



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 996 821 374  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 14 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### 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: 17.03.2023

### 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
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	1	154 983 053	175 261 471
Other Income		297	
<b>Sum inntekter</b>		<b>154 983 350</b>	<b>175 261 471</b>
<b>Kostnader</b>			
Crew-hire	2	26 431 043	26 418 081
Ordinary depreciation	3	38 007 017	38 106 474
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		
Commissions		1 695 116	2 347 804
Other operating expenses		16 392 691	15 363 474
Administration	2	7 368 523	6 179 531
<b>Sum kostnader</b>		<b>89 894 391</b>	<b>88 415 365</b>
<b>Driftsresultat</b>		<b>65 088 959</b>	<b>86 846 106</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	531 467	345 834
Foreign exchange gain/loss		641 714	1 626 059
<b>Sum finansinntekter</b>		<b>1 173 181</b>	<b>1 971 893</b>
Financial expenses	4	31 668 531	20 383 859
<b>Sum finanskostnader</b>		<b>31 668 531</b>	<b>20 383 859</b>
<b>Netto finans</b>		<b>-30 495 350</b>	<b>-18 411 966</b>
<b>Ordinært resultat før skattekostnad</b>		<b>34 593 609</b>	<b>68 434 140</b>
Taxes	5		
<b>Ordinært resultat etter skattekostnad</b>		<b>34 593 609</b>	<b>68 434 140</b>
<b>Årsresultat</b>		<b>34 593 609</b>	<b>68 434 140</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>34 593 609</b>	<b>68 434 140</b>
<b>Totalresultat</b>		<b>34 593 609</b>	<b>68 434 140</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
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## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5		
<b>Varige driftsmidler</b>			
Vessel	3	514 443 563	552 450 580
Dry-docking	3		
Vessel under construction	3		
<b>Sum varige driftsmidler</b>		<b>514 443 563</b>	<b>552 450 580</b>
Andre langsiktige fordringer			
<b>Sum anleggsmidler</b>		<b>514 443 563</b>	<b>552 450 580</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	1 712 602	1 718 061
<b>Sum varer</b>		<b>1 712 602</b>	<b>1 718 061</b>
<b>Fordringer</b>			
Receivables	11	3 674 197	4 031 255
Konsernfordringer		201 932	32 744
<b>Sum fordringer</b>		<b>3 876 129</b>	<b>4 063 999</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	24 706 439	23 382 339
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>24 706 439</b>	<b>23 382 339</b>
<b>Sum omløpsmidler</b>		<b>30 295 170</b>	<b>29 164 399</b>
<b>SUM EIENDELER</b>		<b>544 738 733</b>	<b>581 614 979</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



### Balanse

Beløp i: NOK	Note	2022	2021
<b>Innskutt egenkapital</b>			
Share capital		200 000	200 000
Overkurs		8 378 048	8 378 048
Annen innskutt egenkapital		5 586 872	5 586 872
<b>Sum innskutt egenkapital</b>		<b>14 164 921</b>	<b>14 164 921</b>
<b>Opptjent egenkapital</b>			
Other equity		89 531 367	72 505 759
<b>Sum opptjent egenkapital</b>		<b>89 531 367</b>	<b>72 505 759</b>
<b>Sum egenkapital</b>	8, 9	<b>103 696 288</b>	<b>86 670 680</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	430 339 772	469 269 472
<b>Sum annen langsiktig gjeld</b>		<b>430 339 772</b>	<b>469 269 472</b>
<b>Sum langsiktig gjeld</b>		<b>430 339 772</b>	<b>469 269 472</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	3 954 177	3 366 111
Tax payable	5		
Utbytte			18 422 670
Kortsiktig konserngjeld		1 349	231 498
Accrued interest		4 559 524	1 556 089
Other current liabilities		2 187 623	2 098 459
<b>Sum kortsiktig gjeld</b>		<b>10 702 673</b>	<b>25 674 827</b>
<b>Sum gjeld</b>		<b>441 042 445</b>	<b>494 944 299</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>544 738 733</b>	<b>581 614 979</b>



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## List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2023-03-13 12:50 GMT+01
Domyo, Takashi	BANKID	2023-03-13 12:28 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-03-13 11:57 GMT+01



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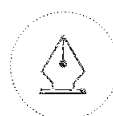


## Knutsen Shuttle Tankers 14 AS Annual Report 2022



M/T "Hilda Knutsen"

**KNOT**  
Offshore Partners LP



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## KNUTSEN SHUTTLE TANKERS 14 AS

### REPORT OF THE BOARD OF DIRECTORS 2022

Knutsen Shuttle Tankers 14 AS owns one 123,000 DWT Suez-max shuttle tanker, M/T Hilda Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyards in South Korea in 2013.

The company operates out of Haugesund, Norway and has no employees and working environment. The daily operations of the company and the vessel are managed by KNOT Management AS in Haugesund in accordance with separate agreement.

#### The company's activity

M/T Hilda Knutsen have been chartered to Eni Trading and Shipping S.p.A., for operation on the Goliat field offshore Norway from delivery at yard until redelivery in September 2022. The vessel has from redelivery from Eni been chartered to Knutsen Shuttle Tankers Pool AS until January 3, 2024 +/-15 days.

#### Result for the year

The operating result for Knutsen Shuttle Tankers 14 AS was NOK 65 088 959 in 2022 compared to NOK 86 846 106 in 2021. After net financial loss of NOK 30 495 350 in 2022, against a loss of NOK 18 411 966 in 2021, the results of the year were NOK 34 593 609 in 2022 compared to NOK 68 434 140 in 2021.

The Board of Directors suggests the result for the year transferred to other equity.

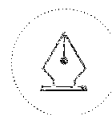
Total cash flow from operating activities in the company was NOK 96 179 479, NOK 118 599 812 in 2021. The liquidity position was NOK 24 706 439 as per 31.12.2022 compared to NOK 23 382 339 as per 31.12.2021. The company's ability to finance its investments is good. The outstanding mortgage loan is at the end of 2022 USD 66 153 792, USD 72 307 648 at the end of 2021.

Total capital was by the end of the year NOK 544 738 733, NOK 581 614 979 at the end of 2021. The equity-share as of 31.12.2022 was 19 %, compared to 15 % as of 31.12.2021.

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

The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. The company has not entered into any interest rate swap agreement.

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.



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## The environment safety and quality control

The requirements for safety and operation of ships are increasing, and the company, the group and the manager KNOT Management AS are concerned with operational excellence. The company vessel consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ship is maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources into quality assurance and there are strict requirements for safety systems and the operation of the ship.

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the KNOT Offshore Partners Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2022.

The company has no employees and thus no working environment. The company aims to be a workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The board of directors considers the working conditions satisfactory. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men. There have not been taken out any board of directors' liability insurance.

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](http://www.knutsenoas.com) within 30 June 2023.

## Prospects

M/T Hilda Knutsen is operated on a mid-term charter with Knutsen Shuttle Tankers Pool AS where the period ends in January 2024. The vessel is due for 10 year class renewal and drydocking in 2023. The Board of Directors and the Manager is seeking for new long term time charter employment. The charterer and trading area are well known for the manager and the Board of Directors. Based on the operation of the vessel in 2022 and the long-term financing of the vessel, the Board of Directors of Knutsen Shuttle Tankers 14 AS expects 2023 to be a satisfactory year for the vessel and the company.



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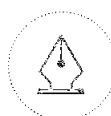


Haugesund, March 13, 2023

Trygve Seglem  
*Chairman of the Board*

Karl Gerhard Bråstein Dahl  
*Member of the Board*

Takashi Domyo  
*Member of the Board*



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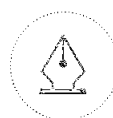
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**Knutsen Shuttle Tankers 14 AS**

**Profit & Loss Account**

	<u>Note</u>	2022	2021
<b><u>Operating Income</u></b>			
Freight income	1	154 983 053	175 261 471
Other Income		297	0
<i>Total Operating income</i>		<u>154 983 350</u>	<u>175 261 471</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	2	26 431 043	26 418 081
Commissions		1 695 116	2 347 804
Other operating expenses		16 392 691	15 363 474
Administration	2	7 368 523	6 179 531
<i>Total Operating Expenses</i>		<u>51 887 374</u>	<u>50 308 891</u>
Ordinary depreciation	3	38 007 017	38 106 474
<i>Operating Result</i>		<u>65 088 959</u>	<u>86 846 106</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	531 467	345 834
Foreign exchange gain/loss		641 714	1 626 059
Financial expenses	4	-31 668 531	-20 383 859
<i>Net Financial Items</i>		<u>-30 495 350</u>	<u>-18 411 966</u>
<i>Result before taxes</i>		<u>34 593 609</u>	<u>68 434 140</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>34 593 609</u>	<u>68 434 140</u>



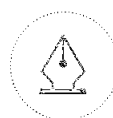
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**Knutsen Shuttle Tankers 14 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	<u>Note</u>	2022	2021
<b><u>Fixed assets</u></b>			
Vessel	3	514 443 563	552 450 580
<i>Total Fixed Assets</i>		<u>514 443 563</u>	<u>552 450 580</u>
<b><u>Current Assets</u></b>			
Inventories	6	1 712 602	1 718 061
Receivables	11	3 674 197	4 031 255
Current receivables group		201 932	32 744
Bank deposits	7	24 706 439	23 382 339
<i>Total Current Assets</i>		<u>30 295 170</u>	<u>29 164 399</u>
<i>TOTAL ASSETS</i>		<u>544 738 733</u>	<u>581 614 979</u>



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**Knutsen Shuttle Tankers 14 AS**

**Balance Sheet as of 31. December**

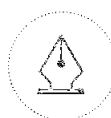
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<b>2022</b>	<b>2021</b>
<b>Equity</b>			
Share capital		200 000	200 000
Share premium		8 378 048	8 378 048
Other paid-in capital		5 586 872	5 586 872
<i>Total capital paid-in</i>		<u>14 164 921</u>	<u>14 164 921</u>
Other equity		89 531 367	72 505 759
<i>Total Shareholders' Equity</i>	<b>8, 9</b>	<u>103 696 288</u>	<u>86 670 680</u>
<b>Long Term Debt</b>			
Liabilities to financial institutions	<b>10</b>	<u>430 339 772</u>	<u>469 269 472</u>
<i>Total Long Term Debt</i>		<u>430 339 772</u>	<u>469 269 472</u>
<b>Current Liabilities</b>			
Accounts payable	<b>11</b>	3 954 177	3 366 111
Accrued interest		4 559 524	1 556 089
Current liabilities group		1 349	231 498
Dividends		0	18 422 670
Other current liabilities		2 187 623	2 098 459
<i>Total Current Liabilities</i>		<u>10 702 673</u>	<u>25 674 827</u>
<i>Total liabilities</i>		<u>441 042 445</u>	<u>494 944 299</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>544 738 733</u>	<u>581 614 979</u>

Haugesund, March 13, 2023,

Trygve Seglem  
chairman of the board

Karl Gerhard Bråstein Dahl  
member of the board

Takashi Domyo  
member of the board



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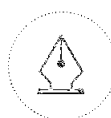


## KNUTSEN SHUTTLE TANKERS 14 AS

### 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	34,593,609	68,434,140
+ Ordinary depreciation	38,007,017	38,106,474
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	18,681,645	12,556,103
+ Financial expenses - liabilities to financial institutions	1,253,364	1,324,781
= Total generated from operations	92,535,635	120,421,498
+ Net received on current assets	193,329	-445,045
+ Net received on current liabilities	3,450,515	-1,376,641
<b>Net cashflow from operations</b>	<b>96,179,479</b>	<b>118,599,812</b>
<u>Cashflow from investments</u>		
Upgrading of vessel	0	-21
<b>Net cashflow from investments</b>	<b>0</b>	<b>-21</b>
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-58,864,709	-53,155,778
Dividend paid-out	-35,990,670	-66,151,290
<b>Net cashflow from financing</b>	<b>-94,855,379</b>	<b>-119,307,068</b>
<b>Net cashflow for the year</b>	<b>1,324,100</b>	<b>-707,277</b>
+ Bank deposits per 01.01.	23,382,339	24,089,616
<b>= Bank deposits per 31.12.</b>	<b>24,706,439</b>	<b>23,382,339</b>



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**KNUTSEN SHUTTLE TANKERS 14 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.

**Transactions in Foreign Currency**

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

**Related party transactions**

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

**1 Contracts**

The vessel is now marketing for new time charter employment. In the interim period, the Company and Knutsen Shuttle Tankers Pool AS (the Pool) agreed for the Pool to time charter the vessel from the Company for a 90-day period plus three further 30-day mutual option periods. This charter, commenced on September 3, 2022, and, if all options are taken by, would expire on or around March 2, 2023.

The income from the time charter contract is received in united states dollars, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

KNOT Management AS is appointed as manager for the company and the vessel.

**2 Employees and remuneration**

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 separate management agreements.

	<u>2022</u>	<u>2021</u>
Grants crew expenses	-3,001,233	-4,115,153

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.



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Auditors remuneration (excl. VAT):	<b>2022</b>	<b>2021</b>
Audit	40,103	18,819
Other services besides audit	0	0
	<b>40,103</b>	<b>18,819</b>

### 3 **Fixed Assets**

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of shuttle tankers is estimated to 23 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 23 year profile for that specific entity is not correct, i.e. fixed charter contracts above 23 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

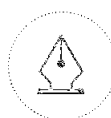
Dry-docking expsenses, in connection with certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for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

<b>Vessel</b>	<b>2022</b>	<b>2021</b>
Historical value 1.1.	818,244,314	818,244,293
Accumulated depreciation 1.1.	274,368,100	241,677,010
Book value 1.1.	543,876,214	576,567,283
Additions/Disposals	0	21
Annual depreciation	32,591,628	32,691,090
Book value 31.12.	511,284,586	543,876,214

<b>Dry-docking</b>	<b>2022</b>	<b>2021</b>
Capitalised dry-docking	27,734,145	27,734,145
Accumulated depreciation dry-docking 1.1.	19,159,779	13,744,395
Capitalised dry-docking 1.1.	8,574,366	13,989,750
Annual depreciation	5,415,389	5,415,384
Book value 31.12.	3,158,977	8,574,366
Total vessel	514,443,563	552,450,580

### 4 **Financial Income and -Expenses**

<b>Financial Income:</b>	<b>2022</b>	<b>2021</b>
Dividend	0	345,803
Other interest income	531,467	31
Total financial income	531,467	345,834
<b>Financial expenses:</b>		
Interest expenses	28,093,197	16,992,397
Guarantee expenses to group companies/related parties	3,213,239	3,125,231
Other financial expenses	362,096	266,231
Total financial expenses	31,668,531	20,383,859



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## 5 Tax

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

In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

### Specification on the temporary differences:

	<u>31.12.2022</u>	<u>Change</u>	<u>31.12.2021</u>
Loss carried forward	-66,978,767	-4,381,659	-62,597,108
Basis for deferred tax (benefit)	-66,978,767	-4,381,659	-62,597,353
Deferred tax (benefit) booked	0	0	0

Deferred tax assets are only recognized to the extent that it is more probable than not that these will be utilized in the future.

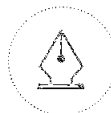
Taxable result tonnage tax scheme:

	<u>2022</u>	<u>2021</u>
Net financial result	-30,495,351	-18,411,967
Non-deductable currency loss	-968,284	-1,620,117
Other deductible items	0	-335,429
Interest deduction	27,081,976	16,494,727
Taxable income before loss carried forward	-4,381,659	-3,872,786
Change in loss carried forward	4,381,659	3,872,786
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax expenses under operating expenses	133,179	132,798

## 6 Inventories

Specification of inventories per 31.12.

	<u>2022</u>	<u>2021</u>
Lube oil	1,712,602	1,718,061
Total inventory	1,712,602	1,718,061



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## 7 Bank deposits

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

## 8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid in equity	Other equity	Total equity
Equity 01.01.	200,000	8,378,048	5,586,872	72,505,759	86,670,680
Extraordinary dividend paid-out	0	0	0	-17,568,000	-17,568,000
Result for the year	0	0	0	34,593,609	34,593,609
Equity 31.12.	200,000	8,378,048	5,586,872	89,531,367	103,696,288

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

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

## 9 Shares Owned by Board Members and Affiliates

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company Knutsen NYK Offshore Tankers AS, which controls 30,47% of KNOT Offshore Partners LP.

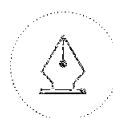
## 10 Mortgage Debt and Financial Instruments

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

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

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 object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the hedging over financial items.

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



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	Currency	Outstanding currency	Hedge accounting	Accounting balance	
				2022	2021
Mortgage debt	USD	66,153,792	6.5297	431,966,897	472,149,961
Debt issuance cost				-1,627,125	-2,880,489
Liabilities to financial institutions				430,339,772	469,269,472

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument 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 revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate.

	2022	2021
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-223,392,259	-166,782,109

Amounts due within 12 months of the balance sheet date:

Mortgage debt	40,183,064	40,183,064
Debt issuance cost	-1,179,292	-1,253,368
Liabilities to financial institutions	39,003,772	38,929,696

Repayment profile: based on expected refinancing

0 - 12 months	6,153,856	6,153,856
13 - 24 months	6,153,856	6,153,856
25 - 36 months	6,153,856	6,153,856
37 - 48 months	6,153,856	6,153,856
49 - 60 months	6,153,856	6,153,856
After 60 months	35,384,512	41,538,368
	66,153,792	72,307,648

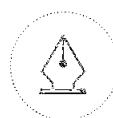
The exchange rate at the year-end	USDNOK	9.9066	8.8363
-----------------------------------	--------	--------	--------

Security for the loan is made through a first priority mortgage in the vessel, assignment of the charterparty, assignment of the insurances, pledged bank deposit, factoring agreement, pledged shares in the company and guarantee from the owner.

Book value of mortgaged assets is NOK 545 million.

## 11 Related party balances

	2022	2021
<u>Receivables</u>		
KNOT FSO 1 AS	0	2,220
KNOT Shuttle Tankers 23 AS	0	500
KNOT Shuttle Tankers 41 AS	0	20,724
Knutsen OAS Shipping AS	0	238,825
Knutsen Shuttle Tankers Pool AS	3,738	0
	3,738	262,269



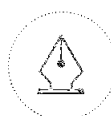
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Accounts payable

KNOT Management AS	229,647	201,165
Knutsen OAS Management AS	44,205	3,935
KNOT Shuttle Tankers 35 AS (group in 2022)	0	1,264
Knutsen OAS Crewing AS	18,098	19,007
Knutsen OAS Shipping AS	1,790,929	1,177,663
	<hr/>	<hr/>
	2,082,879	1,403,034



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Ernst & Young AS

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Postboks 1156 Sentrum, 0107 Oslo

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

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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen Shuttle Tankers 14 AS

### Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 14 AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement 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) 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



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, 13 March 2023  
ERNST & YOUNG AS

*(The auditor's report is signed electronically)*

Johan Lid Nordby  
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen Shuttle Tankers 14 AS 2022

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## Johan Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

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## Skattedirektoratet

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

ERNST & YOUNG AS  
Postboks 20 Oslo Atrium  
0051 OSLO

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

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

<b>Knutsen NYK Shuttle Tankers 8 AS</b>	<b>org. nr. 997 091 051</b>
<b>Knutsen NYK Offshore Tankers 1 AS</b>	<b>org. nr. 897 099 152</b>
<b>Knutsen Shuttle Tankers 13 AS</b>	<b>org. nr. 996 661 016</b>
<b>Knutsen Shuttle Tankers 14 AS</b>	<b>org. nr. 996 821 374</b>
<b>Knutsen Shuttle Tankers 15 AS</b>	<b>org. nr. 997 006 968</b>
<b>Knutsen NYK Shuttle Tankers 16 AS</b>	<b>org. nr. 997 404 009</b>

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

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

### Bakgrunn

De overnevnte selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS fikk i vedtak (2010/867030) av 2. juni 2010 dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. Styrene i selskapene har medlemmer som ikke er norskspråklige. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

### Skattedirektoratets vurdering

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

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



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

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er 50 % eid av et selskap som er innvilget dispensasjon og 50 % av et nederlandsk selskap. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland