



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 065 698
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 34 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, 01.06.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income	1	157 593 963	143 754 676
Other income		5 722	17 186
Sum inntekter		157 599 686	143 771 862
Kostnader			
Crew-hire	2	30 216 810	23 881 900
Ordinary depreciation	3	41 062 442	42 281 418
Other operating expenses		18 693 485	17 982 366
Administration	2	7 402 992	6 241 738
Sum kostnader		97 375 729	90 387 422
Driftsresultat		60 223 957	53 384 440
Finansinntekter og finanskostnader			
Financial income	4	240 427	31
Foreign exchange gain/loss		2 449 687	1 155 271
Sum finansinntekter		2 690 114	1 155 302
Financial expenses	4	35 850 850	28 075 522
Sum finanskostnader		35 850 850	28 075 522
Netto finans		-33 160 736	-26 920 220
Ordinært resultat før skattekostnad		27 063 221	26 464 220
Taxes	5		
Ordinært resultat etter skattekostnad		27 063 221	26 464 220
Årsresultat		27 063 221	26 464 220
Årsresultat etter minoritetsinteresser		27 063 221	26 464 220
Totalresultat		27 063 221	26 464 220



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	876 122 187	917 145 441
Sum varige driftsmidler		876 122 187	917 145 441
Sum anleggsmidler		876 122 187	917 145 441
Omløpsmidler			
Varer			
Inventories	6	2 505 283	1 691 678
Sum varer		2 505 283	1 691 678
Fordringer			
Receivables	11	6 570 573	4 722 676
Konsernfordringer		5 132	
Sum fordringer		6 575 705	4 722 676
Bankinnskudd, kontanter og lignende			
Bank deposits	7	3 738 339	12 563 695
Sum bankinnskudd, kontanter og lignende		3 738 339	12 563 695
Sum omløpsmidler		12 819 327	18 978 048
SUM EIENDELER		888 941 513	936 123 489
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		30 000	30 000
Overkurs		9 930	9 930
Annen innskutt egenkapital		149 389 334	156 892 503



Balanse

Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		149 429 264	156 932 433
Opptjent egenkapital			
Other equity		27 063 221	26 464 220
Sum opptjent egenkapital		27 063 221	26 464 220
Sum egenkapital	8, 9	176 492 485	183 396 654
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10, 10	697 158 127	735 071 982
Sum annen langsiktig gjeld		697 158 127	735 071 982
Sum langsiktig gjeld		697 158 127	735 071 982
Kortsiktig gjeld			
Leverandørgjeld	11	3 469 790	2 909 894
Utbytte			12 281 780
Kortsiktig konserngjeld		8 872 561	529 001
Accrued interest		2 045 292	591 158
Other current liabilities		903 260	1 343 020
Sum kortsiktig gjeld		15 290 902	17 654 853
Sum gjeld		712 449 029	752 726 835
SUM EGENKAPITAL OG GJELD		888 941 513	936 123 489



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 335787

Enheten

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Organisasjonsform: Aksjeselskap
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Konsern

Morselskap i konsern: Nei

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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: 17.03.2023

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2022: Årsregnskap 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, 27.03.2023



Organisasjonsnr: 921 065 698
KNOT SHUTTLE TANKERS 34 AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income	1	157 593 963	143 754 676
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Årsresultat etter minoritetsinteresser		27 063 221	26 464 220
Totalresultat		27 063 221	26 464 220



Organisasjonsnr: 921 065 698
KNOT SHUTTLE TANKERS 34 AS

BALANSE

Beløp i: NOK

	Note	2022	2021
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BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessel	3	876 122 187	917 145 441
Sum varige driftsmidler		876 122 187	917 145 441

Sum anleggsmidler		876 122 187	917 145 441
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Omløpsmidler

Varer

Inventories	6	2 505 283	1 691 678
Sum varer		2 505 283	1 691 678

Fordringer

Receivables	11	6 570 573	4 722 676
Konsernfordringer		5 132	
Sum fordringer		6 575 705	4 722 676

Bankinnskudd, kontanter og lignende

Bank deposits	7	3 738 339	12 563 695
Sum bankinnskudd, kontanter og lignende		3 738 339	12 563 695

Sum omløpsmidler		12 819 327	18 978 048
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SUM EIENDELER		888 941 513	936 123 489
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital		30 000	30 000
Overkurs		9 930	9 930
Annen innskutt egenkapital		149 389 334	156 892 503
Sum innskutt egenkapital		149 429 264	156 932 433

Opptjent egenkapital

Other equity		27 063 221	26 464 220
Sum opptjent egenkapital		27 063 221	26 464 220

Sum egenkapital	8, 9	176 492 485	183 396 654
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Gjeld

Langsiktig gjeld



Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	10, 10	697 158 127	735 071 982
Sum annen langsiktig gjeld		697 158 127	735 071 982
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SUM EGENKAPITAL OG GJELD		888 941 513	936 123 489



Organisasjonsnr: 921 065 698
KNOT SHUTTLE TANKERS 34 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
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<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
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Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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List of Signatures Page 1/1

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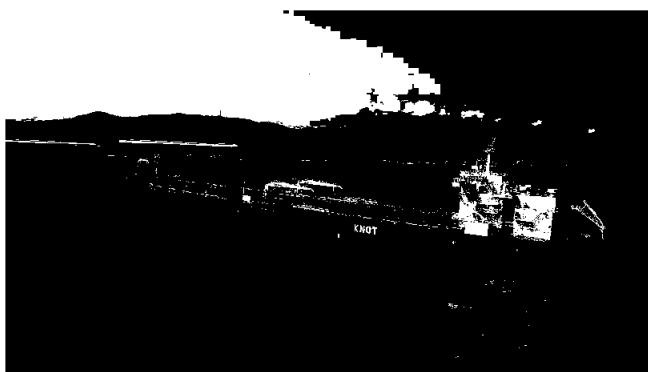
Name	Method	Signed at
Domyo, Takashi	BANKID	2023-03-13 11:00 GMT+01
Seglem, Trygve	BANKID	2023-03-13 09:40 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-03-13 11:33 GMT+01



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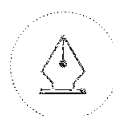


KNOT Shuttle Tankers 34 AS Annual Report 2022



M/T "Tove Knutsen"

KNOT
Offshore Partners LP



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KNOT SHUTTLE TANKERS 34 AS

REPORT OF THE BOARD OF DIRECTORS 2022

KNOT Shuttle Tankers 34 AS owns one 153,000 DWT Suez-max DP2 shuttle tanker, M/T Tove Knutsen, delivered in 2020 from Hyundai Heavy Industries Co., Ltd., South Korea.

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 been chartered to Equinor Shipping Inc., an Equinor ASA company, from 27 November 2020 for operation offshore Brazil on a seven-year time charter agreement with two options of two years followed by 9 options of one year in charters option.

Result for the year

The operating result for KNOT Shuttle Tankers 34 AS was NOK 60 223 957 in 2022 compared to NOK 53 384 440 in 2021. After net financial loss of NOK 33 160 736 in 2022, loss of NOK 26 920 220 in 2021, the profit of the year was NOK 27 063 221 in 2022 compared to NOK 26 464 220 in 2021.

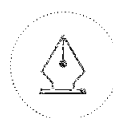
The Board of Directors propose to transfer the profit to other equity. The company have during 2022 paid out NOK 12 281 780 in ordinary dividend and NOK 33 967 390 in extraordinary dividend to the owner.

Total cash flow for operational activities was NOK 80 180 552, NOK 60 001 057 in 2021. The liquidity position was NOK 3 738 339 as per 31.12.2022 compared to NOK 12 563 695 as per 31.12.2021. The company's ability to finance its investments is good.

Total capital was by the end of the year NOK 888 941 513, NOK 936 123 489 at the end of 2021. The equity-share as of 31.12.2022 was 20 % compared to 20 % the year before.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most 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 in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

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.



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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

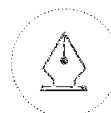
M/T Tove Knutsen is operated on a long-term charter with Equinor Shipping Inc. where the fixed period ends in the 4th quarter of 2027. The charterer and trading area is well known for the manager and the Board of Directors. Based on the operation of the vessel in 2022, the long-term financing of the vessel and the long-term charter-party of the vessel, the Board of Directors of KNOT Shuttle Tankers 34 AS expects 2023 to be a satisfactory year for the vessel and the company.

Haugesund, March 13, 2023

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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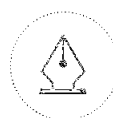
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KNOT Shuttle Tankers 34 AS

Profit & Loss Account

	<u>Note</u>	2022	2021
<u>Operating Income</u>			
Operating income	1	157 593 963	143 754 676
Other income		5 722	17 186
<i>Total Operating income</i>		<u>157 599 686</u>	<u>143 771 862</u>
<u>Operating Expenses</u>			
Crew-hire	2	30 216 810	23 881 900
Other operating expenses		18 693 485	17 982 366
Administration	2	7 402 992	6 241 738
<i>Total Operating Expenses</i>		<u>56 313 287</u>	<u>48 106 004</u>
Ordinary depreciation	3	41 062 442	42 281 418
<i>Operating Result</i>		<u>60 223 957</u>	<u>53 384 440</u>
<u>Financial Income and Expenses</u>			
Financial income	4	240 427	31
Foreign exchange gain/loss		2 449 687	1 155 271
Financial expenses	4	-35 850 850	-28 075 522
<i>Net Financial Items</i>		<u>-33 160 736</u>	<u>-26 920 220</u>
<i>Result before taxes</i>		<u>27 063 221</u>	<u>26 464 220</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>27 063 221</u>	<u>26 464 220</u>



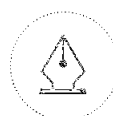
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KNOT Shuttle Tankers 34 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2022	2021
<u>Fixed assets</u>			
Vessel	3	876 122 187	917 145 441
<i>Total Fixed Assets</i>		<u>876 122 187</u>	<u>917 145 441</u>
<u>Current Assets</u>			
Inventories	6	2 505 283	1 691 678
Receivables	11	6 570 573	4 722 676
Intercompany receivables		5 132	0
Bank deposits	7	3 738 339	12 563 695
<i>Total Current Assets</i>		<u>12 819 327</u>	<u>18 978 048</u>
<i>TOTAL ASSETS</i>		<u>888 941 513</u>	<u>936 123 489</u>



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KNOT Shuttle Tankers 34 AS
Balance Sheet as of 31. December

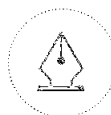
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity			
Share capital		30 000	30 000
Share premium		9 930	9 930
Other paid-in capital		149 389 334	156 892 503
<i>Total capital paid-in</i>		<u>149 429 264</u>	<u>156 932 433</u>
Other equity		27 063 221	26 464 220
<i>Total Shareholders' Equity</i>	8, 9	<u>176 492 485</u>	<u>183 396 654</u>
Long Term Debt			
Mortgage debt	10	697 158 127	735 071 982
<i>Total Long Term Debt</i>		<u>697 158 127</u>	<u>735 071 982</u>
Current Liabilities			
Accounts payable	11	3 469 790	2 909 894
Accrued interest		2 045 292	591 158
Intercompany liabilities		8 872 561	529 001
Dividends		0	12 281 780
Other current liabilities		903 260	1 343 020
<i>Total Current Liabilities</i>		<u>15 290 902</u>	<u>17 654 853</u>
<i>Total liabilities</i>		<u>712 449 029</u>	<u>752 726 835</u>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<u>888 941 513</u>	<u>936 123 489</u>

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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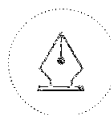


KNOT Shuttle Tankers 34 AS

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	27,063,221	26,464,220
+ Ordinary depreciation	41,062,442	42,281,418
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	3,214,838	-1,280,132
+ Financial expenses - liabilities to financial institutions	1,588,857	1,644,139
= Total generated from operations	72,929,358	69,109,645
+ Net received on current assets	-2,666,634	-2,385,908
+ Net received on current liabilities	9,917,828	-6,722,679
Net cashflow from operations	80,180,552	60,001,058
<u>Cashflow from investments</u>		
Upgrading of vessel	-39,188	-124,836
Net cashflow from investments	-39,188	-124,836
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-42,717,551	-37,619,301
Dividend paid-out	-46,249,170	-19,883,730
Net cashflow from financing	-88,966,721	-57,503,031
Net cashflow for the year	-8,825,356	2,373,191
+ Bank deposits per 01.01.	12,563,695	10,190,504
= Bank deposits per 31.12.	3,738,339	12,563,695



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KNOT Shuttle Tankers 34 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

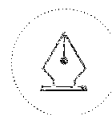
The company has secured employment of the vessel M/T Tove Knutsen, with a 7 year fix time charter contract with charterers option to extend the contract with 2 x 2 + 9 x 1 year options to Equinor Shipping Inc. from delivery under the contract 27th of November 2020.

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.



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	<u>2022</u>	<u>2021</u>
Grants crew expenses	-630,386	-1,169,991

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

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

3 **Fixed Assets**

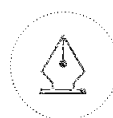
The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of shuttle tankers is estimated to 23 years from delivery as newbuilding. We use extended life or reduced life if there are commercial 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.

<u>Vessel</u>	<u>2022</u>	<u>2021</u>
Historical value 1.1.	941,575,986	941,451,149
Accumulated depreciation 1.1.	46,007,033	9,479,339
Book value 1.1.	895,568,953	931,971,811
Additions/Disposals	39,188	124,836
Annual depreciation	35,308,712	36,527,694
Book value 31.12.	<u>860,299,429</u>	<u>895,568,953</u>

<u>Dry-docking</u>	<u>2022</u>	<u>2021</u>
Capitalised dry-docking	28,768,643	28,768,643
Accumulated depreciation dry-docking 1.1.	7,192,155	1,438,431
Capitalised dry-docking 1.1.	21,576,488	27,330,212
Annual depreciation	5,753,730	5,753,724
Book value 31.12.	<u>15,822,758</u>	<u>21,576,488</u>

Total book value vessel 31.12.	<u>876,122,187</u>	<u>917,145,441</u>
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4 Financial Income and -Expenses

	2022	2021
Financial Income:		
Other interest income	240,427	31
Total financial income	240,427	31
Financial expenses:		
Interest expenses	31,979,456	24,352,360
Guarantee cost from related parties	3,709,949	3,493,765
Other financial expenses	161,446	229,397
Total financial expenses	35,850,850	28,075,522

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.

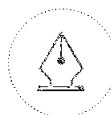
Below is a specification of the temporary differences at the end of the financial year.

	31.12.2022	Change	31.12.2021
Loss carried forward	-34,346,198	5,680,079	-28,666,119
Basis for deferred tax (benefit)	-34,346,198	5,680,079	-28,666,119
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	-33,160,736	-26,920,220
Non-taxable currency gain	-2,461,258	-1,116,569
Non-deductable interest	29,941,915	15,727,268
Taxable income before loss carried forward	-5,680,079	-12,309,521
Loss carried forward	-5,680,079	-12,309,521
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax expenses under operating expenses	145,728	180,675



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6 Inventories

Specification of inventories per 31.12.

	2022	2021
Lube oil	2,505,283	1,656,391
Bunker	0	35,287
Total inventory	2,505,283	1,691,678

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	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01	30,000	9,930	156,892,503	26,464,220	183,396,654
Dividend	0	0	-7,503,170	-26,464,220	-33,967,390
Result for the year	0	0	0	27,063,221	27,063,221
Equity 31.12.	30,000	9,930	149,389,337	27,063,221	176,492,485

Share capital consist of 1 000 shares à NOK 30.

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

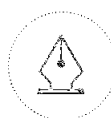
9 Shares Owned by Board Members and Affiliates

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.



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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 ineffective 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.

	Currency	Outstanding currency	Hedge accounting	Accounting balance 2022	2021
Mortgage debt	USD	77,515,823	9.0455	701,173,148	740,675,860
Debt issuance cost				-4,015,021	-5,603,878
Liabilities to financial institutions				697,158,127	735,071,982

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):	-66,745,104	17,133,885

Amounts due within 12 months of the balance sheet date:

Mortgage debt	39,502,635	39,502,635
Debt issuance cost	-1,530,963	-1,588,859
Liabilities to financial institutions	37,971,672	37,913,776

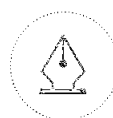
Repayment profile: based on expected refinancing

0 - 12 months	4,367,080	4,367,080
13 - 24 months	4,367,080	4,367,080
25 - 36 months	4,367,080	4,367,080
37 - 48 months	4,367,080	4,367,080
49 - 60 months	4,367,080	4,367,080
After 60 months	55,680,423	60,047,512
	77,515,823	81,882,912

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 889 million.



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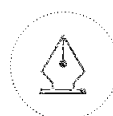
The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of 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	43,750,000	46,250,000
Mark to market valuation	USD	2,148,001	-1,496,099

11 Balances with related parties

	2022	2021
<u>Receivables</u>		
KNOT Management AS	1,965	0
KNOT Shuttle Tankers 33 AS	0	892
	<u>1,965</u>	<u>892</u>
<u>Accounts payable</u>		
Knutsen OAS Shipping AS	1,839,579	649,985
Knutsen OAS Management AS	2,138	7,520
Knutsen NYK Offshore Tankers AS	0	329,773
Knutsen OAS Crewing AS	72,954	65,498
KNOT Management AS	305,075	447,843
	<u>2,219,745</u>	<u>1,500,619</u>



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 34 AS

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 34 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 34 AS 2022

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Johan Nordby

Statsautorisert revisor

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Skatteetaten

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Vår dato
13.02.2019

Din/Deres dato
11.01.2019

Saksbehandler
Henning Stokke

800 80 000
Skatteetaten.no

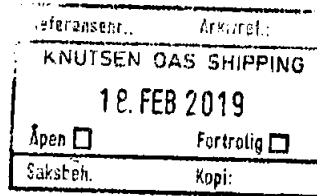
Din/Deres referanse
Petter M Opsal

Telefon
800 80 000

Org.nr
974761076

Vår referanse
2019/5238778

Postadresse
Postboks 9200 Grønland
0134 OSLO



Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 11. januar 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- | | |
|------------------------------|-------------|
| • KNOT Shuttle Tankers 36 AS | 921 657 595 |
| • KNOT Shuttle Tankers 33 AS | 920 610 455 |
| • KNOT Shuttle Tankers 37 AS | 921 657 633 |
| • KNOT Shuttle Tankers 35 AS | 821 065 852 |
| • KNOT Shuttle Tankers 38 AS | 921 684 789 |
| • KNOT Shuttle Tankers 39 AS | 921 684 762 |
| • KNOT Shuttle Tankers 34 AS | 921 065 698 |
| • Knutsen OAS ML AS | 920 992 153 |
| • Norspan LNG 14 AS | 921 118 546 |
| • Norspan LNG 15 AS | 921 968 450 |

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Fra søknaden gjengis:

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 2018. 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.

**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 er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes eierkrets er begrenset. I tillegg opererer selskapene i en internasjonal bransje, og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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