



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 971 585 579
Organisasjonsform: Kommandittselskap
Foretaksnavn: KNUITSEN BØYELASTER VI KS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

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: 12.03.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 01.05.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	109 468 208	260 806 750
Annen driftsinntekt			314 431 874
Sum inntekter		109 468 208	575 238 624
Kostnader			
Lønnskostnad	10	32 467 691	62 904 932
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	30 128 527	49 893 940
Annen driftskostnad	9	47 099 806	125 189 798
Sum kostnader		109 696 024	237 988 670
Driftsresultat		-227 816	337 249 954
Finansinntekter og finanskostnader			
Annen finansinntekt	7	12 885 186	-34 800 624
Sum finansinntekter		12 885 186	-34 800 624
Annen finanskostnad	7	9 383 745	20 103 503
Sum finanskostnader		9 383 745	20 103 503
Netto finans		3 501 440	-54 904 127
Ordinært resultat før skattekostnad		3 273 625	282 345 827
Ordinært resultat etter skattekostnad		3 273 625	282 345 827
Årsresultat		3 273 625	282 345 827
Årsresultat etter minoritetsinteresser		3 273 625	282 345 827
Totalresultat		3 273 625	282 345 827



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	5, 6	62 154 108	92 282 635
Sum varige driftsmidler		62 154 108	92 282 635
Finansielle anleggsmidler			
Investering i datterselskap	4, 11		
Lån til foretak i samme konsern	4	73 296 300	248 130 905
Sum finansielle anleggsmidler		73 296 300	248 130 905
Sum anleggsmidler		135 450 408	340 413 540
Omløpsmidler			
Varer			
Varer	3	822 730	2 043 191
Sum varer		822 730	2 043 191
Fordringer			
Andre fordringer	4	1 480 148	1 507 264
Konsernfordringer	4	22 979 022	23 699 075
Sum fordringer		24 459 170	25 206 339
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		12 703 015	89 942 607
Sum bankinnskudd, kontanter og lignende		12 703 015	89 942 607
Sum omløpsmidler		37 984 915	117 192 138
SUM EIENDELER		173 435 323	457 605 678

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	65 572 500	65 572 500
Sum innskutt egenkapital		65 572 500	65 572 500
Opptjent egenkapital			
Annen egenkapital		35 619 452	282 345 827
Sum opptjent egenkapital		35 619 452	282 345 827
Sum egenkapital	8	101 191 952	347 918 327
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6	67 038 407	100 450 040
Langsiktig konserngjeld	4	73 298	32 558
Sum annen langsiktig gjeld		67 111 705	100 482 598
Sum langsiktig gjeld		67 111 705	100 482 598
Kortsiktig gjeld			
Leverandørgjeld	4	2 985 237	4 660 478
Kortsiktig konserngjeld	4	1 226 304	2 066 593
Annen kortsiktig gjeld		920 125	2 477 681
Sum kortsiktig gjeld		5 131 666	9 204 753
Sum gjeld		72 243 371	109 687 350
SUM EGENKAPITAL OG GJELD		173 435 323	457 605 678



KNOT Knutsen
NYK Offshore
Tankers

Knutsen Bøyelaster VI KS

Annual Report 2019



M/T "Elisabeth Knutsen"



Knutsen
Group





KNUTSEN BØYELASTER VI KS

REPORT OF THE BOARD OF DIRECTORS 2019

By year-end, the company own one shuttle tanker. The company has a total limited partnership capital of NOK 66 million, all restricted capital. The General Partner participates with a General Partner's capital of NOK 32.8 million, equivalent to 50% of the committed capital.

Knutsen Bøyelaster VI KS operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS, in Haugesund, are the manager for M/T Elisabeth Knutsen and operated M/T Loch Rannoch until she was redelivered to the owner, both according to separate management agreements. Knutsen Bøyelaster VI KS is hiring crew from the managers and related crewing companies.

The company's activities

MT Elisabeth Knutsen and MT Loch Rannoch (until redelivery to the owner in April) have been operated in Knutsen Shuttle Tankers Pool AS. MT Loch Rannoch was bare-boat chartered in until redelivery to the owner according to contract in April 2019.

Environment, safety and quality control

Shipping is being subjected to ever-stricter environment and safety requirements, and the company, the Knutsen NYK Offshore Tankers Group and KNOT Management AS, as manager, have joint objectives concerning high quality of the operation of the vessels.

The vessel is advanced a vessel with a very high technical standard. The company and the managers place considerable emphasis on safety and quality control regarding operation of the vessel.

The company is not aware of any significant pollution to the external environment, and the Board of Directors considers the working conditions onboard the ship as satisfactory. The vessel is 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 general partner are all men.

Profit for the year

The operating result for the company was a loss of NOK 227 816 in 2019, compared to NOK



337 249 954 in 2018. After a net financial result of NOK 3 501 440 against net financial loss of NOK 54 904 127 the previous year, the result for the year was NOK 3 273 625, compared NOK 282 345 827 in 2018.

Total cash flow from operating activities in the company was NOK 34 102 731 compared to NOK 26 574 861 in 2018.

The company's liquidity position was NOK 12 703 015 as of 31.12.19 compared to NOK 89 942 607 per 31.12.18. The company's position of being self financing is good.

The company's short term debts per 31.12.19 were 7.1 % of total debt, compared to 8.4 % as of 31.12.18. The financial position is satisfactory, and the company can as of 31.12.2019 pay short term debt by using its most liquid assets (current assets-inventories).

The total capital was by the end of the year NOK 173 million, compared to NOK 458 million the year before. The equity share as of 31.12.19 was 58 %, compared to 76 % per. 31.12.2018.

The Board of Directors proposes that the profit for the year is transferred to other equity.

The financial accounts are made on a going concern basis. The Board of Directors confirms the conditions for continued operation. The Board of Directors is of the opinion that the financial statements give a true and fair reflection of the company's assets and liabilities as well as financial strength and profitability.

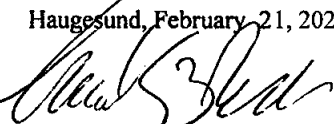
Future prospects

The Board of Directors has every reason to believe that 2020 will be a positive year for the company. The Board of Directors expect the shuttle tanker demand in Northern Europe to improve resulting in increased earnings and distribution from the current fleet in Knutsen Shuttle Tankers Pool AS during 2020.



Svege Seglem
Chairman of the Board

Haugesund, February 21, 2020



Karl Gerhard Bråstein Dahl
Member of the Board



Takashi Dorityo
Member of the Board



Knutsen Bøylaster VI KS

Profit & Loss Account

	Note	2019	2018
<u>Net operating income</u>			
Freight income	2	109 468 208	260 806 750
Commissions		0	-1 039 260
Gain sale vessel		0	315 471 134
<i>Net Operating income</i>		<u>109 468 208</u>	<u>575 238 624</u>
<u>Operating Expenses</u>			
Crew-hire	10	32 467 691	62 904 932
Other operating expenses		20 561 779	48 958 421
Administration	9	7 456 271	13 500 314
<i>Total operating expenses</i>		<u>60 485 741</u>	<u>125 363 668</u>
<i>Operating result before depreciation</i>		<u>48 982 467</u>	<u>449 874 957</u>
Vessel rent		19 296 378	59 098 934
Provisions rented vessels		-214 622	3 632 128
Ordinary depreciation	5	30 128 527	49 893 940
<i>Total rent, depreciations and impairment</i>		<u>49 210 283</u>	<u>112 625 002</u>
<i>Operating profit</i>		<u>-227 816</u>	<u>337 249 954</u>
<u>Financial Income and Expenses</u>			
Financial income	7	10 823 875	5 359 940
Foreign exchange gain/ loss		2 061 310	-40 160 564
Financial expenses	7	-9 383 745	-20 103 503
<i>Net Financial Items</i>		<u>3 501 440</u>	<u>-54 904 127</u>
<i>Result for the year</i>		<u>3 273 625</u>	<u>282 345 827</u>




Knutsen Bøylaster VI KS
Balance Sheet as of 31. December

<u>ASSETS</u>	Note	2019	2018
<u>Fixed Assets</u>			
Vessels	5, 6	62 154 108	92 282 635
Sellers credit to related parties	4	73 296 300	248 130 905
<i>Total Fixed Assets</i>		<u>135 450 408</u>	<u>340 413 540</u>
<u>Current Assets</u>			
Inventories	3	822 730	2 043 191
Receivables		1 480 148	1 507 264
Current receivables group	4	22 979 022	23 699 075
Cash and bank deposits		12 703 015	89 942 607
<i>Total Current Assets</i>		<u>37 984 915</u>	<u>117 192 138</u>
<i>TOTAL ASSETS</i>		<u>173 435 323</u>	<u>457 605 678</u>

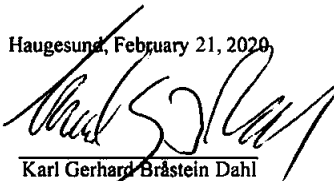


Knutsen Bøvelaster VI KS
Balance Sheet as of 31. December

<u>Shareholders' Equity and Liabilities</u>	Note	2019	2018
Equity			
Limited partnership capital	8	65 572 500	65 572 500
<i>Total capital paid-in</i>		<u>65 572 500</u>	<u>65 572 500</u>
Other equity		35 619 452	282 345 827
<i>Total Shareholders' Equity</i>	8	<u>101 191 952</u>	<u>347 918 327</u>
Long Term Debt			
Mortgage debt	6	67 038 407	100 450 040
Long-term debt group	4	73 298	32 558
<i>Total Long Term Debt</i>		<u>67 111 705</u>	<u>100 482 598</u>
Short Term Debt			
Accounts payable	4	2 985 237	4 660 478
Accrued interest		673 569	1 127 176
Current liabilities group	4	1 226 304	2 066 593
Other current liabilities		246 556	1 350 505
<i>Total Current Liabilities</i>		<u>5 131 666</u>	<u>9 204 753</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>173 435 323</u>	<u>457 605 678</u>


Trygve Sævi
Chairman of the Board

Haugesund, February 21, 2020


Karl Gerhard Bråstein Dahl
Member of the Board


Takashi Domyo
Member of the Board



KNUTSEN BØYELASTER VI KS

CASH FLOW STATEMENT

	2019	2018
Total generated from operations 1)	36 208 188	62 058 394
Change in working capital	<u>-2 105 457</u>	<u>-35 483 533</u>
Net cashflow from operations	<u>34 102 731</u>	<u>26 574 861</u>
Sale vessel	0	556 695 098
Net change sellercredit to group	<u>183 606 929</u>	<u>-232 842 380</u>
Net cashflow from investments	<u>183 606 929</u>	<u>323 852 718</u>
Paid-out to partners	-250 000 000	-45 020 303
Net change in Group loans	40 740	-32 996 716
Net change in mortgage debt	<u>-44 989 993</u>	<u>-327 566 409</u>
Net cashflow from financing	<u>-294 949 253</u>	<u>-405 583 428</u>
Net cashflow for the year	-77 239 593	-55 155 849
+ Cash balance per 1.1	<u>89 942 607</u>	<u>145 098 455</u>
= Cash Balance per 31.12.	<u>12 703 015</u>	<u>89 942 607</u>
1) Generated from operations:		
Profit for the year	3 273 625	282 345 827
Ordinary depreciation	30 128 527	49 893 940
Gain sale vessels	0	-315 471 134
Amortized expenses debt issuance cost	523 860	1 625 455
Provision hired vessels	0	-16 071 120
Currency gain mortgage debt	11 054 500	75 023 951
Currency gain Seller Credit	<u>-8 772 324</u>	<u>-15 288 525</u>
= Total generated from operations	<u>36 208 188</u>	<u>62 058 394</u>



KNUTSEN BØYELASTER VIKS Notes to Financial Statement 31.12.2019

1 Accounting principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards.

Income

The income from the contract is denominated in USD and is recorded in line with the earning.

Inventories

Inventories are evaluated to market value as the principle of lower of cost and market value is considered as unpractical.

Current assets/current liabilities

Short-term assets/liabilities are due within one year or tied to the operation of the vessel. Other posts 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 are valued at cost, but written down to fair value unless an impairment is expected to be temporary. Long-term liabilities are stated at nominal value at the time of entering.

This does not cover current items denominated in foreign currency which are evaluated to the rate of exchange at year end.

Fixed Assets and Dry-Docking

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

Dry-docking expenses are capitalized and depreciated 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. Dry-docking for vessels more than 15 years is decomposed into two parts, one part that is depreciated over 2.5 years and one part that is depreciated over 5 years. The expenses are capitalized and depreciated accordingly. In the Profit & Loss statement the portion of the dry-docking expenses is presented under the heading "Depreciation". Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

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

Transactions in foreign currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

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 foreign exchange loss are registered as financial items.

The debt is valued at the historical rate, to the extent that future net nominal income in the same currency 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.



Realised and unrealised foreign exchange loss are recorded under financial items. Foreign exchange gain is recorded as a financial income when actually realised.

Financial instruments

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

If the intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, then the income and expenses related to the hedging and the corresponding items in the balance sheet are classified in the same manner.

Tax

Limited partnerships are not tax liable as each partner is taxed directly on its share of the partnership. Consequently the company do not calculate and record deferred tax in the Profit & Loss account.

Cash flow statement

The cash flow statement is presented using the indirect method in accordance with NRS. Cash and cash equivalents includes cash, bank deposits and other short term and highly liquid investments.

Related party transactions

The Company has undertaken several agreements and transactions with related parties in the KNOT 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(s). Ship management fee includes services like technical management, crewing management, IT and energy management.

2 Contracts

The company owns on advanced shuttle tanker.

<u>Vessel</u>	<u>Charter</u>	<u>Contract expire</u>
M/T Elisabeth Knutsen	Knutsen Shuttle Tankers Pool AS	Ongoing

KNOT Management AS is the manager for the company and is the ship manager for M/T Elisabeth Knutsen.

3 Inventories

Inventories refer to lube oil per 31.12.



4 Balances with related parties

	<u>2019</u>	<u>2018</u>
<u>Long-term receivables group</u>		
KNOT Shuttle Tankers 33 AS	73 296 300	248 130 905
<u>Current receivables group</u>		
Knutsen Shuttle Tankers Ghana	0	296 541
Knutsen Shuttle Tankers Pool AS	22 909 889	18 240 540
Knutsen Shuttle Tankers 2 AS	25 644	148 292
KNOT Management AS	0	1 229 832
Luky KS	0	36 674
KNOT Shuttle Tankers 33 AS	43 489	3 747 196
	<u>22 979 022</u>	<u>23 699 075</u>
<u>Long-term debt group</u>		
Knutsen NYK Offshore Tankers AS	73 298	32 558
<u>Current liabilities group</u>		
Knutsen Offshore Tankers 2 AS	-358 930	0
KNOT Management AS	-867 374	0
KNOT Shuttle Tankers 33 AS	0	-1 602 675
Knutsen Shuttle Tankers Pool AS	0	-463 918
	<u>-1 226 304</u>	<u>-2 066 593</u>

5 Fixed assets

<u>Vessel</u>	<u>2019</u>	<u>2018</u>
Historical value 01.01.	542 168 875	1 045 832 026
Accumulated depreciation 01.01.	459 536 145	696 818 824
Book value 01.01.	82 632 731	349 013 202
Additions/Disposals	0	-228 607 109
Annual depreciation	23 695 255	37 773 363
Book value 31.12.	<u>58 937 475</u>	<u>82 632 731</u>

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

<u>Dry docking</u>	<u>2019</u>	<u>2018</u>
Capitalised dry-docking 01.01	19 752 344	38 012 856
Accumulated depreciation dry-docking 01.01	10 102 439	3 625 519
Capitalised dry-docking 01.01	9 649 905	34 387 337
Additions/Disposals	0	-12 616 855
Annual depreciation	6 433 272	12 120 577
Book value 31.12.	<u>3 216 633</u>	<u>9 649 905</u>
Total book value vessel 31.12.	<u>62 154 108</u>	<u>92 282 635</u>



6 Mortgage debt and financial instruments

	<u>31-12-19</u>	USD	Historical rate	Rate used 31/12	NOK
USD-loans		10 000 000	6,728	6,728	67 279 000
Debt issuance cost					<u>-240 593</u>
					67 038 407
Current portion USD-loans		10 000 000			67 279 000
Current portion debt issuance cost					-240 593

	<u>31-12-18</u>	USD	Historical rate	Rate used 31/12	NOK
USD-loans		15 000 000	6,728	6,728	100 918 500
Debt issuance cost					<u>-468 460</u>
					100 450 040
Current portion USD-loans		15 000 000			100 918 500
Current portion debt issuance cost					-468 460

The NOK/USD exchange rate at the year-end was 8,8176 (8,6911 in 2018).

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 31.12.2019 the not recorded foreign exchange loss (i.e. off-balance) is NOK 21 million compared to a loss of NOK 29 million as per 31.12.2018.

Security for the loan is made through first priority mortgage over the vessel, assignment of earnings, insurance and requisition compensation in respect of the vessel, assignment of charterparty and the pool agreement in respect of the vessel, earnings account pledge and pledged security in the bank account, factoring agreement, and guarantee from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 173 millions (NOK 458 millions in 2018).

Outstanding debt with more than five years to maturity is estimated to USD 0 millions. The mortgage debt will be fully repaid in

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in USD, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has also entered into interest rate swap contracts to reduce the effects of fluctuations in the interest rate. The Company has entered agreements on fixed interest rates on USD 10 million. Mark to market loss on the interest rate swap have not been taken into account with USD 0.4 million per 31.12.2019 (loss of USD 0.4



7 Financial income and -expenses

Financial income:	2019	2018
Interest income from group company	9 641 262	3 897 138
Other interests	1 182 613	1 462 802
Total financial income	10 823 875	5 359 940

Financial expenses:	2019	2018
Interest expenses	7 765 215	17 927 735
Interest to group companies	694 872	326 309
Guarantee expenses group	544 416	1 655 255
Other financial expenses	158 803	194 203
Other financial expenses to group companies	220 440	0
Total financial expenses	9 383 745	20 103 503

8 Equity

Specification of company capital as of 31.12.

Description	Capital	Capital paid in and	
	31.12.	Restricted capital	called in
General partner's capital	32 786 250	32 786 250	32 786 250
Limited partnership capital	32 786 250	32 786 250	32 786 250
Total capital	65 572 500	65 572 500	65 572 500
Other equity 01.01			282 345 827
Dividende			-250 000 000
Result for the year			3 273 625
Total equity 31.12			101 191 952

The restricted capital is more than 40% of the total capital, which is in accordance with the requirements regarding the restricted capital's share of total capital as stated in the Norwegian Partnership Act. 100% of the total capital is paid in, which is in accordance with the requirement in the Norwegian Partnership Act that minimum 40% of the total capital must be paid in within 2 years.

The Owners of the company are the limited partner Knutsen NYK Offshore Tankers AS (50%) and the general partner Knutsen Offshore Tankers 2 AS (50%).

9 Remuneration

No remuneration is paid to the Board members during the year.

Auditor's fee (excl. VAT):	2019	2018
Auditing	71 750	88 150
Other consulting services	0	0
	71 750	88 150



10 Crew

The company has no own employees. Consequently, the company has no pension liabilities under the pension regulation. All crew are hired from the ship managers or related subcontractors of the ship managers.

All direct costs associated with crewing is presented in crew hire, while fees to operating and crewing are presented under administration costs.

<u>Specifications</u>	<u>2019</u>	<u>2018</u>
Salaries etc.	21 348 815	31 864 505
Government grant crew expenses	0	-42 961
Social security tax	365 106	1 036 574
Other salary related benefits	10 753 769	30 046 815
Total	32 467 691	62 904 932

11 Shares owned by board members and affiliates

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

12 Tax

Knutsen Bøyelaster VI KS is not tax liable as each partner is taxed directly on its share of the partnership. Consequently the company does not calculate and record deferred tax in the Profit & Loss account.

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

<u>Temporary differences:</u>	<u>2019</u>	<u>Change</u>	<u>2018</u>
Vessels	44 562 200	27 078 385	71 640 585
Profit/Loss account	438 382 421	109 595 608	547 978 029
Long-term currency position	21 137 593	8 778 867	29 916 460
Total positive temporary differences	504 082 214	145 452 861	649 535 075

Below is a specification of the difference between the profit/loss before tax and the basis for this years taxation:

<u>Tax based profit/loss for allocation to partners:</u>	<u>2019</u>	<u>2018</u>
Result for the year	3 273 625	282 345 827
Change in temporary differences	145 452 860	-74 697 929
Non-deductible items	40 715	36 716
Tax base for the year for allocation to partners	148 767 201	207 684 614

Additional information, Norwegian tonnage tax:

<u>Positive temporary differences</u>	<u>31.12.2019</u>	<u>Change</u>	<u>31.12.2018</u>
Temporary difference USD debt	15 687 903	211 473	15 476 430
Sum temporary differences	15 687 903	211 473	15 476 430

Tax based profit/loss for allocation to partners of tonnage tax:

	<u>2019</u>	<u>2018</u>
Net financial result	3 501 440	-54 904 127
Agio/disagio over freight income	-11 054 500	-13 982 231
Non-deductible interest	2 150 530	8 698 247
Foreign exchange gain/loss, not taxable	9 588 110	17 653 084
Change in temporary differences	-211 473	12 436 283
Tax base for the year for allocation to partners	3 974 106	-30 098 747



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Partnership Meeting of Knutsen Bøyelaster VI KS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Knutsen Bøyelaster VI KS, which comprise the balance sheet as at 31 December 2019, the Profit & Loss account, 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 2019 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 and Managing Director (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.



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.



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, 21 February 2020
ERNST & YOUNG AS

Magnus H. Birkeland
State Authorised Public Accountant (Norway)



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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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