



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 661 016
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 13 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: 11.03.2021

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, 24.03.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Freight income	2	165 585 707	155 472 665
Commissions		-914 688	-840 292
Sum inntekter		164 671 019	154 632 373
Kostnader			
Crew-hire	13	22 564 148	19 573 869
Ordinary depreciation	4	29 113 378	29 074 394
Ordinary depreciation - dry docking	4		
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6		
Other operating expenses	2	15 700 463	14 609 995
Administration	7	6 300 215	5 742 540
Sum kostnader		73 678 204	69 000 798
Driftsresultat		90 992 815	85 631 575
Finansinntekter og finanskostnader			
Financial income	5	83 848	369 282
Foreign exchange gain/loss		2 865 752	1 474 652
Sum finansinntekter		2 949 601	1 843 934
Financial expenses	5	25 777 815	24 381 646
Sum finanskostnader		25 777 815	24 381 646
Netto finans		-22 828 214	-22 537 711
Ordinært resultat før skattekostnad		68 164 601	63 093 864
Taxes	11		
Ordinært resultat etter skattekostnad		68 164 601	63 093 864
Årsresultat		68 164 601	63 093 864
Årsresultat etter minoritetsinteresser		68 164 601	63 093 864
Totalresultat		68 164 601	63 093 864



Resultatregnskap

Beløp i: NOK	Note	2020	2019
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Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11		
Varige driftsmidler			
Vessel	4, 8	421 759 027	450 727 208
Dry-docking	4, 8		
Vessel under construction	4, 8, 11		
Accrued income	2	12 382 552	15 533 667
Sum varige driftsmidler		434 141 580	466 260 874
Sum anleggsmidler		434 141 580	466 260 874
Omløpsmidler			
Varer			
Inventories	12	1 639 025	1 612 496
Sum varer		1 639 025	1 612 496
Fordringer			
Receivables	6	2 569 969	3 000 866
Konsernfordringer	6	1 011	
Sum fordringer		2 570 980	3 000 866
Investeringer			
Other financial instruments	8		2 173 635
Sum investeringer			2 173 635
Bankinnskudd, kontanter og lignende			
Bank deposits	3	18 969 503	8 673 706
Sum bankinnskudd, kontanter og lignende		18 969 503	8 673 706
Sum omløpsmidler		23 179 508	15 460 704
SUM EIENDELER		457 321 088	481 721 579



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9, 10	200 000	200 000
Annen innskutt egenkapital		116 750 232	116 750 232
Sum innskutt egenkapital		116 950 232	116 950 232
Opptjent egenkapital			
Other equity		82 935 427	83 584 176
Sum opptjent egenkapital		82 935 427	83 584 176
Sum egenkapital	9	199 885 659	200 534 408
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	8	251 026 693	277 864 779
Sum annen langsiktig gjeld		251 026 693	277 864 779
Sum langsiktig gjeld		251 026 693	277 864 779
Kortsiktig gjeld			
Leverandørgjeld	6	2 081 111	1 402 684
Tax payable	11		
Kortsiktig konserngjeld	6	2 708 032	467 544
Accrued interest	8	291 851	197 905
Other financial instruments	8		
Other current liabilities		1 327 743	1 254 259
Sum kortsiktig gjeld		6 408 736	3 322 392
Sum gjeld		257 435 429	281 187 171
SUM EGENKAPITAL OG GJELD		457 321 088	481 721 579



Knutsen Shuttle Tankers 13 AS Annual Report 2020



M/T "Carmen Knutsen"

KNOT
Offshore Partners LP



KNUTSEN SHUTTLE TANKERS 13 AS

REPORT OF THE BOARD OF DIRECTORS 2020

Knutsen Shuttle Tankers 13 AS owns one 157,000 DWT Suez-max shuttle tanker, M/T Carmen Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyard, 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 Carmen Knutsen have been chartered to Repsol Sinopec Brazil, for operation in Brazil from 2013 on a ten-year TC agreement with 3 one year options.

Result for the year

The operating result for Knutsen Shuttle Tankers 13 AS was NOK 90 992 815 in 2020 compared to NOK 85 631 575 in 2019. After net financial loss of NOK 22 828 214 in 2020, against a loss of NOK 22 537 711 in 2019, the results of the year were NOK 68 164 601 in 2020 compared to NOK 63 093 864 in 2019.

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

Total cash flow from operating activities in the company was NOK 123 189 712, NOK 90 314 969 in 2019. The liquidity position was NOK 18 969 503 as per 31.12.2020 compared to NOK 8 673 706 as per 31.12.2019. The company's ability to finance its investments is good. The outstanding mortgage loan is at the end of 2020 USD 41 448 820, USD 46 015 728 at the end of 2019.

The company's short-term debt per 31.12.2020 was 2.5 % of total debt (1.2 % 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 entered into two forward contracts or other agreements in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

The company is exposed to changes in the interest rate level, as it has long-term debt carrying floating interest rate. The company has entered into two interest rate swaps to reduce the company's interest rate risk.

Total capital was by the end of the year NOK 457 321 088, NOK 481 721 579 at the end of 2019. The equity share as of 31.12.2020 was 44 %, compare to 42 % per 31.12.2019. The company have during 2020 paid out NOK 68 813 350 in extraordinary dividends.

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. KNOT Offshore Partners Group's fleet consists of modern ships which 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. All the vessels are 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 Carmen Knutsen is operated on a long-term charter with Repsol Sinopec Brazil. The charterer and trading area is well known for the manager and the Board of Directors.

Based on the operation of the vessel in 2020 and the secured long-term employment contract of the vessel the Board of Directors of Knutsen Shuttle Tankers 13 AS expects 2021 to be a satisfactory year for the vessel and the company.

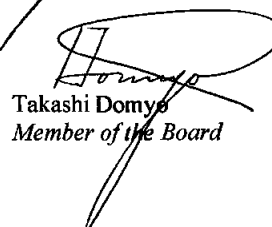
Haugesund, March 10, 2021



Trygve Saglem
Chairman of the Board



Karl Gerhard Bråstein Dahl
Member of the Board



Takashi Domyo
Member of the Board



Knutsen Shuttle Tankers 13 AS

Profit & Loss Account

	Note	2020	2019
<u>Operating Income</u>			
Freight income	2	165 585 707	155 472 665
Commissions		-914 688	-840 292
<i>Total Operating income</i>		<u>164 671 019</u>	<u>154 632 373</u>
<u>Operating Expenses</u>			
Crew-hire	13	22 564 148	19 573 869
Other operating expenses	2	15 700 463	14 609 995
Administration	7	6 300 215	5 742 540
<i>Total Operating Expenses</i>		<u>44 564 826</u>	<u>39 926 404</u>
Ordinary depreciation	4	29 113 378	29 074 394
<i>Operating Result</i>		<u>90 992 815</u>	<u>85 631 575</u>
<u>Financial Income and Expenses</u>			
Financial income	5	83 848	369 282
Foreign exchange gain/loss		2 865 752	1 474 652
Financial expenses	5	-25 777 815	-24 381 646
<i>Net Financial Items</i>		<u>-22 828 214</u>	<u>-22 537 711</u>
<i>Result before taxes</i>		<u>68 164 601</u>	<u>63 093 864</u>
Taxes	11	0	0
<i>Result for the year</i>		<u>68 164 601</u>	<u>63 093 864</u>



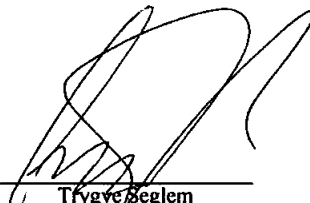
Knutsen Shuttle Tankers 13 AS
Balance Sheet as of 31. December

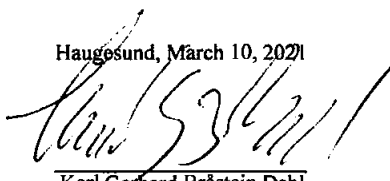
<u>Assets</u>	Note	2020	2019
<u>Non current assets</u>			
Vessel	4, 8	421 759 027	450 727 208
Accrued income	2	12 382 552	15 533 667
<i>Total Non Current Assets</i>		<u>434 141 580</u>	<u>466 260 874</u>
<u>Current Assets</u>			
Inventories	12	1 639 025	1 612 496
Receivables	6	2 569 969	3 000 866
Current receivables group		1 011	0
Other financial instruments	8	0	2 173 635
Bank deposits	3	18 969 503	8 673 706
<i>Total Current Assets</i>		<u>23 179 508</u>	<u>15 460 704</u>
TOTAL ASSETS		<u>457 321 088</u>	<u>481 721 579</u>

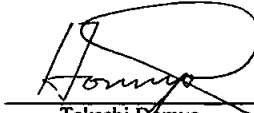


Knutsen Shuttle Tankers 13 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	Note	2020	2019
Equity			
Share capital	9, 10	200 000	200 000
Other paid-up equity		116 750 232	116 750 232
<i>Total capital paid-in</i>		<u>116 950 232</u>	<u>116 950 232</u>
Other equity		82 935 427	83 584 176
<i>Total Shareholders' Equity</i>	9	<u>199 885 659</u>	<u>200 534 408</u>
Long Term Liabilities			
Liabilities to financial institutions	8	251 026 693	277 864 779
<i>Total Long Term Liabilities</i>		<u>251 026 693</u>	<u>277 864 779</u>
Current Liabilities			
Accounts payable	6	2 081 111	1 402 684
Accrued interest	8	291 851	197 905
Current liabilities group		2 708 032	467 544
Other current liabilities		1 327 743	1 254 259
<i>Total Current Liabilities</i>		<u>6 408 736</u>	<u>3 322 392</u>
<i>Total liabilities</i>		<u>257 435 429</u>	<u>281 187 171</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>457 321 088</u>	<u>481 721 579</u>


Trygve Seglem
chairman of the board

Haugesund, March 10, 2021

Karl Gerhard Bråstein Dahl
member of the board


Takashi Domyo
member of the board



KNUTSEN SHUTTLE TANKERS 13 AS

CASHFLOW STATEMENT

	2020	2019
Total generated from operations 1)	117 526 374	105 672 443
Change in working capital	<u>5 663 338</u>	<u>-15 357 474</u>
Net cashflow from operations	<u>123 189 712</u>	<u>90 314 969</u>
Invested in vessel	<u>-145 198</u>	<u>0</u>
Net cashflow from investments	<u>-145 198</u>	<u>0</u>
Net paid-out dividend/group contribution	-68 813 350	-56 465 190
Paid installments on mortgage debt	<u>-43 935 367</u>	<u>-40 096 882</u>
Net cashflow from financing	<u>-112 748 717</u>	<u>-96 562 072</u>
Net cashflow for the year	10 295 797	-6 247 103
+ Cash balance per 01.01	<u>8 673 706</u>	<u>14 920 809</u>
= Cash Balance per 31.12.	<u>18 969 503</u>	<u>8 673 706</u>

1) Generated from operations:

Result before tax	68 164 601	63 093 864
+Accrued income	3 151 114	173 914
+Ordinary depreciation	29 113 378	29 074 394
+Amortization deferred debt issuance cost	1 100 887	1 172 362
+Realized currency gain mortgage debt	<u>15 996 394</u>	<u>12 157 908</u>
= Total generated from operations	<u>117 526 374</u>	<u>105 672 443</u>



KNUTSEN SHUTTLE TANKERS 13 AS

Notes to the Financial Statement 31.12.2020

1 Accounting Principles

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

Current Assets/Current Liabilities

Fixed assets are intended for long-term ownership and use. Other assets are classified as current assets. Short-term liabilities are due within one year or tied to the operation of the vessel. Other liabilities are classified as long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recorded at nominal value at the time of the entering.

Fixed Assets and Dry-Docking

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

Dry-docking expenses are capitalised and 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. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

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

Income

The income from charter party is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

Inventories

Inventories are valued according to the net realisable value principle.

Transactions in Foreign Currency

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

All current assets and current liabilities in foreign currency are registered at the rate of exchange as per 31.12. Realised foreign exchange gain and loss are registered as financial items.

The debt is valued at the historical rate, to the extent that the future net nominal income flow exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

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



Interest-bearing loan and borrowings

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.

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.

Tax

The company have elected to be taxed based on the Norwegian tonnage tax regime. The tonnage tax regime have a list of requirements that companies have to fulfill to qualify for election of the regime, such as minimum 3% direct or indirect ownership in vessels that perform transportation only. The company are restricted to what assets, liabilities and business they can participate in, and the same will apply for underlying companies and/or partnerships.

In the tonnage tax regime the company pay a tonnage tax based on the weight of the owned vessels and taxable result is based on a taxable financial result. This means that the company's operating results is not taxable. The taxable financial result is based on the net financial items in the profit and loss account where only a portion of the foreign exchange gain is taxable and a portion of the foreign exchange loss and interest expenses is deductible. The portion is based on the amount of financial assets compared to total assets in the balance sheet. The company will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital. Tonnage tax is classified as an operating expense in the profit and loss statement.

The calculated tax expenses in the profit and loss statement includes both the payable tax for the period in addition to the change in deferred tax. Deferred tax is calculated based on the temporary differences between the balance sheet values in the accounts and the tax values in addition to the tax loss carried forward at the end of the financial year. Tax increasing and decreasing changes in temporary differences that can be reversed in the same period are offset and the net value is taken into the accounts.

Cash flow statement

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

Related party transactions

The Company has undertaken several agreements and transactions with related parties in the KNOT and KNOP 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.

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.



2 Contracts

The company has secured employment of the vessels with a 10 year fix time charter contract with three 1 year options to Repsol Sinopec Brazil from delivery in the beginning of 2013. Accrued income is related to income from charter party due to recording on a straight line basis.

KNOT Management AS operates as a manager on behalf of the company and the vessel in accordance with management agreement.

3 Bank deposits

The company doesn't have locked-up bank funds per 31.12.

4 Fixed Assets

Vessel

	<u>2020</u>	<u>2019</u>
Historical value 01.01	605 582 452	605 582 452
Acc. Depreciation 01.01	169 377 627	145 144 023
Book value 01.01.	436 204 825	460 438 429
Ordinary annual depreciation	24 233 604	24 233 604
Book value 31.12.	<u>411 971 221</u>	<u>436 204 825</u>

Dry docking

	<u>2020</u>	<u>2019</u>
Capitalised dry-docking 01.01	25 130 265	25 130 265
Acc. Depreciation dry-docking 1.1	10 607 882	5 767 092
Capitalised dry-docking 01.01.	14 522 383	19 363 173
Additions	145 198	0
Ordinary annual depreciation	4 879 774	4 840 790
Book value 31.12.	<u>9 787 806</u>	<u>14 522 383</u>
Total vessel	<u>421 759 027</u>	<u>450 727 208</u>

5 Financial Income and -Expenses

Financial Income:

	<u>2020</u>	<u>2019</u>
Other interest income	83 848	369 282
Total financial income	<u>83 848</u>	<u>369 282</u>

Financial expenses:

Interest expenses	15 915 791	16 692 898
Realized currency swaps	5 475 000	18 033 465
Unrealized currency swaps	2 173 635	-12 610 936
Guarantee expenses group	2 012 555	2 060 760
Other financial expenses	200 833	205 459
Total financial expenses	<u>25 777 815</u>	<u>24 381 646</u>



6 Related party balances

	<u>2020</u>	<u>2019</u>
<u>Receivables</u>		
Knutsen OAS Shipping AS	847 214	872 225
KNOT Management AS	162 794	468 743
	<u>1 010 008</u>	<u>1 340 968</u>
<u>Accounts payable related parties</u>		
Knutsen OAS Shipping AS	401 777	0
Knutsen OAS Crewing AS	56 640	19 029
KNOT Management AS	138 338	161 417
SUM	<u>596 755</u>	<u>180 446</u>

7 Remuneration

The company have not paid salary or any other remuneration, nor given any loan or guarantees to the managing director, any leading person or board members during the year.

Auditors remuneration (excl. VAT):

	<u>2020</u>	<u>2019</u>
Audit	37 638	36 033
Tax advice	0	0
Other services besides audit	0	0
	<u>37 638</u>	<u>36 033</u>

8 Mortgage Debt and Financial Instruments

31.12.2020

	<u>USD</u>	<u>Historical rate</u>	<u>Rate per 31.12</u>	<u>NOK</u>
USD-loan	41 448 820	8,1556	6,1177	253 571 446
Deferred debt issuance				-2 544 754
				<u>251 026 693</u>
Current portion:				
USD-loan	4 566 908			27 938 973
Deferred debt issuance				-1 020 917
				<u>26 918 057</u>

31.12.2019

	<u>USD</u>	<u>Historical rate</u>	<u>Rate per 31.12</u>	<u>NOK</u>
USD-loan	46 015 728	8,1556	6,1177	281 510 419
Deferred debt issuance				-3 645 640
				<u>277 864 779</u>
Current portion:				
USD-loan	4 566 908			27 938 973
Deferred debt issuance				-1 100 887
				<u>26 838 086</u>

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

Estimated outstanding debt per year end 2025 is USD 19 million.



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 31.12.2020 the not recorded foreign exchange loss (i.e. off-balance) is NOK 100 million compared to a loss of NOK 124 million as per 31.12.2019.

Security for the loan is made through a first priority mortgage in the vessel, transportation of income, pledged bank deposit, factoring agreement, pledged shares in the company and guarantees from the owner.

Book value of mortgaged assets is NOK 457 million (NOK 480 million in 2019).

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 entered agreements on fixed interest rates on USD 25 million. Mark to market loss on the interest rate swaps have not been taken into account with USD 0.4 million (gain of USD 0.1 million in 2019).

All foreign exchange rate contracts is realized during 2020.

9 **Equity**

Specification of the equity per 31.12.

	Share capital	Other paid in equity	Other equity	Total equity
Equity 01.01.	200 000	116 750 232	83 584 176	200 534 408
Extraordinary paid-out dividend	0	0	-68 813 350	-68 813 350
Result for the year	0	0	68 164 601	68 164 601
Equity 31.12.	200 000	116 750 232	82 935 427	199 885 659

Share capital consist of 100 shares à NOK 2,000, all held 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/>.

10 **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 27,84% of KNOT Offshore Partners LP.



11 Tax

The company is taxed based on the shipping tax regime. This means that companies are not taxed on the basis of its operating income. However it is calculated an annual tax of 22% on the company's net financial income. At the same time companies within the tonnage tax scheme will have to pay a tonnage tax based on the size of the company's operated vessels, which in 2020 amounted to NOK 160 007 (NOK 160 007 in 2019). Tonnage tax is classified as an operating expense.

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

	2020	Change	2019
Foreign exchange rate contracts	0	-132 578	132 578
Loss carried forward	-73 199 878	-5 124 785	-68 075 093
Basis for deferred tax (benefit)	-73 199 878	-7 430 998	-67 942 515
Deferred tax (benefit)	-16 103 973	-1 156 620	-14 947 353
Deferred tax (benefit) booked	0	0	0

Deferred tax assets related to losses carried forward are only recognized to the extent that there is convincing evidence that these will be utilized in the future.

Taxable result tonnage tax scheme:

	2020	2019
Net financial items	-22 828 214	-22 537 711
Non-deductible currency loss	-3 123 219	-1 560 098
Interest swaps/foreign exchange rate contracts	7 265 385	4 340 521
Non-deductible interest / taxable interest	13 561 263	20 023 599
Taxable income before loss carried forward	-5 124 785	266 311
Change in loss carried forward	5 124 785	-266 311
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0

12 Inventories

Inventories refer to lube oil and stores as per 31 December. Due to the fact that the vessel is contracted on a time charter, bunkers and bunkers stock are for charterer's account.

13 Crew Hire

The company has no own employees, but hires all crew from related parties in accordance with a separate management agreement.



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6A, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen Shuttle Tankers 13 AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 13 AS, which comprise the balance sheet as at 31 December 2020, the income statement 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 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) is 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.

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,



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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, 10 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant

Independent auditor's report - Knutsen Shuttle Tankers 13 AS

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Johan Nordby

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 28.10.2009	Vår dato 02.06.2010
Telefon 22077325	Deres referanse Jørn Knutsen	Vår referanse 2009/867030

Ernst & Young AS
Postboks 6163 - Postterminalen
5892 Bergen

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk

Det vises til Deres søknad av 28. oktober 2009 samt telefonsamtaler 12. desember 2009 og 31. mai 2010 i sakens anledning. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- TS Shipping Invest AS org. nr: 975 883 914
- samt følgende datterselskap:
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Bøyelaster II KS org. nr: 959 321 752
- Knutsen Bøyelaster III KS org. nr: 959 505 349
- Knutsen Bøyelaster VI KS org. nr: 971 585 579
- Knutsen Bøyelaster VIII KS org. nr: 979 539 649
- Knutsen Bøyelaster IX KS org. nr: 979 685 521
- Knutsen Bøyelaster XI KS org. nr: 986 224 610
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Kjemikalie Tanker KS org. nr: 953 058 995
- Knutsen Kjemikalie Tanker II KS org. nr: 955 298 640
- Knutsen Kjemikalie Tanker III KS org. nr: 876 795 922
- Knutsen Kjemikalie Tanker IV KS org. nr: 982 741 092
- Knutsen Kjemikalie Tanker V KS org. nr: 983 452 884
- Knutsen Kyst LNG KS org. nr: 984 616 848
- Knutsen Newfoundland Chartering AS org. nr: 990 356 963
- Knutsen O.A.S Shipping AS org. nr: 832 529 982
- Knutsen Offshore KS org. nr: 893 435 832
- Knutsen Product Tankers KS org. nr: 983 453 007
- Knutsen Produkt Tanker IV KS org. nr: 961 068 355
- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Produkt Tanker VI AS org. nr: 965 870 105
- Knutsen Produkt Tanker IX AS org. nr: 983 857 191
- Knutsen Produkt Tanker X AS org. nr: 985 990 921
- Knutsen Produkt Tanker XI AS org. nr: 990 149 941
- Knutsen Produkt Tanker XII AS org. nr: 890 149 952
- Knutsen Produkt Tanker XIII AS org. nr: 891 028 342
- Knutsen Produkt Tanker XIV AS org. nr: 991 133 518

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- Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
- Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
- Knutsen Shuttle Tankers 13 AS org. nr: 868 286 962
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Terminal Tanker AS org. nr: 945 404 191
- TS Shipping Invest 2 AS org. nr: 992 826 762
- TS Shipping Invest 3 AS org. nr: 993 010 650

Bakgrunn:

TS Shipping Invest AS med datterselskap er gjennom selskapet Seglem Holding AS 100 % eid av Trygve Seglem og hans familie. Alle selskapene driver virksomhet innen internasjonal shipping. Konsernet omfatter også flere utenlandske datterselskap, og engelsk er arbeids- og rapporteringsspråk for hele konsernet. Selskapenes virksomhet er finansiert gjennom flere norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån, er det et krav fra bankene at regnskapet oversettes til engelsk språk.

Konsernet må derfor i dag utarbeide alle regnskaper både på norsk og engelsk. Denne praksisen innebærer en vesentlig kostnad uten at man ser noen synlig nytte av den norske versjonen. Det søkes derfor om dispensasjon.

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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at alle selskapene eies av samme familie, og denne ønsker at årsregnskapet utarbeides på engelsk språk. Selskapene opererer innen en bransje med sterk internasjonal



karakter og arbeidsspråket er engelsk. Finansieringen hentes fra profesjonelle institusjoner som etterspør engelsk versjon av årsregnskapet og årsberetning. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte navngitte selskapene i TS Shipping Invest konsernet 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.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 28.10.2009	Vår dato 02.06.2010
Telefon 22077325	Deres referanse Jørn Knutsen	Vår referanse 2009/867030

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- Norspan LNG AS org. nr: 981 146 131
- Norspan LNG II AS org. nr: 982 786 126
- Norspan LNG III AS org. nr: 986 860 045
- Norspan LNG IV AS org. nr: 987 755 628
- Norspan LNG V AS org. nr: 989 970 690
- Norspan LNG VI AS org. nr: 990 224 366
- Norspan LNG VII AS org. nr: 990 911 053
- Norspan LNG VIII AS org. nr: 991 817 603

Bakgrunn:

Selskapene er eid av de tre norske selskapene TS Shipping Invest AS, Umoe Shipping & Energy AS og Gas Maroil AS. Bak sistnevnte selskap står det spanske eierinteresser. Eierandelen mellom de tre aksjonærene er noe forskjellig for de ulike Norspan selskapene. Både eierne og selskapene det søkes dispensasjon for, driver alle innen internasjonal shipping. Selskapene har engelsk som arbeids og rapporteringsspråk. Selskapenes virksomhet er finansiert gjennom flere norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån, er det et krav fra bankene at regnskapet oversettes til engelsk språk.

Selskapene må derfor i dag utarbeide alle regnskaper både på norsk og engelsk. Denne praksisen innebærer en vesentlig kostnad uten at man ser noen synlig nytte av den norske versjonen. Det søkes derfor om dispensasjon.

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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."

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Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at selskapenes aksjer eies av et begrenset antall aksjonærer som foretrekker årsregnskap og årsberetning på engelsk. Selskapene opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Finansieringen hentes fra profesjonelle institusjoner som etterspør engelsk versjon av årsregnskapet og årsberetning. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte navngitte søkere 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. Dette inkluderer blant annet en forutsetning om at alle aksjonærer også i fortsettelsen er enig i at årsregnskap og årsberetning ikke ønskes utarbeidet på norsk.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hjelstad