



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 914 750 326  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 31 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: 25.02.2021

### 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, 27.03.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
Freight income			
<b>Kostnader</b>			
Crew-hire	8	950 751	
Nedskrivning av varige driftsmidler og immaterielle eiendeler	10		
Other operating expenses		112 199	
Administration	5	1 854 288	203 625
<b>Sum kostnader</b>		<b>2 917 237</b>	<b>203 625</b>
<b>Driftsresultat</b>		<b>-2 917 237</b>	<b>-203 625</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	3 787	17 565
Foreign exchange gain/loss		1 367 190	-255 741
<b>Sum finansinntekter</b>		<b>1 370 977</b>	<b>-238 176</b>
Financial expenses	4	141 954	1 134 270
<b>Sum finanskostnader</b>		<b>141 954</b>	<b>1 134 270</b>
<b>Netto finans</b>		<b>1 229 023</b>	<b>-1 372 446</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-1 688 214</b>	<b>-1 576 071</b>
Taxes	9		
<b>Ordinært resultat etter skattekostnad</b>		<b>-1 688 214</b>	<b>-1 576 071</b>
<b>Årsresultat</b>		<b>-1 688 214</b>	<b>-1 576 071</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-1 688 214</b>	<b>-1 576 071</b>
<b>Totalresultat</b>		<b>-1 688 214</b>	<b>-1 576 071</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel under construction	2, 10	171 892 475	99 416 764
<b>Sum varige driftsmidler</b>		<b>171 892 475</b>	<b>99 416 764</b>
<b>Sum anleggsmidler</b>		<b>171 892 475</b>	<b>99 416 764</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables	11	1 446 895	1 899 436
Konsernfordringer			5 157 270
<b>Sum fordringer</b>		<b>1 446 895</b>	<b>7 056 706</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	3	8 646 066	462 841
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>8 646 066</b>	<b>462 841</b>
<b>Sum omløpsmidler</b>		<b>10 092 962</b>	<b>7 519 547</b>
<b>SUM EIENDELER</b>		<b>181 985 437</b>	<b>106 936 311</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		100 000	100 000
Annen innskutt egenkapital		177 824 511	101 328 795
<b>Sum innskutt egenkapital</b>		<b>177 924 511</b>	<b>101 428 795</b>
Other equity			

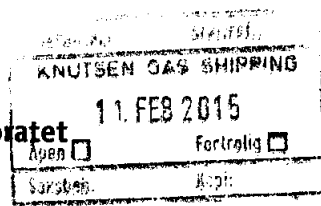


### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum egenkapital</b>	6, 7	<b>177 924 511</b>	<b>101 428 795</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	9		
Utsatt inntekt	10		
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	5		
Other long term liabilities	5		
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	2 512 560	155 753
Tax payable	9		
Kortsiktig konserngjeld		1 544 366	5 342 794
Other current liabilities		4 000	8 969
<b>Sum kortsiktig gjeld</b>		<b>4 060 925</b>	<b>5 507 515</b>
<b>Sum gjeld</b>		<b>4 060 925</b>	<b>5 507 515</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>181 985 437</b>	<b>106 936 311</b>



Skattedirektoratet



Saksbehandler  
Torstein Kinden Helleland

Deres dato  
30.01.2015

Vår dato  
09.02.2015

Telefon  
22078139

Deres referanse  
Geir Tore Henriksen

Vår referanse  
2015/87104

KNUTSEN OAS SHIPPING AS  
Postboks 2017  
5504 HAUGESUND

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

Det vises til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 30 AS	org. nr. 914 716 527
KNOT Shuttle Tankers 31 AS	org. nr. 914 750 326
Knutsen Technology AS	org. nr. 991 517 553
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 28 GP AS	org. nr. 914 450 160
KNOT Shuttle Tankers 28 LP AS	org. nr. 914 450 063
KNOT Shuttle Tankers 27 AS	org. nr. 914 021 456
KNOT Shuttle Tankers 29 AS	org. nr. 914 450 055
KNOT FSO 2 AS	org. nr. 814 450 112
KNOT Shuttle Tankers 24 AS	org. nr. 914 012 902
KNOT Shuttle Tankers 25 AS	org. nr. 914 006 600
KNOT Shuttle Tankers 26 AS	org. nr. 914 021 251

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010, TS Shipping Invest AS samt en rekke navngitte datterselskap dispensasjon fra kravet om å utarbeide årsregnskap og -beretning på norsk språk. Konsernet ønsker nå å søke om samme dispensasjon for ytterligere et antall selskap som inngår i konsernet. Alle selskapene inngår i konsernregnskapet til TS Shipping Invest AS. Selskapene det søkes om dispensasjon for er enten eid 100 % av TS Shipping Invest AS, eller 50 % av TS Shipping Invest AS og 50 % av det nederlandske selskapet NYK Logistics Holding (Europe) B.V. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



**Skattedirektoratets vurdering og konklusjon**

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

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

De samme fakta og argument for dispensasjon foreligger i denne søknaden som ble vurdert ved innvilgelse av dispensasjon for konsernspissen og enkelte søsterselskap. Selskapenes aktivitet er knyttet til en internasjonal bransje hvor engelsk språk benyttes både internt i selskapene samt mot aksjonærer, og i kommunikasjon med eksterne forretningspartnere. Videre er eierkretsen begrenset.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

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



**KNOT** Knutsen  
NYK Offshore  
Tankers

## KNOT Shuttle Tankers 31 AS

### Annual Report 2020



M/T “ Tuva Knutsen ”



Knutsen  
Group



NYK GROUP



## **KNOT SHUTTLE TANKERS 31 AS**

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

KNOT Shuttle Tankers 31 AS took delivery of M/T Tuva Knutsen, one 152,000 DWT suez-max DP2 shuttle tanker constructed and delivered from COSCO (Zhoushan) Shipyard Co., Ltd. in China.

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**

M/T Tuva Knutsen will be chartered to Total Shipping Brazil B.V. when arriving Singapore on a five year with one optional period of three years plus three additional optional period of two years plus one additional optional period of one year in charters option. The vessel will be operated on Total's Brazilian offshore oil field.

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

The operating result for KNOT Shuttle Tankers 31 AS was minus NOK 2 917 237 in 2020 compared to NOK 203 625 in 2019. After net financial result of NOK 1 229 023 in 2020, against a loss of NOK 1 372 446 in 2019, the loss of the year was NOK 1 688 214 in 2020 compared to a loss of NOK 1 576 071 in 2019.

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

The liquidity position was NOK 8 646 066 as per 31.12.2020 compared to NOK 462 841 as per 31.12.2019.

The company's short term debts per 31.12.2020 was 100 % of total debt (100% in 2019).

Total capital was by the end of the year NOK 181 985 437, compared to NOK 106 936 311 the year before. The equity share as of 31.12.2020 was 98 %, compared to 95 % per 31.12.2019.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the construction contract is denominated in USD. The company has not entered into any forward contracts or other agreements in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

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 the 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 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.


The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of vessels. There are no indications that the company pollutes the external environment significantly, and the board of directors considers the working conditions as satisfactory. All certificates are valid. The new-building will be certified in accordance with both the ISM and ISPS codes.

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.

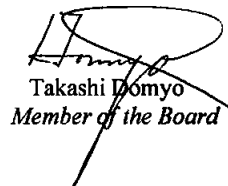
### **Future prospects**

The vessel was delivered from yard February 1<sup>st</sup>, 2021 and started the mobilization for startup at the long-term time-charter contract with Total for operation in Brazil. The vessel was financed long term before delivery and the Board of Directors expect the operation in Brazil will give the company stable profit over years to come.

Haugesund, February 24, 2021



Trygve Segtem  
*Chairman of the Board*



Takashi Domyo  
*Member of the Board*



Karl Gerhard Bråstein Dahl  
*Member of the Board*



**KNOT Shuttle Tankers 31 AS**

**Profit & Loss Account**

	<u>Note</u>	2020	2019
<b><u>Operating Income</u></b>			
Freight income		0	0
<b><u>Operating Expenses</u></b>			
Crew-hire	8	950 751	0
Other operating expenses		112 199	0
Administration	5	1 854 288	203 625
<i>Total Operating Expenses</i>		<u>2 917 237</u>	<u>203 625</u>
<i>Operating Result</i>		<u>-2 917 237</u>	<u>-203 625</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	3 787	17 565
Foreign exchange gain/loss		1 367 190	-255 741
Financial expenses	4	-141 954	-1 134 270
<i>Net Financial Items</i>		<u>1 229 023</u>	<u>-1 372 446</u>
<i>Result before taxes</i>		<u>-1 688 214</u>	<u>-1 576 071</u>
Taxes	9	0	0
<i>Result for the year</i>		<u>-1 688 214</u>	<u>-1 576 071</u>




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

<u>Assets</u>	<u>Note</u>	<b>2020</b>	<b>2019</b>
<b><u>Fixed assets</u></b>			
Vessel under construction	<b>2, 10</b>	<u>171 892 475</u>	<u>99 416 764</u>
<i>Total Fixed Assets</i>		<u>171 892 475</u>	<u>99 416 764</u>
<b><u>Current Assets</u></b>			
Receivables	<b>11</b>	1 446 895	1 899 436
Group contributions		0	5 157 270
Bank deposits	<b>3</b>	<u>8 646 066</u>	<u>462 841</u>
<i>Total Current Assets</i>		<u>10 092 962</u>	<u>7 519 547</u>
<b>TOTAL ASSETS</b>		<u>181 985 437</u>	<u>106 936 311</u>

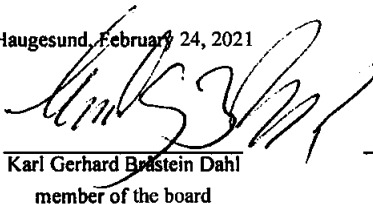


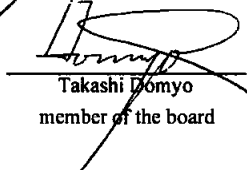
**KNOT Shuttle Tankers 31 AS**  
Balance Sheet as of 31. December

<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		100 000	100 000
Other paid-in equity		177 824 511	101 328 795
<i>Total capital paid-in</i>		<u>177 924 511</u>	<u>101 428 795</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	6, 7	<u>177 924 511</u>	<u>101 428 795</u>
<b><u>Current Liabilities</u></b>			
Accounts payable	11	2 512 560	155 753
Current liabilities group		1 544 366	5 342 794
Other current liabilities		4 000	8 969
<i>Total Current Liabilities</i>		<u>4 060 925</u>	<u>5 507 515</u>
<i>Total liabilities</i>		<u>4 060 925</u>	<u>5 507 515</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>181 985 437</u>	<u>106 936 311</u>

  
Trygve Seglem  
chairman of the board

Haugesund, February 24, 2021

  
Karl Gerhard Bråstein Dahl  
member of the board

  
Takashi Domyo  
member of the board



**KNOT Shuttle Tankers 31 AS**

**CASHFLOW STATEMENT**

	<b>2020</b>	<b>2019</b>
Total generated from operations 1)	-1 688 214	-1 576 071
Change in working capital	-994 050	3 365 556
Net cashflow from operations	<u>-2 682 264</u>	<u>1 789 485</u>
<u>Cashflow from investments</u>		
Invested in vessel under construction	-72 475 711	-98 448 025
Net cashflow from investments	<u>-72 475 711</u>	<u>-98 448 025</u>
<u>Cashflow from financing</u>		
Group contribution	83 341 200	97 092 840
Net cashflow from financing	<u>83 341 200</u>	<u>97 092 840</u>
Net cashflow for the year	8 183 225	434 300
+ Cash balance per 01.01.	462 841	28 541
<b>= Cash Balance per 31.12.</b>	<b><u>8 646 066</u></b>	<b><u>462 841</u></b>

1) Generated from operations:

Result before tax	-1 688 214	-1 576 071
= Total generated from operations	<u>-1 688 214</u>	<u>-1 576 071</u>



## KNOT Shuttle Tankers 31 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

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

Yard instalments paid on newbuildings are gradually recorded as fixed assets as the instalments are paid. All costs regarding construction supervision, construction financing (including building loan interest, arrangement fees, provision of guarantees), purchases beyond the yard contract regarding the individual contract are also registered.

Newbuilding contracts are valued in accordance with the lower value of capitalized value and fair value (including TC contracts entered by the newbuilding), if the loss is not considered as temporary.

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

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.

## Tax

The company is 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 liquid deposits.

## **2 Contracts**

The newbuilding, named M/T Tuva Knutsen, was delivered in February 2021 and have been long term financed with a USD 87 million syndicated loan facility. The delivery instalment for the vessel was USD 82 million and the remaining instalment of USD 7.5 million is due three years after delivery. The vessel are on her way to Brazil after vetting, bunkering and up storage in Singapore. Before leaving Singapore the vessel started on the long term time-charter contract.

The company has secured employment of the vessel with a 5 year fix time charter contract with charters option to extend the contract with up to 10 years to Total Shipping Brazil B.V. from arriving Singapore in the 1st quarter of 2021.

KNOT Management AS is appointed as manager for the company. The company has signed a contract regarding a construction supervision of the newbuildings with Knutsen OAS Shipping AS.

## **3 Bank deposits**

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



#### 4 Financial Income and -Expenses

	<u>2020</u>	<u>2019</u>
<b>Financial Income:</b>		
Other interest income	3 787	17 565
Total financial income	<u>3 787</u>	<u>17 565</u>
<b>Financial expenses:</b>		
Interest expenses to group companies/related parties	131 822	1 125 264
Other financial expenses	10 132	9 006
Total financial expenses	<u>141 954</u>	<u>1 134 270</u>

#### 5 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.

Auditors remuneration (excl. VAT):	<u>2020</u>	<u>2019</u>
Audit	15 375	0
Tax advice	0	0
Other services besides audit	0	0
	<u>15 375</u>	<u>0</u>

#### 6 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100 000	101 328 795	0	101 428 795
Group contribution, net	0	78 183 930	0	78 183 930
Result for the year	0	-1 688 214	0	-1 688 214
Equity 31.12.	<u>100 000</u>	<u>177 824 511</u>	<u>0</u>	<u>177 924 511</u>

Share capital consist of 1,000 shares à NOK 100

Knutsen NYK Offshore Tankers AS owns 89% of the shares in the company and KNOT Shuttle Tankers 23 AS owns 11% of the shares in the company as of December 31, 2020. Knutsen NYK Offshore Tankers AS has bought all the shares in the company in January 2021. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

#### 7 Shares Owned by Board Members and Affiliates

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

#### 8 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.



## 9 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 0. 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.

### Specification on the temporary differences:

	<u>31.12.20</u>	<u>Change</u>	<u>31.12.19</u>
Loss carried forward	-6 881 724	3 601 310	-3 280 414
Temporary differences	-6 881 724	3 601 310	-3 280 414
Calculated deferred tax	1 513 979	-792 288	721 691
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>
Net financial Items	1 229 023	-1 372 446
Non-taxable currency gain	-1 283 846	237 117
Non-deductible interest	123 786	1 044 247
Deductible financial items	-4 017 259	-3 416 239
Income supplement for high equity ratio	346 986	226 904
Taxable income before loss carried forward	-3 601 310	-3 280 416
Loss carried forward	3 601 310	3 280 416
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0

## 10 Fixed Assets

### Vessel under construction

	<u>2020</u>	<u>2019</u>
Book value 01.01.	99 416 764	968 739
Additions	72 475 711	98 448 025
Book value 31.12.	171 892 475	99 416 764

## 11 Balances with related parties

	<u>2020</u>	<u>2019</u>
<u>Receivables</u>		
Knutsen O.A.S Shipping AS	0	1 161 727
	0	1 161 727
<u>Accounts Payable</u>		
Knutsen O.A.S Shipping AS	219 440	0
TS Shipping Invest AS	293	0
Knutsen O.A.S Crewing AS	36 870	0
	256 603	0



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of KNOT Shuttle Tankers 31 AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 31 AS, which comprise the balance sheet as at 31 December 2020, the profit & loss account, and statements of cash flows and 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) are 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, 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.

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## 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, 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.

Independent auditor's report - KNOT Shuttle Tankers 31 AS

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### 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, 25 February 2021  
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*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)

Penneo Dokumentnr: DECLK-Y18GD-NSB41-X0U3Y-2KC3E-FAF8L

Independent auditor's report - KNOT Shuttle Tankers 31 AS

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