



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 914 021 456  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 27 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### 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: 25.02.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 28.03.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
Freight income			
<b>Kostnader</b>			
Crew-hire	9	6 530 512	
Ordinary depreciation	4	6 480 612	
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4		
Other operating expenses		15 251 373	
Administration	3, 8	2 742 515	241 351
<b>Sum kostnader</b>		<b>31 005 012</b>	<b>241 351</b>
<b>Driftsresultat</b>		<b>-31 005 012</b>	<b>-241 351</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	5	28	1 298
Foreign exchange gain/loss		-1 044 026	517 756
<b>Sum finansinntekter</b>		<b>-1 043 998</b>	<b>519 054</b>
Financial expenses	5	5 559 461	1 036 843
<b>Sum finanskostnader</b>		<b>5 559 461</b>	<b>1 036 843</b>
<b>Netto finans</b>		<b>-6 603 459</b>	<b>-517 789</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-37 608 472</b>	<b>-759 140</b>
Taxes	10		
<b>Ordinært resultat etter skattekostnad</b>		<b>-37 608 472</b>	<b>-759 140</b>
<b>Årsresultat</b>		<b>-37 608 472</b>	<b>-759 140</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-37 608 472</b>	<b>-759 140</b>
<b>Totalresultat</b>		<b>-37 608 472</b>	<b>-759 140</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	10		
<b>Varige driftsmidler</b>			
Vessel	3, 4	919 222 438	
Vessel under construction	4		152 698 336
<b>Sum varige driftsmidler</b>		<b>919 222 438</b>	<b>152 698 336</b>
<b>Sum anleggsmidler</b>		<b>919 222 438</b>	<b>152 698 336</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	13	12 871 161	
<b>Sum varer</b>		<b>12 871 161</b>	
<b>Fordringer</b>			
Receivables	11	22 040 330	3 320 703
<b>Sum fordringer</b>		<b>22 040 330</b>	<b>3 320 703</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	2	6 458 615	4 977 247
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>6 458 615</b>	<b>4 977 247</b>
<b>Sum omløpsmidler</b>		<b>41 370 106</b>	<b>8 297 949</b>
<b>SUM EIENDELER</b>		<b>960 592 545</b>	<b>160 996 286</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	6, 7	100 000	100 000
Annen innskutt egenkapital		124 971 490	156 806 830



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Sum innskutt egenkapital</b>		<b>125 071 490</b>	<b>156 906 830</b>
Other equity			
<b>Sum egenkapital</b>	<b>6</b>	<b>125 071 490</b>	<b>156 906 830</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	12	741 841 270	
Other non-current liabilities	14	61 616 533	
<b>Sum annen langsiktig gjeld</b>		<b>803 457 803</b>	
<b>Sum langsiktig gjeld</b>		<b>803 457 803</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	7 848 384	48 565
Kortsiktig konserngjeld		19 579 465	4 040 890
Accrued interest		2 692 722	
Other current liabilities		1 942 680	
<b>Sum kortsiktig gjeld</b>		<b>32 063 251</b>	<b>4 089 455</b>
<b>Sum gjeld</b>		<b>835 521 054</b>	<b>4 089 455</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>960 592 545</b>	<b>160 996 286</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 161359

#### Enheten

Organisasjonsnummer: 914 021 456  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 27 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

#### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

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Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karl Gerhard Bråstein Dahl  
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År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 26.03.2022



Organisasjonsnr: 914 021 456  
KNOT SHUTTLE TANKERS 27 AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
Freight income			
<b>Kostnader</b>			
Crew-hire	9	6 530 512	
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Administration	3, 8	2 742 515	241 351
<b>Sum kostnader</b>		<b>31 005 012</b>	<b>241 351</b>
<b>Driftsresultat</b>		<b>-31 005 012</b>	<b>-241 351</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	5	28	1 298
Foreign exchange gain/loss		-1 044 026	517 756
<b>Sum finansinntekter</b>		<b>-1 043 998</b>	<b>519 054</b>
Financial expenses	5	5 559 461	1 036 843
<b>Sum finanskostnader</b>		<b>5 559 461</b>	<b>1 036 843</b>
<b>Netto finans</b>		<b>-6 603 459</b>	<b>-517 789</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-37 608 472</b>	<b>-759 140</b>
Taxes	10		
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<b>Årsresultat etter minoritetsinteresser</b>		<b>-37 608 472</b>	<b>-759 140</b>
<b>Totalresultat</b>		<b>-37 608 472</b>	<b>-759 140</b>



Organisasjonsnr: 914 021 456  
KNOT SHUTTLE TANKERS 27 AS

## BALANSE

**Beløp i: NOK** **Note** **2021** **2020**

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Utsatt skattefordel 10

##### Varige driftsmidler

Vessel 3, 4 919 222 438

Vessel under construction 4 152 698 336

**Sum varige driftsmidler 919 222 438 152 698 336**

**Sum anleggsmidler 919 222 438 152 698 336**

#### Omløpsmidler

##### Varer

Inventories 13 12 871 161

**Sum varer 12 871 161**

##### Fordringer

Receivables 11 22 040 330 3 320 703

**Sum fordringer 22 040 330 3 320 703**

##### Bankinnskudd, kontanter og lignende

Bank deposits 2 6 458 615 4 977 247

**Sum bankinnskudd, kontanter og lignende 6 458 615 4 977 247**

**Sum omløpsmidler 41 370 106 8 297 949**

**SUM EIENDELER 960 592 545 160 996 286**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share capital 6, 7 100 000 100 000

Annen innskutt egenkapital 124 971 490 156 806 830

**Sum innskutt egenkapital 125 071 490 156 906 830**

##### Other equity

**Sum egenkapital 6 125 071 490 156 906 830**

#### Gjeld

##### Langsiktig gjeld

##### Annen langsiktig gjeld

Gjeld til kredittinstitusjoner 12 741 841 270



Other non-current liabilities	14	61 616 533	
<b>Sum annen langsiktig gjeld</b>		<b>803 457 803</b>	
<b>Sum langsiktig gjeld</b>		<b>803 457 803</b>	<b>0</b>
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<b>SUM EGENKAPITAL OG GJELD</b>		<b>960 592 545</b>	<b>160 996 286</b>



Organisasjonsnr: 914 021 456  
KNOT SHUTTLE TANKERS 27 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

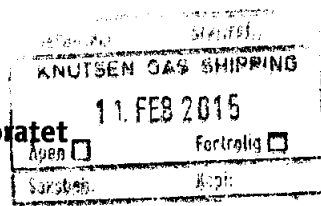
Omløpsmidler                      Startdato      Sluttdato      Endring

Skattemessig fremf.undersk. Startdato      Sluttdato      Endring

Kortsiktig gjeld                      Startdato      Sluttdato      Endring



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*



**KNOT** Knutsen  
NYK Offshore  
Tankers

## KNOT Shuttle Tankers 27 AS

### Annual Report 2021



M/T “ Live Knutsen ”



Knutsen  
Group





## **KNOT SHUTTLE TANKERS 27 AS**

### **REPORT OF THE BOARD OF DIRECTORS 2021**

KNOT Shuttle Tankers 27 AS took delivery of M/T Live Knutsen, one 152,000 DWT suez-max DP2 shuttle tanker constructed and delivered from COSCO (Zhoushan) Shipyard Co., Ltd. in China November 3, 2021.

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 in accordance with separate agreement.

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

M/T Live Knutsen is chartered to Galp Sinopec Brazil Services B.V. from January 1<sup>st</sup>, 2022 on a five-year time charter agreement with options up to six years. The vessel will operate in Brazil.

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

The operating result for KNOT Shuttle Tankers 27 AS was minus NOK 31 005 012 in 2021 compared to minus NOK 241 351 in 2020. After net financial loss of NOK 6 603 459 in 2021, against a loss of NOK 517 789 in 2020, the loss of the year was NOK 37 608 472, compared to a loss of NOK 759 140 in 2020.

The Board of Directors propose to cover the loss with other paid in equity.

The liquidity position was NOK 6 458 615 as per 31.12.2021 compared to NOK 4 977 247 as per 31.12.2020.

The company's short-term debts per 31.12.2021 was 4 % of total debt (11 % in 2020).

Total capital was by the end of the year NOK 960 592 545, compared to NOK 160 996 286 the year before. The equity-share as of 31.12.2021 was 13%, compared to 97% per 31.12.2020.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Though, since the majority of the company's operating expenses and financial expenses 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, hence the operating related market risk.

The company is also exposed to changes in the interest rate level, as it has long term debt carrying floating interest rate.

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

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



The requirements for environment and safety in the operations of vessels are increasing, and both the Company, the manager and the Knutsen NYK Offshore Tankers Group emphasize operational quality.

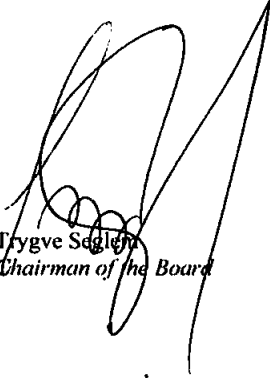
The Company and the manager allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of vessels. There are no indications that the company pollutes the external environment significantly, and the board of directors considers the working conditions as satisfactory. All certificates are valid. MT Live Knutsen is certified in accordance with both the ISM and ISPS codes.

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

The vessel is operated on a long-term charter with Galp Sinopec Brazil Services B.V. with charterers option to extend the contract. Based on the mobilization voyage and testing in Brazil and the operation of the vessel so far in 2022, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 27 AS expects 2022 to be a satisfactory year for the vessel and the company.

Haugesund, February 24, 2022



Trygve Seglen  
Chairman of the Board



Takashi Domyo  
Member of the Board



Karl Gerhard Bråstein Dahl  
Member of the Board



**KNOT Shuttle Tankers 27 AS**

**Profit & Loss Account**

	Note	2021	2020
<b><u>Operating Income</u></b>			
Freight income		0	0
<b><u>Operating Expenses</u></b>			
Crew-hire	9	6 530 512	0
Other operating expenses		15 251 373	0
Administration	3, 8	2 742 515	241 351
<i>Total Operating Expenses</i>		<u>24 524 400</u>	<u>241 351</u>
Ordinary depreciation	4	6 480 612	0
<i>Operating Result</i>		<u>-31 005 012</u>	<u>-241 351</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	5	28	1 298
Foreign exchange gain/loss		-1 044 026	517 756
Financial expenses	5	-5 559 461	-1 036 843
<i>Net Financial Items</i>		<u>-6 603 459</u>	<u>-517 789</u>
<i>Result before taxes</i>		<u>-37 608 472</u>	<u>-759 140</u>
Taxes	10	0	0
<i>Result for the year</i>		<u>-37 608 472</u>	<u>-759 140</u>



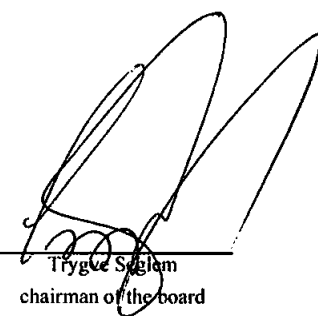
**KNOT Shuttle Tankers 27 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	Note	2021	2020
<b><u>Fixed assets</u></b>			
Vessel	3, 4	919 222 438	0
Vessel under construction	4	0	152 698 336
<i>Total Fixed Assets</i>		<u>919 222 438</u>	<u>152 698 336</u>
<b><u>Current Assets</u></b>			
Inventories	13	12 871 161	0
Receivables	11	22 040 330	3 320 703
Bank deposits	2	6 458 615	4 977 247
<i>Total Current Assets</i>		<u>41 370 106</u>	<u>8 297 949</u>
<i>TOTAL ASSETS</i>		<u>960 592 545</u>	<u>160 996 286</u>



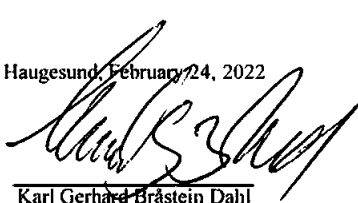
**KNOT Shuttle Tankers 27 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	Note	2021	2020
<u>Equity</u>			
Share capital	6, 7	100 000	100 000
Other paid-in equity		124 971 490	156 806 830
<i>Total capital paid-in</i>		<u>125 071 490</u>	<u>156 906 830</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	6	<u>125 071 490</u>	<u>156 906 830</u>
<u>Long Term Liabilities</u>			
Liabilities to financial institutions	12	741 841 270	0
Other non-current liabilities	14	61 616 533	0
<i>Total Long Term Liabilities</i>		<u>803 457 803</u>	<u>0</u>
<u>Current Liabilities</u>			
Accounts payable	11	7 848 384	48 565
Accrued interest		2 692 722	0
Current liabilities group		19 579 465	4 040 890
Other current liabilities		1 942 680	0
<i>Total Current Liabilities</i>		<u>32 063 251</u>	<u>4 089 455</u>
<i>Total liabilities</i>		<u>835 521 054</u>	<u>4 089 455</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>960 592 545</u>	<u>160 996 286</u>

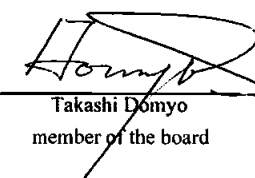


Trygve Seglem  
chairman of the board

Haugesund, February 24, 2022



Karl Gerhard Bråstein Dahl  
member of the board



Takashi Domyo  
member of the board



## KNOT SHUTTLE TANKERS 27 AS

### CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	-28 422 648	-759 140
Change in working capital	<u>-3 616 993</u>	<u>-2 332 118</u>
Net cashflow from operations	<u>-32 039 641</u>	<u>-3 091 258</u>
<u>Cashflow from investments</u>		
Invested in vessel under construction	<u>-772 987 959</u>	<u>-104 853 170</u>
Net cashflow from investments	<u>-772 987 959</u>	<u>-104 853 170</u>
<u>Cashflow from financing</u>		
Proceeds from long term-debt	749 429 124	0
Debt issuance costs	-7 867 928	0
Seller Credit, net change	59 174 640	0
Net change in debt to group companies	0	-44 771 501
Group contribution	<u>5 773 132</u>	<u>157 251 488</u>
Net cashflow from financing	<u>806 508 968</u>	<u>112 479 987</u>
Net cashflow for the year	1 481 368	4 535 559
+ Cash balance per 01.01.	<u>4 977 247</u>	<u>441 688</u>
<b>= Cash Balance per 31.12.</b>	<b><u>6 458 615</u></b>	<b><u>4 977 247</u></b>

#### 1) Generated from operations:

Result before tax	-37 608 472	-759 140
+Ordinary depreciation	6 480 612	0
+Unrealized profit/loss on foreign exchange seller's credit	2 168 030	0
+Interests Seller's credit	273 863	0
+Amortized debt issuance cost	<u>263 319</u>	<u>0</u>
= Total generated from operations	<u>-28 422 648</u>	<u>-759 140</u>



## KNOT SHUTTLE TANKERS 27 AS

### Notes to the Financial Statement 31.12.2021

#### 1 Accounting Principles

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

#### Fixed Assets and Dry-Docking

Yard instalments paid on newbuildings are gradually recorded as fixed assets as the instalments are paid. All costs regarding construction supervision, construction financing (including building loan interest, arrangement fees, provision of guarantees), purchases beyond the yard contract regarding the individual contract are also registered.

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 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, 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.

#### Transactions in Foreign Currency

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

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

#### Inventory

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

#### Income

The income from the charter party is in USD, and income is recorded to the Profit & Loss account when actually earned.



## **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.

## **Related party transactions**

The Company has undertaken several agreements and transactions with related parties in the Knutsen NYK Offshore Tankers Group. The level of fees are based on market terms and are in accordance with the arm's length principle. The company have no own employees and have outsourced management and crewing to related parties. KNOT Management AS delivers ship management services for the Company's vessel(s).

## **Tax**

The company qualify for and have elected to be taxed under 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 a annual tonnage tax set annually by the parliament. The limited part of the profit that is taxable is taxed under the standard Norwegian company tax that at the moment is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital. We classify the tonnage tax as an operating expense.

## **Going concern**

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

## **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.



## 2 Bank deposits

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

## 3 Contracts

The vessel operates on a 5 year fix time charter contract with charters option to extend the contract with up to 6 years to Galp Sinopex Brazil Services B.V. The time-charter contract started on Januar 1st 2022.

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

## 4 Fixed Assets

### Vessel under construction

	<u>2021</u>	<u>2020</u>
Book value 01.01.	152 698 336	47 845 167
Additions	773 004 714	104 853 170
Delivery new vessel	-925 703 050	0
Book value 31.12.	<u>0</u>	<u>152 698 336</u>

### Vessel

	<u>2021</u>
Historical value 1.1.	0
Accumulated depreciation 1.1.	0
Book value 1.1.	0
Delivered new building	898 466 890
Annual depreciation	5 572 740
Book value 31.12.	<u>892 894 150</u>

### Dry-docking

	<u>2021</u>
Capitalised dry-docking	0
Accumulated depreciation dry-docking 1.1.	0
Capitalised dry-docking 1.1.	0
Delivered new building	27 236 160
Annual depreciation	907 872
Book value 31.12.	<u>26 328 288</u>

### **Total book value vessel 31.12.**

**919 222 438**



## 5 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
<b>Financial Income:</b>		
Other interest income	28	1 298
Total financial income	<u>28</u>	<u>1 298</u>
<b>Financial expenses:</b>		
Interest expenses to group companies	171 366	1 028 976
Interest expenses	3 072 898	7 867
Other financial expenses	283 501	0
Financial expenses to group companies	1 978 448	0
Guarantee expenses related parties	53 249	0
Total financial expenses	<u>5 559 461</u>	<u>1 036 843</u>

## 6 Equity

Specification of the equity per 31.12.

	Share capital	Other paid in equity	Other equity	Total equity
Equity 01.01.	100 000	156 806 830	0	156 906 830
Result for the year	0	-37 608 472	0	-37 608 472
Group contribution received	0	5 773 132	0	5 773 132
Equity 31.12.	<u>100 000</u>	<u>124 971 490</u>	<u>0</u>	<u>125 071 490</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.

## 7 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.

## 8 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>2021</u>	<u>2020</u>
Audit	21 320	20 500
Tax advice	0	0
Other services besides audit	0	0
	<u>21 320</u>	<u>20 500</u>

## 9 Employees

The company has no employees and thereby no pension liabilities (under the new OTP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from related parties.

	<u>2021</u>	<u>2020</u>
Grants crew expenses	195 566	0



## 10 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 2021 amounted to NOK 27 666 (NOK 0 in 2020). Tonnage tax is classified as an operating expense.

### Specification on the temporary differences:

	<u>31.12.21</u>	<u>Change</u>	<u>31.12.20</u>
Loss carried forward	-10 220 910	5 748 075	-4 472 835
Temporary differences	-10 220 910	5 748 075	-4 472 835
Calculated deferred tax	2 248 600	-1 264 577	984 024
Deferred tax in balance	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.

### Tax cost

	<u>2021</u>	<u>2020</u>
Net financial Items	-6 603 459	-517 789
Non-taxable currency gain	1 080 902	-401 583
Non-deductible interest	3 126 234	798 098
Deductible financial items	-3 351 751	-4 462 937
Income supplement for high equity ratio	0	111 379
Taxable income before loss carried forward	-5 748 075	-4 472 832
Loss carried forward	5 748 075	4 472 832
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0

## 11 Balances with related parties

<u>Receivables</u>	<u>2021</u>	<u>2020</u>
Knutsen Shuttle Tankers 15 AS	492	0
Knutsen O.A.S Shipping AS	20 939 488	0
	20 939 980	0
<u>Accounts Payable</u>		
Knutsen O.A.S Shipping AS	236 541	48 565
Knutsen Produkt Tanker XII AS	9 820	0
Knutsen O.A.S Crewing AS	32 587	0
KNOT Shuttle Tankers 26 AS	356	0
	279 304	48 565



## 12 Mortgage Debt and Financial Instruments

31-12-21			Rate as at	
	USD	Historical rate	31.12	NOK
USD-loan	89 560 000	8,3679	8,3679	749 429 124
Debt issuance cost				<u>-7 587 854</u>
				741 841 270
Current portion USD-loan	4 975 556		8,3679	41 634 955
Current portion debt issuance cost				<u>-1 572 724</u>
				40 062 231

Estimated outstanding debt per year end 2026 is USD 65 million.

The USDNOK exchange rate at the year-end was 8,8363

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 31.12.2021 the not recorded foreign exchange loss (i.e. off-balance) is NOK 41.9 million.

Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 919 million.

## 13 Inventories

Inventories refer to lube oil (NOK 5 million) and bunkers (NOK 7.9 million) as per 31.12.

## 14 Seller Credit

The last instalment on the vessel construction contract with COSCO (Zhoushan) Shipyard Co., Ltd. in China is payable three years after the delivery of the vessel with USD 7.5 million. The instalment is booked as a seller's credit with the net present value on the delivery of the vessel and the investment on the vessel. The interest is expensed over the profit and loss statement during the term of the credit.

31-12-21			Rate as at	
	USD	Historical rate	31.12	NOK
Seller Credit Yard	6 973 114	8,5240	8,8363	61 616 533



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders Meeting of KNOT Shuttle Tankers 27 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 27 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss accounts 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 2021 and its financial performance 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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management for the financial statements

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

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



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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 ISAs will always detect a material misstatement when it exists.

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

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

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

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

Oslo, 24 February 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland

State Authorised Public Accountant (Norway)

Independent auditor's report – KNOT Shuttle Tankers 27 AS 2021

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## Magnus Hegertun Birkeland

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