



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 913 154 576  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 23 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>			
<b>Inntekter</b>			
Freight income	3, 8	167 446 910	104 987 633
Other operating income		42 931	290 766
<b>Sum inntekter</b>		<b>167 489 841</b>	<b>105 278 399</b>
<b>Kostnader</b>			
Crew-hire	13	28 964 976	27 208 155
Ordinary depreciation	6	39 141 336	38 268 388
Other operating expenses		14 373 152	15 791 890
Administration	12	6 294 743	5 575 612
<b>Sum kostnader</b>		<b>88 774 207</b>	<b>86 844 045</b>
<b>Driftsresultat</b>		<b>78 715 634</b>	<b>18 434 354</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	7	4 757 293	7 279 988
Foreign exchange gain/loss		-29 699 864	-431 172
<b>Sum finansinntekter</b>		<b>-24 942 571</b>	<b>6 848 815</b>
Financial expenses	7	17 672 613	18 917 442
<b>Sum finanskostnader</b>		<b>17 672 613</b>	<b>18 917 442</b>
<b>Netto finans</b>		<b>-42 615 184</b>	<b>-12 068 627</b>
<b>Ordinært resultat før skattekostnad</b>		<b>36 100 450</b>	<b>6 365 727</b>
Taxes	14	7 949 163	1 402 884
<b>Ordinært resultat etter skattekostnad</b>		<b>28 151 287</b>	<b>4 962 843</b>
<b>Årsresultat</b>		<b>28 151 287</b>	<b>4 962 843</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>28 151 287</b>	<b>4 962 843</b>
<b>Totalresultat</b>		<b>28 151 287</b>	<b>4 962 843</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	14		
<b>Varige driftsmidler</b>			
Vessel	6, 8, 14	142 640 919	181 782 255
<b>Sum varige driftsmidler</b>		<b>142 640 919</b>	<b>181 782 255</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern		113 744 605	132 459 910
Investeringer i tilknyttet selskap	5	18 697 157	10 699 937
<b>Sum finansielle anleggsmidler</b>		<b>132 441 762</b>	<b>143 159 847</b>
<b>Sum anleggsmidler</b>		<b>275 082 681</b>	<b>324 942 102</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	4	1 323 227	1 284 442
<b>Sum varer</b>		<b>1 323 227</b>	<b>1 284 442</b>
<b>Fordringer</b>			
Receivables	9	1 486 094	2 180 792
Konsernfordringer		32 310 010	20 025 464
<b>Sum fordringer</b>		<b>33 796 104</b>	<b>22 206 256</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	2	33 263 841	27 641 245
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>33 263 841</b>	<b>27 641 245</b>
<b>Sum omløpsmidler</b>		<b>68 383 171</b>	<b>51 131 943</b>
<b>SUM EIENDELER</b>		<b>343 465 852</b>	<b>376 074 046</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	10, 11	100 000	100 000
<b>Sum innskutt egenkapital</b>		<b>100 000</b>	<b>100 000</b>
Other equity			
<b>Sum egenkapital</b>	10	<b>100 000</b>	<b>100 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	14	15 731 044	21 876 527
<b>Sum avsetninger for forpliktelser</b>		<b>15 731 044</b>	<b>21 876 527</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	8		
Other long term liabilities	8	255 693 254	300 564 872
<b>Sum annen langsiktig gjeld</b>		<b>255 693 254</b>	<b>300 564 872</b>
<b>Sum langsiktig gjeld</b>		<b>271 424 298</b>	<b>322 441 399</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	9	3 174 556	3 458 216
Kortsiktig konserngjeld		68 524 552	30 246 701
Other current liabilities	9	242 447	19 827 729
<b>Sum kortsiktig gjeld</b>		<b>71 941 555</b>	<b>53 532 647</b>
<b>Sum gjeld</b>		<b>343 365 853</b>	<b>375 974 046</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>343 465 852</b>	<b>376 074 046</b>



**KNOT** Knutsen  
NYK Offshore  
Tankers

## **KNOT Shuttle Tankers 23 AS**

### **Annual Report 2020**



**M/T “Grena Knutsen”**



**Knutsen  
Group**





## **KNOT SHUTTLE TANKERS 23 AS**

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

KNOT Shuttle Tankers 23 AS owns one 148,553 DWT Suez-max shuttle tanker through a financial lease. The vessel is named M/T Grena Knutsen and was originally delivered from Geojje Shipyard, Gyeongnam, in South Korea in 2003.

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 and the vessel in accordance with separate agreement.

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

The vessel has been chartered out on a time-charter contract to Equinor ASA and was redelivered in November 2020. The vessel has been operated in Knutsen Shuttle Tankers Pool AS after redelivering from Equinor.

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

The operating result for KNOT Shuttle Tankers 23 AS was NOK 78 715 634 in 2020 compared to NOK 18 434 354 in 2019. After net financial loss of NOK 42 615 184 in 2020, against a loss of NOK 12 068 627 in 2019, the results of the year were NOK 28 151 287 in 2020 compared to NOK 4 962 843 in 2019.

The Board of Directors proposes to give the profit for the year, and the received nontaxable group contribution as a tax-deductible group contribution to the owner.

Total cash flow from operating activities in the company was positive with NOK 102 651 418 compared to NOK 39 053 455 in 2019. The liquidity position was NOK 33 263 841 as per 31.12.2020 compared to NOK 27 641 245 as per 31.12.2019. The company's ability to finance its investments is good. The company have financed the vessel with a financial lease and the formal ownership to the vessel is transferred to the charterer under the lease. The outstanding lease obligation is at the end of 2020 USD 33.6 million.

The company's short-term debt per 31.12.2020 was 21 % of total debt (14 % in 2019).

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since the majority of the company's operating expenses and financial costs also are denominated in USD, this limits the company's foreign exchange risk. The company has not entered into any forward contracts or other agreements in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

The company is not exposed to changes in the interest rate level, as the financial lease carrying interest rate is fixed.

Total capital was by the end of the year NOK 343 465 852, NOK 376 074 046 at the end of 2019. The equity share as of 31.12.2020 was 0.03 %, the same as the year before.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern. The Board of Directors confirms that the Financial



Statements give a true picture of the company's assets and liabilities, financial position and results.

#### **The environment safety and quality control**

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


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

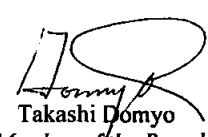
The company have no employees and thus no working environment. The company aims to be workplace where there is no discrimination related to gender, ethnicity, religion or disability. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of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


#### **Future prospects**

M/T Grena Knutsen is operated in North Europe through Knutsen Shuttle Tankers Pool AS, lifting the charterers oil on different offshore oil fields. Based on the operation of the vessel in 2020, the long-term finance lease of the vessel and the employment in Knutsen Shuttle Tankers Pool AS, the Board of Directors of KNOT Shuttle Tankers 23 AS expects 2021 to be a satisfactory year for the vessel and the company.

Haugesund, February 24, 2021

  
Trygve Seglem  
Chairman of the Board

  
Takashi Domyo  
Member of the Board

  
Karl Gerhard Bråstein Dahl  
Member of the Board



**KNOT Shuttle Tankers 23 AS**

**Profit & Loss Account**

	Note	2020	2019
<b><u>Operating Income</u></b>			
Freight income	3, 8	167 446 910	104 987 633
Other operating income		42 931	290 766
<i>Total Operating income</i>		<u>167 489 841</u>	<u>105 278 399</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	13	28 964 976	27 208 155
Other operating expenses		14 373 152	15 791 890
Administration	12	6 294 743	5 575 612
<i>Total Operating Expenses</i>		<u>49 632 871</u>	<u>48 575 657</u>
Ordinary depreciation	6	39 141 336	38 268 388
<i>Total depreciation and write-downs</i>		<u>39 141 336</u>	<u>38 268 388</u>
<i>Operating Result</i>		<u>78 715 634</u>	<u>18 434 354</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	7	4 757 293	7 279 988
Foreign exchange gain/loss		-29 699 864	-431 172
Financial expenses	7	-17 672 613	-18 917 442
<i>Net Financial Items</i>		<u>-42 615 184</u>	<u>-12 068 627</u>
<i>Result before taxes</i>		<u>36 100 450</u>	<u>6 365 727</u>
Taxes	14	7 949 163	1 402 884
<i>Result for the year</i>		<u>28 151 287</u>	<u>4 962 843</u>



**KNOT Shuttle Tankers 23 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	Note	2020	2019
<b><u>Fixed assets</u></b>			
Vessel	6, 8, 14	142 640 919	181 782 255
Loan to group companies		113 744 605	132 459 910
Investments in group companies	5	18 697 157	10 699 937
<i>Total Fixed Assets</i>		<u>275 082 681</u>	<u>324 942 102</u>
<b><u>Current Assets</u></b>			
Inventories	4	1 323 227	1 284 442
Receivables	9	1 486 094	2 180 792
Current receivables group		10 489 370	15 769 883
Group contribution		21 820 640	4 255 581
Bank deposits	2	33 263 841	27 641 245
<i>Total Current Assets</i>		<u>68 383 171</u>	<u>51 131 943</u>
<i>TOTAL ASSETS</i>		<u>343 465 852</u>	<u>376 074 046</u>



**KNOT Shuttle Tankers 23 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2020	2019
<b>Equity</b>			
Share capital	10, 11	100 000	100 000
<i>Total capital paid-in</i>		<u>100 000</u>	<u>100 000</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	10	<u>100 000</u>	<u>100 000</u>
<b>Long Term Liabilities</b>			
Deferred tax	14	15 731 044	21 876 527
Other long term liabilities	8	255 693 254	300 564 872
<i>Total Long Term Liabilities</i>		<u>271 424 298</u>	<u>322 441 399</u>
<b>Current Liabilities</b>			
Accounts payable	9	3 174 556	3 458 216
Current liabilities group		4 457 979	0
Group contribution		64 066 573	30 246 701
Other current liabilities	9	242 447	19 827 729
<i>Total Current Liabilities</i>		<u>71 941 555</u>	<u>53 532 647</u>
<i>Total liabilities</i>		<u>343 365 853</u>	<u>375 974 046</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>343 465 852</u>	<u>376 074 046</u>

Haugesund, February 24, 2021

 Trygve Segten chairman of the board	 Karl Gerhard Bråstein Dahl member of the board	 Takashi Domyo member of the board
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**KNOT SHUTTLE TANKERS 23 AS**

**CASHFLOW STATEMENT**

	<b>2020</b>	<b>2019</b>
Total generated from operations 1)	112 125 955	51 318 325
Change in working capital	<u>-9 474 537</u>	<u>-12 264 870</u>
Net cashflow from operations	<u>102 651 418</u>	<u>39 053 455</u>
Invested in vessel	0	-285 522
Investments in group companies	-7 997 220	-10 657 212
Net change in loans to group companies	<u>-7 454 851</u>	<u>38 102 120</u>
Net cashflow from investments	<u>-15 452 071</u>	<u>27 159 386</u>
Group contribution net	-25 991 120	-13 315 746
Net repayment financial lease	-55 585 631	-49 448 281
Net cashflow from financing	<u>-81 576 751</u>	<u>-62 764 027</u>
Net cashflow for the year	5 622 596	3 448 814
+ Cash balance per 01.01	<u>27 641 245</u>	<u>24 192 431</u>
<b>= Cash Balance per 31.12.</b>	<u><b>33 263 841</b></u>	<u><b>27 641 245</b></u>
1) Generated from operations:		
Result for the year before tax	36 100 450	6 365 727
+ Ordinary depreciation	39 141 336	38 268 388
+ Currency loss (- gain) group debt	26 170 156	0
+ Currency loss (- gain) mortgage debt	<u>10 714 013</u>	<u>6 684 210</u>
= Total generated from operations	<u>112 125 955</u>	<u>51 318 325</u>



## **KNOT SHUTTLE TANKERS 23 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.

This principle is not used for current items in foreign currency, which are valued at the rate of exchange at the year-end.

##### **Fixed Assets and Dry-Docking**

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

Dry-docking expenses are capitalised and expensed over the period till the next dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2.5 year for vessels more than 15 years. In the case of a newbuilding and acquisition of second hand vessel, 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.

##### **Tax**

The calculated tax costs in the accounting includes both the payable tax for the period in addition to the change in deferred tax. Deferred tax is calculated using 22 % as the basis for taxation on the temporary differences between the accounting and the taxable values in addition to the loss carried forward at the end of the financial year. Tax increasing and decreasing changes in temporary differences which are reversed or can be reversed in the same period are offset and the net value is booked.

##### **Income**

Income from the contract are denominated in USD and is recorded in line with the earning.

##### **Accounts Receivable**

Accounts receivable are recorded at nominal value, net of provisions for doubtful debts. Any provision for doubtful debts is made based on evaluation of each receivable.



## **Transactions in Foreign Currency**

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

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

## **Inventory**

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

## **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.

## **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.

## **Subsidiaries and investments in associates**

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

## **2 Bank deposits**

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

## **3 Contracts**

MT Grena Knutsen has been a pool participant in Knutsen Shuttle Tankers Pool AS from November 2020.

MT Grena Knutsen is operated by KNOT Management AS on behalf of the company in accordance with separate management agreements.



#### 4 Inventories

Inventories refer to lube oil and stores as per 31.12.

#### 5 Shares in KNOT Group companies

	and voting share	Equity 31.12	Last years result	Book value
KNOT Shuttle Tankers 31 AS	11 %	177 924 511	-1 688 214	18 687 157
KNOT Shuttle Tankers 40 AS	10 %	61 209	-17 583	10 000
				<u>18 697 157</u>

#### 6 Fixed Assets and Dry-Docking

<u>Vessel</u>	<u>2020</u>	<u>2019</u>
Historical value 01.01.	272 097 935	272 097 935
Acc. Depreciation 01.01.	107 281 082	80 952 535
Book Value 01.01.	164 816 853	191 145 400
Ordinary annual depreciation	27 165 756	26 328 547
Book value 31.12.	<u>137 651 097</u>	<u>164 816 853</u>

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

<u>Dry-Docking</u>	<u>2020</u>	<u>2019</u>
Capitalised dry-docking	29 412 746	29 127 224
Acc. depreciation 01.01.	12 447 344	507 503
Capitalised dry-docking 01.01.	16 965 403	28 619 721
Additions	0	285 522
Ordinary annual depreciation	11 975 580	11 939 841
Capitalised 31.12.	<u>4 989 822</u>	<u>16 965 403</u>
Total book value vessel 31.12.	<u>142 640 919</u>	<u>181 782 255</u>

#### 7 Financial Income and -Expenses

	<u>2020</u>	<u>2019</u>
<b>Financial Income:</b>		
Interest income from group companies	4 687 812	7 163 766
Interest income	69 481	116 222
Total financial income	<u>4 757 293</u>	<u>7 279 988</u>
<b>Financial expenses:</b>		
Interest expense	15 839 829	16 988 811
Guarantee cost group companies	1 676 566	1 797 648
Other financial expenses	156 218	130 983
Total financial expenses	<u>17 672 613</u>	<u>18 917 442</u>



## 8 Financial Instruments

	31.12.2020	USD	Historical rate	Rate as at 31.12	NOK
Financial obligation		33 562 942	8,4934	7,6183	255 693 254
Current portion		6 146 823	8,4934	7,6183	46 828 468

	31.12.2019	USD	Historical rate	Rate as at 31.12	NOK
Financial obligation		39 452 903	8,4934	7,6183	300 564 872
Current portion		5 889 962	8,4934	7,6183	44 871 619

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

M/T Grena Knutsen has been sold and leased back on a financial lease and the vessel is formally transferred to the financial counterparty.

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). Financial lease 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 financial lease are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed contracts in USD exceed the financial lease in USD. Therefore it is not recognized foreign exchange gains/losses on USD financial lease on the basis of the year-end exchange rate. Per 31.12.2020 the not recorded foreign exchange loss (i.e. off-balance) is NOK 30.9 million compared to a loss of NOK 47.3 million as per 31.12.2019.

Book value of mortgaged assets is NOK 143 million (NOK 182 million in 2019).

The estimated outstanding debt per 31.12.2025 is USD 0.



## 9 Balances with related parties

	<u>2020</u>	<u>2019</u>
<u>Receivables</u>		
Knutsen Shuttle Tankers 14 AS	5 500	0
Knutsen Shuttle Tankers 15 AS	0	13 125
	<u>5 500</u>	<u>13 125</u>
<u>Accounts payable</u>		
TS Shipping Invest AS	0	228
Knutsen O.A.S. Management AS	0	4 747
Knutsen O.A.S. Crewing AS	4 754	6 008
Knutsen O.A.S. Shipping AS	2 048 981	2 006 531
	<u>2 053 735</u>	<u>2 017 514</u>
<u>Other current liabilities</u>		
Knutsen Shuttle Tankers 17 AS	0	1 222
	<u>0</u>	<u>1 222</u>

## 10 Equity

Specification of the equity per 31.12.

	<u>Share capital</u>	<u>Other equity</u>	<u>Total equity</u>
Equity 01.01	100 000	0	100 000
Result for the year	0	28 151 287	28 151 287
Group contribution, non taxable	0	21 820 640	21 820 640
Group contribution, tax deductible	0	-49 971 927	-49 971 927
Equity 31.12.	<u>100 000</u>	<u>0</u>	<u>100 000</u>

Share capital consist of 100 shares à NOK 1,000

Knutsen NYK Offshore Tankers AS owns all the shares in the company. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

## 11 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.

## 12 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	51 250	39 463
Tax advice	0	0
	<u>51 250</u>	<u>39 463</u>



## 13 Employees

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from Knutsen OAS Shipping AS in accordance with a separate management agreement.

## 14 Tax

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward.

Below a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

	<u>31.12.2020</u>	<u>Change</u>	<u>31.12.2019</u>
Temporary difference vessel	42 134 511	22 779 828	64 914 339
Temporary difference debt	29 370 234	5 154 184	34 524 418
Base for deferred tax calculation	<u>71 504 746</u>	<u>27 934 012</u>	<u>99 438 757</u>
Deferred tax/(benefit) based on 22 %	<u>15 731 044</u>	<u>6 145 482</u>	<u>21 876 527</u>

In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

	<u>2020</u>	<u>2019</u>
Result for the year before tax	36 100 450	6 365 727
Non-deductible items	32 112	11 017
Change in temporary differences	<u>27 934 012</u>	<u>23 869 957</u>
Tax base for the year before group contribution	64 066 573	30 246 701
Group contribution	<u>-64 066 573</u>	<u>-30 246 701</u>
Tax base	<u>0</u>	<u>0</u>
<b><u>Calculation of tax expenses</u></b>		
Tax payable, 22% of the base	0	0
Tax effect group contribution 22%	14 094 646	6 654 274
Change deferred tax/(tax benefit)	<u>-6 145 482</u>	<u>-5 251 391</u>
Tax calculated	<u>7 949 163</u>	<u>1 402 884</u>



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of KNOT Shuttle Tankers 23 AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 23 AS which comprise the balance sheet as at 31 December 2020, the profit & 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 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 on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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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 23 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, 24 February 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 470WG-JHC1Q-72AXI-3102F-Y1KXK-E1DQE

Independent auditor's report – KNOT Shuttle Tankers 23 AS

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### MAGNUS HEGERTUN BIRKELAND

Oppdragsansvarlig partner

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Serienummer: 9578-5990-4-2796687

IP: 77.16.xxx.xxx

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### MAGNUS HEGERTUN BIRKELAND

Partner

På vegne av: EY

Serienummer: 9578-5990-4-2796687

IP: 77.16.xxx.xxx

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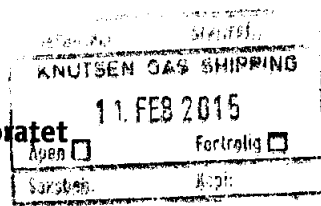
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Skattedirektoratet



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*