



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 999 274 323
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 19 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: 10.03.2022

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			
Freight income	2	151 547 492	133 782 481
Commissions		-766 649	-671 478
Other income		2 000	5 529 418
Sum inntekter		150 782 842	138 640 422
Kostnader			
Lønnskostnader og andre sosiale kostnader	12		
Crew-hire	12	23 746 277	22 603 041
Ordinary depreciation	5	34 285 340	35 641 659
Other operating expenses		18 187 256	29 811 399
Administration	8	6 556 754	6 988 785
Sum kostnader		82 775 626	95 044 884
Driftsresultat		68 007 217	43 595 539
Finansinntekter og finanskostnader			
Financial income	6	6 025 747	113 011
Foreign exchange gain/loss		11 270 856	-1 166 179
Sum finansinntekter		17 296 603	-1 053 167
Financial expenses	6	57 287 183	23 564 060
Sum finanskostnader		57 287 183	23 564 060
Netto finans		-39 990 580	-24 617 227
Ordinært resultat før skattekostnad		28 016 636	18 978 311
Taxes	13		
Ordinært resultat etter skattekostnad		28 016 636	18 978 311
Årsresultat		28 016 636	18 978 311
Årsresultat etter minoritetsinteresser		28 016 636	18 978 311
Totalresultat		28 016 636	18 978 311



Resultatregnskap

Beløp i: NOK	Note	2021	2020
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Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Machinery and equipment	5, 9		
Vessel	5, 9	583 595 927	618 409 835
Sum varige driftsmidler		583 595 927	618 409 835
Finansielle anleggsmidler			
Lån til foretak i samme konsern	7	132 544 500	
Sum finansielle anleggsmidler		132 544 500	
Sum anleggsmidler		716 140 427	618 409 835
Omløpsmidler			
Varer			
Delelager	4		
Inventories	4	3 153 684	2 835 739
Sum varer		3 153 684	2 835 739
Fordringer			
Receivables	7	2 913 903	2 312 412
Other short-term receivables	7		
Konsernfordringer		5 868 408	
Sum fordringer		8 782 311	2 312 412
Bankinnskudd, kontanter og lignende			
Bank deposits	3	30 547 344	29 615 739
Sum bankinnskudd, kontanter og lignende		30 547 344	29 615 739
Sum omløpsmidler		42 483 340	34 763 890
SUM EIENDELER		758 623 767	653 173 725



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10, 11	100 000	100 000
Annen innskutt egenkapital			133 582 225
Sum innskutt egenkapital		100 000	133 682 225
Opptjent egenkapital			
Other equity		35 058 233	101 976 822
Sum opptjent egenkapital		35 058 233	101 976 822
Sum egenkapital	10	35 158 233	235 659 046
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	712 999 341	409 448 117
Sum annen langsiktig gjeld		712 999 341	409 448 117
Sum langsiktig gjeld		712 999 341	409 448 117
Kortsiktig gjeld			
Leverandørgjeld	7	1 825 914	4 364 221
Kortsiktig konserngjeld		6 203 134	2 187 558
Accrued interest		924 592	618 455
Other current liabilities		1 512 554	896 327
Sum kortsiktig gjeld		10 466 193	8 066 562
Sum gjeld		723 465 534	417 514 679
SUM EGENKAPITAL OG GJELD		758 623 767	653 173 725



Knutsen Shuttle Tankers 19 AS

Annual Report 2021



M/T "Raquel Knutsen"

KNOT
Offshore Partners LP



KNUTSEN SHUTTLE TANKERS 19 AS

REPORT OF THE BOARD OF DIRECTORS 2021

Knutsen Shuttle Tankers 19 AS owns one 152,000 DWT suez-max DP2 shuttle tanker, M/T Raquel Knutsen, delivered from COSCO (Zhoushan) Shipyard Co., Ltd. in China in 2015.

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 vessel and the company in accordance with separate agreement.

The company's activity

The vessel operates on a ten-year time charter agreement with five optional years in charters, Repsol Sinopec Brasil BV's, option.

Result for the year

The company's operating income during 2021 was NOK 150 782 842 (NOK 138 640 422 in 2020). The operating result for the year was NOK 68 007 217, compared to NOK 43 595 539 in 2020. The financial loss was NOK 39 990 580 in 2021 after completing the 10-year sale- leaseback transaction in January 2021 compared to a loss of NOK 24 617 227 in 2020. The result for the year was NOK 28 016 636, compared to NOK 18 978 311 the year before.

The Board of Directors suggests the result for the year transferred to other equity. The company has during 2021 paid NOK 228 517 450 in extraordinary dividends to KNOT Shuttle Tankers AS in addition to lending out USD 15 000 000 until 2029. The equity ratio at year-end was 4.6 % compared to 36 % in 2020.

Total cash flow from operating activities in the company was NOK 60 814 745, compared to NOK 59 123 955 in 2020.

The company's short-term debt per 31.12.2021 was 1.4 % of total debt, 1.9 % at 31.12.20.

The liquidity balance was NOK 30 547 344 as at 31.12.2021 (NOK 29 615 739 31.12.20).

Total capital was by the end of the year NOK 758 623 767, NOK 653 173 725 at 31.12.20.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. However, 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 group 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 company entered into a Sales & Leaseback contract in December, 2020 and closed the transaction in January, 2021. The company's vessel was sold to an Asian based lessor and leased back for a period of 10 years, with an obligation to repurchase the vessel at agreed price on maturity. The company used the net proceeds to repay existing debt on the vessel and paid out dividend to the owner.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern. The Board of Directors confirms that the Financial Statements give a true picture of the company's assets and liabilities, financial position, and results.

The environment safety and quality control

The requirements for environment and safety in the operations of the vessels are increasing, and both the Company, KNOT Management AS as manager and the KNOT Offshore Partners Group emphasize operational quality.

The Company and the group allocate considerable resources to quality control, and there are strict requirements to safety and the operational systems of the vessel. 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. M/T Raquel 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. There have not been taken out any board of directors liability insurance.

Future prospects

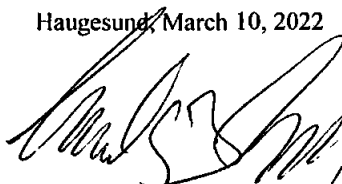
The vessel is operated on a long-term charter with Repsol Sinopec Brasil BV with charterers option to extend the contract. Based on the operation of the vessel in 2021, the long-term financing and the long-term employment of the vessel the Board of Directors of Knutsen Shuttle Tankers 19 AS expects 2022 to be a satisfactory year for the vessel and the company.



Haugesund, March 10, 2022



Trygve Seglem
Chairman of the Board



Karl Gerhard Bråstein Dahl
Member of the Board



Takashi Dorayo
Member of the Board



Knutsen Shuttle Tankers 19 AS

Profit & Loss Account

	<u>Note</u>	2021	2020
<u>Operating Income</u>			
Freight income	2	151 547 492	133 782 481
Commissions		-766 649	-671 478
Other income		2 000	5 529 418
<i>Total Operating income</i>		<u>150 782 842</u>	<u>138 640 422</u>
<u>Operating Expenses</u>			
Crew-hire	12	23 746 277	22 603 041
Other operating expenses		18 187 256	29 811 399
Administration	8	6 556 754	6 988 785
<i>Total Operating Expenses</i>		<u>48 490 286</u>	<u>59 403 225</u>
Ordinary depreciation	5	34 285 340	35 641 659
<i>Operating Result</i>		<u>68 007 217</u>	<u>43 595 539</u>
<u>Financial Income and Expenses</u>			
Financial income	6	6 025 747	113 011
Foreign exchange gain/loss		11 270 856	-1 166 179
Financial expenses	6	-57 287 183	-23 564 060
<i>Net Financial Items</i>		<u>-39 990 580</u>	<u>-24 617 227</u>
<i>Result before taxes</i>		<u>28 016 636</u>	<u>18 978 311</u>
Taxes	13	0	0
<i>Result for the year</i>		<u>28 016 636</u>	<u>18 978 311</u>




Knutsen Shuttle Tankers 19 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2021	2020
<u>Fixed assets</u>			
Vessel	5, 9	583 595 927	618 409 835
Loan to group companies	7	132 544 500	0
<i>Total Fixed Assets</i>		<u>716 140 427</u>	<u>618 409 835</u>
<u>Current Assets</u>			
Inventories	4	3 153 684	2 835 739
Receivables	7	2 913 903	2 312 412
Current receivables group		5 868 408	0
Bank deposits	3	30 547 344	29 615 739
<i>Total Current Assets</i>		<u>42 483 340</u>	<u>34 763 890</u>
<i>TOTAL ASSETS</i>		<u>758 623 767</u>	<u>653 173 725</u>



Knutsen Shuttle Tankers 19 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2021	2020
<u>Equity</u>			
Share capital	10, 11	100 000	100 000
Other paid-up equity		0	133 582 225
<i>Total capital paid-in</i>		<u>100 000</u>	<u>133 682 225</u>
Other equity		35 058 233	101 976 822
<i>Total Shareholders' Equity</i>	10	<u>35 158 233</u>	<u>235 659 046</u>
<u>Long-Term Debt</u>			
Long term-debt	9	712 999 341	409 448 117
<i>Total Long Term Liabilities</i>		<u>712 999 341</u>	<u>409 448 117</u>
<u>Current Liabilities</u>			
Accounts payable	7	1 825 914	4 364 221
Accrued interest		924 592	618 455
Current liabilities group		6 203 134	2 187 558
Other current liabilities		1 512 554	896 327
<i>Total Current Liabilities</i>		<u>10 466 193</u>	<u>8 066 562</u>
<i>Total liabilities</i>		<u>723 465 534</u>	<u>417 514 679</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>758 623 767</u>	<u>653 173 725</u>



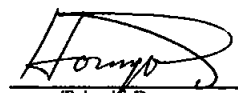
Trygve Seglem

chairman of the board

Haugesund, March 10, 2022



Karl-Gerhard Bråstein Dahl
member of the board



Takashi Domyo
member of the board



KNUTSEN SHUTTLE TANKERS 19 AS

CASHFLOW STATEMENT

	2021	2020
Total generated from operations 1)	65 202 958	64 977 638
Change in working capital	<u>-4 388 213</u>	<u>-5 853 683</u>
Net cashflow from operations	<u>60 814 745</u>	<u>59 123 955</u>
Loan to group company	-127 537 500	0
Invested in vessel	<u>528 568</u>	<u>-25 013 683</u>
Net cashflow from investments	<u>-127 008 932</u>	<u>-25 013 683</u>
Proceeds from sale-leaseback	792 153 723	0
Capitalized debt issuance costs	-12 345 230	0
Repayment of long-term debt	-484 165 251	-50 214 440
Dividend paid-out	<u>-228 517 450</u>	<u>-</u>
Net cashflow from financing	<u>67 125 792</u>	<u>-50 214 440</u>
Net cashflow for the year	931 605	-16 104 168
+ Cash balance per 1.1	<u>29 615 739</u>	<u>45 719 908</u>
= Cash Balance per 31.12.	<u>30 547 344</u>	<u>29 615 739</u>

1) Generated from operations:

Result for the year	28 016 636	18 978 311
+ Ordinary depreciation	34 285 340	35 641 659
+ Amortized debt issuance cost	5 232 802	1 131 726
+ Currency loss (- gain) loan to group company	-5 007 000	0
+ Currency loss (- gain) mortgage debt	<u>2 675 180</u>	<u>9 225 942</u>
= Total generated from operations	<u>65 202 958</u>	<u>64 977 638</u>



KNUTSEN SHUTTLE TANKERS 19 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.

Income

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

Inventories

Inventories are valued according to the net realisable value principle.

Fixed Assets and Dry-Docking

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.

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

Transactions in Foreign Currency

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

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.



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.

Financial Instruments

The treatment of foreign exchange and interest rate instruments depends on the intention behind the agreement. If the intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, then the income and expenses related to the hedging and the corresponding items in the balance sheet are classified in the same manner.

Tax

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

Tonnage tax is classified as an operating expense in the profit and loss statement.

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

Cash flow statement

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

Related party transactions

The Company has undertaken several agreements and transactions with related parties in the Knutsen NYK Offshore Tankers Group and KNOT Offshore Partners Group. The level of fees are based on market terms and are in accordance with the arm's length principle. KNOT Management AS delivers ship management services for the Company's vessel(s). Ship management fee includes services like technical management, crewing management, IT and energy management.



2 Contracts

The company has secured employment of the vessels with a 10 year fix time charter contract with 3+2 years options to Repsol Sinopec Brasil BV from delivery in 2015.

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

3 Bank deposits

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

4 Inventories

Inventories refer to lube oil and stores as per 31.12.

5 Fixed Assets

<u>Vessel</u>	<u>2021</u>	<u>2020</u>
Historical value 1.1.	772 648 016	772 030 930
Accumulated depreciation 1.1.	176 884 144	145 948 113
Book value 1.1.	595 763 873	626 082 817
Additions/Disposals	-528 568	617 086
Annual depreciation	28 850 312	30 936 031
Book value 31.12.	566 384 993	595 763 873

The economic life of the vessels is estimated to 23 years, and is depreciated accordingly.

<u>Dry-docking</u>	<u>2021</u>	<u>2020</u>
Capitalised dry-docking	27 351 590	2 954 994
Accumulated depreciation dry-docking 1.1.	4 705 628	0
Capitalised dry-docking 1.1.	22 645 962	2 954 994
Additions/Disposals	0	24 396 596
Annual depreciation	5 435 028	4 705 628
Book value 31.12.	17 210 934	22 645 962
Total book value vessel 31.12.	583 595 927	618 409 835

The company changed in third quarter 2021 the useful life estimate for M/T Raquel Knutsen from 25 years to 23 years due to prevailing longer-term market trends. The company updated at the same time the estimated net sales price at the end of estimated life from NOK 0 at 25 years to estimated net sales price at end of the new estimated end of life.

The vessel is sold and leased back in January 2021 and the transaction is booked as a financial lease.



6 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
Financial Income:		
Interest income from group	5 868 408	0
Dividend	157 316	0
Other interest income	23	113 011
Total financial income	<u>6 025 747</u>	<u>113 011</u>
Financial expenses:		
Interest expense	54 031 627	20 738 078
Guarantee cost from group companies	3 145 752	2 549 239
Other financial expenses	109 803	276 743
Total financial expenses	<u>57 287 183</u>	<u>23 564 060</u>

7 Balances with related parties

	<u>2021</u>	<u>2020</u>
<u>Short-term receivables</u>		
Knutsen OAS Crewing AS	429 965	0
KNOT Management AS	204 800	765 320
Knutsen OAS Shipping AS	108 649	0
	<u>743 413</u>	<u>765 320</u>
<u>Accounts payable</u>		
KNOT Shuttle Tankers 35 AS	922	0
Knutsen Shuttle Tankers 2 AS	0	922
KNOT Management AS	154 064	548 535
Knutsen OAS Crewing AS	0	75 332
Knutsen OAS Shipping AS	345 144	2 622 088
Knutsen OAS Management AS	63 088	0
	<u>563 219</u>	<u>3 246 876</u>
<u>Loan to group companies</u>		
KNOT Shuttle Tankers AS	USD 15 000 000	0

Knutsen Shuttle Tankers 19 AS has lent out USD 15 million of the proceeds from the sale-lease back transaction to the owner, KNOT Shuttle Tankers AS. The intergroup loan shall fall due and be payable as one instalment on the final maturity date, 1 December 2029. The rate of interest during its term shall be the rate per annum determined by the lender to be the aggregate of 3 month LIBOR and margin of 2.125 per cent. The loan is booked at the exchange rate at the balance sheet date.

8 Remuneration

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

Auditors remuneration (excl. VAT):	<u>2021</u>	<u>2020</u>
Audit	18 819	37 638
Tax advice	0	0
Other services besides audit	0	0
	<u>18 819</u>	<u>37 638</u>



9 Long-term debt

Specification of the loans:

<u>31-12-21</u>	USD	Historical rate	Rate per 31.12	NOK
Lease liability - USD	89 206 366	8,4666	8,1152	723 923 769
Deferred debt issuance cost				-10 924 428
				<u>712 999 341</u>
Current portion	4 959 331			40 245 755
Deferred debt issuance costs				-1 469 170
				<u>38 776 585</u>

<u>31-12-20</u>	USD	Historical rate	Rate per 31.12	NOK
USD-loan	52 725 200	7,8380	7,8380	413 260 117
Deferred debt issuance cost				-3 812 000
				<u>409 448 117</u>
Current portion	5 229 459			40 988 498
Deferred debt issuance costs				-1 044 270
				<u>39 944 228</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 64 million compared to a loss of NOK 37 million as per 31.12.2020.

The vessel, M/T Raquel Knutsen, was sold and leased back for a period of 10 years in January 2021. The company have declared a purchase option to buy back the vessel at the end of the bare-boat charterparty and the charterparty performance of the company have been guaranteed by KNOT Offshore Partners LP. The formal ownership of the vessel has been transferred to the new owner. The sale-leaseback transaction is booked as a refinancing and the vessel is kept in the balance sheet.

Book value of lease vessel is NOK 584 million.

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in USD, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has also entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. The company have realized all interest rate swap contracts in 2020.

The estimated outstanding lease liability per 31.12.2026 is USD 62 million.



10 Equity

Specification of the equity per 31.12.

	Share capital	Other paid-in capital	Other equity	Total equity
Equity 01.01.	100 000	133 582 225	101 976 822	235 659 046
Result for the year	0	0	28 016 636	28 016 636
Extraordinary dividend paid-out	0	-133 582 225	-94 935 225	-228 517 450
Equity 31.12.	100 000	0	35 058 233	35 158 233

Share capital consist of 100 shares à NOK 1 000, all the shares is owned by KNOT Shuttle Tankers AS.

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

11 Shares Owned by Board Members and Affiliates

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

12 Salary and social costs

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from related parties.

13 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 amounted to NOK 152 342 (NOK 152 342 last year). Tonnage tax is classified as an operating expense.

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

	2021	Change	2020
Loss carried forward	-67 124 764	28 060 960	-39 063 804
Basis for deferred tax (benefit)	-67 124 764	28 060 960	-39 063 804
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	-39 990 580	-24 617 227
Non-taxable currency gain	-19 316 617	540 248
Non-deductible interest	31 398 834	16 750 606
Other non-deductible items	-152 597	0
Taxable income before loss carried forward	-28 060 960	-7 326 374
Loss carried forward	-28 060 960	-7 326 374
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	<u>0</u>	<u>0</u>



Statsautoriserte revisorer
Ernst & Young AS

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www.ey.no
Medlemmer av Den norske Revisorforening

To the Shareholders' Meeting of Knutsen Shuttle Tankers 19 AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 19 AS (the company) which comprise the balance sheet as at December 31, 2021, the statement of income 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 statutory requirements, and
- the financial statements present fairly in all material respects the financial position of the Company as at December 31, 2021 and (of) its financial performance and its 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International 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 information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is materially inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or the information in the Board of Directors' report and for the other information presented with the financial statements 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 the management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view 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.



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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 insofar as it is not likely that the enterprise will cease operations.

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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 10 March 2022
Ernst & Young AS

Johan Lid Nordby
State Authorised Public Accountant
(This document is signed electronically)

Independent auditor's report - Knutsen Shuttle Tankers 19 AS

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"By my signature I confirm all dates and content in this document."

Johan Nordby

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5997-4-729076

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 25.01.2013	Vår dato 30.01.2013
Telefon 22078139	Deres referanse	Vår referanse 2013/72130

KNUTSEN OAS SHIPPING AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 25. januar 2013 og telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

Knutsen EOR Solutions AS	org. nr. 999 332 676
Knutsen Shuttle Tankers 19 AS	org. nr. 999 274 323
Knutsen Shuttle Tankers Invest AS	org. nr. 999 250 793
KNOT Shuttle Tankers 17 AS	org. nr. 998 942 969
KNOT Shuttle Tankers 18 AS	org. nr. 998 943 035
KNOT Shuttle Tankers AS	org. nr. 998 942 829

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

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

Bakgrunn

Knutsen EOR Solutions AS er eid 100 % av TS Shipping Invest AS. De øvrige selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS fikk i vedtak (2010/867030) av 2. juni 2010 dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Det er også gitt tillatelse til datter selskaper og selskaper som er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. Styrene i selskapene har medlemmer som ikke er norskspråklige. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

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
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Skattedirektoratets vurdering

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

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 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 denne vurderingen har Skattedirektoratet lagt vekt på at tilsvarende selskaper i konsernet er innvilget dispensasjon. Eierkretsen er begrenset. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland