



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 923 166 343  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 41 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>			
Operating income	2		
<b>Kostnader</b>			
Crew-hire		62 768	
Other operating expenses		45 956	
Administration	5, 8	221 775	190 963
<b>Sum kostnader</b>		<b>330 500</b>	<b>190 963</b>
<b>Driftsresultat</b>		<b>-330 500</b>	<b>-190 963</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	741 050	76
Foreign exchange gain/loss		-500 561	48 415
<b>Sum finansinntekter</b>		<b>240 489</b>	<b>48 491</b>
Financial expenses	4	2 811 514	929 605
<b>Sum finanskostnader</b>		<b>2 811 514</b>	<b>929 605</b>
<b>Netto finans</b>		<b>-2 571 025</b>	<b>-881 114</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-2 901 525</b>	<b>-1 072 077</b>
Taxes	9		30 521
<b>Ordinært resultat etter skattekostnad</b>		<b>-2 901 525</b>	<b>-1 102 598</b>
<b>Årsresultat</b>		<b>-2 901 525</b>	<b>-1 102 598</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-2 901 525</b>	<b>-1 102 598</b>
<b>Totalresultat</b>		<b>-2 901 525</b>	<b>-1 102 598</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel under construction	10	417 015 271	207 571 565
<b>Sum varige driftsmidler</b>		<b>417 015 271</b>	<b>207 571 565</b>
<b>Sum anleggsmidler</b>		<b>417 015 271</b>	<b>207 571 565</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivable		1 105 589	2 114 977
Konsernfordringer		13 561 224	80 341 096
<b>Sum fordringer</b>		<b>14 666 814</b>	<b>82 456 073</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	3	724 328	352 652
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>724 328</b>	<b>352 652</b>
<b>Sum omløpsmidler</b>		<b>15 391 142</b>	<b>82 808 725</b>
<b>SUM EIENDELER</b>		<b>432 406 412</b>	<b>290 380 290</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		30 000	30 000
Overkurs		1 027	1 027
Annen innskutt egenkapital		287 353 894	290 255 419
<b>Sum innskutt egenkapital</b>		<b>287 384 922</b>	<b>290 286 447</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Other equity			
<b>Sum egenkapital</b>	6, 7	<b>287 384 922</b>	<b>290 286 447</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	11	116 092 883	
<b>Sum annen langsiktig gjeld</b>		<b>116 092 883</b>	
<b>Sum langsiktig gjeld</b>		<b>116 092 883</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 764 063	
Tax payable	9		30 538
Kortsiktig konserngjeld		26 151 380	63 305
Accrued interest		13 165	
<b>Sum kortsiktig gjeld</b>		<b>28 928 608</b>	<b>93 843</b>
<b>Sum gjeld</b>		<b>145 021 490</b>	<b>93 843</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>432 406 412</b>	<b>290 380 290</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 161519

#### Enheten

Organisasjonsnummer: 923 166 343  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 41 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

#### Regnskapsår

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#### 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  
Dato for fastsettelse av årsregnskapet: 25.02.2022

#### Grunnlag for avgivelse

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

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Brønnøysundregistrene, 26.03.2022



Organisasjonsnr: 923 166 343  
KNOT SHUTTLE TANKERS 41 AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
Operating income	2		
<b>Kostnader</b>			
Crew-hire		62 768	
Other operating expenses		45 956	
Administration	5, 8	221 775	190 963
<b>Sum kostnader</b>		<b>330 500</b>	<b>190 963</b>
<b>Driftsresultat</b>		<b>-330 500</b>	<b>-190 963</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	741 050	76
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<b>Totalresultat</b>		<b>-2 901 525</b>	<b>-1 102 598</b>



Organisasjonsnr: 923 166 343  
KNOT SHUTTLE TANKERS 41 AS

## BALANSE

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
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Sum anleggsmidler		417 015 271	207 571 565
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivable		1 105 589	2 114 977
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SUM EIENDELER		432 406 412	290 380 290
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
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Annen innskutt egenkapital		287 353 894	290 255 419
Sum innskutt egenkapital		287 384 922	290 286 447
Other equity			
Sum egenkapital	6, 7	287 384 922	290 286 447
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	11	116 092 883	
Sum annen langsiktig gjeld		116 092 883	



<b>Sum langsiktig gjeld</b>		<b>116 092 883</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 764 063	
Tax payable	9		30 538
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Organisasjonsnr: 923 166 343  
KNOT SHUTTLE TANKERS 41 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



Skatteetaten

Vår dato  
25.01.2020

Din/Deres dato  
20.12.2019

Saksbehandler  
Erik Østby

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
48133581

Org.nr  
974761076

Vår referanse  
2020/5001106

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

U.off. offl. § 13, sktvl. § 3-1

TS SHIPPING INVEST AS  
Postboks 2017  
5504 HAUGESUND

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til TS Shipping Invest AS søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende konsernselskaper:

Selskapsnavn	Org.nr.
KNOT Shuttle Tankers 40 AS	923 822 070
KNOT Shuttle Tankers 41 AS	923 166 343
KNOT Shuttle Tankers 42 AS	923 166 211
Norspan LNG 16 AS	923 594 779
Norspan LNG 17 AS	923 594 736
Norspan LNG 18 AS	923 594 744
Norspan LNG 19 AS	923 594 760
Norspan LNG 20 AS	923 594 701
Norspan LNG 21 AS	923 991 824
ACE Norway as	919 018 755

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering 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.

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

Fra søknaden siteres:

"TS Shipping Invest AS ønsker å omfatte flere av selskapene i konsernet til å kunne utarbeide regnskaper og årsberetning på engelsk fra og med regnskapsåret 2019. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.



Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Aksjonærstrukturen er begrenset. Noen av selskapene eies 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V.

De aller fleste av selskapenes kunder og leverandører og andre brukere har engelsk som sitt naturlige språk/forretningsspråk. Dette gjelder også konsernets långivere.

Utarbeidelse av årsregnskap på to språk innebærer en vesentlig kostnad for konsernet uten synlig gevinst."

### Skattekontorets vurdering

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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, kunder og lokalsamfunnet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En vesentlig andel av selskapenes eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.



Med hilsen

Roar Thorbjørnsen  
Underdirektør  
Innsats, storbedrift  
Skatteetaten

Erik Østby

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



# KNOT Shuttle Tankers 41 AS

## Annual Report 2021



Knutsen  
Group





## KNOT SHUTTLE TANKERS 41 AS

### REPORT OF THE BOARD OF DIRECTORS 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**

The Company has contracted a construction contract for one 124 000 DWT LNG Fueled DP 2 shuttle tanker at Daewoo Shipbuilding & Marine Engineering Co- Ltd., in South Korea with hull number 5482. The vessel is expected to be delivered from the yard in 3<sup>rd</sup> quarter of 2022. The first three installments (30% of contract value) have been paid by the end of 2021. The fourth installment (15 % of contract value) is expected to be paid in first quarter 2022. The fifth and sixth installment is expected 3<sup>rd</sup> quarter of 2022, total contract value is USD 141.8 million. The vessel will be able to reduce emissions of CO2 equivalents significantly compared to conventional oil-fueled shuttle tankers, through using LNG as the primary fuel and further utilize the energy recovered from volatile organic compounds. There will also be installed a battery package to save energy during DP operation.

The newbuilding will be chartered to Eni Trading and Shipping S.p.A, from delivery on a seven-year time charter agreement with three options of one year and will operate in the North Sea.

The company have in 2021 secured long-term pre- and post-delivery financing of the vessel together with the sister vessel and company KNOT Shuttle Tankers 42 AS. As of 31 December 2021, USD 15 million out of the USD 122.5 million financing have been drawn.

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

The operating result for KNOT Shuttle Tankers 41 AS was minus NOK 330 500 in 2021 compared to a loss of NOK 190 963 in 2020. After net financial loss of NOK 2 571 025 in 2021, against a loss of NOK 881 114 in 2020, the loss of the year was NOK 2 901 525 in 2021 compared to a loss of NOK 1 102 598 in 2020.

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

Total cash flow for operational activities was NOK 93 722 499 in 2021 compared to minus NOK 83 464 410 in 2020. The liquidity position was NOK 724 328 as per 31.12.2021 compared to NOK 352 652 as per 31.12.2020.

The company's short-term debts per 31.12.2021 was 20 % of total debt (100 % in 2020).

Total capital was by the end of the year NOK 432 406 412, compared to NOK 290 380 290 the year before. The equity-share as of 31.12.2021 was 66 % compared to 99.97 % per 31.12.2020. The owner has committed to inject equity needed into construction of the newbuilding in line with the liquidity requirements.

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. The new-building will be 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 Board of directors have secured long-term occupation of the newbuilding and long-term financing pre- and post delivery. Based on construction process of the vessel, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 41 AS expects 2022 to be a satisfactory year for the vessel pre- and pot delivery and for the company.

Haugesund, February 24, 2022



Trygve Seglem  
Chairman of the Board



Takashi Domyo  
Member of the Board



Karl Gerhard Bråstein Dahl  
Member of the Board



**KNOT Shuttle Tankers 41 AS**

**Profit & Loss Account**

	<u>Note</u>	2021	2020
<b><u>Operating Income</u></b>			
Operating income	2	0	0
<b><u>Operating Expenses</u></b>			
Crew-hire		62 768	0
Other operating expenses		45 956	0
Administration	5, 8	221 775	190 963
<i>Total Operating Expenses</i>		<u>330 500</u>	<u>190 963</u>
<i>Operating Result</i>		<u>-330 500</u>	<u>-190 963</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	741 050	76
Foreign exchange gain/loss		-500 561	48 415
Financial expenses	4	-2 811 514	-929 605
<i>Net Financial Items</i>		<u>-2 571 025</u>	<u>-881 114</u>
<i>Result before taxes</i>		<u>-2 901 525</u>	<u>-1 072 077</u>
Taxes	9	0	30 521
<i>Result for the year</i>		<u>-2 901 525</u>	<u>-1 102 598</u>



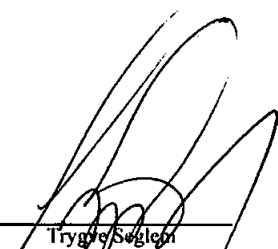
**KNOT Shuttle Tankers 41 AS**  
**Balance Sheet as of 31. December**

<u>Assets</u>	<u>Note</u>	<b>2021</b>	<b>2020</b>
Vessel under construction	<b>10</b>	417 015 271	207 571 565
<i>Total Fixed Assets</i>		<u><b>417 015 271</b></u>	<u><b>207 571 565</b></u>
<b><u>Current Assets</u></b>			
Accounts receivable		1 105 589	2 114 977
Receivables from related parties		13 561 224	80 341 096
Bank deposits	<b>3</b>	724 328	352 652
<i>Total Current Assets</i>		<u><b>15 391 142</b></u>	<u><b>82 808 725</b></u>
<i>TOTAL ASSETS</i>		<u><b>432 406 412</b></u>	<u><b>290 380 290</b></u>

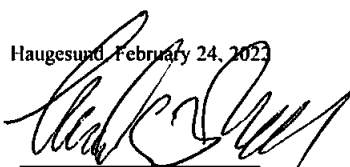


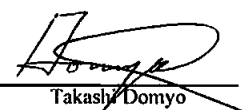
**KNOT Shuttle Tankers 41 AS**  
**Balance Sheet as of 31. December**

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2021	2020
<u>Equity</u>			
Share capital		30 000	30 000
Share premium		1 027	1 027
Other paid-in capital		287 353 894	290 255 419
<i>Total capital paid-in</i>		<u>287 384 922</u>	<u>290 286 447</u>
Other equity		0	0
<i>Total Shareholders' Equity</i>	6, 7	<u>287 384 922</u>	<u>290 286 447</u>
<u>Long Term Debt</u>			
Liabilities to financial institutions	11	116 092 883	0
<i>Total Long Term Debt</i>		<u>116 092 883</u>	<u>0</u>
<u>Current Liabilities</u>			
Trade payables		2 764 063	0
Accrued interest		13 165	0
Tax payable	9	0	30 538
Intercompany liabilities		26 151 380	63 305
<i>Total Current Liabilities</i>		<u>28 928 608</u>	<u>93 843</u>
<i>Total liabilities</i>		<u>145 021 490</u>	<u>93 843</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>432 406 412</u>	<u>290 380 290</u>

  
Trygve Sjølie  
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 41 AS

### CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	-2 932 063	-1 072 077
Change in working capital	96 654 562	-82 392 333
Net cashflow from operations	93 722 499	-83 464 410
<u>Cashflow from investments</u>		
Invested in vessel under construction	-208 685 234	-207 571 565
Net cashflow from investments	-208 685 234	-207 571 565
<u>Cashflow from financing</u>		
Group contribution received	0	291 358 018
Drawn mortgage debt	128 839 050	0
Paid debt issuance costs	-13 504 639	
Net cashflow from financing	115 334 411	291 358 018
Net cashflow for the year	371 676	322 043
+ Cash balance per start of period	352 652	30 609
<b>= Cash Balance per 31.12.</b>	<b>724 328</b>	<b>352 652</b>
1) Generated from operations:		
Result before tax	-2 901 525	-1 072 077
+paid tax	-30 538	
= Total generated from operations	-2 932 063	-1 072 077



## KNOT Shuttle Tankers 41 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 in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next dry-docking to take 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 30-36 month for vessels more than 15 years. In the case of a newbuilding or second hand aquisition, we estimate a portion of the total cost of the vessel to be allocated to the class cost and to be capitalised seperatley. Other expenses 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 uneffective part of the debt in foreign currencies over financial items.



## **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.

## **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 Contracts

The Company has secured a construction contract for one 124 000 DWT LNG Fueled DP 2 shuttle tanker at Daewoo Shipbuilding & Marine Engineering Co- Ltd., in South Korea with hull number 5482. The vessel is expected to be delivered from the yard in 3rd quarter of 2022. USD 42.5 million have been paid under the contract and the total contract value is USD 142 million. The newbuilding will be chartered to Eni Trading and Shipping S.p.A, from delivery on a seven-year time charter agreement with three options of one year and will operate in North Europe.

KNOT Management AS is appointed as manager for the company. The company has signed a contract regarding a construction supervision of the newbuildings with Knutsen OAS Shipping AS.

## 3 Bank deposits

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

## 4 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
<b>Financial Income:</b>		
Other interest income	18	76
Interest income from group companies	741 033	0
Total financial income	<u>741 050</u>	<u>76</u>
<b>Financial expenses:</b>		
Interest expenses to group companies	182 538	927 464
Financial expenses to group companies	2 618 009	0
Other financial expenses	10 967	2 141
Total financial expenses	<u>2 811 514</u>	<u>929 605</u>

## 5 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.



## 6 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity 01.01.	30 000	1 027	290 255 419	0	290 286 446
Result for the year	0	0	-2 901 525	0	-2 901 525
Equity 31.12.	30 000	1 027	287 353 894	0	287 384 922

Share capital consist of 1 000 shares à NOK 30.

The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. 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 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.

## 9 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 0 (NOK 0 in 2020). Tonnage tax is classified as an operating expense.



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

	<u>31.12.2021</u>	<u>Change</u>	<u>31.12.2020</u>
Loss carried forward	-5 903 264	5 903 264	0
Basis for deferred tax (benefit)	-5 903 264	5 903 264	0
Deferred tax (benefit)	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:

	<u>2021</u>	<u>2020</u>
Net financial Items	-2 571 025	-881 114
Non-taxable currency gain	432 554	-34 605
Non-deductible interest	-2 525 241	662 902
Deductible financial items	-1 562 294	0
Income supplement for high equity ratio	322 743	391 628
Taxable income	-5 903 264	138 811
Loss carried forward	-5 903 264	0
Taxable income	0	138 811
Tax payable	0	30 539
Tax payable 2019 not paid	0	-17
Change in deferred tax	0	0
Tax expense	0	30 521

## 10 Fixed Assets

<u>Vessel under construction</u>	<u>2021</u>	<u>2020</u>
Book value 01.01.	207 571 565	0
Additions	209 443 706	207 571 565
Book value 31.12.	417 015 271	207 571 565



## 11 Mortgage Debt and Financial Instruments

31-12-21	USD	Historical rate	Rate as at 31.12	NOK
USD-loan	14 990 000	8,5950	8,5950	128 839 050
Debt issuance cost				-12 746 167
				<u>116 092 883</u>

The USDNOK exchange rate at the year-end was 8,8363 (8,5375 in 2020).

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 3.6 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 417 million.



Statsautoriserte revisorer  
Ernst & Young AS

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders Meeting of KNOT Shuttle Tankers 41 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 41 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss accounts 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 41 AS 2021

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## Magnus Hegertun Birkeland

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