



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 012 902
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 24 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 17.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 30.05.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Freight income	1	144 822 848	151 476 246
Other income			10 415 488
Sum inntekter		144 822 848	161 891 735
Kostnader			
Crew-hire	2	29 904 670	22 112 065
Ordinary depreciation	3	46 253 187	46 407 699
Commissions		1 200 643	
Other operating expenses		27 039 878	21 038 323
Administration	2	7 526 433	6 353 434
Sum kostnader		111 924 811	95 911 522
Driftsresultat		32 898 037	65 980 213
Finansinntekter og finanskostnader			
Financial income	4	13 986 202	349 682
Foreign exchange gain/loss		3 229 161	1 969 618
Sum finansinntekter		17 215 363	2 319 300
Financial expenses	4	34 167 868	33 759 269
Sum finanskostnader		34 167 868	33 759 269
Netto finans		-16 952 505	-31 439 969
Ordinært resultat før skattekostnad		15 945 532	34 540 244
Taxes	5		
Ordinært resultat etter skattekostnad		15 945 532	34 540 244
Årsresultat		15 945 532	34 540 244
Årsresultat etter minoritetsinteresser		15 945 532	34 540 244
Totalresultat		15 945 532	34 540 244



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	856 291 066	881 733 671
Sum varige driftsmidler		856 291 066	881 733 671
Finansielle anleggsmidler			
Financial contracts	10	1 432 299	2 086 606
Sum finansielle anleggsmidler		1 432 299	2 086 606
Sum anleggsmidler		857 723 365	883 820 277
Omløpsmidler			
Varer			
Inventories	6	2 200 761	7 023 514
Sum varer		2 200 761	7 023 514
Fordringer			
Receivables	11	21 344 709	7 722 412
Konsernfordringer		326 602	61 604
Sum fordringer		21 671 311	7 784 016
Investeringer			
Financial instruments	10	7 015 190	
Sum investeringer		7 015 190	
Bankinnskudd, kontanter og lignende			
Bank deposits	7	5 348 584	58 358 276
Sum bankinnskudd, kontanter og lignende		5 348 584	58 358 276
Sum omløpsmidler		36 235 846	73 165 806
SUM EIENDELER		893 959 210	956 986 083

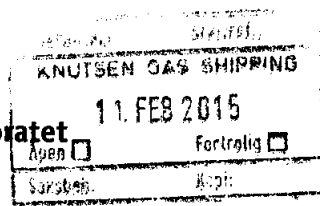


Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		100 000	100 000
Annen innskutt egenkapital		223 337 540	223 337 540
Sum innskutt egenkapital		223 437 540	223 437 540
Opptjent egenkapital			
Other equity		75 701 808	88 743 476
Sum opptjent egenkapital		75 701 808	88 743 476
Sum egenkapital	8, 9	299 139 348	312 181 016
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	10		6 698 249
Gjeld til kredittinstitusjoner	10	579 524 462	622 946 243
Other non-current liabilities	10		
Sum annen langsiktig gjeld		579 524 462	629 644 492
Sum langsiktig gjeld		579 524 462	629 644 492
Kortsiktig gjeld			
Leverandørgjeld	11	3 529 410	3 848 547
Kortsiktig konserngjeld		8 990 879	1 550 430
Accrued interest		1 177 412	1 927 649
Other current liabilities		1 597 698	7 833 949
Sum kortsiktig gjeld		15 295 400	15 160 575
Sum gjeld		594 819 862	644 805 067
SUM EGENKAPITAL OG GJELD		893 959 210	956 986 083



Skattedirektoratet



Saksbehandler
Torstein Kinden Helleland

Deres dato
30.01.2015

Vår dato
09.02.2015

Telefon
22078139

Deres referanse
Geir Tore Henriksen

Vår referanse
2015/87104

KNUTSEN OAS SHIPPING AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 30 AS	org. nr. 914 716 527
KNOT Shuttle Tankers 31 AS	org. nr. 914 750 326
Knutsen Technology AS	org. nr. 991 517 553
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 28 GP AS	org. nr. 914 450 160
KNOT Shuttle Tankers 28 LP AS	org. nr. 914 450 063
KNOT Shuttle Tankers 27 AS	org. nr. 914 021 456
KNOT Shuttle Tankers 29 AS	org. nr. 914 450 055
KNOT FSO 2 AS	org. nr. 814 450 112
KNOT Shuttle Tankers 24 AS	org. nr. 914 012 902
KNOT Shuttle Tankers 25 AS	org. nr. 914 006 600
KNOT Shuttle Tankers 26 AS	org. nr. 914 021 251

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010, TS Shipping Invest AS samt en rekke navngitte datterselskap dispensasjon fra kravet om å utarbeide årsregnskap og -beretning på norsk språk. Konsernet ønsker nå å søke om samme dispensasjon for ytterligere et antall selskap som inngår i konsernet. Alle selskapene inngår i konsernregnskapet til TS Shipping Invest AS. Selskapene det søkes om dispensasjon for er enten eid 100 % av TS Shipping Invest AS, eller 50 % av TS Shipping Invest AS og 50 % av det nederlandske selskapet NYK Logistics Holding (Europe) B.V. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Skattedirektoratets vurdering og konklusjon

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

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

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

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

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

De samme fakta og argument for dispensasjon foreligger i denne søknaden som ble vurdert ved innvilgelse av dispensasjon for konsernspissen og enkelte søsterselskap. Selskapenes aktivitet er knyttet til en internasjonal bransje hvor engelsk språk benyttes både internt i selskapene samt mot aksjonærer, og i kommunikasjon med eksterne forretningspartnere. Videre er eierkretsen begrenset.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Domyo, Takashi	BANKID	2023-03-13 10:29 GMT+01
Seglem, Trygve	BANKID	2023-03-13 09:40 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-03-13 08:10 GMT+01



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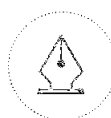


KNOT Shuttle Tankers 24 AS Annual Report 2022



M/T "Tordis Knutsen"

KNOT
Offshore Partners LP



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KNOT SHUTTLE TANKERS 24 AS

REPORT OF THE BOARD OF DIRECTORS 2022

KNOT Shuttle Tankers 24 AS owns one 158 000 dwt suez-max DP2 shuttle tanker, M/T Tordis Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyards in South Korea in 2016.

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 and the vessel in accordance with separate agreements.

The company's activity

The vessel has in 2022 been in Portugal for the 5-year class renewal and special survey and after sea-trials and testing at the yard mobilized back to Brazil for a five-months +30 days' time charter with Petroleo Brasileiro S/A – Petrobras. The vessel has thereafter been operated on a fixed three plus three-months charter contract with one remaining three-months option with Chartering and Shipping Service SA, a Total group company. The company has fixed a three-year fixed contract with Brazil Shipping I Limited, an entity in Shell, schedule to commence after redelivery from the existing contract.

Result for the year

The operating result for KNOT Shuttle Tankers 24 AS was NOK 32 898 037 in 2022 compared to NOK 65 980 213 in 2021. After net financial loss of NOK 16 952 505 in 2022, against a loss of NOK 31 439 969 in 2021, the profit for the year were NOK 15 945 532 in 2022 compared to NOK 34 540 244 in 2021.

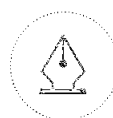
The Board of Directors suggests the result for the year transferred to other equity.

Total cash flow from operating activities in the company was NOK 47 838 346, NOK 85 452 002 in 2021. The liquidity position was NOK 5 348 584 as per 31.12.2022 compared to NOK 58 358 276 as per 31.12.2021. The company's ability to finance its investments is good. The company refinanced the vessel in 2021 together with several group companies in a fleet financing for a new five-year period and outstanding mortgage loan is at the end of 2022 USD 69 179 748, USD 74 504 680 in mortgage debt at the end of 2021.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most of the company's operating expenses and financial costs also are denominated in USD, this limits the company's foreign exchange risk. The company has not entered into any forward contracts or other agreements to reduce the company's foreign exchange risk, and thereby operating related market risk.

The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. The company has three interest rate swaps agreements in the amount of USD 79.6 million to reduce the company's interest rate risk.

Total capital was by the end of the year NOK 893 959 210, NOK 956 986 083 at the end of 2021. The equity-share as of 31.12.2022 was 33 %, compared to 33 % as of 31.12.2021.



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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 safety and operation of ships are increasing, and the company, the group and the manager KNOT Management AS are concerned with operational excellence. The company vessel consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ship is maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources into quality assurance and there are strict requirements for safety systems and the operation of the ship.

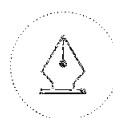
The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the KNOT Offshore Partners Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2022.

The company has no employees and thus no working environment. The company aims to be a workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The board of directors considers the working conditions satisfactory. 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.

The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99) section 4. The due diligence assessments cover the operations in the company. The account for these due diligence assessments and other obligations pursuant to the Act's section 5 will be included in a report here www.knutsenoas.com within 30 June 2023.

Prospects

M/T Tordis Knutsen is operated on a mid-term charter with Total and will start up on a charterparty with Shell thereafter. The charterers and trading area is well known for the manager and the Board of Directors. The Board of Directors expect that 2023 will be a stable profitable year for the company and that the company.



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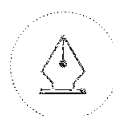


Haugesund, March 13, 2023

Trygve Seglem
Chairman of the Board/CEO

Karl Gerhard Bråstein Dahl
Member of the Board

Takashi Domyo
Member of the Board



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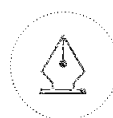
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KNOT Shuttle Tankers 24 AS

Profit & Loss Account

	Note	2022	2021
<u>Operating Income</u>			
Freight income	1	144 822 848	151 476 246
Other income		0	10 415 488
<i>Total Operating income</i>		<u>144 822 848</u>	<u>161 891 735</u>
<u>Operating Expenses</u>			
Crew-hire	2	29 904 670	22 112 065
Commissions		1 200 643	0
Other operating expenses		27 039 878	21 038 323
Administration	2	7 526 433	6 353 434
<i>Total Operating Expenses</i>		<u>65 671 624</u>	<u>49 503 823</u>
Ordinary depreciation	3	46 253 187	46 407 699
<i>Operating Result</i>		<u>32 898 037</u>	<u>65 980 213</u>
<u>Financial Income and Expenses</u>			
Financial income	4	13 986 202	349 682
Foreign exchange gain/loss		3 229 161	1 969 618
Financial expenses	4	-34 167 868	-33 759 269
<i>Net Financial Items</i>		<u>-16 952 505</u>	<u>-31 439 969</u>
<i>Result before taxes</i>		<u>15 945 532</u>	<u>34 540 244</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>15 945 532</u>	<u>34 540 244</u>



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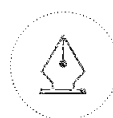
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KNOT Shuttle Tankers 24 AS

Balance Sheet as of 31. December

	Note	2022	2021
Assets			
Fixed assets			
Vessel	3	856 291 066	881 733 671
Financial contracts	10	1 432 299	2 086 606
<i>Total Fixed Assets</i>		857 723 365	883 820 277
Current Assets			
Inventories	6	2 200 761	7 023 514
Receivables	11	21 344 709	7 722 412
Current receivables group		326 602	61 604
Financial instruments	10	7 015 190	0
Bank deposits	7	5 348 584	58 358 276
<i>Total Current Assets</i>		36 235 846	73 165 806
TOTAL ASSETS		893 959 210	956 986 083



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KNOT Shuttle Tankers 24 AS
Balance Sheet as of 31. December

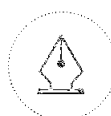
	Note	2022	2021
<u>Shareholders Equity and Liabilities</u>			
<u>Equity</u>			
Share capital		100 000	100 000
Other paid-up equity		223 337 540	223 337 540
<i>Total capital paid-in</i>		223 437 540	223 437 540
Other equity		75 701 808	88 743 476
<i>Total Shareholders' Equity</i>	8, 9	299 139 348	312 181 016
<u>Long Term Liabilities</u>			
Financial instruments	10	0	6 698 249
Liabilities to financial institutions	10	579 524 462	622 946 243
<i>Total Long Term Liabilities</i>		579 524 462	629 644 492
<u>Current Liabilities</u>			
Accounts payable	11	3 529 410	3 848 547
Accrued interest		1 177 412	1 927 649
Current liabilities group		8 990 879	1 550 430
Other current liabilities		1 597 698	7 833 949
<i>Total Current Liabilities</i>		15 295 400	15 160 575
<i>Total liabilities</i>		594 819 862	644 805 067
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		893 959 210	956 986 083

Haugesund, March 13, 2023,

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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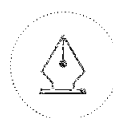


KNOT Shuttle Tankers 24 AS

CASHFLOW 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.

	2022	2021
Result before tax	15,945,532	34,540,244
+ Ordinary depreciation	46,253,187	46,407,699
+Unrealized profit/loss on foreign exchange rate contracts	-13,713,439	1,758,727
+Amortized financial contracts	654,307	654,307
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	6,056,140	1,251,719
+ Financial expenses - liabilities to financial institutions	1,572,336	1,578,915
= Total generated from operations	56,768,063	86,191,611
+ Net received on current assets	-9,064,542	-8,989,562
+ Net received on current liabilities	134,825	8,249,953
Net cashflow from operations	47,838,346	85,452,002
<u>Cashflow from investments</u>		
Upgrading of vessel	-290,511	0
Performed class renewal with drydocking	-20,520,071	-7,417,241
Net cashflow from investments	-20,810,582	-7,417,241
<u>Cashflow from financing</u>		
Proceeds from liabilities to financial institutions	0	640,791,264
Paid debt issuance costs	0	-7,095,755
Repayment of liabilities to financial institutions	-51,050,257	-652,623,875
Dividend paid-out	-28,987,200	-19,436,540
Net cashflow from financing	-80,037,457	-38,364,906
Net cashflow for the year	-53,009,693	39,669,856
+ Bank deposits per 01.01.	58,358,276	18,688,421
= Bank deposits per 31.12.	5,348,584	58,358,276



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KNOT SHUTTLE TANKERS 24 AS

Notes to the Financial Statement 31.12.2022

Accounting Principles

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

Transactions in Foreign Currency

Transactions in foreign currency is recorded at the rate of exchange on the day the transaction is carried out. Assets and liabilities in foreign currencies, that are not used for hedging purposes, are valued at the exchange rate on the date of the balance. Time charter hire in foreign currency for a calendar month is recorded at the rate of exchange on the first day with contract revenue of the month.

Related party transactions

The Company has undertaken several agreements and transactions with group companies and/or related parties. The level of fees are based on market terms and are in accordance with the arm's length principle. Ship management fee includes services like technical management, crewing management, IT and energy management.

1 Contracts

The company agreed in February 2022 a five-month fixed, with 30 days further option, time-charter contract with Petroleo Brasileiro S/A - Petrobras. The company has entered into a new three year fixed contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell, the contracts are schedule to commence after redelivery from Total.

A new time charter agreement for the Tordis Knutsen with a subsidiary of the French oil major TotalEnergies commenced on September 10, 2022 for a fixed period of three months, with charterer's options to extend the charter by up to two further three-month periods. TotalEnergies has exercised the first of its two three-month option periods and, if both options are taken by TotalEnergies, the charter would expire on or around June 10, 2023.

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.

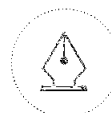
KNOT Management AS operates as manager on behalf of the company and the vessel in accordance with management agreements.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from Knutsen OAS Shipping AS in accordance with a separate management agreement.

	<u>2022</u>	<u>2021</u>
Grants crew expenses	1,115,412	1,777,749

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.



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Auditors remuneration (excl. VAT):	2022	2021
Audit	40,103	18,819
Other services besides audit	0	0
	<u>40,103</u>	<u>18,819</u>

3 Fixed Assets

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 certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with 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.

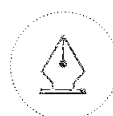
Vessel	2022	2021
Historical value 1.1.	1,095,575,230	1,095,575,230
Accumulated depreciation 1.1.	221,258,800	178,922,101
Book value 1.1.	874,316,430	916,653,129
Additions/Disposals	290,511	0
Annual depreciation	40,857,676	42,336,699
Book value 31.12.	<u>833,749,265</u>	<u>874,316,430</u>

Dry-docking	2022	2021
Capitalised dry-docking	31,429,241	24,012,000
Accumulated depreciation dry-docking 1.1.	24,012,000	19,941,000
Capitalised dry-docking 1.1.	7,417,241	4,071,000
Additions/Disposals	20,520,071	7,417,241
Annual depreciation	5,395,511	4,071,000
Book value 31.12.	<u>22,541,801</u>	<u>7,417,241</u>

Total book value vessel 31.12. 856,291,066 881,733,671

4 Financial Income and -Expenses

Financial Income:	2022	2021
Dividend	0	345,803
Inefficient part of interest rate swap	13,713,439	0
Other interest income	272,763	3,879
Total financial income	<u>13,986,202</u>	<u>349,682</u>



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Financial expenses:

Inefficient part of interest rate swap	0	1,758,727
Interest expenses	30,546,957	28,536,647
Guarantee cost from related parties	3,343,519	3,116,003
Other financial expenses	277,391	347,891
Total financial expenses	34,167,868	33,759,269

5 Tax

The company qualify for and have elected to be taxed based on 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 an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

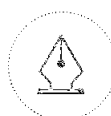
Below is a specification of the temporary differences at the end of the financial year.

	31.12.2022	Change	31.12.2021
Interest rate swaps	7,015,190	13,713,439	-6,698,249
Deductibel interest carried forward	-6,333,146	0	-6,333,146
Loss carried forward	-65,883,098	-7,064,966	-58,818,132
Basis for deferred tax (benefit)	-65,201,054	6,648,473	-71,849,527
Deferred tax (benefit)	0	0	0

Deferred tax assets are only recognized to the extent that it is more probable than not that these will be utilized in the future.

Taxable result tonnage tax scheme:

	2022	2021
Net financial Items	-16,952,505	-31,439,969
Non-taxable currency gain	-3,325,131	-2,832,773
Non-deductable interest	26,926,109	15,075,038
Unrealized interest rate swaps	-13,713,439	1,758,727
Other deductible items	0	-335,429
Taxable income before loss carried forward	-7,064,966	-17,774,405
Loss carried forward	-7,064,966	-17,774,405
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax expenses under operating expenses	144,475	155,727



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6 Inventories

Specification of inventories per 31.12.

	<u>2022</u>	<u>2021</u>
Lube oil	2,200,761	1,553,828
Bunker	0	5,469,686
Total inventory	<u>2,200,761</u>	<u>7,023,514</u>

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100,000	223,337,540	88,743,476	312,181,016
Extraordinary dividend paid-out	0	0	-28,987,200	-28,987,200
Result for the year	0	0	15,945,532	15,945,532
Equity 31.12.	<u>100,000</u>	<u>223,337,540</u>	<u>75,701,808</u>	<u>299,139,348</u>

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

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

9 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.

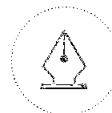
10 Mortgage Debt and Financial Instruments

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.

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 object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any uneffective part of the hedging over financial items.

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.



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	Currency	Outstanding currency	Hedge accounting rate	Accounting balance	
				2022	2021
Mortgage debt	USD	69,179,748	8.4497	584,548,618	629,542,735
Debt issuance cost				-5,024,156	-6,596,492
Liabilities to financial institutions				579,524,462	622,946,243

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument 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 revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate.

	2022	2021
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-100,787,474	-28,802,969

Amounts due within 12 months of the balance sheet date:

Mortgage debt	44,994,117	44,994,117
Debt issuance cost	-1,483,479	-1,572,336
Liabilities to financial institutions	43,510,638	43,421,781

Repayment profile: based on expected refinancing

0 - 12 months	5,324,932	5,324,932
13 - 24 months	5,324,932	5,324,932
25 - 36 months	5,324,932	5,324,932
37 - 48 months	5,324,932	5,324,932
49 - 60 months	5,324,932	5,324,932
After 60 months	42,555,088	47,880,020
	69,179,748	74,504,680

The exchange rate at the year-end	USDNOK	9.9066	8.8363
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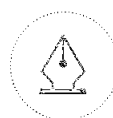
Security for the loan is made through a first priority mortgage in the vessels, assignment of earnings, assignment of insurances, bank accounts, factoring agreement, pledged shares in the company, guarantees from the owner, and undertakings from the manager.

Book value of mortgaged assets is NOK 894 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	Currency	2022	2021
Outstanding fixed interest rate swaps	USD	79,605,263	82,236,842
Mark to market valuation	USD	5,407,034	-2,253,319
Inefficient part booked in the balance	NOK	7,015,190	-6,698,249



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Aquired interest swaps

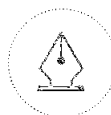
	2022	2021
Book value 01.01.	2,086,606	2,740,913
Amortization	654,307	654,307
Book value 31.12.	1,432,299	2,086,606

11 Balances with related parties

	2022	2021
<u>Receivables</u>		
Knutsen OAS Shipping AS	0	238,825
KNOT Management AS	2,345,237	4,605,006
Knutsen Produkt Tanker XII AS	0	1,307
KNOT Management Denmark A/S	14,515	0
	2,359,752	4,845,138

Accounts payable

Knutsen OAS Shipping AS	1,958,420	1,574,593
Knutsen OAS Crewing AS	133,714	107,933
KNOT Shuttle Tanker 31 AS	0	148
KNOT Management AS	158,962	149,717
Knutsen OAS Management AS	30,914	1,880
	2,282,010	1,834,271



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 24 AS

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 24 AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement 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 2022 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) 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, 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.

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, 13 March 2023
ERNST & YOUNG AS

(The auditor's report is signed electronically)

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers 24 AS 2022

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Johan Nordby

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