



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 999 328 024  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 12 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: 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: 11.03.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*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, 24.03.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Administration	6, 10	292 606	442 701
<b>Sum kostnader</b>		<b>292 606</b>	<b>442 701</b>
<b>Driftsresultat</b>		<b>-292 606</b>	<b>-442 701</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	86 896 366	49 153 981
Foreign exchange gain/loss		16 984	38 523
<b>Sum finansinntekter</b>		<b>86 913 350</b>	<b>49 192 504</b>
Financial expenses	4	7 153	7 630
<b>Sum finanskostnader</b>		<b>7 153</b>	<b>7 630</b>
<b>Netto finans</b>		<b>86 906 197</b>	<b>49 184 874</b>
<b>Ordinært resultat før skattekostnad</b>		<b>86 613 591</b>	<b>48 742 173</b>
Taxes	10		
<b>Ordinært resultat etter skattekostnad</b>		<b>86 613 591</b>	<b>48 742 173</b>
<b>Årsresultat</b>		<b>86 613 591</b>	<b>48 742 173</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>86 613 591</b>	<b>48 742 173</b>
<b>Totalresultat</b>		<b>86 613 591</b>	<b>48 742 173</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	10		
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	3	117 335 883	117 335 883
<b>Sum finansielle anleggsmidler</b>		<b>117 335 883</b>	<b>117 335 883</b>
<b>Sum anleggsmidler</b>		<b>117 335 883</b>	<b>117 335 883</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables	7	2 515	13 117
Konsernfordringer		1 596	
<b>Sum fordringer</b>		<b>4 111</b>	<b>13 117</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	2	299 086	703 189
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>299 086</b>	<b>703 189</b>
<b>Sum omløpsmidler</b>		<b>303 197</b>	<b>716 306</b>
<b>SUM EIENDELER</b>		<b>117 639 080</b>	<b>118 052 189</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	5, 8, 11	132 000	132 000
Overkurs		7 208 767	7 208 767
<b>Sum innskutt egenkapital</b>		<b>7 340 767</b>	<b>7 340 767</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>Opptjent egenkapital</b>			
Other equity		107 098 701	106 955 937
Udekket tap	5		
<b>Sum opptjent egenkapital</b>		<b>107 098 701</b>	<b>106 955 937</b>
<b>Sum egenkapital</b>	5	<b>114 439 469</b>	<b>114 296 704</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Tax payable	10	2 224 482	2 780 603
<b>Sum avsetninger for forpliktelser</b>		<b>2 224 482</b>	<b>2 780 603</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>2 224 482</b>	<b>2 780 603</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	7	12 676	53 806
Tax payable	10	556 121	695 151
Kortsiktig konserngjeld		179 761	
Other current liabilities	10	226 571	225 925
<b>Sum kortsiktig gjeld</b>		<b>975 129</b>	<b>974 882</b>
<b>Sum gjeld</b>		<b>3 199 612</b>	<b>3 755 485</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>117 639 080</b>	<b>118 052 189</b>



## Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 28.06.2013	Var dato 05.08.2013
Telefon 22078139	Deres referanse Geir Tore Henriksen	Var referanse 2009/867030

TS SHIPPING INVEST AS  
Postboks 2017  
5504 HAUGESUND

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

Det vises til deres brev av 28. juni 2013 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

<b>KNOT Shuttle Tankers 12 AS</b>	<b>org. nr. 999 328 024</b>
<b>KNOT FSO AS</b>	<b>org. nr. 911 772 531</b>
<b>KNOT FSO 1 AS</b>	<b>org. nr. 911 778 165</b>
<b>KNOT FSO 2 AS</b>	<b>org. nr. 911 782 189</b>

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

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

### Bakgrunn

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

### Skattedirektoratets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	Besøksadresse: Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org.nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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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 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 denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er 50 % eid av et selskap som er innvilget dispensasjon og 50 % av et nederlandsk selskap. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Johanne Stolt-Nielsen  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Kinden Helleland



## **KNOT Shuttle Tankers 12 AS Annual Report 2020**



**M/T "Fortaleza Knutsen"      M/T "Recife Knutsen"**

**KNOT**  
Offshore Partners LP



**KNOT SHUTTLE TANKERS 12 AS**  
**REPORT OF THE BOARD OF DIRECTORS**  
**2020**

KNOT Shuttle Tankers 12 AS is the limited partner of Knutsen Shuttle Tankers XII KS and has no other business activities. The limited partnership owns and charter out M/T Fortaleza Knutsen and M/T Recife Knutsen; two afra-max purpose built offshore loading tankers, which was delivered in 2011. The limited partnership has a total partnership capital of NOK 44.5 million all called and paid in. The limited partner participates with a capital of NOK 40.1 million, equivalent to 90% of the total partnership capital.

The company operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS in Haugesund manage the company on a daily basis in accordance with a separate management agreement.

**The limited partnership's activities**

The limited partnerships two afra-max shuttle tankers, delivered from COSCO Nantong Shipyard in Shanghai in 2011, were chartered to Transpetro in Brazil on 12-year bareboat CP agreements from delivery at yard.

KNOT Management AS is operating the vessels on behalf of the charterer.

**Profit for the year**

The operating loss for KNOT Shuttle Tankers 12 AS was NOK 292 606 in 2020, against a loss of NOK 442 701 the previous year. After net financial profit of NOK 86 906 197 (NOK 49 184 874 in 2019), and a tax expense of NOK 0 (NOK 0 in 2019), the result for the year was NOK 86 613 591 compared to NOK 48 742 173 the previous year.

The investment in the limited partnership is presented by the cost method. The company have received NOK 86 891 337 in dividend included in the profit and loss in 2020.

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

The company's ability to finance its investments is good.

The company's short-term debt per 31.12.2020 was 38 % of total debt (26 % in 2019) including the tax payable. The financial position is strong.

Total capital was by the end of the year NOK 117 639 080, compared to NOK 118 052 189 the year before. The equity share as of 31.12.2020 was 97 %, as the equity



share was 97 % per 31.12.2019. The company have paid-out dividends during the year which amounted to NOK 86 470 827 (NOK 71 632 500 in 2019).

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.

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

There are no indications that the company pollutes the external environment significantly, and the Board of Directors considers the working conditions as satisfactory.

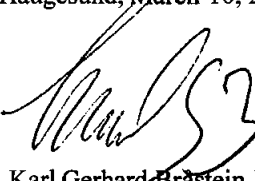
The company have no employees and thus no working environment. The company aims to be workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men.

#### **Future prospects**

The limited partnerships vessels are on long term bare-boat contracts to Transpetro and are financed long term. The Board has every reason to believe that 2021 will be a satisfactory year for the company and the limited partnership.

Haugesund, March 10, 2021

  
Trygve Seglem  
Chairman of the Board

  
Karl Gerhard Bråstein Dahl  
Member of the Board

  
Takashi Domyo  
Member of the Board



**KNOT Shuttle Tankers 12 AS**

**Profit & Loss Account**

	Note	2020	2019
<b><u>Operating Expenses</u></b>			
Administration	6, 10	292 606	442 701
<i>Total Operating Expenses</i>		<u>292 606</u>	<u>442 701</u>
<i>Operating Result</i>		<u>-292 606</u>	<u>-442 701</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	86 896 366	49 153 981
Foreign exchange gain/loss		16 984	38 523
Financial expenses	4	-7 153	-7 630
<i>Net Financial Items</i>		<u>86 906 197</u>	<u>49 184 874</u>
<i>Result before taxes</i>		<u>86 613 591</u>	<u>48 742 173</u>
Taxes	10	0	0
<i>Result for the year</i>		<u>86 613 591</u>	<u>48 742 173</u>



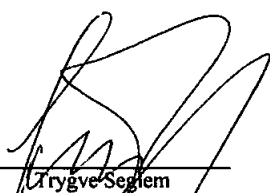
**KNOT Shuttle Tankers 12 AS**  
**Balance Sheet as of 31. December**

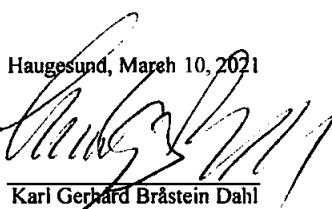
<u>Assets</u>	Note	2020	2019
<b><u>Fixed assets</u></b>			
Investments in other group companies	3	117 335 883	117 335 883
<i>Total Fixed Assets</i>		<u>117 335 883</u>	<u>117 335 883</u>
<b><u>Current Assets</u></b>			
Receivables	7	2 515	13 117
Current receivables group		1 596	0
Bank deposits	2	299 086	703 189
<i>Total Current Assets</i>		<u>303 197</u>	<u>716 306</u>
<b>TOTAL ASSETS</b>		<u>117 639 080</u>	<u>118 052 189</u>

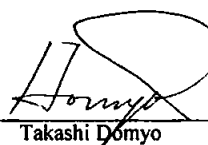


**KNOT Shuttle Tankers 12 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2020	2019
<b>Equity</b>			
Share capital	5, 8, 11	132 000	132 000
Share premium		7 208 767	7 208 767
<i>Total capital paid-in</i>		<u>7 340 767</u>	<u>7 340 767</u>
Other equity		107 098 701	106 955 937
<i>Total Shareholders' Equity</i>	5	<u>114 439 469</u>	<u>114 296 704</u>
<b>Non Current Liabilities</b>			
Tax payable	10	2 224 482	2 780 603
<i>Total Long Term Debt</i>		<u>2 224 482</u>	<u>2 780 603</u>
<b>Current Liabilities</b>			
Accounts payable	7	12 676	53 806
Tax payable	10	556 121	695 151
Current liabilities group		179 761	0
Other current liabilities	10	226 571	225 925
<i>Total Current Liabilities</i>		<u>975 129</u>	<u>974 882</u>
<i>Total liabilities</i>		<u>3 199 612</u>	<u>3 755 485</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>117 639 080</u>	<u>118 052 189</u>

  
Trygve Segtem  
chairman of the board

Haugesund, March 10, 2021  
  
Karl Gerhard Bråstein Dahl  
member of the board

  
Takashi Domyo  
member of the board



**KNOT SHUTTLE TANKERS 12 AS**

**CASH FLOW STATEMENT**

	<b>2020</b>	<b>2019</b>
<b><u>Cashflow from operations</u></b>		
Total generated from operations 1)	86 613 591	48 742 173
Change in working capital	148 283	24 037 768
Paid entrance tax	-695 151	-908 436
Net cashflow from operations	<u>86 066 723</u>	<u>71 871 505</u>
<b><u>Cashflow from investments</u></b>		
Net cashflow from investments	<u>0</u>	<u>0</u>
<b><u>Cashflow from financing</u></b>		
Paid-out dividend/group contribution	-86 470 827	-71 632 500
Net cashflow from financing	<u>-86 470 827</u>	<u>-71 632 500</u>
Net change in cashflow for the period	-404 104	239 005
+ Cash balance per 01.01.	<u>703 189</u>	<u>464 185</u>
<b>= Cash Balance per 31.12.</b>	<u><b>299 086</b></u>	<u><b>703 189</b></u>
1) Generated from operations:		
The result for the period before taxes	<u>86 613 591</u>	<u>48 742 173</u>
= Total generated from operations	<u>86 613 591</u>	<u>48 742 173</u>



## KNOT Shuttle Tankers 12 AS

### Notes to the Financial Statement 31.12.2020

#### 1 Accounting Principles

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

#### Current Assets/Current Liabilities

Current assets and liabilities include items that are due for payment within one year or tied to the operation of the vessel. Other items are classified as fixed assets/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. The fixed assets are valued to the lowest of the depreciated value and the market value unless the fall in value is assumed to be temporary. Long-term debt is stated at nominal value.

#### Tax

The company have elected to be taxed based on the Norwegian tonnage tax regime. The tonnage tax regime have a list of requirements that companies have to fulfill to qualify for election of the regime, such as minimum 3% direct or indirect ownership in vessels that perform transportation only. The company are restricted to what assets, liabilities and business they can participate in, and the same will apply for underlying companies and/or partnerships.

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

Tonnage tax is classified as an operating expense in the profit and loss statement.

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

#### Interests in limited partnerships

Interests in limited partnerships are presented by the cost method. As a result, the company's share of income is not included in the Profit and Loss Account.



## Related party transactions

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

## 2 Bank deposits

The company doesn't have restricted cash per 31.12.

## 3 Investments Knutsen Shuttle Tankers XII KS

The company owns 90 % of Knutsen Shuttle Tankers XII KS. This is the company's only activity.

Investments	Owner- and voting share	Equity 31.12 NOK.	Result NOK 2020
Knutsen Shuttle Tankers XII KS	90 %	187 961 711	107 692 256

In accounting the share is presented under the cost method. As a result, the company's share of income is not included in net income.

	2020	2019
Historical cost	117 335 883	117 335 883
Booked value	117 335 883	117 335 883

## 4 Financial Income and -Expenses

	2020	2019
<b>Financial Income:</b>		
Other interest income	5 029	11 263
Dividend from Knutsen Shuttle Tankers XII KS	86 891 337	49 142 718
Total financial expenses	86 896 366	49 153 981
	<b>2020</b>	<b>2019</b>
<b>Financial expenses:</b>		
Other financial expenses	7 153	7 630
Total financial expenses	7 153	7 630



## 5 Equity

Specification of the equity per 31.12

	Share capital	Share premium	Other equity	Total equity
Equity 1.1	132 000	7 208 767	106 955 937	114 296 704
Result of the year	0	0	86 613 591	86 613 591
Extraordinary dividend paid-out	0	0	-86 470 827	-86 470 827
Equity 31.12.	132 000	7 208 767	107 098 701	114 439 469

## 6 Remuneration

The company have not paid salary or any other remuneration, nor given any loan or guarantees to any leading person or board members during the year.

Auditor's fee (excl. VAT):	2020	2019
Auditing	19 402	18 575
Tax services	0	0
Other consulting services	0	0
	19 402	18 575

## 7 Balances with related parties

<u>Accounts payable</u>	2020	2019
KNOT Management AS	12 676	53 806

## 8 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company Knutsen NYK Offshore Tankers AS, which controls 27,84% of KNOT Offshore Partners LP.

KNOT Shuttle Tankers 12 AS is a 100% owned subsidiary of the sub-group KNOT Shuttle Tankers AS which is controlled 100% by KNOT Offshore Partners LP. Accounting for the Group can be obtained from the website, <http://knotoffshorepartners.com/>.

## 9 Employees

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.



## 10 Tax

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating results. There are however ordinary tax of 22% on the company's net financial income. At the same time the company is within the tonnage tax scheme, the tonnage tax is calculated, which in 2020 amounted to NOK 225 925 and in 2019 amounted to NOK 225 925. Tonnage tax is classified as an operating expense.

Temporary differences relating to financial items are assessed when calculating deferred tax / benefit, which is 22% of net temporary differences. The accounting treatment follows the general valuation rules for capitalization.

Purchase of the 90% part of Knutsen Shuttle Tankers XII KS in 2013 resulted in an entrance tax. 20% of the company was within the normal tax regime at the time of acquisition from related parties. This part is the basis for the entrance tax which is calculated as the difference between the market value and the tax value.

### Entrance tax

	<u>2020</u>	<u>2019</u>
Opening balance gain/loss account	12 639 109	15 798 887
Short-term tax payable basis (20%)	2 527 822	3 159 777
Long-term tax payable basis (80%)	10 111 288	12 639 109
Incoming balance long-term	2 780 604	3 475 755
Tax payable short-term in balance sheet	556 121	695 151
Tax payable long-term in balance sheet	2 224 483	2 780 604
<b>Tax costs calculated</b>	<b>0</b>	<b>0</b>

### Specification on the temporary differences:

	<u>31.12.2020</u>	<u>Change</u>	<u>31.12.2019</u>
Loss carried forward	-160 573 712	-4 750 337	-155 823 375
Temporary differences	-160 573 712	-4 750 337	-155 823 375
Calculated deferred tax	-35 326 217	-1 045 074	-34 281 143
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

	<u>2020</u>	<u>2019</u>
Financial Results	86 906 197	49 184 874
Dividend from underlying KS, not taxable	-84 284 597	-47 689 967
Part of taxable income in the underlying KS	-7 354 529	3 262 167
Non-deductible interest / taxable interest	-1 153	0
Foreign exchange gain/loss, not taxable	-16 254	-33 698
<b>Tax base prior losses carried forward</b>	<b>-4 750 337</b>	<b>4 723 375</b>
Change in tax losses carried forward	4 750 337	-4 723 375
<b>Base for tax payable</b>	<b>0</b>	<b>0</b>
<b>Tax costs calculated</b>	<b>0</b>	<b>0</b>



**11 Share capital**

Share capital consists of

	<b>Number of shares</b>	<b>Face value (NOK)</b>	<b>Balance post</b>
Ordinary shares	2400	55	132 000

The shareholders of the company are per 31.12.

	<b>Ordinary shares</b>	<b>Ownership %</b>	<b>Voting share</b>
KNOT Shuttle Tankers AS	100	100 %	100 %



Statsautoriserte revisorer  
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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 12 AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 12 AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of 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 on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,



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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 law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

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

## Report on other legal and regulatory requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 10 March 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant

Independent auditor's report - KNOT Shuttle Tankers 12 AS

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## Johan Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5997-4-729076

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