



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	996 124 916
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNOT MANAGEMENT AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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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:	27.02.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 30.05.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income		229 934 884	202 270 973
Sum inntekter		229 934 884	202 270 973
Kostnader			
Employee benefits expense	1, 7	118 702 556	101 323 461
Ordinary depreciation	2		1 343 526
Administration	1	34 430 556	17 035 094
Sum kostnader		153 133 111	119 702 081
Driftsresultat		76 801 772	82 568 891
Finansinntekter og finanskostnader			
Financial income	3	9 367 969	1 667 447
Foreign exchange gain/loss		3 391 672	-107 209
Sum finansinntekter		12 759 640	1 560 238
Financial expenses	3	32 302	16 752
Sum finanskostnader		32 302	16 752
Netto finans		12 727 338	1 543 486
Ordinært resultat før skattekostnad		89 529 111	84 112 377
Taxes	4	18 301 683	18 436 292
Ordinært resultat etter skattekostnad		71 227 428	65 676 085
Årsresultat		71 227 428	65 676 085
Årsresultat etter minoritetsinteresser		71 227 428	65 676 085
Totalresultat		71 227 428	65 676 085



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	1 240 841	1 603 643
Sum immaterielle eiendeler		1 240 841	1 603 643
Finansielle anleggsmidler			
Investering i datterselskap	5	7 528 598	557 268
Lån til foretak i samme konsern		95 305 743	55 194 239
Sum finansielle anleggsmidler		102 834 341	55 751 507
Sum anleggsmidler		104 075 183	57 355 150
Omløpsmidler			
Varer			
Spare parts	2		
Fordringer			
Other receivables		8 064 529	6 120 896
Current receivables group		19 740 833	48 994 787
Konsernfordringer	7	10 042 472	5 000 450
Sum fordringer		37 847 834	60 116 133
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	6	22 706 829	33 876 799
Sum bankinnskudd, kontanter og lignende		22 706 829	33 876 799
Sum omløpsmidler		60 554 664	93 992 932
SUM EIENDELER		164 629 846	151 348 082

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2022	2021
Share capital 100 a kr. 1 000		100 000	100 000
Overkurs		2 250	2 250
Annen innskutt egenkapital		30 199 731	30 199 731
Sum innskutt egenkapital		30 301 981	30 301 981
Opptjent egenkapital			
Other equity		7 625 943	
Sum opptjent egenkapital		7 625 943	
Sum egenkapital	8	37 927 924	30 301 981
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		5 467 783	4 353 410
Betalbar skatt			
Public duties payable		552 976	883 969
Utbytte		81 540 366	84 348 256
Kortsiktig konserngjeld	7	34 598 493	26 317 028
Other short term liabilities		4 542 305	5 143 438
Sum kortsiktig gjeld		126 701 922	121 046 101
Sum gjeld		126 701 922	121 046 101
SUM EGENKAPITAL OG GJELD		164 629 846	151 348 082



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Name	Method	Signed at
Domyo, Takashi	BANKID	2023-02-24 12:46 GMT+01
Seglem, Trygve	BANKID	2023-02-24 12:03 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-02-24 12:03 GMT+01



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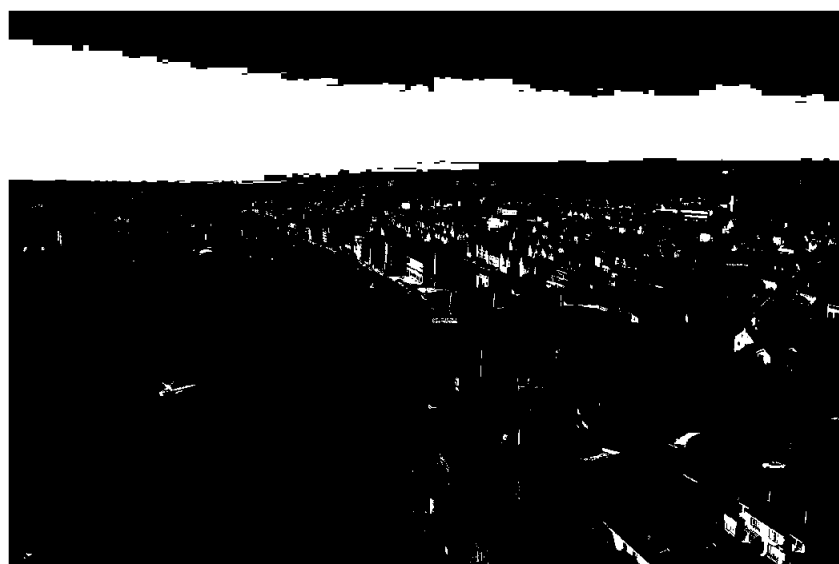
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KNOT Knutsen
NYK Offshore
Tankers

KNOT Management AS

Annual Report 2022



Knutsen
Group



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KNOT MANAGEMENT AS

Annual Report 2022

KNOT Management AS is the main management company of Knutsen NYK Offshore Tankers Group operating out of Haugesund, Norway. The company is responsible for the operation of group companies and group vessels as well as vessels and companies owned by the related KNOT Shuttle Tankers Group. The company has subsidiaries in Copenhagen, Denmark and Rio de Janeiro, Brazil.

Profit for the year

Total operating income was NOK 229 934 884, compared to NOK 202 270 973 in 2021. The operating result was NOK 76 801 772 compared to NOK 82 568 891 in 2021. Result for the year was NOK 71 227 428 (NOK 65 676 085 in 2021).

The Board of Directors recommends that the tax result for the year is transferred as a tax-deductible group contribution with equity effect of NOK 63 601 485 to the owner taken from this year's profit and transfer the rest of the accounting profit to other equity.

Total cash flow from operating activities in the company was NOK 113 289 792, compared to NOK 59 101 854 in 2021.

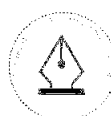
The company's cash on deposits as per 31.12.22 was NOK 22 706 829 (NOK 33 876 799 as per 31.12.21). Total short-term debt amounted to 100 % of total debt and liabilities, same as in 2021. Total assets as per 31.12.22 were NOK 164 629 846 compared to NOK 151 348 082 the year before. The equity ratio as per 31.12.2022 was 23 % (20 % in 2021).

The Board of Directors confirm that the Financial Statements give a true picture of the company's assets and liabilities, financial position and results and have been prepared under the assumption of going concern. The Board confirms the assumption of going concern.

The activities of the company

The main activity of the company has been the operation of the 26 vessels that the company has under management (three new buildings delivered and one old vessels sold during the year). In addition, there has been a very active year for projects and business development for new vessels and new contracts and construction of newbuilding's. The Board of Directors expresses its recognition for a job well done through 2022 by the crews onboard the vessels, the shipyard site offices, the subsidiaries in Copenhagen and Rio de Janeiro and by the onshore administration in Haugesund.

The Group operates a fleet of specialized shuttle tankers and two floating storage and off-take units mainly on time charter contracts, bare-boat contracts and CoA to first class charterers. This strategy combined with a strong knowledge in project management and well-run operations have led to the group becoming one of the world leading operators of advanced offshore shuttle tankers.



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The group's first shuttle tankers were ordered in 1984. Since then, KNOT Management AS has been a leader in the technical development of shuttle tankers. The company is operating 24 shuttle tankers and 2 FSO's at year end. The vessels transport oil from several offshore oil fields in the Northern Europe and Brazil. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality operations.

Offshore loading and dynamic positioned tanker vessels are the Group's main strategic focus and the Group is actively involved in the technical development of this type of tankers.

Equal opportunity

The shipping business is a traditional business and a very male dominated one. In recent years the Company has had a special focus on recruitment of women. We want our working environment both in the offices and on our managed vessels to reflect our equality and discrimination statement. In order to achieve a more balanced workforce with equal opportunities, we need to pay special attention to applicants of all genders without being unfair to anyone. We have made some adjustments and changes to our recruitment process to achieve a more gender balanced workforce:

- Make job posting more inclusive – Focus on the job descriptions on the expectations of the role. Use more straightforward job titles and descriptions. Be aware of the language and use words that are compatible with family life such as; flexible, work from home, medical benefits.
- Share stories of women who are succeeding across all levels in the organization – On Knutsen Group LinkedIn and in Knutsen Group magazine Knut'n.
- Make Knutsen an attractive place to work – Visit universities for relationship building and show the career opportunities we can offer. Make the Company more visible both at the high school and university level by participation in career fairs and student arrangements. Employer branding and tailor-made messages out is a key factor.
- Planning for the future – Build a gender- diverse recruiting strategy for the future. Make goals for improvement for the company. Invite to a focus group where this is on the agenda. Involve the organization in talking about the subject and create awareness and accountability.

The company has at the year-end at average 36 employees, up from 34 the year before. The Group aims to be a workplace where there is no discrimination related to gender, ethnicity, religion or disability. The Group aims to avoid gender discrimination regarding salary, promotion and recruiting, and this is included in the company's policies. The company has traditionally recruited from environments equally dominated by both men and women for its land-based activity, while there is a generally male dominated environment for applicants and recruitment of crew onboard the vessels. In total, the share of women is 28 %. The members of the Board of Directors are all men. There have not been taken out any board of directors' liability insurance.

Environment, safety and quality control

Shipping is being subjected to ever-stricter environmental and safety requirements, and both the company and the Group, have joint objectives concerning high quality of the operation of the vessels. The company's fleet consists of vessels of high technical standards where all of the vessels have double hull.

The company and the manager place considerable emphasis on safety and quality control, and strict requirements are put on safety and the systems for operation of the vessels.



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There are no indications that the company pollutes the external environment significantly.

The company has established overall guidelines to ensure that:

- The group activities shall be executed professionally and in accordance with national and international rules and regulations as well as internal and external standards and proactive actions shall be taken to avoid injuries, loss of life and material damages.
- The Group's operations shall be planned and attention shall be taken in connection with executing activities and operations so that the environmental consequences are minimized.

The group HSSE & QA system is in accordance with international requirements and standards, and the company maintains all necessary certificates for its operation of activities. The management company is certified according to the ISO9001, ISO 14001 and OHSAS 18001 standard. Special attention is placed on preventive activities. Any deviation from implemented procedures is reported and processed in the Group's HSSE & QA system.

The company has an active approach regarding implementation and development of technology for reducing emissions to water and air. The company is using the KVOC technology developed by Knutsen VOC KS for reducing VOC emissions in connection with loading of shuttle tankers offshore on the Norwegian Continental Shelf where there are strict requirements for handling of such VOC emissions. This system is now accepted for use on the Norwegian Continental Shelf. Knutsen Ballastwater AS has developed a ballast water treatment concept, KBAL and the majority of the KNOT Management Group managed fleet have installed ballast water treatment systems at the end of 2022.

Sick leave in 2022 at 5,0%. The increase from last year is due to cases of serious illness and not work related.

The working environment, both on land and aboard the vessels, is considered to be good and above industry average. We had no significant accidents or incidents in 2022, and we also achieved our objectives for the year in health and safety.

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

Future prospects

The Board of Directors regards the future prospects for the company as promising. With its modern fleet, substantial contract coverage and a qualified staff the company is well prepared to meet future challenges.

The company actively works on a number of new projects for which the company has strong expectations. Thus, the Board of Directors has every reason to believe that 2023 will be a satisfactory year for the company and the subsidiaries in Copenhagen and Rio de Janeiro. The Board of Directors will however point out that there is considerable uncertainty in connection with future prospects. Such developments could affect the number of new offshore projects and the overall outlook for the production of oil, which could eventually and in turn impact the demand and pricing for shuttle tankers.



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Haugesund, February 24, 2023

Trygve Seglem
Chairman of the Board/CEO

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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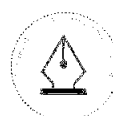
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KNOT Management AS

Profit & Loss Account

	<u>Note</u>	2022	2021
<u>Operating Income</u>			
Operating income		229 934 884	202 270 973
Total Operating Income		<u>229 934 884</u>	<u>202 270 973</u>
<u>Operating Expenses</u>			
Employee benefits expense	1, 7	118 702 556	101 323 461
Administration	1	34 430 556	17 035 094
Total Operating expenses		<u>153 133 111</u>	<u>118 358 555</u>
Operating profit before depreciation		<u>76 801 772</u>	<u>83 912 417</u>
Ordinary depreciation	2	0	1 343 526
Total depreciation		<u>0</u>	<u>1 343 526</u>
Operating Result		<u>76 801 772</u>	<u>82 568 891</u>
<u>Financial Income and Expenses</u>			
Financial income	3	9 367 969	1 667 447
Foreign exchange gain/loss		3 391 672	-107 209
Financial expenses	3	-32 302	-16 752
Net financial items		<u>12 727 338</u>	<u>1 543 486</u>
Result before taxes		<u>89 529 111</u>	<u>84 112 377</u>
Taxes	4	18 301 683	18 436 292
Result for the year		<u>71 227 428</u>	<u>65 676 085</u>



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KNOT Management AS

Balance Sheet as of 31. Desember

<u>Assets</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Fixed Assets</u>			
Deferred tax asset	4	1 240 841	1 603 643
Investments in subsidiaries	5	7 528 598	557 268
Loans to group companies		95 305 743	55 194 239
Total Fixed Assets		<u>104 075 183</u>	<u>57 355 150</u>
<u>Current Assets</u>			
Current receivables other related parties	7	10 042 472	5 000 450
Other receivables		8 064 529	6 120 896
Current receivables group		19 740 833	48 994 787
Cash and bank deposits	6	22 706 829	33 876 799
Total Current Assets		<u>60 554 664</u>	<u>93 992 932</u>
TOTAL ASSETS		<u>164 629 846</u>	<u>151 348 082</u>



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KNOT Management AS

Balance Sheet as of 31. Desember

<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>	<u>Note</u>	2022	2021
<u>Equity</u>			
Share capital 100 a kr. 1 000		100 000	100 000
Share premium		2 250	2 250
Other paid-in capital		30 199 731	30 199 731
Total capital paid-in		<u>30 301 981</u>	<u>30 301 981</u>
Other equity		7 625 943	0
Total Shareholders' Equity	8	<u>37 927 924</u>	<u>30 301 981</u>
<u>Current Liabilities</u>			
Trade creditors		5 467 783	4 353 410
Public duties payable		552 976	883 969
Short-term liabilities related parties	7	31 296 204	26 317 028
Other liabilities group		3 302 289	0
Group contribution		81 540 366	84 348 256
Other short term liabilities		4 542 305	5 143 438
Total Current Liabilities		<u>126 701 922</u>	<u>121 046 101</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>164 629 846</u>	<u>151 348 082</u>

Haugesund, February 24, 2023,

Trygve Seglem
Chairman of the Board/CEO

Karl Gerhard Bråstein Dahl
Board member

Takashi Domyo
Board member



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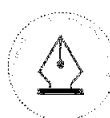


KNOT Management AS

CASHFLOW STATEMENT

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

	2022	2021
Result before tax	89 529 111	84 112 377
+ Ordinary depreciation	0	1 343 526
-Reversal Write-down subsidiaries	-6 971 330	0
= Total generated from operations	<u>82 557 781</u>	<u>85 455 903</u>
+ Net received on current assets	22 268 297	-32 070 043
+ Net received on current liabilities	<u>8 463 712</u>	<u>5 715 994</u>
Net cashflow from operations	<u>113 289 790</u>	<u>59 101 854</u>
<u>Cashflow from investments</u>		
Loan to group company	<u>-40 111 504</u>	<u>20 942 331</u>
Net cashflow from investments	<u>-40 111 504</u>	<u>20 942 331</u>
<u>Cashflow from financing</u>		
Group contribution paid-out	<u>-84 348 256</u>	<u>-92 115 774</u>
Net cashflow from financing	<u>-84 348 256</u>	<u>-92 115 774</u>
Net cashflow for the year	-11 169 970	-12 071 589
+ Bank deposits per 01.01.	<u>33 876 799</u>	<u>45 948 388</u>
= Bank deposits per 31.12.	<u>22 706 829</u>	<u>33 876 799</u>



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KNOT Management AS

Notes to the Financial Statement 31.12.2022

Accounting Principles

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

Income

Income is recorded in line with the earning.

Transactions in Foreign Currency

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

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

Related party transactions

KNOT Management AS hires some services from Knutsen OAS Shipping AS by employees from Knutsen OAS Management AS and Knutsen OAS (UK) Ltd. The services will include hire of crew, HSSE and QA, insurance arrangements, purchasing, IT services, accounting and administration services including office premises. All services are accounted for at cost plus 10% profit margin.

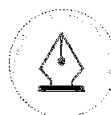
1 Employees and remuneration

The company has a contribution plan for it employees. The pension plans in the Norwegian companies meet the Norwegian requirements for a Mandatory Company Pension (OTP).

<u>Spesification:</u>	<u>2022</u>	<u>2021</u>
Salary	42 057 932	38 880 407
Employer's taxes	6 475 254	6 035 441
Pension costs	1 760 320	1 910 605
Hired personell	66 845 541	52 752 128
Other benefits	1 563 508	1 744 880
Total	<u>118 702 556</u>	<u>101 323 461</u>

Average number of employees in the administration of KNOT Management AS during 2022 was 36 (34 in 2021).

<u>Auditors remuneration (not including VAT):</u>	<u>2022</u>	<u>2021</u>
Audit	52 500	59 380
Tax advice	0	0
Other services besides audit	0	0
	<u>52 500</u>	<u>59 380</u>



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Benefits to executives	Chairman / CEO	Other board members
Salary	3 173 549	1 798 657
Other benefits	418 108	12 466

2 **Spare parts**

	2022	2021
Historical value 01.01.	4 860 358	4 860 358
Acc. Depreciation 01.01.	4 860 358	3 516 832
Book value 01.01.	0	1 343 526
Additions	0	0
Depreciation	0	1 343 526
Book value 31.12.	0	0

Spare parts are capitalized and depreciated linear over 3 years, which is expected lifetime.

3 **Financial Income and -Expenses**

	2022	2021
Financial Income:		
Dividends from subsidiaries	0	750 817
Reversal write-down shares	6 971 330	0
Interest from Group Companies	1 999 002	916 354
Other interest	397 636	276
Total financial income	9 367 969	1 667 447
Financial Expenses:		
Other interest expenses	3 551	0
Other financial expenses	28 751	16 752
Total financial income	32 302	16 752

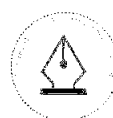
4 **Tax**

Taxable profit/loss is calculated based on the accounting profit/loss and the permanent and temporary differences that exist between accounting values and tax values at the end of the year.

Deferred tax is estimated on basis of the temporary differences in which exists between accounting related value and tax related value with the principal, additionally the taxable deficit carried forward

	2022	Change	2021
Temporary differences cars	-130 769	-32 692	-163 461
Temporary differences goodwill	-1 812 374	-453 093	-2 265 467
Temporary differences spareparts	-3 697 046	-1 163 312	-4 860 358
Basis deferred tax	-5 640 188	-1 649 098	-7 289 286
Deferred tax/(benefit) based on 22%	-1 240 841	-362 801	-1 603 643

Deferred tax assets are recognized in the balance based on the expectation of future earnings.



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Below is a specification of differences between the profit / loss for the year before tax and the basis for tax calculation:

	<u>2022</u>	<u>2021</u>
Results before tax	89 529 111	84 112 377
Change in temporary differences	-1 649 098	546 926
Permanent differences	-6 339 648	-311 047
Tax base before utilisation of deficit/loss carried forward	81 540 365	84 348 256
Taxable group contribution	-81 540 365	-84 348 256
Tax base	<u>0</u>	<u>0</u>
Spesification of tax cost		
Tax payable, 22% of the base before group contribution	17 938 880	18 556 616
Change deferred tax/(tax benefit)	362 801	-120 324
Tax calculated	<u>18 301 683</u>	<u>18 436 292</u>

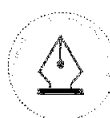
5 Investments in subsidiaries

	Share capital	Owner- and voting share	Numbers of shares	Book value (NOK)
KNOT Management Denmark A/S	DKK 500 000	100 %	500 000	557 268
KNOT Management do Brazil Ltda.	BRL 2 789 532	99,99996 %	2 789 531	6 971 330
				<u>7 528 598</u>

The Danish subsidiary company is located in Copenhagen, Denmark, and the Brazilian company is located in Rio de Janeiro, Brazil.

6 Bank deposits

The company has restricted bank funds of NOK 3 744 156 per 31.12.2022 (NOK 3 607 441 per 31.12.2021).



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7 Related parties information

	2022	2021
<u>Current receivables related parties</u>		
Knutsen OAS Shipping AS	2 635 707	368 711
Knutsen Kyst LNG KS	1 406	0
TS Shipping Invest AS	0	269 340
Seglem Holding AS	95 716	59 901
Knutsen Shuttle Tankers XII KS	232 361	252 167
Knutsen Shuttle Tankers XII AS	14 451	13 611
KNOT Shuttle Tankers 12 AS	15 023	20 222
Knutsen Shuttle Tankers 13 AS	492 637	223 483
Knutsen Shuttle Tankers 14 AS	184 703	201 165
Knutsen Shuttle Tankers 15 AS	158 962	618 024
Knutsen Shuttle Tankers 16 AS	221 491	184 084
KNOT Shuttle Tankers 17 AS	122 436	289 037
KNOT Shuttle Tankers 18 AS	357 094	149 717
Knutsen Shuttle Tankers 19 AS	573 266	149 717
KNOT Shuttle Tankers 20 AS	123 406	132 889
KNOT Shuttle Tankers 21 AS	123 406	132 889
KNOT Shuttle Tankers 24 AS	158 962	149 717
KNOT Shuttle Tankers 25 AS	196 111	149 717
KNOT Shuttle Tankers 26 AS	307 561	149 717
KNOT Shuttle Tankers 30 AS	160 106	174 573
KNOT Shuttle Tankers 32 AS	2 660 484	217 456
KNOT Shuttle Tankers 34 AS	297 411	440 217
KNOT Shuttle Tankers AS	301 338	328 117
KNOT Shuttle Tankers 35 AS	608 437	0
KNOT Offshore Partners UK LLC	0	325 980
	<u>10 042 472</u>	<u>5 000 450</u>
 <u>Short-term liabilities related parties</u>		
Knutsen O.A.S. Shipping AS	21 958 607	11 964 288
TS Industri Invest AS	4 838	1 140
TS Shipping Invest AS	83	0
Knutsen Shuttle Tankers 19 AS	0	204 800
KNOT Shuttle Tankers 18 AS	2 278 161	2 066 898
KNOT Shuttle Tankers 24 AS	2 345 237	4 605 006
KNOT Shuttle Tankers 25 AS	1 071 807	3 323 739
KNOT Shuttle Tankers 26 AS	2 340 177	4 151 007
KNOT Shuttle Tankers 17 AS	226 729	0
KNOT Shuttle Tankers 15 AS	1 032 761	0
Smedasundet 40 AS	0	150
Knutsen NYK Carbon Carriers AS	37 804	0
	<u>31 296 204</u>	<u>26 317 028</u>
 <u>Loans to group companies</u>		
Knutsen NYK Offshore Tankers AS	95 305 743	55 194 239



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	2022	2021
Hire personnel from NYK	3 990 884	4 108 974
Hire administration personell from KOAS UK	6 387 264	6 475 454
Hire administration personell from KOAS	56 156 034	42 153 445

The operating income is mainly from related parties and group companies.

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 1.1	100 000	2 250	30 199 731	0	30 301 981
Result of the year	0	0	0	71 227 428	71 227 428
Group contribution given (taxable)	0	0	0	-63 601 485	-63 601 485
Equity 31.12.	100 000	2 250	30 199 731	7 625 943	37 927 924

Share capital consists of 100 shares NOK 1 000 each, all the shares is owned by Knutsen NYK Offshore Tankers AS.

The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. Consolidated financial statement of the Group can be obtained at the company office, Smedasundet 40, 5529 Haugesund.

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



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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Management AS

Opinion

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

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

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

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

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



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Oslo, 24 February 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT Management AS 2022

A member firm of Ernst & Young Global Limited

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

Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

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Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
11.03.2011

Vår dato
30.03.2011

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2011/327976

Ernst & Young AS
Postboks 6163, Postterminalen
5892 Bergen

Dispensasjon fra kravet om utarbeidelse av årsregnskap og -beretning på norsk språk

Det vises til deres brev av 11. mars 2011 samt e-post av 30. mars 2011 med supplerende opplysninger i sakens anledning. 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. Da det er etablerte enkelte nye selskap i konsernet samt at er gjort endringer i konsernstruktur og eierskap for enkelte av de tidligere selskapene søkes det på nytt om dispensasjon for følgende selskap:

- Knutsen NYK Offshore Tankers AS org. nr: 995 221 713
- samt følgende datterselskap:
 - Knutsen Bøyelaster XI KS org. nr: 986 224 610
 - Knutsen Bøyelaster XI AS org. nr: 986 224 602
 - Knutsen Bøyelaster II KS * org. nr: 959 321 752
 - Knutsen Bøyelaster II AS org. nr: 959 321 663
 - Knutsen Bøyelaster III KS * org. nr: 959 505 349
 - Knutsen Bøyelaster III AS org. nr: 959 504 822
 - Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
 - Knutsen Shuttle Tankers XII AS org. nr: 991 959 556
 - Knutsen Produkt Tanker IV KS * org. nr: 961 068 355
 - Knutsen Produkt Tanker IV AS org. nr: 961 068 177
 - Knutsen Bøyelaster VI KS org. nr: 971 585 579
 - Knutsen Bøyelaster VI AS org. nr: 993 011 681
 - Knutsen Bøyelaster VIII KS org. nr: 979 539 649
 - Knutsen Bøyelaster VIII AS org. nr: 993 010 596
 - Knutsen Bøyelaster IX KS org. nr: 979 685 521
 - Knutsen Bøyelaster IX AS org. nr: 879 685 362
 - Knutsen Terminal Tanker AS org. nr: 945 404 191
 - Knutsen Newfoundland Chartering AS org. nr: 990 356 963
 - Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
 - Knutsen Offshore KS org. nr: 893 435 832
 - Knutsen Offshore AS org. nr: 992 593 881

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0134 Oslo

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Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

22 17 08 60



- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Offshore Tankers AS org. nr: 995 206 870
- Knutsen Offshore Tankers 2 AS org. nr: 995 206 862
- Knutsen Shuttle Tankers 3 AS org. nr: 995 146 584
- Knutsen NYK Management AS org. nr: 996 124 916
- Knutsen Shuttle Tanker 13 AS org. nr: 996 661 016
- Knutsen Tankers 2 AS org. nr: 992 593 792
- Knutsen Tankers 3 AS org. nr: 992 593 814

Alle datterselskapene er eid 100 % med unntak av selskapene merket med *. I de tre selskapene som også har andre eiere, utgjør disse andre eierne et lite antall og kan anses som etablerte investorer.

Søknad:

Fra deres brev gjengis:

"TS Shipping Invest AS etablerte det 100 % eide datterselskapet Knutsen Offshore Tankers ASA (KOT) i februar 2010. I april 2010 ble hele bøyelastervirksomheten i konsernet flyttet inn under KOT, hvor en rekke av de selskapene som var søkt avleggelse av regnskaper på engelsk fulgte med.

I desember 2010 solgte TS Shipping Invest AS seg ned til 50 % i KOT ved at det japanske rederiet NYK Line gikk inn på eiersiden og overtok 50 % av aksjene. Selskapet skiftet navn til Knutsen NYK Offshore Tankers AS (KNOT).

Alle selskapene i KNOT konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper. Som tidligere beskrevet er brukerne av regnskapene hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Nytt fra tidligere er at den andre eieren NYK Line er engelskspråklig. Aksjonærstrukturen er begrenset til 2 hovedeiere.

Selskapets virksomhet er finansiert av en rekke norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån er det et krav fra bankene at regnskapene oversettes til i engelsk språkdrakt.

Også de aller fleste av selskapenes kunder og leverandører og andre brukerne har engelsk som sitt naturlige språk/forretningsspråk..."

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.

I forhold til tidligere gitte dispensasjon, har det kommet inn japanske interessenter i tillegg på eiersiden. For øvrig anses øvrige sentrale faktorer som fortsatt til stede. Dette gjelder også de nyetablerte selskapene.

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

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Høelstad