



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 997 006 968  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 15 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### 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: 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>Inntekter</b>			
Freight income	2	192 772 614	185 670 218
Commissions		-1 331 429	-1 276 294
Other Income		112 585	26 346
<b>Sum inntekter</b>		<b>191 553 770</b>	<b>184 420 270</b>
<b>Kostnader</b>			
Crew-hire	6	21 201 749	25 058 973
Ordinary depreciation	5	38 171 900	38 067 711
Ordinary depreciation - dry docking	5		
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		
Other operating expenses		14 832 213	14 466 477
Administration	9	6 386 960	5 952 829
<b>Sum kostnader</b>		<b>80 592 822</b>	<b>83 545 989</b>
<b>Driftsresultat</b>		<b>110 960 948</b>	<b>100 874 281</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	7	86 302	548 278
Foreign exchange gain/loss		967 812	1 955 387
<b>Sum finansinntekter</b>		<b>1 054 114</b>	<b>2 503 665</b>
Financial expenses	7	30 787 791	42 919 161
<b>Sum finanskostnader</b>		<b>30 787 791</b>	<b>42 919 161</b>
<b>Netto finans</b>		<b>-29 733 677</b>	<b>-40 415 496</b>
<b>Ordinært resultat før skattekostnad</b>		<b>81 227 271</b>	<b>60 458 785</b>
Taxes	13		
<b>Ordinært resultat etter skattekostnad</b>		<b>81 227 271</b>	<b>60 458 785</b>
<b>Årsresultat</b>		<b>81 227 271</b>	<b>60 458 785</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>81 227 271</b>	<b>60 458 785</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Totalresultat		81 227 271	60 458 785



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	13		
<b>Varige driftsmidler</b>			
Vessel	5, 10	603 608 623	639 076 308
<b>Sum varige driftsmidler</b>		<b>603 608 623</b>	<b>639 076 308</b>
<b>Sum anleggsmidler</b>		<b>603 608 623</b>	<b>639 076 308</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	4	963 619	1 232 709
<b>Sum varer</b>		<b>963 619</b>	<b>1 232 709</b>
<b>Fordringer</b>			
Receivables	8	3 835 572	4 364 260
Konsernfordringer	8	243 189	540
<b>Sum fordringer</b>		<b>4 078 760</b>	<b>4 364 800</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	3	24 268 571	27 180 185
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>24 268 571</b>	<b>27 180 185</b>
<b>Sum omløpsmidler</b>		<b>29 310 950</b>	<b>32 777 693</b>
<b>SUM EIENDELER</b>		<b>632 919 573</b>	<b>671 854 001</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	11, 12	200 000	200 000
Overkurs		24 896 683	40 248 031



### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum innskutt egenkapital</b>		<b>25 096 683</b>	<b>40 448 031</b>
<b>Opptjent egenkapital</b>			
Other equity		87 204 101	70 382 470
<b>Sum opptjent egenkapital</b>		<b>87 204 101</b>	<b>70 382 470</b>
<b>Sum egenkapital</b>	11	<b>112 300 784</b>	<b>110 830 501</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Deferred income	2		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	510 953 696	551 418 886
<b>Sum annen langsiktig gjeld</b>		<b>510 953 696</b>	<b>551 418 886</b>
<b>Sum langsiktig gjeld</b>		<b>510 953 696</b>	<b>551 418 886</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	8	3 754 638	1 267 357
Tax payable	13		
Kortsiktig konserngjeld		1 134 580	1 246 872
Accrued interest	10	2 822 515	5 490 559
Other current liabilities	8	1 953 362	1 599 826
<b>Sum kortsiktig gjeld</b>		<b>9 665 093</b>	<b>9 604 614</b>
<b>Sum gjeld</b>		<b>520 618 789</b>	<b>561 023 500</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>632 919 573</b>	<b>671 854 001</b>



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	17.11.2011	08.12.2011
Telefon	Deres referanse	Vår referanse
22078139	Jørn Knutsen	2009/867030

ERNST & YOUNG AS  
Postboks 20 Oslo Atrium  
0051 OSLO

## Dispensasjon fra kravet om å utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 17. november 2011 og telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

<b>Knutsen NYK Shuttle Tankers 8 AS</b>	<b>org. nr. 997 091 051</b>
<b>Knutsen NYK Offshore Tankers 1 AS</b>	<b>org. nr. 897 099 152</b>
<b>Knutsen Shuttle Tankers 13 AS</b>	<b>org. nr. 996 661 016</b>
<b>Knutsen Shuttle Tankers 14 AS</b>	<b>org. nr. 996 821 374</b>
<b>Knutsen Shuttle Tankers 15 AS</b>	<b>org. nr. 997 006 968</b>
<b>Knutsen NYK Shuttle Tankers 16 AS</b>	<b>org. nr. 997 404 009</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 engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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 fikk i vedtak (2010/867030) av 2. juni 2010 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.”

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		22 17 08 60



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 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 anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland



# Knutsen Shuttle Tankers 15 AS

## Annual Report 2020



M/T "Torill Knutsen"

**KNOT**  
Offshore Partners LP



## **KNUTSEN SHUTTLE TANKERS 15 AS**

### **REPORT OF THE BOARD OF DIRECTORS 2020**

Knutsen Shuttle Tankers 15 AS owns one 123,000 DWT Suez-max shuttle tanker, M/T Torill Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyard in South Korea in 2013.

The company 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.

#### **The company's activity**

M/T Torill Knutsen have been chartered to Eni Trading and Shipping S.p.A., for operation on the Goliat field offshore Norway from delivery at yard on a five-year TC agreement with 5 one-year options. The charterer has exercised their three first options.

#### **Result for the year**

The operating result for Knutsen Shuttle Tankers 15 AS was NOK 110 960 948 in 2020 compared to NOK 100 874 281 in 2019. After net financial loss of NOK 29 733 677 in 2020, against a loss of NOK 40 415 496 in 2019, the results of the year were NOK 81 227 271 in 2020 compared to NOK 60 458 785 in 2019.

The Board of Directors suggests the result for the year transferred to other equity. The Company have paid out extraordinary dividends in the total amount of NOK 79 756 988 during 2020.

Total cash flow from operating activities in the company was NOK 143 121 896, NOK 110 574 740 in 2019. The liquidity position was NOK 24 268 571 as per 31.12.2020 compared to NOK 27 180 185 as per 31.12.2019. The company's ability to finance its investments is good. The outstanding mortgage loan is at the end of 2020 USD 81 666 674.

The company's short-term debt per 31.12.2020 was 1.9 % of total debt (1.7 % in 2019).

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most the company's operating expenses and financial costs 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 to reduce the company's foreign exchange risk, and thereby operating related market risk.

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

Total capital was by the end of the year NOK 632 919 573, NOK 671 854 001 at the end of 2019. The equity-share as of 31.12.2020 was 18 %, compare to 16 % as of 31.12.2019.

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 a safety operation of ships are increasing, and both the company and the manager KNOT Management AS are concerned with an operational excellence. KNOT Offshore Partners Group's fleet consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ships are maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources to the quality assurance and there are strict requirements for safety systems and an operation of the ships.

The company is not aware of any significant pollution to the external environment, and the Board of Directors considers the working conditions onboard the ships as satisfactory. All the vessels are certified in accordance with both ISM code and the ISPS code.

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.

### Prospects

M/T Torill Knutsen is operated on a long-term charter with Eni Trading and Shipping S.p.A. where the fixed period ends in the 4<sup>th</sup> quarter of 2021. The charterer and trading area is well known for the manager and the Board of Directors. Based on the operation of the vessel in 2020, the new long term financing of the vessel and the Board of Directors expectation that the charterer will extend the charter-party of the vessel, the Board of Directors of Knutsen Shuttle Tankers 15 AS expects 2021 to be a satisfactory year for the vessel and the company.




Trygve Seglem  
Chairman of the Board

Haugesund, March 10, 2021



Karl Gerhard Bråstein Dahl  
Member of the Board



Takashi Domyo  
Member of the Board



## Knutsen Shuttle Tankers 15 AS

### Profit & Loss Account

	<u>Note</u>	2020	2019
<b><u>Operating Income</u></b>			
Freight income	2	192 772 614	185 670 218
Commissions		-1 331 429	-1 276 294
Other Income		112 585	26 346
<i>Total Operating income</i>		<u>191 553 770</u>	<u>184 420 270</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	6	21 201 749	25 058 973
Other operating expenses		14 832 213	14 466 477
Administration	9	6 386 960	5 952 829
<i>Total Operating Expenses</i>		<u>42 420 922</u>	<u>45 478 278</u>
Ordinary depreciation	5	38 171 900	38 067 711
<i>Operating Result</i>		<u>110 960 948</u>	<u>100 874 281</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	7	86 302	548 278
Foreign exchange gain/loss		967 812	1 955 387
Financial expenses	7	-30 787 791	-42 919 161
<i>Net Financial Items</i>		<u>-29 733 677</u>	<u>-40 415 496</u>
<i>Result before taxes</i>		<u>81 227 271</u>	<u>60 458 785</u>
Taxes	13	0	0
<i>Result for the year</i>		<u>81 227 271</u>	<u>60 458 785</u>



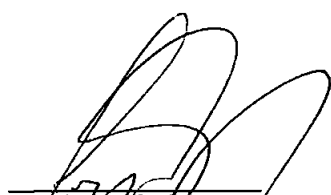
**Knutsen Shuttle Tankers 15 AS**  
**Balance Sheet as of 31. December**

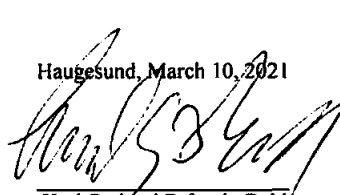
<u>Assets</u>	<u>Note</u>	2020	2019
<b><u>Fixed assets</u></b>			
Vessel	5, 10	603 608 623	639 076 308
<i>Total Fixed Assets</i>		<u>603 608 623</u>	<u>639 076 308</u>
<b><u>Current Assets</u></b>			
Inventories	4	963 619	1 232 709
Receivables	8	3 835 572	4 364 260
Current receivables group		243 189	540
Bank deposits	3	24 268 571	27 180 185
<i>Total Current Assets</i>		<u>29 310 950</u>	<u>32 777 693</u>
<b>TOTAL ASSETS</b>		<u>632 919 573</u>	<u>671 854 001</u>

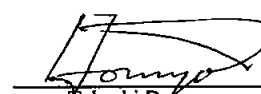


**Knutsen Shuttle Tankers 15 AS**  
**Balance Sheet as of 31. December**

<b><u>Shareholders Equity and Liabilities</u></b>	<b><u>Note</u></b>	<b>2020</b>	<b>2019</b>
<b><u>Equity</u></b>			
Share capital	11, 12	200 000	200 000
Share premium		24 896 683	40 248 031
<i>Total capital paid-in</i>		<u>25 096 683</u>	<u>40 448 031</u>
Other equity		87 204 101	70 382 470
<i>Total Shareholders' Equity</i>	11	<u>112 300 784</u>	<u>110 830 501</u>
<b><u>Long Term Debt</u></b>			
Mortgage debt	10	510 953 696	551 418 886
<i>Total Long Term Debt</i>		<u>510 953 696</u>	<u>551 418 886</u>
<b><u>Current Liabilities</u></b>			
Accounts payable	8	3 754 638	1 267 357
Accrued interest	10	2 822 515	5 490 559
Current liabilities group		1 134 580	1 246 872
Other current liabilities	8	1 953 362	1 599 826
<i>Total Current Liabilities</i>		<u>9 665 093</u>	<u>9 604 614</u>
<i>Total liabilities</i>		<u>520 618 789</u>	<u>561 023 500</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>632 919 573</u>	<u>671 854 001</u>

  
Trygve Seglem  
chairman of the board

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

  
Takashi Dofnyo  
member of the board



**KNUTSEN SHUTTLE TANKERS 15 AS**

**CASHFLOW STATEMENT**

	<b>2020</b>	<b>2019</b>
Total generated from operations 1)	142 506 288	116 640 761
Change in working capital	<u>615 608</u>	<u>-6 066 021</u>
Net cashflow from operations	<u>143 121 896</u>	<u>110 574 740</u>
Additions/disposals	<u>-2 704 215</u>	<u>0</u>
Net cashflow from investments	<u>-2 704 215</u>	<u>0</u>
Paid installments on mortgage debt	-63 572 307	-58 505 144
Net group contribution/dividend paid-out	<u>-79 756 988</u>	<u>-58 211 635</u>
Net cashflow from financing	<u>-143 329 295</u>	<u>-116 716 779</u>
Net cashflow for the year	-2 911 614	-6 142 039
+ Cash balance per 01.01.	<u>27 180 185</u>	<u>33 322 224</u>
<b>= Cash Balance per 31.12.</b>	<b><u>24 268 571</u></b>	<b><u>27 180 185</u></b>

1) Generated from operations:

Result before tax	81 227 271	60 458 785
+Allocation of deferred debt issuance costs	1 596 126	1 670 438
+Realized profit/loss on foreign exchange	21 510 991	16 443 827
+Ordinary depreciation	<u>38 171 900</u>	<u>38 067 711</u>
= Total generated from operations	<u>142 506 288</u>	<u>116 640 761</u>



**KNUTSEN SHUTTLE TANKERS 15 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.

**Income**

The income from charter party is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

**Current Assets/Current Liabilities**

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

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recorded at nominal value at the time of the entering.

**Fixed Assets and Dry-Docking**

The total cost of the vessel is capitalised at delivery and depreciated to zero at the date 25 years after delivery.

Dry-docking expenses are capitalised and expensed over the period till the next dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2.5 year for vessels more than 15 years. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

The fixed assets are valued according to the lowest of the depreciated value and the market value unless the fall in value is assumed to be temporary.

**Transactions in Foreign Currency**

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

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

The debt is valued at the historical rate, to the extent that the future net nominal income flow exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Realized and unrealized profit and loss on foreign exchange are recorded as financial income / expenses.



## **Interest-bearing loan and borrowings**

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

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

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

## **Tax**

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

## **Cash flow statement**

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

## **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 ship management services for the Company's vessel. Ship management fee includes services like technical management, crewing management, IT and energy management.



## 2 Contracts

The company has secured employment of the vessel, M/T Torill Knutsen, with a 5 year fix time charter contract with 5 one year options to Eni Trading and Shipping S.p.A. (the 100% owned shipping and trading subsidiary of Eni) from delivery November, 2013. On April 17, 2020, Eni exercised two of its one-year options to extend the time charter until November 2022. Eni now has the option to extend the time charter by two one-year periods until November 2024.

KNOT Management AS operates as a manager on behalf of the company and the vessel in accordance with management agreements.

## 3 Bank deposits

The company doesn't have locked-up bank funds per 31.12.

## 4 Inventories

Inventories refer to lube oil as per 31.12.

## 5 Fixed Assets

<u>Vessel</u>	<u>2020</u>	<u>2019</u>
Historical value 1.1.	821 542 854	821 542 854
Accumulated depreciation 1.1.	202 395 104	169 520 000
Book value 1.1.	619 147 750	652 022 854
Additions/Disposals	2 704 215	0
Annual depreciation	32 973 146	32 875 104
Book value 31.12.	588 878 819	619 147 750

The economic life of the vessels is estimated to 25 years, and is depreciated accordingly.

<u>Dry-docking</u>	<u>2020</u>	<u>2019</u>
Capitalised dry-docking	26 495 370	26 495 370
Accumulated depreciation dry-docking 1.1.	6 566 813	1 374 206
Capitalised dry-docking 1.1.	19 928 558	25 121 164
Annual depreciation	5 198 754	5 192 607
Book value 31.12.	14 729 804	19 928 558
Total vessel	603 608 623	639 076 308

## 6 Salary and social costs

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from Knutsen OAS Shipping AS.

<u>Specification:</u>	<u>2020</u>	<u>2019</u>
Grants crew expenses	-5 980 550	-6 798



## 7 Financial Income and -Expenses

	<u>2020</u>	<u>2019</u>
<b>Financial Income:</b>		
Other interest income	86 302	548 278
Total financial income	<u>86 302</u>	<u>548 278</u>
<b>Financial expenses:</b>		
Interest expenses	26 715 129	38 511 057
Guarantee expenses group companies/related parties	3 857 503	3 863 379
Other financial expenses	215 158	544 725
Total financial expenses	<u>30 787 791</u>	<u>42 919 161</u>

## 8 Related party balances

	<u>2020</u>	<u>2019</u>
<u>Current receivables</u>		
Knutsen OAS Shipping AS	0	130 931
KNOT Management AS	0	770 169
Knutsen OAS Crewing AS	0	107 581
	<u>0</u>	<u>1 008 681</u>
<u>Accounts payable</u>		
Knutsen OAS Shipping AS	2 321 451	0
Knutsen OAS Crewing AS	1 105	0
KNOT Management AS	216 699	161 417
	<u>2 539 255</u>	<u>161 417</u>
<u>Other current liabilities</u>		
KNOT Shuttle Tankers 23 AS	0	13 125

## 9 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.

	<u>2020</u>	<u>2019</u>
Auditors remuneration (excl. VAT):		
Audit	37 638	36 033
Other services besides audit	0	0
	<u>37 638</u>	<u>36 033</u>

## 10 Mortgage Debt and Financial Instruments

<u>31.12.2020</u>	<u>USD</u>	<u>Historical rate</u>	<u>Rate per 31.12</u>	<u>NOK</u>
USD-loan	81 666 674	7,7101	6,3092	515 250 282
Deferred debt issuance costs				-4 296 586
				<u>510 953 696</u>
Current portion:				
USD-loan	6 666 664			42 061 227
Deferred debt issuance costs				-1 509 244
				<u>40 551 983</u>



31.12.2019	USD	Historical rate	Rate per 31.12	NOK
USD-loan	88 333 338	7,7101	6,3092	557 311 598
Deferred debt issuance costs				-5 892 712
				<u>551 418 886</u>
Current portion:				
USD-loan	6 666 664			42 061 234
Deferred debt issuance costs				-1 596 131
				<u>40 465 103</u>

Estimated outstanding debt per year end 2025 is USD 48 million.

The USDNOK exchange rate at the year-end was 8,5375 (8,8176 in 2019).

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in USD (cash flow hedge). Loans in USD are used as hedging instrument. The profit and loss impact of the hedging instrument (loan in USD) is presented together with the hedged risk. This implies that realized currency gain/losses on the loans are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed contracts in USD exceed debt in USD. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate. Per 31.12.2020 the not recorded foreign exchange loss (i.e. off-balance) is NOK 182 million compared to a loss of NOK 222 million as per 31.12.2019.

Security for the loan is made through a first priority mortgage in the vessel, transportation of income and insurances, pledged bank deposits, factoring agreement, and guarantees from the owner.

Book value of mortgaged assets is NOK 633 million (NOK 672 million in 2019).

## 11 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other equity	Total equity
Equity 01.01.	200 000	40 248 031	70 382 470	110 830 501
Extraordinary dividend paid-out	0	-15 351 348	-64 405 640	-79 756 988
Result for the year	0	0	81 227 271	81 227 271
Equity 31.12.	<u>200 000</u>	<u>24 896 683</u>	<u>87 204 101</u>	<u>112 300 784</u>

Share capital consist of 100 shares à NOK 2 000, all the shares is owned by KNOT Shuttle Tankers AS.

The company is controlled 100% by KNOT Offshore Partners LP. Accounting for the Group can be obtained from the webside, <http://knotoffshorepartners.com/>.

## 12 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.



## 13 Tax

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating income. However it is calculated an annual tax of 22% on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which amounted to NOK 117 959 (NOK 117 959 in 2019). Tonnage tax is classified as an operating expense.

The company should meet certain requirements to be within the scheme, such as only ownership of ship/ shares in the shipping companies, and only own certain types of financial assets.

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

	<u>31.12.2020</u>	<u>Change</u>	<u>31.12.2019</u>
Loss carried forward	-58 855 485	-5 471 790	-53 383 695
Basis for deferred tax (benefit)	-58 855 485	-5 471 790	-53 383 695
Deferred tax (benefit)	<u>0</u>	<u>0</u>	<u>0</u>

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.

Taxable result tonnage tax scheme:

	<u>2020</u>	<u>2019</u>
Net financial result	-29 733 676	-40 415 496
Non deductible currency loss	-1 482 096	-2 214 125
Interest deduction	25 743 983	37 154 782
Taxable income before loss carried forward	-5 471 790	-5 474 839
Change in loss carried forward	5 471 790	5 474 839
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Change in deferred tax	<u>0</u>	<u>0</u>
Tax expense	<u>0</u>	<u>0</u>



Statsautoriserte revisorer  
Ernst & Young AS

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

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

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen Shuttle Tankers 15 AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 15 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  
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*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant

Independent auditor's report - Knutsen Shuttle Tankers 15 AS

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## Johan Nordby

Statsautorisert revisor

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