



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	996 124 916
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNOT MANAGEMENT AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	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
RESULTATREGNSKAP			
Inntekter			
Operating income	8	202 270 973	213 347 314
Sum inntekter		202 270 973	213 347 314
Kostnader			
Employee benefits expense	5	101 323 461	103 760 152
Ordinary depreciation	4	1 343 526	1 343 528
Administration	6	17 035 094	17 734 303
Sum kostnader		119 702 081	122 837 983
Driftsresultat		82 568 891	90 509 331
Finansinntekter og finanskostnader			
Financial income	3	1 667 447	2 573 090
Foreign exchange gain/loss		-107 209	-1 117 499
Sum finansinntekter		1 560 238	1 455 591
Financial expenses	3	16 752	28 120
Sum finanskostnader		16 752	28 120
Netto finans		1 543 486	1 427 471
Ordinært resultat før skattekostnad		84 112 377	91 936 802
Taxes	11	18 436 292	20 298 073
Ordinært resultat etter skattekostnad		65 676 085	71 638 729
Årsresultat		65 676 085	71 638 729
Årsresultat etter minoritetsinteresser		65 676 085	71 638 729
Totalresultat		65 676 085	71 638 729



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	1 603 643	1 483 319
Goodwill	4		
Sum immaterielle eiendeler		1 603 643	1 483 319
Cars	4		
Other equipment	4		
Finansielle anleggsmidler			
Investering i datterselskap	13	557 268	557 268
Lån til foretak i samme konsern		55 194 239	76 136 570
Sum finansielle anleggsmidler		55 751 507	76 693 838
Sum anleggsmidler		57 355 150	78 177 157
Omløpsmidler			
Varer			
Spare parts	4		1 343 526
Sum varer			1 343 526
Fordringer			
Other receivables		6 120 896	7 058 902
Current receivables group		48 994 787	12 940 132
Konsernfordringer	7	5 000 450	8 047 055
Sum fordringer		60 116 133	28 046 089
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	2	33 876 799	45 948 388
Sum bankinnskudd, kontanter og lignende		33 876 799	45 948 388
Sum omløpsmidler		93 992 932	75 338 003
SUM EIENDELER		151 348 082	153 515 160



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital 100 a kr. 1 000	8, 9	100 000	100 000
Overkurs		2 250	2 250
Annen innskutt egenkapital		30 199 731	30 315 286
Sum innskutt egenkapital		30 301 981	30 417 536
Sum egenkapital	8	30 301 981	30 417 536
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12		
Utsatt skatt	11		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		4 353 410	5 273 269
Betalbar skatt			
Public duties payable		883 969	493 453
Utbytte	11	84 348 256	92 115 774
Kortsiktig konserngjeld	7	26 317 028	20 749 845
Other short term liabilities		5 143 438	4 465 284
Sum kortsiktig gjeld		121 046 101	123 097 625
Sum gjeld		121 046 101	123 097 625
SUM EGENKAPITAL OG GJELD		151 348 082	153 515 160



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
11.03.2011

Vår dato
30.03.2011

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2011/327976

Ernst & Young AS
Postboks 6163, Postterminalen
5892 Bergen

Dispensasjon fra kravet om utarbeidelse av årsregnskap og -beretning på norsk språk

Det vises til deres brev av 11. mars 2011 samt e-post av 30. mars 2011 med supplerende opplysninger i sakens anledning. Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010 TS Shipping Invest AS samt en rekke navngitte datterselskap, dispensasjon fra kravet om å utarbeide årsregnskap og – beretning på norsk språk. Da det er etablerte enkelte nye selskap i konsernet samt at er gjort endringer i konsernstruktur og eierskap for enkelte av de tidligere selskapene søkes det på nytt om dispensasjon for følgende selskap:

- Knutsen NYK Offshore Tankers AS org. nr: 995 221 713
- samt følgende datterselskap:
 - Knutsen Bøyelaster XI KS org. nr: 986 224 610
 - Knutsen Bøyelaster XI AS org. nr: 986 224 602
 - Knutsen Bøyelaster II KS * org. nr: 959 321 752
 - Knutsen Bøyelaster II AS org. nr: 959 321 663
 - Knutsen Bøyelaster III KS * org. nr: 959 505 349
 - Knutsen Bøyelaster III AS org. nr: 959 504 822
 - Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
 - Knutsen Shuttle Tankers XII AS org. nr: 991 959 556
 - Knutsen Produkt Tanker IV KS * org. nr: 961 068 355
 - Knutsen Produkt Tanker IV AS org. nr: 961 068 177
 - Knutsen Bøyelaster VI KS org. nr: 971 585 579
 - Knutsen Bøyelaster VI AS org. nr: 993 011 681
 - Knutsen Bøyelaster VIII KS org. nr: 979 539 649
 - Knutsen Bøyelaster VIII AS org. nr: 993 010 596
 - Knutsen Bøyelaster IX KS org. nr: 979 685 521
 - Knutsen Bøyelaster IX AS org. nr: 879 685 362
 - Knutsen Terminal Tanker AS org. nr: 945 404 191
 - Knutsen Newfoundland Chartering AS org. nr: 990 356 963
 - Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
 - Knutsen Offshore KS org. nr: 893 435 832
 - Knutsen Offshore AS org. nr: 992 593 881

Postadresse

Postboks 9200 Grønland
0134 Oslo

For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

22 17 08 60



- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Offshore Tankers AS org. nr: 995 206 870
- Knutsen Offshore Tankers 2 AS org. nr: 995 206 862
- Knutsen Shuttle Tankers 3 AS org. nr: 995 146 584
- Knutsen NYK Management AS org. nr: 996 124 916
- Knutsen Shuttle Tanker 13 AS org. nr: 996 661 016
- Knutsen Tankers 2 AS org. nr: 992 593 792
- Knutsen Tankers 3 AS org. nr: 992 593 814

Alle datterselskapene er eid 100 % med unntak av selskapene merket med *. I de tre selskapene som også har andre eiere, utgjør disse andre eierne et lite antall og kan anses som etablerte investorer.

Søknad:

Fra deres brev gjengis:

"TS Shipping Invest AS etablerte det 100 % eide datterselskapet Knutsen Offshore Tankers ASA (KOT) i februar 2010. I april 2010 ble hele bøyelastervirksomheten i konsernet flyttet inn under KOT, hvor en rekke av de selskapene som var søkt avleggelse av regnskaper på engelsk fulgte med.

I desember 2010 solgte TS Shipping Invest AS seg ned til 50 % i KOT ved at det japanske rederiet NYK Line gikk inn på eiersiden og overtok 50 % av aksjene. Selskapet skiftet navn til Knutsen NYK Offshore Tankers AS (KNOT).

Alle selskapene i KNOT konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper. Som tidligere beskrevet er brukerne av regnskapene hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Nytt fra tidligere er at den andre eieren NYK Line er engelskspråklig. Aksjonærstrukturen er begrenset til 2 hovedeiere.

Selskapets virksomhet er finansiert av en rekke norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån er det et krav fra bankene at regnskapene oversettes til i engelsk språkdrakt.

Også de aller fleste av selskapenes kunder og leverandører og andre brukerne har engelsk som sitt naturlige språk/forretningspråk..."

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk.



Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

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

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

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


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

I forhold til tidligere gitte dispensasjon, har det kommet inn japanske interessenter i tillegg på eiersiden. For øvrig anses øvrige sentrale faktorer som fortsatt til stede. Dette gjelder også de nyetablerte selskapene.

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

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

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Høelstad



KNOT Knutsen
NYK Offshore
Tankers

KNOT Management AS

Annual Report 2021



Knutsen
Group





KNOT MANAGEMENT AS

Annual Report 2021

KNOT Management AS is the main management company of Knutsen NYK Offshore Tankers Group operating out of Haugesund, Norway. The company is responsible for the operation of group companies and group vessels as well as vessels and companies owned by the related KNOT Shuttle Tankers Group. The company has subsidiaries in Copenhagen, Denmark and Rio de Janeiro, Brazil.

Profit for the year

Total operating income was NOK 202 270 973, compared to NOK 213 347 314 in 2020. The operating result was NOK 82 568 891 compared to NOK 90 509 331 in 2020. Result for the year was NOK 65 676 085 (NOK 71 638 729 in 2020).

The Board of Directors recommends that the tax result for the year is transferred as a tax-deductible group contribution with equity effect of NOK 65 791 640 to the owner taken from this year's profit and NOK 115 555 from other paid in equity.

Total cash flow from operating activities in the company was NOK 59 101 854, compared to NOK 80 518 771 in 2020.

The company's cash on deposits as per 31.12.21 was NOK 33 876 799 (NOK 45 948 388 as per 31.12.20). Total short-term debt amounted to 100 % of total debt and liabilities, same as in 2020. Total assets as per 31.12.21 were NOK 151 348 082 compared to NOK 153 515 160 the year before. The equity ratio as per 31.12.2021 was 20% (20 % in 2020).

The Board of Directors confirm that the Financial Statements give a true picture of the company's assets and liabilities, financial position and results and have been prepared under the assumption of going concern. The Board confirms the assumption of going concern.

The activities of the company

The main activity of the company has been the operation of the 24 vessels that the company has under management (two newbuildings delivered and four old vessels sold during the year). In addition, there has been a very active year for projects and business development for new vessels and new contracts and construction of newbuilding's. The Board of Directors expresses its recognition for a job well done through 2021 by the crews onboard the vessels, the shipyard site offices, the subsidiaries in Copenhagen and Rio de Janeiro and by the onshore administration in Haugesund.

The Group operates a fleet of specialized shuttle tankers and two floating storage and off-take units mainly on time charter contracts, bare-boat contracts and CoA to first class charterers. This strategy combined with a strong knowledge in project management and well-run operations have led to the group becoming one of the world leading operators of advanced offshore shuttle tankers.

The group's first shuttle tankers were ordered in 1984. Since then, KNOT Management AS has been a leader in the technical development of shuttle tankers. The company is operating 22 shuttle



tankers and 2 FSO's at year end. The vessels transport oil from a number of offshore oil fields in the Northern Europe and Brazil. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality operations.

Offshore loading and dynamic positioned tanker vessels are the Group's main strategic focus and the Group is actively involved in the technical development of this type of tankers.

Equal opportunity

The company has at the year-end at average 34 employees, up from 33 the year before. The Group aims to be a workplace where there is no discrimination related to gender, ethnicity, religion or disability. The Group aims to avoid gender discrimination regarding salary, promotion and recruiting, and this is included in the company's policies. The company has traditionally recruited from environments equally dominated by both men and women for its land-based activity, while there are a generally male dominated environment for applicants and recruitment of crew onboard the vessels. In total, the share of women is 30 %. The members of the Board of Directors are all men. There have not been taken out any board of directors liability insurance.

Flexibility related to workload and timing depends on positions and not on gender. However, women hold slightly more part time positions, and in addition men work more overtime.

Environment, safety and quality control

Shipping is being subjected to ever-stricter environmental and safety requirements, and both the company and the Group, have joint objectives concerning high quality of the operation of the vessels. The company's fleet consists of vessels of high technical standards where all of the vessels have double hull.

The company and the manager place considerable emphasis on safety and quality control, and strict requirements are put on safety and the systems for operation of the vessels.

There are no indications that the company pollutes the external environment significantly.

The company has established overall guidelines to ensure that:

- The group activities shall be executed professionally and in accordance with national and international rules and regulations as well as internal and external standards and proactive actions shall be taken to avoid injuries, loss of life and material damages.
- The Group's operations shall be planned and attention shall be taken in connection with executing activities and operations so that the environmental consequences are minimized.

The group HSSE & QA system is in accordance with international requirements and standards, and the company maintains all necessary certificates for its operation of activities. The management company is certified according to the ISO9001, ISO 14001 and OHSAS 18001 standard. Special attention is placed on preventive activities. Any deviation from implemented procedures is reported and processed in the Group's HSSE & QA system.

The company has an active approach regarding implementation and development of technology for reducing emissions to water and air. The company is using the KVOC technology developed by Knutsen VOC KS for reducing VOC emissions in connection with loading of shuttle tankers offshore on the Norwegian Continental Shelf where there are strict requirements for handling of



such VOC emissions. This system is now accepted for use on the Norwegian Continental Shelf. Knutsen Ballastwater AS has developed a ballast water treatment concept, KBAL and 75% of the KNOT Management Group managed fleet have installed ballast water treatment systems at the end of 2021.


Sick leave in 2021 at 2.3 %. The working environment, both on land and aboard ships is considered to be good and above industry average. We had no significant accidents or incidents in 2021, and we also achieved our objectives for the year in the health and safety.

Future prospects


The Board of Directors regards the future prospects for the company as promising. With its modern fleet, substantial contract coverage and a qualified staff the company is well prepared to meet future challenges.

The company actively works on a number of new projects for which the company has strong expectations. Thus, the Board of Directors has every reason to believe that 2021 will be a satisfactory year for the company and the subsidiaries in Copenhagen and Rio de Janeiro. The Board of Directors will however point out that there is considerable uncertainty in connection with future prospects such as the length and severity of the Coronavirus outbreak and the low offshore oil activity. Such developments could affect the number of new offshore projects and the overall outlook for the production of oil, which could eventually and in turn impact the demand and pricing for shuttle tankers.


Haugesund, February 24, 2022



Trygve Seglem
Chairman of the Board/CEO



Takashi Domyo
Member of the Board



Karl Gerhard Bråstein Dahl
Member of the Board



KNOT Management AS

Profit & Loss Account

	<u>Note</u>	2021	2020
<u>Operating Income</u>			
Operating income	8	202 270 973	213 347 314
Total Operating Income		<u>202 270 973</u>	<u>213 347 314</u>
<u>Operating Expenses</u>			
Employee benefits expense	5	101 323 461	103 760 152
Administration	6	17 035 094	17 734 303
Total Operating expenses		<u>118 358 555</u>	<u>121 494 455</u>
Operating profit before depreciation		<u>83 912 417</u>	<u>91 852 859</u>
Ordinary depreciation	4	1 343 526	1 343 528
Total depreciation		<u>1 343 526</u>	<u>1 343 528</u>
Operating Result		<u>82 568 891</u>	<u>90 509 331</u>
<u>Financial Income and Expenses</u>			
Financial income	3	1 667 447	2 573 090
Foreign exchange gain/loss		-107 209	-1 117 499
Financial expenses	3	-16 752	-28 120
Net financial items		<u>1 543 486</u>	<u>1 427 471</u>
Result before taxes		<u>84 112 377</u>	<u>91 936 802</u>
Taxes	11	18 436 292	20 298 073
Result for the year		<u>65 676 085</u>	<u>71 638 729</u>



KNOT Management AS

Balance Sheet as of 31. Desember

<u>Assets</u>	<u>Note</u>	2021	2020
<u>Fixed Assets</u>			
Deferred tax asset	11	1 603 643	1 483 319
Investments in subsidiaries	13	557 268	557 268
Loans to group companies		55 194 239	76 136 570
Total Fixed Assets		<u>57 355 150</u>	<u>78 177 157</u>
<u>Current Assets</u>			
Spare parts	4	0	1 343 526
Current receivables other related parties	7	5 000 450	8 047 055
Other receivables		6 120 896	7 058 902
Current receivables group		48 994 787	12 940 132
Cash and bank deposits	2	33 876 799	45 948 388
Total Current Assets		<u>93 992 932</u>	<u>75 338 003</u>
TOTAL ASSETS		<u>151 348 082</u>	<u>153 515 160</u>

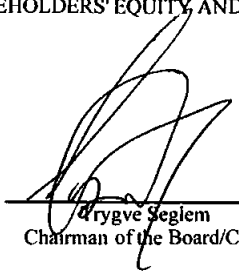



KNOT Management AS

Balance Sheet as of 31. Desember

<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>	<u>Note</u>	2021	2020
<u>Equity</u>			
Share capital 100 a kr. 1 000	8, 9	100 000	100 000
Share premium		2 250	2 250
Other paid-in capital		30 199 731	30 315 286
Total capital paid-in		<u>30 301 981</u>	<u>30 417 536</u>
Total Shareholders' Equity	8	<u>30 301 981</u>	<u>30 417 536</u>
<u>Current Liabilities</u>			
Trade creditors		4 353 410	5 273 269
Public duties payable		883 969	493 453
Short-term liabilities related parties	7	26 317 028	20 474 946
Other liabilities group		0	274 899
Group contribution	11	84 348 256	92 115 774
Other short term liabilities		5 143 438	4 465 284
Total Current Liabilities		<u>121 046 101</u>	<u>123 097 625</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>151 348 082</u>	<u>153 515 160</u>

Haugesund, February 24, 2022


Øyvind Seglem
Chairman of the Board/CEO


Karl Gerhard Bråstein Dahl
Board member


Takashi Domyo
Board member



KNOT MANAGEMENT AS

CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	85 455 903	93 280 330
Change in working capital	<u>-26 354 049</u>	<u>-12 761 559</u>
Net cashflow from operations	<u>59 101 854</u>	<u>80 518 771</u>
Changes long-term loan	<u>20 942 331</u>	<u>6 659 875</u>
Net cashflow from investments	<u>20 942 331</u>	<u>6 659 875</u>
Net paid group contribution	<u>-92 115 774</u>	<u>-59 214 358</u>
Net cashflow from financing	<u>-92 115 774</u>	<u>-59 214 358</u>
Net change in cashflow for the year	-12 071 589	27 964 288
+ Cash balance per 1.1	<u>45 948 388</u>	<u>17 984 100</u>
= Cash Balance per 31.12.	<u>33 876 799</u>	<u>45 948 388</u>

1) Generated from operations:

Result before tax	84 112 377	91 936 802
Depreciation	<u>1 343 526</u>	<u>1 343 528</u>
= Total generated from operations	<u>85 455 903</u>	<u>93 280 330</u>



KNOT Management AS

Notes to the Financial Statement 31.12.2021

1 Accounting Principles

The financial statement is prepared in accordance with the fundamental accounting principles and generally accepted accounting standards for companies in Norway.

Income

Income is recorded in line with the earning.

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.

The fixed assets are valued to the lowest of the depreciated value and the market value unless the fall in value is assumed to be temporary. Long-term debt is stated at nominal value.

Transactions in Foreign Currency

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.

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

Tax

Taxable profit/loss is calculated based on the accounting profit/loss and the permanent and temporary differences that exist between accounting values and tax values at the end of the year.

Deferred tax is estimated on basis of the temporary differences in which exists between accounting related value and tax related value with the principal, additionally the taxable deficit carried forward

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 has restricted bank funds of NOK 3 607 441 per 31.12.2021 (NOK 3 563 335 per 31.12.2020).

3 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
Financial Income:		
Dividends from subsidiaries	750 817	627 547
Interest from Group Companies	916 354	1 885 493
Other interest	276	60 050
Total financial income	<u>1 667 447</u>	<u>2 573 090</u>
Financial Expenses:		
Other financial expenses	16 752	28 120
Total financial income	<u>16 752</u>	<u>28 120</u>



4 Spare parts

	2021	2020
Historical value 01.01.	4 860 358	4 860 358
Acc. Depreciation 01.01.	3 516 832	2 173 304
Book value 01.01.	1 343 526	2 687 054
Additions	0	0
Depreciation	1 343 526	1 343 528
Book value 31.12.	0	1 343 526

Spare parts are capitalized and depreciated linear over 3 years, which is expected lifetime.

5 Salaries

<u>Spesification:</u>	2021	2020
Salary	38 880 407	36 436 161
Employer's taxes	6 035 441	5 291 933
Pension costs	1 910 605	1 910 871
Hired personell	52 752 128	59 563 764
Other benefits	1 744 880	557 423
Total	101 323 461	103 760 152

Average number of employees in the administration of KNOT Management AS during 2021 was 34 (33 in 2020).

6 Remuneration

Auditors remuneration (not including VAT):	2021	2020
Audit	59 380	71 750
Tax advice	0	0
Other services besides audit	0	0
	59 380	71 750

<u>Benefits to executives</u>	Chairman / CEO	Other board members
Salary	3 075 205	1 743 677
Other benefits	252 856	12 189



7 Related parties information

	<u>2021</u>	<u>2020</u>
<u>Current receivables related parties</u>		
Knutsen OAS Shipping AS	368 711	586 501
TS Shipping Invest AS	269 340	0
Seglem Holding AS	59 901	0
Norspan LNG III AS	0	37 966
Norspan LNG XIII AS	0	1 077
Knutsen Shuttle Tankers XII KS	252 167	201 219
Knutsen Shuttle Tankers XII AS	13 611	12 576
KNOT Shuttle Tankers 12 AS	20 222	12 676
Knutsen Shuttle Tankers 13 AS	223 483	138 338
Knutsen Shuttle Tankers 14 AS	201 165	218 148
Knutsen Shuttle Tankers 15 AS	618 024	216 699
Knutsen Shuttle Tankers 16 AS	184 084	203 468
KNOT Shuttle Tankers 17 AS	289 037	201 102
KNOT Shuttle Tankers 18 AS	149 717	138 338
Knutsen Shuttle Tankers 19 AS	149 717	548 535
KNOT Shuttle Tankers 20 AS	132 889	106 898
KNOT Shuttle Tankers 21 AS	132 889	106 898
KNOT Shuttle Tankers 24 AS	149 717	138 338
KNOT Shuttle Tankers 25 AS	149 717	138 338
KNOT Shuttle Tankers 26 AS	149 717	138 338
KNOT Shuttle Tankers 30 AS	174 573	138 338
KNOT Shuttle Tankers 32 AS	217 456	3 203 154
KNOT Shuttle Tankers 34 AS	440 217	941 927
KNOT Shuttle Tankers AS	328 117	385 330
KNOT Offshore Partners UK LLC	325 980	232 852
	<u>5 000 450</u>	<u>8 047 055</u>
<u>Short-term liabilities related parties</u>		
Knutsen O.A.S. Shipping AS	11 964 288	13 800 652
TS Industri Invest AS	1 140	0
TS Shipping Invest AS	0	1 414
Knutsen OAS Management AS	0	5 840
Knutsen Shuttle Tankers 13 AS	0	162 794
Knutsen Shuttle Tankers 19 AS	204 800	765 320
KNOT Shuttle Tankers 18 AS	2 066 898	438 127
KNOT Shuttle Tankers 24 AS	4 605 006	1 884 410
KNOT Shuttle Tankers 25 AS	3 323 739	1 440 506
KNOT Shuttle Tankers 26 AS	4 151 007	1 774 537
Smedasundet 40 AS	150	135 858
Knutsen OAS ML AS	0	61 984
Knutsen Kyst LNG KS	0	3 504
	<u>26 317 028</u>	<u>20 474 946</u>



KNOT Management AS hires some services from Knutsen OAS Shipping AS by employees from Knutsen OAS Management AS and Knutsen OAS (UK) Ltd. The services will include hire of crew, HSSE and QA, insurance arrangements, purchasing, IT services, accounting and administration services including office premises. All services are accounted for at cost plus 10% profit margin.

	2021	2020
Hire personnel from NYK	4 108 974	4 016 437
Hire administration personell from KOAS UK	6 475 454	6 730 573
Hire administration personell from KOAS	42 153 445	48 802 070

The operating income is mainly from related parties and group companies.

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 1.1	100 000	2 250	30 315 286	0	30 417 536
Result of the year	0	0	0	65 676 085	65 676 085
Group contribution given (taxable)	0	0	-115 555	-65 676 085	-65 791 640
Equity 31.12.	100 000	2 250	30 199 731	0	30 301 981

9 Share capital

Share capital consists of

	Number of shares	Face value (NOK)	Balance post
Ordinary shares	100	1 000	100 000

The shareholders of the company are per 31.12.

Knutsen NYK Offshore Tankers AS	100	100%	100%
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The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. Consolidated financial statement of the Group can be obtained at the company office, Smedasundet 40, 5529 Haugesund.

10 Shares Owned by Board Members and Affiliates

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



11 **Tax**

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Below a specification of the temporary differences and taxable deficit carried forward is given, as well as a calculation of the deferred tax at the year-end.

	2021	Change	2020
Temporary differences cars	-163 461	-40 866	-204 327
Temporary differences goodwill	-2 265 467	-566 366	-2 831 833
Temporary differences spareparts	-4 860 358	1 343 526	-3 516 832
Other temporary differences	0	-189 368	-189 368
Basis deferred tax	-7 289 286	546 926	-6 742 360
Deferred tax/(benefit) based on 22%	-1 603 643	120 324	-1 483 319

Deferred tax assets are recognized in the balance based on the expectation of future earnings.

Below is a specification of differences between the profit / loss for the year before tax and the basis for tax calculation:

	2021	2020
Results before tax	84 112 377	91 936 802
Change in temporary differences	546 926	-148 196
Permanent differences	-311 047	327 169
Tax base before utilisation of deficit/loss carried forward	84 348 256	92 115 774
Taxable group contribution	-84 348 256	-92 115 774
Tax base	0	0
Specification of tax cost		
Tax payable, 22% of the base before group contribution	18 556 616	20 265 470
Change deferred tax/(tax benefit)	-120 324	32 603
Tax calculated	18 436 292	20 298 073

12 **Pensions**

The company has a contribution plan for its employees.

The pension plans in the Norwegian companies meet the Norwegian requirements for a Mandatory Company Pension (OTP).



13 Investments in subsidiaries

	<u>Share capital</u>	<u>Owner- and voting share</u>	<u>Numbers of shares</u>	<u>Book value (NOK)</u>
KNOT Management Denmark A/S	DKK 500 000	100%	500 000	557 268
KNOT Management do Brazil Ltda.	BRL 2 789 532	99,99996 %	2 789 531	<u>0</u>
				<u>557 268</u>

The Danish subsidiary company is located in Copenhagen, Denmark, and the Brazilian company is located in Rio de Janeiro, Brazil.



Statsautoriserte revisorer
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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of KNOT Management AS

Opinion

We have audited the financial statements of KNOT Management AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements 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 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 and the general manager) are 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, 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.



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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 Management AS 2021

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Magnus Hegertun Birkeland

Statsautorisert revisor

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