uten synlig gevinst."

### Skattekontorets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En vesentlig andel av selskapenes eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.



Med hilsen

Roar Thorbjørnsen  
Underdirektør  
Innsats, storbedrift  
Skatteetaten

Erik Østby

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