



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 814 450 112
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT FSO 2 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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: 20.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 01.05.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating Income	1	199 837 048	190 064 994
Sum inntekter		199 837 048	190 064 994
Kostnader			
Crew-hire	2	71 478 898	69 468 415
Ordinary depreciation	3	42 740 526	62 608 420
Commisions		2 749 296	2 559 930
Other operating expenses		44 344 050	25 687 617
Administration	2	8 691 075	7 561 422
Sum kostnader		170 003 845	167 885 804
Driftsresultat		29 833 203	22 179 190
Finansinntekter og finanskostnader			
Financial income	4	27 076 437	15 365 759
Foreign exchange gain/loss		9 385 511	32 026 475
Sum finansinntekter		36 461 948	47 392 234
Financial expenses	4	42 736 347	26 983 678
Sum finanskostnader		42 736 347	26 983 678
Netto finans		-6 274 399	20 408 556
Ordinært resultat før skattekostnad		23 558 804	42 587 746
Taxes	5	5 187 425	9 371 201
Ordinært resultat etter skattekostnad		18 371 379	33 216 545
Årsresultat		18 371 379	33 216 545
Årsresultat etter minoritetsinteresser		18 371 379	33 216 545
Totalresultat		18 371 379	33 216 545



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Varige driftsmidler			
Vessel	3	134 586 838	177 327 364
Sum varige driftsmidler		134 586 838	177 327 364
Finansielle anleggsmidler			
Lån til foretak i samme konsern		285 670 000	277 384 800
Sum finansielle anleggsmidler		285 670 000	277 384 800
Sum anleggsmidler		420 256 838	454 712 164
Omløpsmidler			
Varer			
Inventories	6	1 117 656	1 085 736
Sum varer		1 117 656	1 085 736
Fordringer			
Receivables		1 112 779	1 266 993
Other short-term receivables		1 069 103	6 508 978
Konsernfordringer		3 770 645	183 074
Sum fordringer		5 952 527	7 959 045
Bankinnskudd, kontanter og lignende			
Bank deposits	7	17 360 067	56 696 556
Sum bankinnskudd, kontanter og lignende		17 360 067	56 696 556
Sum omløpsmidler		24 430 250	65 741 337
SUM EIENDELER		444 687 088	520 453 501

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital	8	100 000	100 000
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Other equity		614 540	14 806 376
Sum opptjent egenkapital		614 540	14 806 376
Sum egenkapital	8, 9	714 540	14 906 376
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	8 971 709	12 968 781
Sum avsetninger for forpliktelser		8 971 709	12 968 781
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	370 387 983	441 905 120
Sum annen langsiktig gjeld		370 387 983	441 905 120
Sum langsiktig gjeld		379 359 692	454 873 901
Kortsiktig gjeld			
Leverandørgjeld		2 939 658	3 200 684
Kortsiktig konserngjeld		49 916 528	26 195 301
Accrued interest		5 214 372	5 218 442
Payables to related parties		3 192 045	3 394 575
Other current liabilities		3 350 253	12 664 222
Sum kortsiktig gjeld		64 612 856	50 673 224
Sum gjeld		443 972 548	505 547 125
SUM EGENKAPITAL OG GJELD		444 687 088	520 453 501



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Name	Method	Signed at
Domyo, Takashi	BANKID	2024-02-23 12:58 GMT+01
Seglem, Trygve	BANKID	2024-02-23 08:15 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-02-23 08:11 GMT+01



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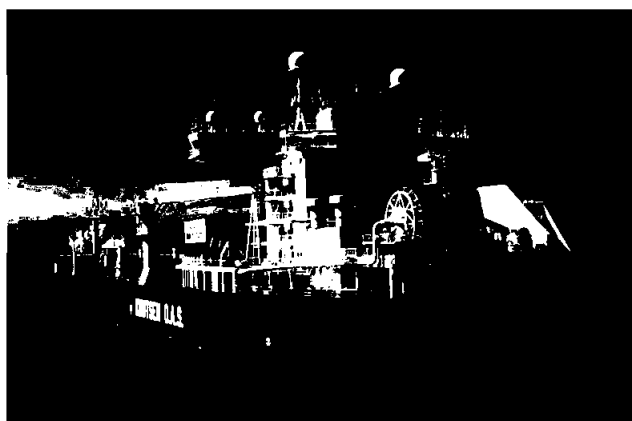
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KNOT Knutsen
NYK Offshore
Tankers

KNOT FSO 2 AS

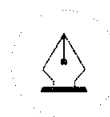
Annual Report 2023



M/T “ Jorunn Knutsen ”



Knutsen
Group



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KNOT FSO 2 AS

REPORT OF THE BOARD OF DIRECTORS 2023

KNOT FSO 2 AS operates out of Haugesund, Norway and has no employees and working environment. The daily operations of the company and the vessel are managed by KNOT Management AS in Haugesund in accordance with separate agreement and hires the crew from Knutsen OAS Offshore AS.

The company's activity

FSO Åsgård C / MT Jorunn Knutsen is chartered out to Equinor Energy AS on behalf of the Åsgård Group on a fixed time charter until September 2025 plus three one-year options. The FSO is used as a floating offshore installation for storage of the produced oil from the Åsgård field and connected fields.

Result for the year

The operating result for KNOT FSO 2 AS was NOK 29 833 203 compared to NOK 22 179 190 in 2022. The net financial loss for the year was NOK 6 274 399, compared to a profit of NOK 20 408 556 the previous year. The result for the year was NOK 18 371 379 compared to NOK 33 216 545 the year before.

The Board of Directors suggests to give the result and NOK 14 191 836 of the other equity as a tax deductible group contribution to the owner KNOT FSO AS with in total NOK 41 747 712. The book equity is NOK 714 540 at the end of 2023, compared to NOK 14 906 376 per 31.12.2022. The equity-share as of 31.12.2023 was 0.16 %, down from 2.9 % the year before.

The liquidity position was NOK 17 360 067 as per 31.12.2023 compared to NOK 56 696 556 as per 31.12.2022. The company's ability to self-finance investments is good.

The company's short term debts per 31.12.2023 was 15 % of total debt, compared to 10 % as of 31.12.2022. The financial position is satisfactory.

Total capital was by the end of the year NOK 444 687 088, compared to NOK 520 453 501 the year before. The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's capex income is denominated in USD. Though, since part of the company's operating expenses and financial expenses 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, hence the operating related market risk.

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



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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 Knutsen NYK Offshore Tankers Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2023.

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 accounts for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that can be found here www.knutsenoas.com and the report is updated minimum one time per year.

Future prospects

KNOT FSO 2 AS has a long-term contract now fixed until September 2025 and three one-year options in favour of the charterers with no off-hire in the period from start-up in 2000 until the date of the accounts. Based on the operation of the FSO in 2024, the long-term contract, the long-term sale-and lease-back and the utilization of the FSO the Board of Directors expects 2024 to be a satisfactory year for the FSO and the company.

Haugesund, February 23, 2024

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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KNOT FSO 2 AS
Profit & Loss Account

	Note	2023	2022
<u>Operating Income</u>			
Operating Income	1	199 837 048	190 064 994
<i>Total Operating income</i>		<u>199 837 048</u>	<u>190 064 994</u>
<u>Operating Expenses</u>			
Commissions		2 749 296	2 559 930
Crew-hire	2	71 478 898	69 468 415
Other operating expenses		44 344 050	25 687 617
Administration	2	8 691 075	7 561 422
<i>Total Operating Expenses</i>		<u>127 263 319</u>	<u>105 277 384</u>
Ordinary depreciation	3	42 740 526	62 608 420
<i>Total depreciation and write-downs</i>		<u>42 740 526</u>	<u>62 608 420</u>
<i>Operating Result</i>		<u>29 833 203</u>	<u>22 179 190</u>
<u>Financial Income and Expenses</u>			
Financial income	4	27 076 437	15 365 759
Foreign exchange gain/loss		9 385 511	32 026 475
Financial expenses	4	-42 736 347	-26 983 678
<i>Net Financial Items</i>		<u>-6 274 399</u>	<u>20 408 556</u>
<i>Result before taxes</i>		<u>23 558 804</u>	<u>42 587 746</u>
Taxes	5	5 187 425	9 371 201
<i>Result for the year</i>		<u>18 371 379</u>	<u>33 216 545</u>



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KNOT FSO 2 AS

Balance Sheet as of 31. December

<u>Assets</u>	Note	2023	2022
Fixed assets			
Vessel	3	134 586 838	177 327 364
Loan to group companies		285 670 000	277 384 800
<i>Total Fixed Assets</i>		<u>420 256 838</u>	<u>454 712 164</u>
Current Assets			
Inventories	6	1 117 656	1 085 736
Receivables		1 112 779	1 266 993
Other short-term receivables		1 069 103	6 508 978
Current receivables group		3 770 645	183 074
Bank deposits	7	17 360 067	56 696 556
<i>Total Current Assets</i>		<u>24 430 250</u>	<u>65 741 337</u>
TOTAL ASSETS		<u>444 687 088</u>	<u>520 453 501</u>



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KNOT FSO 2 AS

Balance Sheet as of 31. December

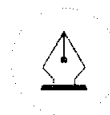
Shareholders Equity and Liabilities	Note	2023	2022
Equity			
Share capital	8	100 000	100 000
<i>Total capital paid-in</i>		<u>100 000</u>	<u>100 000</u>
Retained earnings			
Other equity		614 540	14 806 376
<i>Total Shareholders' Equity</i>	8, 9	<u>714 540</u>	<u>14 906 376</u>
Long Term Liabilities			
Deferred tax	5	8 971 709	12 968 781
Liabilities to financial institutions	10	370 387 983	441 905 120
<i>Total Long Term Liabilities</i>		<u>379 359 692</u>	<u>454 873 901</u>
Current Liabilities			
Accounts payable		2 939 658	3 200 684
Accrued interest		5 214 372	5 218 442
Current liabilities group		8 168 816	2 592 520
Group contribution		41 747 712	23 602 781
Payables to related parties		3 192 045	3 394 575
Other current liabilities		3 350 253	12 664 222
<i>Total Current Liabilities</i>		<u>64 612 856</u>	<u>50 673 224</u>
<i>Total liabilities</i>		<u>443 972 548</u>	<u>505 547 125</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>444 687 088</u>	<u>520 453 501</u>

Haugesund, February 23, 2024

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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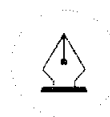


KNOT FSO 2 AS

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.

	2023	2022
Result before tax	23 558 804	42 587 746
+ Ordinary depreciation	42 740 526	62 608 420
-/+Unrealized currency gain/loss - loan to group companies	-8 285 200	-29 968 400
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	17 373 577	9 468 618
+ Financial expenses - liabilities to financial institutions	2 078 635	2 078 635
= Total generated from operations	77 466 342	86 775 019
+ Net received on current assets	1 974 598	-3 889 027
+ Net received on current liabilities	-4 205 299	7 190 980
Net cashflow from operations	75 235 641	90 076 972
<u>Cashflow from investments</u>		
Net cashflow from investments	0	0
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-90 969 350	-83 064 390
Loan to group companies, net change	0	20 000 000
Equity received - group contribution received	0	486 703
Group contribution paid-out	-23 602 781	-30 376 974
Net cashflow from financing	-114 572 131	-92 954 661
Net cashflow for the year	-39 336 489	-2 877 689
+ Bank deposits per 01.01.	56 696 556	59 574 247
= Bank deposits per 31.12.	17 360 067	56 696 556



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KNOT FSO 2 AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

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

Going concern

The financial accounts are made on a going concern basis. The Board of Directors confirms the conditions for continued operation. The Board of Directors is of the opinion that the financial statements give a true and fair reflection of the company's assets and liabilities as well as financial strength and profitability.

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

Since delivery in year 2000 FSO Åsgård C / Jorunn Knutsen has been on time charter contract with options with Equinor Energy AS on behalf of the Åsgård Group as a storage vessel. The fixed period have been extended until September 2025 and the charterer has 3 one-year options after the fixed period.

The income from the time charter contract is received in united states dollars and norwegian kroner, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

KNOT Management AS is appointed as manager for the company and the vessel.

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from Knutsen OAS Offshore AS in accordance with separate crewing agreements.

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):
Audit

2023	2022
67 200	46 200

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 FSO's is estimated to 25 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 25 year profile for that specific entity is not correct, i.e. fixed charter contracts above 25 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 seperately.



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Expenses in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next class and survey to take into account that the vessel is classified to operate for an additional period. Main class is carried out every 5th year. Intermediate survey is carried out 30-36 months after special survey. In the case of a newbuilding or second hand aquisition, we estimate a portion of the total cost of the vessel to be allocated to the class cost and to be capitalised seperately. Other expenses to repair and maintenance of the vessel are expensed when the work is executed.

<u>Vessel</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	593 472 421	593 472 421
Accumulated depreciation 01.01.	423 650 909	373 909 667
Book value 01.01.	169 821 512	219 562 754
Annual depreciation	35 234 674	49 741 242
Book value 31.12.	134 586 838	169 821 512

<u>Dry dock</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	49 611 093	49 611 093
Accumulated depreciation 01.01.	42 105 241	29 238 063
Book value 01.01.	7 505 852	20 373 030
Annual depreciation	7 505 852	12 867 178
Book value 31.12.	0	7 505 852

Total book value vessel 31.12.	134 586 838	177 327 364
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4 Financial Income and -Expenses

<u>Financial Income:</u>	<u>2023</u>	<u>2022</u>
Interest income from group companies	25 596 975	14 907 280
Other interest income	1 479 462	458 479
Total financial income	27 076 437	15 365 759

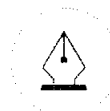
<u>Financial Expenses:</u>	<u>2023</u>	<u>2022</u>
Interest expenses	40 066 559	24 230 158
Interest expenses to group companies	150 581	10 613
Guarantee fee to group companies	2 498 485	2 726 945
Other financial expenses	20 722	15 962
Total financial expenses	42 736 347	26 983 678

5 Tax

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

Temporary differences

	<u>31.12.2023</u>	<u>Change</u>	<u>31.12.2022</u>
Temporary difference vessels	-25 082 300	16 747 876	-8 334 425
Gain/loss account	1 045 929	261 483	1 307 412
Temporary difference USD debt	75 139 276	1 159 151	76 298 426
Deductible interest carried forward	-10 322 409	0	-10 322 409
Base for deferred tax calculation	40 780 496	18 168 510	58 949 004
Deferred tax/(benefit) based on 22 % tax rate	8 971 709	-3 997 072	12 968 781



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In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

	<u>2023</u>	<u>2022</u>
Result for the year before tax	23 558 804	-42 587 746
Non-deductible items	20 398	8 622
Change in temporary differences	18 168 510	-18 442 238
Tax base for the year before group contribution	41 747 712	24 154 130
Change in deductible interest carried forward	0	-551 349
Group contribution given	-41 747 712	-23 602 781
Tax base	0	0

Calculation of tax expenses

Tax payable	0	0
Tax effect group contribution 22%	9 184 497	5 192 612
Change deferred tax/(tax benefit)	-3 997 072	4 178 589
Tax calculated	5 187 425	9 371 201

6 Inventories

Specification of inventories per 31.12.

	<u>2023</u>	<u>2022</u>
Lube oil	1 117 656	1 085 736

7 Bank deposits

According to the loan agreement the company is restricted to keep a cash balance of at least USD 500 000. Which equals NOK 5 101 250 as of 31.12.2023.

8 Equity

Specification of the equity per 31.12.

	<u>Share capital</u>	<u>Other equity</u>	<u>Total equity</u>
Equity 01.01.	100 000	14 806 376	14 906 376
Result for the year	0	18 371 379	18 371 379
Group Contribution given	0	-32 563 215	-32 563 215
Equity 31.12.	100 000	614 540	714 540

Share capital consist of 100 shares à NOK 1,000

KNOT FSO AS owns all the shares in the company. KNOT FSO AS and the company are both a part of Knutsen NYK Offshore Tankers Group and the financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

9 Shares Owned by Board Members and Affiliates

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

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 amount	Hedge accounting rate 31.12.	Accounting balance	
				2023	2022
Mortgage debt	USD	43 668 440	8,5176	371 948 383	445 544 155
Debt issuance cost				-1 560 400	-3 639 035
Liabilities to financial institutions				370 387 983	441 905 120

FSO Åsgård C/MT Jorunn Knutsen has been sold out and leased back on a financial lease and the vessel is formally transferred to the financial counterparty.

	2023	2022
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-)	-73 578 876	-72 659 392

Amounts due within 12 months of the balance sheet date:

Mortgage debt	73 595 772	73 595 772
Debt issuance cost	2 078 635	2 078 635
Liabilities to financial institutions	75 674 407	75 674 407

Repayment profile:

0 - 12 months	8 640 480	8 640 480
13 - 24 months	8 640 480	8 640 480
25 - 36 months	8 640 480	8 640 480
37 - 48 months	8 640 480	8 640 480
49 - 60 months	9 106 518	8 640 480
After 60 months	0	9 106 518
	43 668 440	52 308 920

The exchange rate at the year-end	USDNOK	10,2025	9,9066
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Security for the lease is made through a first priority mortgage in the vessel, a sharepledge in the company's shares held by the owner KNOT FSO AS, transportation of income and insurances, assignment in hedging claims, account pledges, factoring agreement, and guarantees from the Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 445 million.



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Building a better
working world

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT FSO 2 AS

Opinion

We have audited the financial statements of KNOT FSO 2 AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 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, 23 February 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorized Public Accountant (Norway)

Independent auditor's report – KNOT FSO 2 AS 2023

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Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: UN:NO-9578-5990-4-2796687

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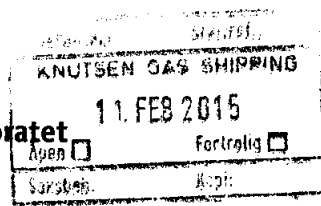
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Skattedirektoratet



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