Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	995 221 713
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNUTSEN NYK OFFSHORE TANKERS AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Karl Gerhard
Dato for fastsettelse av årsregnskapet:	11.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 13.05.2025

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		0	1 353 824
Sum inntekter		**0**	**1 353 824**
Kostnader			
Annen driftskostnad		6 456 025	2 375 589
Sum kostnader		**6 456 025**	**2 375 589**
Driftsresultat		**-6 456 025**	**-1 021 765**
Finansinntekter og finanskostnader			
Annen finansinntekt		431 826 171	421 931 490
Sum finansinntekter		**431 826 171**	**421 931 490**
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		236 468 056	52 259 825
Annen finanskostnad		365 578 373	157 916 937
Sum finanskostnader		**602 046 429**	**210 176 762**
Netto finans		**-170 220 258**	**211 754 728**
Resultat før skattekostnad		**-176 676 283**	**210 732 963**
Skattekostnad		-39 173 305	-14 305 658
Årsresultat		**-137 502 978**	**225 038 621**
Overføringer og disponeringer			
Ordinært utbytte	6	0	-313 290 500
Overføringer til/fra annen egenkapital	6	-137 502 977	225 038 621
Sum overføringer og disponeringer	6	**-137 502 977**	**-88 251 879**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		61 155 546	34 292 970
Sum immaterielle eiendeler		**61 155 546**	**34 292 970**
Finansielle anleggsmidler			
Investering i datterselskap		5 269 917 267	4 925 152 847
Lån til foretak i samme konsern		0	42 410 103
Investeringer i tilknyttet selskap		1 278 207 588	1 278 207 588
Sum finansielle anleggsmidler		**6 548 124 855**	**6 245 770 538**
Sum anleggsmidler		**6 609 280 401**	**6 280 063 508**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		108 721	83 466
Andre fordringer		4 250 770	799
Andre fordringer		164 676 098	233 950 147
Konsernfordringer		196 051 268	51 406 404
Sum fordringer		**365 086 857**	**285 440 816**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	266 153 112	60 835 324
Sum bankinnskudd, kontanter og lignende		**266 153 112**	**60 835 324**
Sum omløpsmidler		**631 239 969**	**346 276 140**
SUM EIENDELER		**7 240 520 370**	**6 626 339 648**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Balanse

Beløp i: NOK	Note	2024	2023
Innskutt egenkapital			
Selskapskapital		1 601 864 400	1 601 864 400
Overkurs		598 428 328	598 428 328
Sum innskutt egenkapital		**2 200 292 728**	**2 200 292 728**
Opptjent egenkapital			
Annen egenkapital	6	2 056 172 048	2 249 274 025
Sum opptjent egenkapital		**2 056 172 048**	**2 249 274 025**
Sum egenkapital		**4 256 464 776**	**4 449 566 753**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		2 359 294 605	1 475 603 147
Langsiktig konserngjeld		265 829 913	413 440 969
Sum annen langsiktig gjeld		**2 625 124 518**	**1 889 044 116**
Sum langsiktig gjeld		**2 625 124 518**	**1 889 044 116**
Kortsiktig gjeld			
Leverandørgjeld		5 358 409	202 606
Kortsiktig konserngjeld		263 169 487	259 781 826
Annen kortsiktig gjeld		4 602 132	66 892
Annen kortsiktig gjeld		15 651 048	11 677 455
Annen kortsiktig gjeld		70 150 000	16 000 000
Sum kortsiktig gjeld		**358 931 076**	**287 728 779**
Sum gjeld		**2 984 055 594**	**2 176 772 895**
SUM EGENKAPITAL OG GJELD		**7 240 520 370**	**6 626 339 648**

Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		334 025 000	356 373 000
Sum inntekter		**334 025 000**	**356 373 000**
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler		80 317 000	82 552 000
Annen driftskostnad		183 279 000	195 346 000
Sum kostnader		**263 596 000**	**277 898 000**
Driftsresultat		**70 429 000**	**78 475 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		1 351 000	-13 148 000
Annen finansinntekt		9 544 000	7 449 000
Sum finansinntekter		**10 895 000**	**-5 699 000**
Annen finanskostnad		49 601 000	63 638 000
Sum finanskostnader		**49 601 000**	**63 638 000**
Netto finans		**-38 706 000**	**-69 337 000**
Resultat før skattekostnad		**31 723 000**	**9 138 000**
Skattekostnad		2 400 000	5 888 000
Årsresultat		**29 323 000**	**3 250 000**
Minoritetsinteresser			37 000
Årsresultat etter minoritetsinteresser			**3 213 000**
Andre resultatkomponenter for IFRS-foretak		-11 512 000	-3 001 000
Sum resultatkomponenter for IFRS-foretak		-11 512 000	-3 001 000
Totalresultat		**17 811 000**	**212 000**

Konsernets balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		22 066 000	26 367 000
Goodwill		74 793 000	74 793 000
Sum immaterielle eiendeler		**96 859 000**	**101 160 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		289 000	386 000
Skip, rigger, fly og lignende		752 780 000	825 949 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		96 824 000	29 599 000
Sum varige driftsmidler		**849 893 000**	**855 934 000**
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern		177 596 000	177 326 000
Investeringer i aksjer og andeler		6 590 000	1 758 000
Andre fordringer		70 000	60 000
Sum finansielle anleggsmidler		**184 256 000**	**179 144 000**
Sum anleggsmidler		**1 131 008 000**	**1 136 238 000**
Omløpsmidler			
Varer			
Varer		8 031 000	8 757 000
Sum varer		**8 031 000**	**8 757 000**
Fordringer			
Kundefordringer		12 354 000	19 917 000
Andre fordringer		27 220 000	28 259 000
Sum fordringer		**39 574 000**	**48 176 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		85 619 000	44 690 000
Sum bankinnskudd, kontanter og lignende		**85 619 000**	**44 690 000**
Sum omløpsmidler		**133 224 000**	**101 623 000**

Konsernets balanse

Beløp i: USD	Note	2024	2023
SUM EIENDELER		**1 264 232 000**	**1 237 861 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		271 384 000	271 384 000
Overkurs		104 481 000	104 481 000
Sum innskutt egenkapital		**375 865 000**	**375 865 000**
Opptjent egenkapital			
Annen egenkapital		88 512 000	75 701 000
Sum opptjent egenkapital		**88 512 000**	**75 701 000**
Sum egenkapital		**464 377 000**	**451 566 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		593 887 000	541 217 000
Øvrig langsiktig gjeld		5 295 000	3 494 000
Sum annen langsiktig gjeld		**599 182 000**	**544 711 000**
Sum langsiktig gjeld		**599 182 000**	**544 711 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		165 325 000	198 489 000
Leverandørgjeld		9 343 000	10 251 000
Betalbar skatt		194 000	0
Annen kortsiktig gjeld		25 811 000	32 844 000
Sum kortsiktig gjeld		**200 673 000**	**241 584 000**
Sum gjeld		**799 855 000**	**786 295 000**
SUM EGENKAPITAL OG GJELD		**1 264 232 000**	**1 237 861 000**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	11.03.2011	30.03.2011
Telefon	Deres referanse	Vår referanse
22077325	Jørn Knutsen	2011/327976

Ernst & Young AS
Postboks 6163, Postterminalen
5892 Bergen

Dispensasjon fra kravet om utarbeidelse av årsregnskap og -beretning på norsk språk

Det vises til deres brev av 11. mars 2011 samt e-post av 30. mars 2011 med supplerende opplysninger i sakens anledning. 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. Da det er etablerte enkelte nye selskap i konsernet samt at er gjort endringer i konsernstruktur og eierskap for enkelte av de tidligere selskapene søkes det på nytt om dispensasjon for følgende selskap:

- Knutsen NYK Offshore Tankers AS org. nr: 995 221 713

samt følgende datterselskap:

- Knutsen Bøyelaster XI KS org. nr: 986 224 610
- Knutsen Bøyelaster XI AS org. nr: 986 224 602
- Knutsen Bøyelaster II KS * org. nr: 959 321 752
- Knutsen Bøyelaster II AS org. nr: 959 321 663
- Knutsen Bøyelaster III KS * org. nr: 959 505 349
- Knutsen Bøyelaster III AS org. nr: 959 504 822
- Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
- Knutsen Shuttle Tankers XII AS org. nr: 991 959 556
- Knutsen Produkt Tanker IV KS * org. nr: 961 068 355
- Knutsen Produkt Tanker IV AS org. nr: 961 068 177
- Knutsen Bøyelaster VI KS org. nr: 971 585 579
- Knutsen Bøyelaster VI AS org. nr: 993 011 681
- Knutsen Bøyelaster VIII KS org. nr: 979 539 649
- Knutsen Bøyelaster VIII AS org. nr: 993 010 596
- Knutsen Bøyelaster IX KS org. nr: 979 685 521
- Knutsen Bøyelaster IX AS org. nr: 879 685 362
- Knutsen Terminal Tanker AS org. nr: 945 404 191
- Knutsen Newfoundland Chartering AS org. nr: 990 356 963
- Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
- Knutsen Offshore KS org. nr: 893 435 832
- Knutsen Offshore AS org. nr: 992 593 881

Postadresse
Postboks 9200 Grønland
0134 Oslo
For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse
Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60

- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Offshore Tankers AS org. nr: 995 206 870
- Knutsen Offshore Tankers 2 AS org. nr: 995 206 862
- Knutsen Shuttle Tankers 3 AS org. nr: 995 146 584
- Knutsen NYK Management AS org. nr: 996 124 916
- Knutsen Shuttle Tanker 13 AS org. nr: 996 661 016
- Knutsen Tankers 2 AS org. nr: 992 593 792
- Knutsen Tankers 3 AS org. nr: 992 593 814

Alle datterselskapene er eid 100 % med unntak av selskapene merket med *. I de tre selskapene som også har andre eiere, utgjør disse andre eierne et lite antall og kan anses som etablerte investorer.

Søknad:
Fra deres brev gjengis:

"TS *Shipping Invest AS etablerte det 100 % eide datterselskapet Knutsen Offshore Tankers ASA (KOT) i februar 2010. I april 2010 ble hele bøyelastervirksomheten i konsernet flyttet inn under KOT, hvor en rekke av de selskapene som var søkt avleggelse av regnskaper på engelsk fulgte med.*

I desember 2010 solgte TS Shipping Invest AS seg ned til 50 % i KOT ved at det japanske rederiet NYK Line gikk inn på eiersiden og overtok 50 % av aksjene. Selskapet skiftet navn til Knutsen NYK Offshore Tankers AS (KNOT).

Alle selskapene i KNOT konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper. Som tidligere beskrevet er brukerne av regnskapene hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Nytt fra tidligere er at den andre eieren NYK Line er engelskspråklig. Aksjonærstrukturen er begrenset til 2 hovedeiere.

Selskapets virksomhet er finansiert av en rekke norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån er det et krav fra bankene at regnskapene oversettes til i engelsk språkdrakt.

Også de aller fleste av selskapenes kunder og leverandører og andre brukerne har engelsk som sitt naturlige språk/forretningsspråk... "

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.

I forhold til tidligere gitte dispensasjon, har det kommet inn japanske interessenter i tillegg på eiersiden. For øvrig anses øvrige sentrale faktorer som fortsatt til stede. Dette gjelder også de nyetablerte selskapene.

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

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

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad

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Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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Medlemmer av Den norske Revisorforening

To the General Meeting in Knutsen NYK Offshore Tankers AS

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Knutsen Nyk Offshore Tankers AS (the Company) which comprise:

- The financial statements of the Company, which comprise balance sheet as at 31 December 2024 and profit & loss account, and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statements of financial position as at 31 December 2024, the statements of total comprehensive income, statement of changes in equity, and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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 and the Group 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)* (the 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

The Board of Directors and the President & CEO (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report.

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Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group'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 the Group, 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 and the Group'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 and the Group'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 and the Group to cease to continue as a going concern.

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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 8 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus H. Birkeland
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Birkeland, Magnus Hegertun
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: no_bankid:9578-5990-4-2796687
IP: 147.161.xxx.xxx
2025-04-08 14:33:06 UTC

bankID

Admincontrol

List of Signatures

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Name	Method	Signed at
Seglem, Jorunn	BANKID	2025-04-08 11:57 GMT+02
Seglem, Trygve	BANKID	2025-04-07 21:06 GMT+02
Lepsøe, Anders Nome	BANKID	2025-04-07 16:03 GMT+02

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KNOT Knutsen NYK Offshore Tankers

Annual Report 2024

Knutsen NYK Offshore Tankers AS

Knutsen Group

NYK GROUP

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KNUTSEN NYK OFFSHORE TANKERS AS

DIRECTORS' REPORT 2024

GROUP AND COMPANY

Knutsen NYK Offshore Tankers AS ("KNOT" or "the Company") is the holding company for the shuttle tanker and FSO fleet, owned jointly by TS Shipping Invest AS ("TSSI") and NYK Holding (Europe) B.V. ("NYK").

The Company owns several ship-owning subsidiaries, management companies and 30.47% of the KNOT Offshore Partners L.P. ("KNOP"), and operates out of Haugesund, Norway. The Group's first shuttle tankers were ordered in 1984. Since then, KNOT has been a leader in the technical development of shuttle tankers.

Our shuttle tankers transport oil from offshore oil fields in North Europe and Brazil. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, which requires high quality and stable operations.

The Group has a fleet of ten owned and one chartered in specialised shuttle tankers at year end 2024. KNOT has contracted six new buildings in China for delivery in 2025 to 2027 and we have secured long term time-charter contracts following delivery for five of the contracted vessels. Our ships are mainly employed on long-term charters and Contract of Affreightments ("CoA") to first class charterers. This strategy combined with strong project execution capabilities and operational excellence has allowed the Group to become the worlds leading operator of advanced offshore shuttle tankers.

In addition, the Group owns and operate two floating storage and offloading ("FSO") vessels. *M/T Jorunn Knutsen* has operated at the Equinor Energy AS operated Åsgard field offshore Norway without any off hire since start-up in 2000. *M/T Hanne Knutsen* has, since November 2018, been servicing a long-term contract with Equinor Energy AS at the Martin Linge field offshore Norway.

Knutsen NYK Offshore Tankers Group is the biggest unitholder and the sponsor of KNOT Offshore Partners L.P. and sell management services to KNOP Group. KNOP has a fleet of 18 owned specialised shuttle tankers at year end 2024. The Group have chartered in five vessels from KNOP during the year and at the end of 2024 one vessel (*M/T Hilda Knutsen*) is chartered in from KNOP Group. KNOT Group and KNOP have an Omnibus Agreement where KNOP has an option to acquire all shuttle tankers with a charter contract of five year or more fixed term length. Five of the sailing vessels of KNOT at the end of 2024 and five of vessels ordered from newbuilding yard are candidates for sale from KNOT to KNOP. *M/T Tuva Knutsen* was sold to KNOP and *M/T Dan Cisne* was acquired from KNOP in September 2024 and *M/T Live Knutsen* was sold and *M/T Dan Sabia* was acquired from KNOP in March 2025.

KNOT Management AS in Haugesund, KNOT Management do Brasil Ltda. in Rio de Janeiro and KNOT Management Denmark A/S in Copenhagen, all wholly owned subsidiaries, are responsible for the operation and management of the vessels owned by subsidiaries of KNOT as well as the vessels owned by the KNOT Offshore Partners Group in accordance with separate management agreements including ship management (commercial-, technical-, crew-, accounting, administration- and corporate management). The ship owning companies have no direct employees. The management companies employ the management, whilst the seafarers are employed by the managers and related subcontractors of the managers. Two of the Groups shuttle tankers are buying ship technical services and crew management from Canship Ugland Ltd., a company 49% owned indirectly by TSSI.

Offshore loading and dynamic positioned tanker vessels on long-term charter contracts are the Group's main strategic focus, and the Group is actively involved in the technical evolvement of these types of tankers.

Significant Developments

Charter contracts

The Group has chartered in vessels on short term contracts (30 days up to 360 days) that have been extended several times by 30 days from KNOP. *M/T Bodil Knutsen* was chartered in from 13 May 2021 until 27 March 2024, from 3 September 2022 until 23 March 2025 chartered in *M/T Hilda Knutsen,* from 1 March 2023 until 2 December 2024 chartered in *M/T Torill Knutsen*, from 25 April 2024 until 1 October 2024 and from 25 July 2024 until 3 September 2024 chartered in *M/T Dan Cisne* from KNOP. The vessels were operated in the CoA portfolio in Knutsen Shuttle Tankers Pool.
M/T Sindre Knutsen started on the long-term time charter contract with Eni's subsidiary Eni Trade & Biofuels S.p.A. on 2 September 2023.

The Group signed 19 January 2024 three ten-year fixed and five-year optional period time charters with a Petrobras company for operation off the Brazilian coast. The Company has signed construction contracts for three 154,000 dwt suez-max DP2 shuttle tanker at COSCO Shipyard Group with delivery scheduled in second quarter 2026, fourth quarter 2026 and second quarter 2027 for operation on the time charter contracts. The Group booked an investment of USD 7 million regarding each construction contract in 2024.

Equinor Energy AS declared on 22 March 2024 the option to extend the charter contract of the *M/T Jorunn Knutsen* for three years with new redelivery date 30 September 2028. The charterer has seven remaining one-year options for the vessel.

The Group signed 21 August 2024 a seven-year fixed and up to eight-year optional period time charter with a PetroRio company for operation off the Brazilian coast. The Company has signed construction contract for a 154,000 dwt suez-max DP2 shuttle tanker at COSCO Shipyard Group with delivery scheduled in fourth quarter 2026 for operation on this time charter contract.

M/T Hedda Knutsen was delivered from the COSCO Shipyard Group 30 October 2024 and started on the long-term time charter contract with Petroleo Brasileiro S/A - Petrobras on 30 November 2024.

Acquisition of Vessels

On 3 September 2024, we took delivery of the 2011-built *M/T Dan Cisne* shuttle tanker from its seller, KNOT Offshore Partners LP by taking over the shares in the vessel owning company, KNOT Shuttle Tankers 20 AS, and paid a net proceed of USD 30 million. The acquisition was done as an integrated transaction with the sale of *M/T Tuva Knutsen* to the seller.

Sale of Vessels

On 3 September 2024, we delivered the 2021-built *M/T Tuva Knutsen* shuttle tanker to its buyer, KNOT Offshore Partners LP by transferring the shares in the vessel owning company, KNOT Shuttle Tankers 31 AS, and received total net proceeds of approximately USD 31.5 million, giving a gain of USD 5.5 million from the sale which was recognized as gain from sale of business.

Profit for the year

The Group's total revenue and operating income of USD 334 million contributed to an operating result (before depreciation and write-downs) of USD 152 million, compared to USD 148 million in 2023.

M/T Bodil Knutsen, M/T Hilda Knutsen, M/T Torill Knutsen, M/T Ingrid Knutsen and *M/T Dan Cisne* have been chartered into the group part of the year (*M/T Hilda Knutsen* all the year) and operated in the Knutsen Shuttle Tankers Pool CoA trade and utilized in the tanker spot market in between shuttle voyages together with the 4 other group vessels in this trade. The Knutsen Shuttle Tankers Pool have also chartered in vessels from competitors on voyage-by-voyage basis to fulfil CoA commitments if they did not have other vessels available for the voyages.

Total operating expenses ended on USD 183 million in 2024 (USD 195 million in 2023), a decrease of USD 12 million from 2023.

The general tanker market and the utilization in the CoA market was lower in 2024 than the year before with the effect of lower amount of voyage expenses in addition to redeliveries of vessels to KNOP during the year with in total USD 2 million less than the year before in vessel hire.

The income from the associated KNOP ended on USD 1.4 million in 2024, compared to a loss of USD 13 million in 2023.

KNOT Offshore Partners LP reported total revenues for 2024 of USD 319 million, up from USD 291 million in 2023. Operating income for 2024 was USD 73 million up from USD 25 million in 2023 and net income ended on USD 14 million (net loss of USD 34 million in 2023).

The Group has depreciated leased and owned assets with USD 80 million in 2024, a decrease from USD 83 million in depreciation and write downs in 2023. The leased assets and owned assets are evaluated for write down if impairment indicators have been observed and the goodwill is evaluated for impairment evaluation at year end. In the impairment evaluation (goodwill and the assets with indicators) we have compared with the highest of net sales price and value in use. We have not identified any need for impairment of the Group goodwill and fixed assets at the end of 2024 (same situation in 2023).

Net financial income- and expenses ended on minus USD 40 million (USD 56 million in 2023).

We have booked gains on the mark-to-market valuation of our financial instruments with USD 7 million.

The Group had a profit before tax for the year of USD 32 million, compared to USD 9.1 million in 2023. Ordinary profit for the period amounted to USD 29 million compared to USD 3.3 million in 2023. The tax rate is different from the 22% normal corporate income tax rate in Norway as a major part of the business is subject to Norwegian tonnage tax in which the operating result is not taxed. Currency effect (fluctuations in the USD/NOK exchange rate) on deferred taxes are also reasons for the difference.

The total cash position of the Group was USD 86 million as of 31.12.24, of which USD 3 million is restricted bank deposit. The Group had USD 12 million in undrawn revolving credit facilities at year end. Total short-term debt amounted to 25 % of total debt and liabilities, in comparison to 31 % in 2023. The cash flow from operating activities was USD 87 million in 2024, compared to operating cash flow of USD 110 million in 2023.

Total assets for the Group at year-end 2024 amounted to USD 1,264 million compared to USD 1,238 million in 2023. Equity-share as at 31.12.24 was 37 % (37 % as at 31.12.23).

The working capital for the Group was minus USD 67 million at the end of 2024 improved from minus USD 140 million in 2023. The group has covenant requirements to have a positive working capital excluding first year instalments on long term debt in several of the financing facilities. The Group's working capital excluding first year instalments on long term debt, financial leases and sellers' credit was on 31 December 2024 USD 101 million, USD 59 million in 2023, and the group was in compliance with the covenant requirement.

The total assets of the Company amounted to NOK 7,240 million at year end (NOK 6,626 million in 2023). Investment in subsidiaries and associated companies through shares and group loans amounted to NOK 6,572 million (NOK 6,297 million in 2023), 91 % of the total assets. The cash balance is NOK 266 million (NOK 61 million in 2023) at year-end and the Company has a working capital of NOK 246 million (NOK 204 million in 2023). NOK 70 million of the current liabilities are related to group contributions to fund the equity portion of the investment program and working capital strengthening of the subsidiaries. This is part of our strategy to fund investments, support losses and increase the equity share in our subsidiaries.

Ordinary profit before tax amounted to minus NOK 172 million, compared to a profit of NOK 211 million in 2023. Ordinary loss after tax amounted to NOK 134 million compared to a profit of NOK 225 million in 2023. The Board of Directors recommends that the loss for the year is covered by other equity. Equity-share as of 31.12.24 was 59 % (67 % in 2023). The Company's total equity was NOK 4,260 million on 31 December 2024 (NOK 4,450 at 31 December 2023) of which other equity was NOK 2,060 million (NOK 2,250 million in 2023).

The Financial Statements have been prepared under the assumption of going concern, and the Board of directors confirms that this assumption is in accordance with the Norwegian Accounting Act § 3-3a and § 4-5. 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.

Financing

The Group has a solid financial position both in terms of liquidity and solidity.

The Group continuously works to secure refinancing debt 3-18 months before maturity. For 2025 the Group have one revolving credit facilities up for renewal of total $55 million, that will be automatically renewed if not cancelled by either party. The Group continues to see solid appetite for our financing initiatives from a good number of lenders and is confident in our ability to raise attractive financing for both our current newbuilding programs and our existing vessels.

The liquidity situation going into 2025 is comfortable with USD 86 million cash of which USD 3 million is restricted cash. In addition, the Group has USD 12 million of undrawn revolving credit facilities. Overview and details of the cash, mortgage and main covenants are included in notes 9 and 10.

The Group is continuously seeking new contracts for the existing fleet of vessels and FSO and is evaluating to participate in tender business for new shuttle tankers to improve the long-term financial performance of the group. The Group has a dividend policy to pay out 50% of the profit from last year's accounts as a dividend to the shareholders.

Risk factors

The majority of KNOT's revenues are denominated in USD and the minority in NOK, whereas parts of the operating expenses are denominated in other currencies. The salaries of the Norwegian seafarers and the general administration expenditures at headquarters in Haugesund are denominated in NOK. There are also some expenditures in other European currencies and Brazilian Reals resulting in limited additional currency exposure. KNOT receives the time-charter hire of the Martin Linge FSO and the OPEX element on the Åsgard FSO in NOK which is a natural hedge against the NOK expenditures in KNOT. In addition, the vessels are financed in the currency reflected in the charter contracts for each specific vessel, normally USD, which gives a natural hedge against freight income and second-hand market for vessels. KNOT does not apply hedge accounting.

The Group is dependent on the banking market but has mitigated this dependency by diversifying the bank group both in numbers and geographical location. Further the Group is exposed to the capital markets including potential impact on covenants by the investment and agreements with KNOT Offshore Partners LP where KNOT is its sponsor offering drop down vessels with contracts, is the general partner (KNOT Offshore Partners GP LLC) and is the largest unit holder. KNOT is also exposed to fluctuations in interest rates. The debt financing has variable interest rates, but a part of the debt for the vessels on long-term charters is hedged with interest rates swaps.

KNOT regularly makes payments to shipyards for vessels under construction. These deposits are secured by refund guarantees from reputable financial institutions.

The Group's result from the operational activities depends on the worldwide supply and demand for offshore tankers. The spot market for crude oil tankers will also influence the financial performance of the company because the vessels operating on Contract of Affreightment contracts are occasionally deployed as crude oil tankers if it is not achievable to employ them full time as shuttle tankers.

The general supply of vessels is determined by a combination of new buildings and conversions, while the demand side of our business is mainly influenced by the production at offshore oil- and gas fields, which may require FSOs for storage of the produced oil at the field and shuttle tankers for transportation to shore. However, the sentiment in the tanker market might also influence the supply/demand by the fact shuttle tankers have the flexibility to be traded also as conventional oil tankers.

Although oil price fluctuation generally has little impact on our business in the short-term, the oil- and gas price can possibly impact the future growth of offshore oil production and hence the long-term demand for shuttle tankers. KNOT has always pursued a strategy based on advanced vessels and long-term charter contracts with first class charterers. Therefore, the board of directors believes that the risk of default on our long-term charter contracts is limited.

Throughout the year we maintained our focus on environmental, social and governance ("ESG") matters as we believe that whatever the circumstances, we must continue to take responsibility for the environment we operate in. In addition, our stakeholders' expectations have continued to rise, and we have sought to meet these. The energy transition and long-term international emission reduction goal may lead to reduced demand for shuttle tankers, and transition into newer technology for shuttle tankers. To meet these long-term objectives, two important changes took effect from 2023. These are the implementation of energy efficiency requirements for all existing ships ("EEXI") and an operational carbon intensity indicator ("CII"). Despite a lot of details remaining to be agreed in regard to the CII, these and further regulations towards 2030, will have a significant effect on the shipping industry. From 2024 shipping is included in EU ETS and the EU CSRD regulation is effective from 1 January 2024 and Norway have the regulations up for approval and detailed regulation in Norway. KNOT is prepared to meet this new regulatory landscape and prepare for presentation under CSRD for the first calendar year where the group is required to report on CSRD according to Norwegian legislation. Close cooperation between owners, regulators, charterers, and funding institutions will be essential to meet IMO's ambitions. It is through continued hard work, innovation, and commitment that we will continue to improve and as a Group we are determined to play our part. The ESG report summarizes our values, our intentions, and our progress, but by publishing this in a transparent manner, we wish to convey our overriding commitment to ESG matters large and small, providing consistent reporting on all of our key initiatives, policies and performance.

The Company has not taken out any insurance policy for members of the Board of Directors and the President and CEO for their potential liability towards the Group companies and third parties.

Environment, safety, and quality control

KNOT recognises the significance of climate change and the energy transition on our business and operations. Climate risks and opportunities are considered by the Board of Directors and the Management Team as part of their assessment of the Group's strategy and principal risks.

The Group's values are essential to succeed over time in a competitive environment. The Group's values are at the core of the management system and guide how the Group conducts business, work together and how the Group acts towards stakeholders.

The Group's three main values are:

- Credibility – Show integrity on all levels through responsible and solution minded employees and operations.
- Innovation – Innovation and passion for sustainable solutions.
- Care – Relation, behaviour and commitment to safety for employees, customers, assets and the environment.

To meet the ever-stricter environmental and safety requirements, the Group has maintained objectives concerning high quality vessels operation. The Group's fleet consists of vessels of high technical standards, and we are continually striving to improve the performance, energy optimalisation and emission reduction for the Group's fleet.

The Group and the external ship manager place considerable emphasis on safety and quality control, and strict requirements are put on safe operation of the vessels.

The Group focus on having a high retention rate for officers and crews, and for 2024 the retention rate for officers was 90%.

There have been no cases where the Group pollutes the external environment other than that within emissions from tanker operation.

The Group has established overall guidelines to ensure that:

- The Group activities shall be executed professionally and at the very least in accordance with the national and international rules and regulations as well as internal and external standards. Proactive actions shall be taken to avoid injuries, loss of lives and material damages.
- The Group's operations shall be planned, and attention shall be taken in connection with executing activities and operations so that the environmental consequences are minimized.
- The Group HSSE & QA system is in accordance with the international requirements and standards, and the Group maintains all necessary certificates for its operation of activities. The management company has been further certified according to the ISM code as well as ISO 9001, ISO 14001 and ISO 45001 standard. Special attention is focused on preventive activities. Any deviation from the implemented procedures is reported and processed in the Group's HSSE & QA system. The Group's vessels are regularly subjected to vetting inspections. The same applies to the manager`s land organisation.

Sick leave among sailors was in 2024 at 2.9 % (1.6 % in 2023). Sick leave among office employees in Haugesund was in 2024 at 0.9 %. The working environment both on shore and aboard our vessels is considered to be good.

The Group, the Company and the Norwegian subsidiaries 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 are included in a report that could be found here www.knutsenoas.com and the report is updated minimum one time per year.

Equal opportunity

The Group is an equal opportunity employer and strives to provide a working environment free of discrimination and harassment for employees regardless of location. All applicants will be considered for employment without attention to race, colour, religion, sex, sexual orientation, gender orientation, national origin, or disability. New employment is based on business needs, job requirements and individual qualifications. No considerations are made outside the protection of the laws and regulations in the locations in where we operate. The share of women in the offices is 45%. Onboard our Group managed vessels the percentage of women is 4.1 %.

The shipping business is a traditional business and a very male dominated one. In recent years the Group has had a special focus on recruitment of women. We want our working environment both in the offices and on our managed vessels to reflect our equality and discrimination statement. In order to achieve a more balanced workforce with equal opportunities, we need to pay special attention to applicants of all genders without being unfair to anyone. We have made some adjustments and changes to our recruitment process to achieve a more gender balanced workforce:

- Make job posting more inclusive – Focus on the job descriptions on the expectations of the role. Use more straightforward job titles and descriptions. Be aware of the language and use words that are compatible with family life such as flexible, work from home, medical benefits.
- Share stories of women who are succeeding across all levels in the organization – On Knutsen Group LinkedIn and in Knutsen Group magazine Knut'n.
- Make Knutsen an attractive place to work – Visit universities for relationship building and show the career opportunities we can offer. Make the Company more visible both at the high school and university level by participation in career fairs and student arrangements. Employer branding and tailor-made messages out is a key factor.
- Planning for the future – Build a gender- diverse recruiting strategy for the future. Make goals for improvement for the company. Invite to a focus group where this is on the agenda. Involve the organization in talking about the subject and create awareness and accountability.

Future developments

KNOT's two FSO's are fixed on long term charterparties and are vital for the production on the two fields with surrounding tied in fields. *M/T Jorunn Knutsen* has a fixed contract until the end of September 2028 with charterers options to extend for seven years and *M/T Hanne Knutsen* has a fixed contract to medio October 2026 with charterers options to extend for four years.

Six of the vessels to be delivered in 2025 to 2027 are chartered out on long term contracts with charterers options to extend up to in total six to twenty years, with the first fixed period to end in the third quarter of 2027.

On 3 March 2025, we took delivery of the 2012-built *M/T Dan Sabia* shuttle tanker from its seller, KNOT Offshore Partners LP by taking over the shares in the vessel owning company, KNOT Shuttle Tankers 21 AS, and paid a net proceed of USD 25.75 million. The acquisition was done as an integrated transaction with the sale of *M/T Live Knutsen* to the seller by transferring the shares in the vessel owning company, KNOT Shuttle Tankers 27 AS, and received total net proceeds of approximately USD 27.0 million. *M/T Dan Sabia* have entered the Knutsen Shuttle Tankers Pool from delivery and are in currently in Denmark for upgrade for the different fields in our CoA portfolio.

The fleet employed in the CoA and short-term charter market are vessels with an age between 13 and 21 years old with long-term experience in the trade. We have installed the second generation KVOC system onboard *M/T Gijon Knutsen*, making the vessel more attractive for charterers loading activities offshore. We observe that ports, like Wilhelmshaven, require tankers with KVOC to keep emissions down in the ports. The Group fleet of vessels in the CoA operations are at the start of 2024, two handy size vessel of 35,000 dwt that can take smaller cargoes, one 50,000 dwt tanker, *M/T Dan Cisne* (and from 3 March 2025 also the sister vessel *M/T Dan Sabia*) and three suez-max vessels that can load up to 1 million barrels of oil from offshore oil field or between terminals (*M/T Hilda Knutsen* redelivered to KNOP in March 2025).

We are continuously seeking long term charter contracts for all our vessels, and with the contract of affreightment portfolio for our technically advanced vessels in North Europe, we have a well-balanced fleet in North Europe. The fleet in Brazil are all on long term charter contracts.

The Group lifted in January 2025 subject and firmed up a construction contract for a 154,000 dwt suez-max DP2 shuttle tanker at COSCO Shipyard Group with delivery scheduled in fourth quarter 2026.

The Group signed 25 March 2025 heads of agreement for a seven-year fixed and up to thirteen-year optional period time charter with an Equinor company for operation off the Brazilian coast. The Company has contracted a 154,000 dwt suez-max DP2 shuttle tanker at COSCO Shipyard Group with delivery scheduled in fourth quarter 2027 for operation on the time charter contract.

The Board of Directors believe the demand for shuttle tanker transport of oil from offshore oil- and gas fields will continue in combination with development of sustainable energy alternatives and the global focus on environment. The demand for shuttle tankers will in part be covered by continued deployment of existing shuttle tankers and new building of shuttle tankers with new energy solutions as replacement for older tonnage.

Although the Group has not experienced any direct impacts on its business from the Russian invasion of Ukraine and the war on Gaza, some of its vessels' crew members are Ukrainian nationals. The Group continues to monitor this situation closely and is mindful that there may be restrictions or logistical challenges in employing both nationalities. The newly announced increase in tariffs in the US may influence the global trade. The Group purchasing from US or voyages to and from US ports are normally of limited volume. The Group continues to monitor this situation and is mindful that tariffs to/from US or fees of approaching US ports may be restrictions or logistical challenges in the daily operation of our fleet. The conflict in Ukrainian, Gaza and the tariffs increases globally may also lead to further regional and international conflicts and instability, and such conflicts will disrupt supply chains and cause instability in the global economy.

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Haugesund, April 7, 2025

Jorunn Seglem	Anders Nome Lepsøe	Trygve Seglem
Chair of the Board	*Board member*	*President & CEO*

Knutsen NYK Offshore Tankers Group

Statements of Total Comprehensive Income

USD 1000	Notes	2024	2023
OPERATING INCOME			
Freight income	2,16	296,439	324,075
Other income	2,16	25,124	18,275
Gain on sale of business	8	5,524	0
Gain on sale of fixed assets	5	6,938	14,023
Total operating income		334,025	356,373
OPERATING EXPENSES			
Voyage expenses	17	-52,551	-72,233
Operating expenses vessels	16,17	-30,525	-28,634
Personell costs	16,17	-66,851	-58,304
Other expenses	17	0	-50
Administration expenses	16,17	-3,963	-5,008
Vessel hire	14	-29,389	-31,117
Total operating expenses		-183,279	-195,346
Income from investment in associated companies	7	1,351	-13,148
Operating profit before depreciation, write-down		**152,097**	**147,879**
Depreciation on vessels	3,14	-80,282	-82,495
Depreciation on Property and equipment	3	-34	-57
Operating profit		**71,781**	**65,327**
FINANCIAL INCOME AND EXPENSES			
Financial income	18	9,543	7,449
Financial expenses	14,16,17	-56,866	-59,150
Changes in market value of financial assets/liabilities		6,998	-3,052
Currency gains (losses), net		267	-1,436
Net financial income and expenses		-40,058	-56,189
Profit before taxes		**31,723**	**9,138**
Taxes	19	-2,400	-5,888
PROFIT FOR THE PERIOD		**29,323**	**3,250**
ATTRIBUTABLE TO:			
Non controlling interest		0	37
Equity holders of parent		**29,323**	**3,213**
Other comprehensiv Income*		-11,512	-3,038
Total Comprehensive Income		**17,811**	**212**

* Consist of exchange differences on translation from functional to presentation currency

Knutsen NYK Offshore Tankers Group

Statements of financial position

USD 1000	Notes	2024/12/31	2023/12/31
ASSETS			
NON CURRENT ASSETS			
Deferred tax assets	19	22,066	26,367
Goodwill	6	74,793	74,793
Total intangible assets		96,859	101,160
Vessels	3	752,780	825,949
Vessels under construction	3,4,16	50,048	28,077
Financial lease receivables	5	45,989	0
Property and equipment	3	289	386
Right-of-use assets	14	787	1,522
Total tangible fixed assets		849,893	855,934
Investments in associated companies	7	177,596	177,326
Long-term receivables	10	70	64
Financial assets	10,13	6,590	1,758
Total financial non-current assets		184,256	179,148
Non current assets		**1,131,008**	**1,136,242**
CURRENT ASSETS			
Stores	15	8,031	8,757
Total Inventories		8,031	8,757
Accounts receivables	10,13,16	12,354	19,917
Financial assets	10,13	3,376	4,783
Related parties receivables	10,16	1,230	1,373
Other receivables	10	22,614	10,053
Time deposits	10	0	12,050
Total debtors		39,574	48,176
Cash and bank deposits	11,13	82,203	40,853
Restricted bank deposits	11,13	3,416	3,833
Total current assets		**133,224**	**101,619**
TOTAL ASSETS		**1,264,232**	**1,237,861**

Knutsen NYK Offshore Tankers Group

Statements of financial position

USD 1000	Notes	2024/12/31	2023/12/31
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	271,384	271,384
Share premium		104,481	104,481
Total paid-in capital		375,865	375,865
Other equity		88,512	75,701
Total other equity		88,510	75,701
Non controlling interests		0	0
Total equity		**464,377**	**451,566**
LIABILITIES			
Deferred income	10	247	423
Total provisions		247	423
Interest-bearing loans and borrowings	12,13	593,887	541,217
Lease liabilities	12,14	394	889
Sellers Credit	12	4,255	0
Financial liabilities	10,13	399	2,182
Total other non-current liabilities		598,935	544,288
Interest-bearing loans and borrowings	12,13	165,325	198,489
Lease liabilities	12,14	440	731
Sellers Credit	12	2,500	14,832
Accounts payable	10,16	9,343	10,251
Tax payable	19	194	0
Related parties payables	10,16	3,249	1,178
Other current liabilities	10	19,620	16,103
Total current liabilities		200,673	241,584
Total liabilities		**799,855**	**786,295**
TOTAL EQUITY AND LIABILITIES		**1,264,232**	**1,237,861**

Haugesund, April 7, 2025

Jorunn Seglem
Chairman of the Board
(This document is signed electronically)

Anders Nome Lepsøe
Board member
(This document is signed electronically)

Trygve Seglem
President & CEO
(This document is signed electronically)

Knutsen NYK Offshore Tankers Group

Statement of changes in equity

USD 1000	Share capital	Share Premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	Attributable to the equity holders of the parent						
Balance at January 1, 2023	271,384	104,481	139,540	-34,011	481,392	-37	481,356
Profit for the year	0	0	3,213	0	3,213	37	3,250
Dividends paid to shareholders	0	0	-30,000	0	-30,000	0	-30,000
Other comprehensive income	0	0	0	-3,038	-3,038	0	-3,038
Total comprehensive income	0	0	-26,787	-3,038	-29,825	37	-29,788
Balance at December 31, 2023	**271,384**	**104,481**	**112,753**	**-37,049**	**451,566**	**0**	**451,566**
Balance at January 1, 2024	271,384	104,481	112,753	-37,049	451,566	0	451,566
Profit for the year	0	0	29,323	0	29,323	0	29,323
Dividends paid to shareholders	0	0	-5,000	0	-5,000	0	-5,000
Other comprehensive income	0	0	0	-11,512	-11,512	0	-11,512
Total comprehensive income	0	0	24,323	-11,512	12,811	0	12,811
Balance at December 31, 2024	**271,384**	**104,481**	**137,076**	**-48,561**	**464,377**	**0**	**464,377**

Knutsen NYK Offshore Tankers AS
Cash flow Statement

USD 1000	2024/12/31	2023/12/31
OPERATING ACTIVITIES		
Profit before tax (1)	31,722	9,137
Paid income tax	-285	-150
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	80,316	82,553
Gain on sale of business	-5,524	-
Gain on sale of vessel	-6,938	-14,023
(Income) loss from investing in associated company	-1,751	12,748
Payments from investments in associated company incl. dividends on preferred units	1,480	1,480
Amortization of deferred debt issuance cost	2,055	2,081
Lease interest paid	-76	-145
Changes in market value of financial curent liabilities	-6,998	3,052
Changes in operating assets and liabilities		
Decrease (increase) in amounts due from related parties	2,377	5,556
Decrease (increase) in inventories	536	2,002
Decrease (increase) in other current assets	-14,166	7,246
Decrease (increase) in accounts receivables	7,537	9,249
Increase (decrease) in trade accounts payable	-875	-2,871
Increase (decrease) in other liabilities (1)	-4,582	-7,092
Increase (decrease) in amounts due to related parties	2,071	-594
Net cash provided by (used in) operating activities	**86,899**	**110,229**
INVESTING ACTIVITIES		
Additions to vessel and equipment	-2,251	-1,674
Disposals of vessel and equipment	-	28,365
Drydock additions	-5,026	-7,159
Addtitions to vessel under construction	-137,766	-21,475
Refund received for vessel and equipment	-	376
Proceeds from finance lease	9,973	-
Acquisition/sale of business, net of cash	-743	-
Net change in time deposits	12,050	-12,050
Net cash provided by (used in) investing activities	**-123,763**	**-13,617**
FINANCING ACTIVITIES		
Proceeds from long-term debt	119,000	-
Repayment of long-term debt	-91,362	-94,505
Repayment of sellers credit	-15,000	-
Repayment of financial lease liabilities	-785	-21,767
Net change in revolving credit facility	63,000	-1,500
Payment of debt issuance cost	-3,475	-339
Change in restricted cash	416	129
Dividends paid to equity holders	-5,000	-30,000
Net cash provided by (used in) financing activities	**66,794**	**-147,982**
Net foreign exchange differences	11,419	12,653
Net increase in cash and cash equivalents	41,349	-38,717
Cash and cash equivalents at the beginning of the period	40,854	79,571
Cash and cash equivalents at the end of the period	**82,203**	**40,854**

(1) Included in Profit before tax is interest paid amounting to USD 51.2 million and USD 51.0 million for the year ended December 31, 2024 and 2023, respectively.

NOTE 1 Basis of preparation

(Unless otherwise stated, figures are presented in USD 1 000)

This section describes the critical accounting judgements and estimates that management has identified as having a potentially material impact on the Group`s consolidated financial statements and sets out our significant accounting policies that relate to the financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within the note. We have also detailed below the effects of the new accounting pronouncements adopted in 2024, and new accounting pronouncements that we will adopt in future years and our current view of the impact they will have on our financial reporting.

Knutsen NYK Offshore Tankers AS (**KNOT**) is a limited liability company with head office in Haugesund, Norway. KNOT and the subsidiaries (the **Group**) operate a shipping business, and its main activities are the operation of shuttle tankers and offshore floating, storage and offloading units (FSO).

The consolidated financial statements of Knutsen NYK Offshore Tankers Group are prepared in accordance with IFRS® Accounting Standards as adopted by the EU.The consolidated financial statements are prepared on a going concern basis.

IFRS Accounting Standards requires the Management and Directors to adopt accounting policies that are the most appropriate to the Group`s circumstances. These have been applied consistently to all the years presented, unless otherwise stated. In determining and applying accounting policies, directors and management are required to make judgements and estimates in respect of items where the choice of specific policy, accounting judgement, estimate or assumption to be followed could materially affect the Group`s reported financial position, results or cash flows and disclosure of contingent assets or liabilities during the reporting period, it may later be determined that a different choice may have been more appropriate.

The Group`s critical accounting judgements and key sources of estimation uncertainty are detailed below. Actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

Management regularly reviews, and revises as necessary, the accounting judgements that significantly impact the amounts recognized in the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Our critical accounting estimates are important to the portrayal of both our financial condition and results of operations and require us to make subjective or complex assumptions or estimates about matters that are uncertain. Significant items subject to such estimates and assumptions including useful life, residual value of vessels, depreciation of planned maintenance, impairment, contingent liabilities, and taxes are items where the use of estimates may have significant impact on reported amounts.

Useful lives of vessels take into account design life, commercial considerations, and regulatory restrictions. Depreciation of our vessels is calculated using the estimated useful life. However, the actual life of a vessel may be different than the estimated useful life, with a shorter actual useful life resulting in an increase in depreciation and potentially resulting in an impairment loss.

The residual value of vessels will also affect ordinary depreciation. The residual value of the Group's vessels is estimated based on the vessel's lightweight tonnage and an estimated steel price at the balance sheet date with deduction of estimated expenses in connection with the future sale.

Depreciation of periodic maintenance is affected by the estimated interval between each dry docking. This interval is determined based on the class certificates for the vessels and experience for the Groups' fleet.

Impairment testing is based on several assumptions. Our estimates of future cash-flows involve assumptions about future hire rates, vessel utilization, operating expenses, drydocking expenditures, vessel residual values and the remaining estimated life of our vessels. Our estimated hire rates are based on rates under existing vessel charters and market rates at which we expect we can re-charter our vessels. Our estimates of vessel utilization, including estimated off-hire time and the estimated amount of time our shuttle tankers may spend operating in the spot market when not being used in their capacity as shuttle tankers, are based on historical experience and our projections of future shuttle tanker voyages. Our estimates of operating expenses and drydocking expenditures are based on historical operating and drydocking costs and our expectations of future cost and operating requirements. Assumptions are also made related to the calculation of weighted average cost of capital (WACC). Refer to Note 3 related to impairment of vessels and Note 6 related to impairment of Goodwill.

Contingent liabilities require considerations of possible obligations depending on whether some uncertain future event occurs, or considerations of present obligations where payment is not probable, or the amount cannot be measured reliably.

The future realization of *deferred tax assets* depends on the existence of sufficient taxable income of the appropriate character in the carry forward period. This analysis requires, among other things, the use of estimates and projections in determining future reversals of temporary differences and forecasts of future profitability and evaluating potential tax-planning strategies.

Although these estimates are based on management's best information at the time of preparing the financial statements, actual figures may differ substantially from the estimates.

Material accounting policies applied in the current reporting period that relate to the financial statements as a whole

Basis of consolidation
The consolidated financial statements comprise of the financial statements of Knutsen NYK Offshore Tankers AS and its subsidiaries. Subsidiaries are entities controlled by the Group. Any deviating accounting principles are adjusted for in the consolidation.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group accounts state the total profit and loss and financial position of Knutsen NYK Offshore Tankers AS and its controlling interests as a whole. The consolidated accounts include companies in which Knutsen NYK Offshore Tankers AS has direct or indirect ownership of more than 50% of the voting shares, or otherwise has direct or indirect control. Other equity instruments are evaluated when assessing whether control exists.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All inter-company transactions, receivables, liabilities, and unrealized profits, as well as intra-group profit distributions, are eliminated in preparing the consolidated financial statements. The non-controlling interest in equity as well as net income is reported separately in the consolidated financial statements.

The Group's investment in its associates is accounted for under the equity method of accounting (see Note 7 "Investments in associates" to the consolidated financial statement).

Foreign currencies
The consolidated financial statements are presented in USD, which is also the Company`s functional currency and the functional currency of the majority of the Group's entities. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Non-monetary items such as vessels that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Income and expenses of subsidiaries with functional currency other than the presentation currency are translated using the monthly average exchange rate. The balance sheet is translated using the balance sheet date exchange rate. The translation differences are recognized in other comprehensive income.

The Group's most used currencies had the following exchange rates towards USD on the balance sheet date:

	USDNOK	EURUSD	USDCAD
Pr 31.12.24	11.3817	1.0354	1.4382
Pr 31.12.23	10.2025	1.1067	1.3234

Current or non-current classification
Assets are classified as current in the consolidated statement of financial position where recovery is expected within 12 months from the reporting date. All assets where recovery is expected more than 12 months from the reporting date and all deferred tax assets, goodwill, tangible fixed assets (including right-of-use assets) and investments in associated companies are reported as non-current.

Liabilities are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. For provisions, where the timing of settlement is uncertain, the amount is classified as non-current where settlement is expected more than 12 months from the reporting date.

Cash flow
The Group applies the indirect method. Investment in shares and other liquid assets with maturity over three months are not included under cash equivalents.

Dividends
Dividends are recognized when the shareholder's right to receive the payment is established (by resolution at the general meeting).

Recently adopted accounting standards
The Group has assessed that there are no new accounting standards that have become effective during the year that had a material effect on the Group's consolidated accounts as of December 31, 2024.

New accounting standards not yet adopted
In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year (including comparative amounts in the notes). It replaces IAS 1 *Presentation of Financial Statements.*

IFRS 18 aims to improve financial reporting by: requiring an entity to present two new defined subtotals in the statement of profit or loss—operating profit and profit before financing and income taxes, requiring an entity to disclose management-defined performance measures—subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of a company's financial performance; and adding new principles for aggregation and disaggregation of items.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Group has assessed that there are no other standards that are not yet effective that are expected to materially impact the Group.

Note 2 Operating income

Accounting policies

Revenue recognition
The group's operational vessels are hired out on freight charters, time charters (TC), contract of affreightment (COA) and spot basis.

Revenues from time charters
A time charter includes a service (operational management of the vessel) and a bareboat element (rent of the vessel). The bareboat element is not in the scope of IFRS 15 *Revenue from Contracts with Customers* as it constitutes a lease, which is accounted for in accordance with IFRS 16 *Leases* and is recognised on a straight-lined basis over the time of the time charter arrangement. The service component falls under the scope of IFRS 15, and related revenues are recognized upon the satisfaction of the performance obligations in the contract, i.e. when the underlying services are delivered to the customer.

Revenues from spot-/CoA charters
A spot charter contract and contract of affreightment conveys a transportation service to the customer, as such these contracts fall under the scope of IFRS 15. Revenues are recognized upon the satisfaction of performance obligations i.e., when the underlying transportation service is provided to the customer. Revenues are recognized on a load-to-discharge basis, since this reflects the period over which the charterer is obtaining benefit from the transportation service.

Revenues

The Groups freight revenues are mainly derived from time charter contracts and CoA charters. The Group does not have a separate revenue stream related to the operational management for several of the vessels operating on time charters, and revenues solely derive from long term fixed contracts for these vessels. As such, theoretical split of time charter revenues into a service component and a lease component is not deemed relevant for the user, and the service element is presented together with the bareboat element of the contract.

The Groups revenue from contracts with customers consists of the revenues that do not contain a lease. The split of revenue from time charter contracts and CoA- and spot contracts were as follows:

(USD 1 000)	2024	2023
Revenue from time charter contracts (service element included)	166 690	148 934
Revenue from CoA contracts and spot contracts	129 749	175 141
Total freight income	**296 439**	**324 075**

The minimum contractual future revenues to be received from time charter contracts as of December 31, 2024, were as follows (the service element of the time charter included):

(USD 1 000)	Future minimum contractual payment
Within 1 year	171 276
1 to 2 years	377 240
3 to 5 years	326 549
After 5 years	839 408
Total	1 714 473

Freight income from CoA contracts with variable number of earning days is not included in the table above.

Other income in 2024 is mainly related to management services delivered to the Group's associated and related companies. For construction contracts, revenue is recognized based on the stage of completion of the project according to IFRS 15. The stage of completion is measured based on costs incurred on the balance sheet date as a percentage of total estimated costs. Insurance recoveries are generally recognized when proceeds are received.

Other income	2024	2023
Income from management services	24 630	18 237
Insurance recoveries	494	38
Total other income	25 124	18 275

Geographic reporting:

The Group's activities are principally distributed geographically across the following sectors: North Europe, South America and other sectors. The Group's vessels operate in several geographical areas during the year. Allocation between the different areas is based on freight revenue.

During 2024, the Group's three largest clients contributed with a freight income amounted to USD 76 million, USD 39 million and USD 17 million, respectively, which is approximately 45% of the total freight income.

	2024		2023	
North Europe	84 %	249 752	85 %	274 018
South America	16 %	46 687	15 %	50 057
Total	**100 %**	**296 439**	**100 %**	**324 075**

NOTE 3 Tangible fixed assets

Accounting policies

Vessels
Vessels and equipment are stated at the historical acquisition or construction cost including capitalized interests, supervision and technical services and delivery costs net of accumulated depreciation and impairment loss, if any. Expenditures for subsequent conversions and major improvements are capitalized provided that such costs increase the earnings capacity or improve the efficiency or safety of the vessels.

Depreciation
The estimated economic life is 23 and 25 years for our shuttle tankers and FSOs, respectively. Depreciation of the shuttle tankers and FSOs is calculated on a straight-line basis using our estimated useful life less the estimated residual value. Our estimated useful life represents our best estimate of the period that we will use the vessel, while the estimated economic life may involve periods that an asset will be used by others or converted to be used in other segments of shipping. Our business model is to provide time charters of five years or more.

We have adopted that the estimated useful life or depreciable life of 23 years, while in cases where management has estimated that a vessel will have a shorter or longer lifespan than 23 years, or if we have chartered the vessel out for a fixed contract beyond the vessels age of 23 years, we use our best estimate on the useful life of the vessel.

Our current fleet's estimated useful life ranges from 20 to 28 years.

The vessels' residual value at the end of their useful lives is calculated based on the weight of the vessel and estimated steel price on the reporting date. Any cost related to the disposal including positioning the vessel for the sale is deducted from the residual value. The assessment of useful life and residual value is reviewed regularly and at least each financial year-end.

Periodic maintenance
Generally, the Group drydocks each vessel every 60 months until the vessel is 15 years old, and every 30 – 36 months thereafter as required for the renewal of certifications issued by classification societies. The cost of periodic maintenance is depreciated over the period until the next planned periodic maintenance with dry-docking of the vessel takes place. For vessels that are newly built or acquired, some elements of the vessel's cost are initially allocated to the periodic maintenance component and depreciated on a straight-line basis over the period until the next planned drydocking.

Impairment
At each reporting period date, the Group reviews the carrying amount of its vessels and other tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

Below is an overview of the Groups fixed assets as of December 31, 2024 and 2023.

2024	Vessels	Vessels under construction	Other tangible assets	Total
Cost price 01.01.2024	**1 472 373**	**28 077**	**688**	**1 501 138**
Additions	36 488	144 476	0	180 964
Transfer	122 505	-122 505	0	0
Disposals	-108 591	0	0	-108 591
Financial lease receivables – see Note 5	-48 201	0	0	-48 201
Translation adjustment	-29 756	0	0	-29 756
Cost price 31.12.2024	**1 444 818**	**50 048**	**688**	**1 495 554**
Acc. depreciations/ impairment 01.01.2024	-646 424	0	-302	-646 726
Depreciation current period	-79 582	0	-34	-79 616
Disposals	16 649	0	0	16 649
Translation adjustment	17 319	0	-63	17 256
Acc. depreciations/ impairment 31.12.2024	**-692 038**	**0**	**-399**	**-692 437**
Carrying value 31.12.2024	**752 780**	**50 048**	**289**	**803 117**

2023	Vessels	Vessels under construction	Other tangible assets	Total
Cost price 01.01.2023	**1 488 637**	**6 601**	**614**	**1 495 852**
Additions	8 382	21 476	74	29 932
Disposals	-10 873	0	0	-10 873
Translation adjustment	-13 773	0	0	-13 773
Cost price 31.12.2023	**1 472 373**	**28 077**	**688**	**1 501 137**
Acc. depreciations/ impairment 01.01.2023	-583 634	0	-235	-583 869
Depreciation current period	-81 679	0	-57	-81 736
Disposals	10 873	0	0	10 873
Translation adjustment	8 016	0	-10	8 006
Acc. depreciations/ impairment 31.12.2023	**-646 424**	**0**	**-302**	**-646 726**
Carrying value 31.12.2023	**825 949**	**28 077**	**386**	**854 412**

Included in additions are capitalized interest of USD 0 million and USD 0 million respectively as of December 31, 2024 and December 31, 2023. For description of pledged assets see Note 12 – Mortgages other long-term liabilities and guaranteed liabilities.

The Group's future cash flows may be impacted by climate-related risks, including environmental changes or more stringent environmental regulations. Such changes may impact accounting estimates in future periods, including financial performance and useful lives of the Group's vessels.

Impairment valuation

Each balance sheet date, Management evaluates if there are any impairment indicators for each of its vessels. As per year end 2023 and 2024 no indicators for impairment were identified.

NOTE 4 Vessels under construction

Accounting policies

New building contracts
Instalments on new building contracts are recorded in the balance sheet as fixed assets. Costs related to on-site supervision and other pre-delivery construction costs including borrowing cost are capitalized per vessel under construction. When a new building is delivered from the yard the depreciation begins.

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The Group has six vessels under construction as of December 31, 2024 (two newbuilding's as of December 31, 2023). As of December 31, 2024, future contractual commitments for the construction of new buildings amounted to USD 714 million.

	2024	2023
Investment in vessels under construction	50 048	28 077

NOTE 5 Financial lease receivables

Accounting policies

Finance Lease Asset

Leases are classified as either financing leases or operating leases. A lease that transfers substantially all benefits and risks of the assets to the lessee is accounted for as a financing lease by the lessor.

Lease instalments

Lease instalments received from the lessor is split between principal and interests. Principal is recognized as a reduction on the finance lease receivables and interest is recognized over profit and loss as part of financial income.

Two of the Group's subsidiaries, the owner of M/T Frida Knutsen and the owner of M/T Sindre Knutsen, have installed a NMVOC Recovery System (VRU) and agreed that the VOC Industry Co operation (VOCIC) to lease the installations. The contracts are treated as financial lease to VOCIC from the startup in October 2024. The financial lease receivables are calculated based on net present value, where the gain from transition from vessels (see Note 3) are taken over the profit and loss statement in 2024 with USD 6.9 million. The financial lease receivables are nominated in USD.

(USD 1 000)	**2024**
Additions	47 262
Lease instalments – principal	-1 273
Carrying value 31.12.2024	**45 989**

The future lease related payment to be received from financial lease receivables as of December 31, 2024, were as follows:

(USD 1 000)	**Future minimum lease payment**
Within 1 year	8 840
1 to 2 years	17 679
3 to 5 years	17 679
After 5 years	6 630
Discounting effect	-4 839
Total	45 989

NOTE 6 Goodwill

Accounting policies

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed all measured as of the acquisition date.

The remaining carrying value of goodwill on December 31, 2024, and 2023 was as follows:

(USD 1 000)	**2024**	**2023**
Balance on December 31.	74 793	74 793

The Group performed an impairment test of goodwill as of December 31, 2024, in which calculated recoverable amount is the higher of value in use and fair value less costs to sell. Fair value less costs to sell is determined as the average of two independent brokers' estimates less estimated selling expenses while value in use is the present value of the future cash flows from continuing use and ultimate disposal expected to be derived from the cash generating unit.

The cash generating unit (CGU) is the whole fleet of Knutsen NYK Offshore Tankers Group. The Group have used different discount rates depending on the functional currency of each vessel and the period that each specific vessel or project generates cash flow to reflect the difference in the observable risk-free interest rates for the different period of time. This is consistent with management internal reporting and former years assessments.

The cash flows for the remaining useful lives of the vessels are used to calculate the value in use and are based on future budgets with management's expectations on day rates and operating expenses for the tankers being operated by Knutsen NYK Offshore Tankers Group. The Group has used a discount rate (WACC) for the corresponding period of cash-flow. The discount rate (WACC) applied is 8.51 % post tax for projects with an expected remaining lifetime of 10 years or more, 8.51 % post tax for 7 to 10 years, 8.51 % post tax for 5 to 7 years, 8.53 % post tax for 3 to 5 years and 8.55 % post tax for up to 3 years cash-flows at the end of 2024. The discount rate (WACC) applied is 8.44 % post tax for NOK project with expected remaining lifetime of 10 years or more.

Key assumptions used in value-in-use calculation

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Operating expenses including future drydocking expenses
- Freight rates
- Useful life
- Steel price

Discount rates – Discount rates reflect the current market assessment of the risks specific to the cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital (WACC) for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

The future expected cash flow is based on the Group's long-term budget with an estimated escalation of 2.5 % on the operating expenses for 2025 and a yearly escalation of 2.5 % on the operating expenses after 2025. The future expected periodic maintenance expenses are based on expected periodic maintenance expenses in the budget. Freight rates are based on actual contracts or expected market charter rates in the budget. The useful life in the calculations is weighted based on different scenarios with the scenario in the budget as the most likely case. The estimated net selling price at the end of the useful life is calculated as the current steel price less net sales expenses. The Group uses Fearnley's monthly report for scrap price for tank tonnage as estimate for the steel price.

Sensitivity to changes in assumptions

As of the measurement date the recoverable amount of the cash-generating unit based on the highest of the value in use and fair value less costs to sell is higher than the carrying amount relevant for the impairment test. Management believes that none of the anticipated changes in key assumptions which can rationally be expected would cause the carrying amount of the cash-generating units to exceed the recoverable amount.

NOTE 7 Investments in associates

Accounting policies

Investment in associates
The Group's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence but does not control. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. The reporting dates of the associates and the Group are the same and the same accounting policies are applied upon recognition of the associates.

Entity	Country	Ownership interest	Carrying amount
KNOT Offshore Partners LP	Marshall Island	30.47 %	
Investment in associates 01.01.2023			**191 554**
Dividend 2023			-1 080
Net income from associates 2023			-13 148
Investment in associates 31.12.2023			**177 326**
Dividend 2024			-1 081
Income (loss) from associates 2024			1 351
Investment in associates 31.12.2024			**177 596**

A summary of financial information for our share of the associate for the year 2024 (30.47 % share) and 2023 (30.47 % share).

(USD 1 000) based on IFRS Accounting Standards	2024	2023
Gross revenue	97 066	88 571
Net income (loss)	4 285	-10 459
Assets	478 983	486 394
Liabilities	318 478	327 003
Equity (1)	160 506	159 391

(1) Under IFRS Accounting Standards the preferred units have been defined as liabilites.

KNOT Offshore Partners LP (KNOP) was formed in February 2013 to operate and acquire vessels with focus on shuttle tankers on long-term contracts. KNOP is a limited partnership whose limited partnership units are available to investors and traded on public exchanges like corporate shares. KNOP experienced a decrease in its unit price during 2023 and towards the end of 2023 in which the unit price was approximately USD 5.76 per common unit as of December 31, 2023. The unit price has been at the same level during 2024 and was approximately USD 5.74 per common unit as of December 31, 2024, implying fair value of the investment of USD 61 million.

Management considered impairment indicators as required by IAS 28 *Investments in Associates* and determined the investment was not impaired as of December 31, 2024.

The Group performed an impairment test of it's investment in its associates as of December 31, 2024, in which calculated recoverable amount is the higher of value in use and fair value less costs to sell. Fair value less costs to sell is determined as the average of two independent brokers' estimates less estimated selling expenses while value in use is the present value of the future cash flows from continuing use and ultimate disposal expected to be derived from the cash generating unit.

The cash generating unit (CGU) is the whole fleet of KNOT Offshore Partners LP and which included 18 vessels as of December 31, 2024. The Group have used different discount rates depending on the functional currency of each vessel and the period that each specific vessel or project generates cash flow to reflect the difference in the observable risk-free interest rates for the different period of time. This is consistent with management internal reporting and former years assessments. All vessels owned by KNOT Offshore Partners LP have USD as their functional currency.

The cash flows for the remaining useful lives of the vessels are used to calculate the value in use and are based on future budgets with management's expectations on day rates and operating expenses for the tankers being operated by KNOT Offshore Partners LP. The Group has used a discount rate (WACC) for the corresponding period of cash-flow. The discount rate (WACC) applied is 8.51 % post tax for projects/vessels with an expected remaining lifetime of 10 years or more, 8.51 % post tax for 7 to 10 years, 8.51 % post tax for 5 to 7 years, 8.53 % post tax for 3 to 5 years and 8.55 % post tax for up to 3 years cash-flows at the end of 2024.

Key assumptions used in value-in-use calculation

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Operating expenses including future drydocking expenses
- Freight rates
- Useful life
- Steel price

Discount rates – Discount rates reflect the current market assessment of the risks specific to the cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital (WACC) for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

The future expected cash flow is based on the Group's long-term budget with an estimated escalation of 2.5 % on the operating expenses for 2025 and a yearly escalation of 2.5 % on the operating expenses after 2025. The future expected periodic maintenance expenses are based on expected periodic maintenance expenses in the budget. Freight rates are based on actual contracts or expected market charter rates in the budget. The useful life in the calculations is weighted based on different scenarios with the scenario in the budget as the most likely case. The estimated net selling price at the end of the useful life is calculated as the current steel price less net sales expenses. The Group uses Fearnley's monthly report for scrap price for tank tonnage as estimate for the steel price.

Sensitivity to changes in assumptions

As of the measurement date the recoverable amount of the cash-generating unit based on the highest of the value in use and fair value less costs to sell is higher than the carrying amount relevant for the impairment test. Management believes that none of the anticipated changes in key assumptions which can rationally be expected would cause the carrying amount of the cash-generating units to exceed the recoverable amount. Sensitivity analysis shows that no impairment is required even if input to the impairment analysis is changed by +/- 1%.

NOTE 8 Sale of business

KNOT Offshore Partners LP (KNOP) is listed on New York Stock Exchange. KNOP is a limited partnership whose limited partnership units are available to investors and traded on public exchanges like corporate shares. KNOT has agreed with KNOP to offer all shuttle tankers with charter contracts of 5 years or more to KNOP at fair value. The partnership agreement restricts KNOT's influence in KNOP with the consequence that KNOP is not considered under KNOT's control.

In August 2024, the Group offered, and KNOP used their right to purchase the Group's interest in KNOT Shuttle Tankers 31 AS, the owner of M/T Tuva Knutsen. The Group recognized gain on sale of business of USD 5.5 million through the transaction in 2024. There were no sales transactions between the parties in 2023.

Simultaneously, it was agreed that the Group purchased from KNOP their interest in KNOT Shuttle Tankers 20 AS, the owner of M/T Dan Cisne. See Note 9.

NOTE 9 Acquisitions

On September 3, 2024, the Group acquired 100% of the shares in KNOT Shuttle Tankers 20 AS ("KNOT 20"), the company that owns and operates the M/T Dan Cisne. The purchase price for the vessel was USD 30 million plus customary working capital purchase price adjustments of USD 0.7 million. There were no outstanding indebtedness related to the vessel.

The board of directors approved the purchase price for the transactions. The partners, KNOT and KNOP, retained a financial advisor to assist with its evaluation of each of the transactions. The cost of the fee paid to the financial advisor was divided equally between the KNOT and KNOP. Acquisition related costs of USD 0.03 million as of September 3, 2024, were capitalized as a component of the assets acquired. The purchase price of the acquisition has been allocated to the identifiable assets acquired. The details of the transaction are as follows:

(USD 1 000)	Final M/T Dan Cisne September 3, 2024
Purchase consideration (1)	30 686
Less: Fair value of net assets acquired:	
Vessels (2)	30 034
Cash	237
Inventories	94
Related parties receivables	1 094
Trade accounts payable	-220
Other current liabilities	-553
Subtotal	30 686
Difference between the purchase price and fair value of net assets acquired	**0**

(1) The purchase consideration comprises the following:

(USD 1 000)	Final M/T Dan Cisne September 3, 2024
Cash consideration paid to KNOP (from KNOT)	1 135
Asset swap (sale of M/T Tuva Knutsen)	28 865
Purchase price adjustments	652
Acquisition-related costs	34
Purchase price	30 686

(2) Vessel includes allocation to drydocking (in thousands) of USD 525 related to M/T Dan Csine.

NOTE 10 Financial instruments

Accounting policies

Financial assets
The Group´s financial assets are; receivables, contract assets, derivative financial instruments and cash and cash equivalents (see Note 11).

Financial liabilities
The Group´s financial liabilities are; interest bearing loans (see Note 12), accounts payables, contract liabilities, accruals, and derivative financial instruments with negative market value.

Impairment:
For trade receivables the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore the Group does not track changes in credit risk but instead recognize a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Derivatives:
Derivatives are classified as financial assets/liabilities at fair value through profit and loss.

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The balance and classification of financial assets other than cash and cash equivalents (Note 11) on December 31. are presented in the table below:

	31.12.2024			31.12.2023		
(USD 1 000)	Amortized cost	Fair value through profit and loss	Total	Amortized cost	Fair value through profit and loss	Total
Financial assets						
Long-term receivables	70	0	70	64	0	64
Financial assets (derivatives)	0	6 590	6 590	0	1 758	1 758
Total non-current financial assets	70	6 590	6 660	64	1 758	1 822
Accounts receivable	12 354	0	12 354	19 917	0	19 917
Receivables related parties	1 230	0	1 230	1 373	0	1 373
Financial assets (derivatives)	0	3 376	3 376	0	4 783	4 783
Other receivables*	22 614	0	22 614	10 053	0	10 053
Time deposits	0	0	0	12 050	0	12 050
Total current financial assets	36 198	3 376	39 573	43 393	4 783	48 176

The balance and classification of financial liabilities other than interest-bearing debt (Note 12) and lease liabilities (Note 13) on December 31. are presented in the table below:

(USD 1 000)	31.12.2024 Amortized cost	Fair value through profit and loss	Total	31.12.2023 Amortized cost	Fair value through profit and loss	Total
Financial liabilities						
Deferred income (contract liability)	247	0	247	423	0	423
Financial liabilities (derivatives)	0	399	399	0	2 182	2 182
Total non-current financial liabilities	247	399	646	423	2 182	2 605
Accounts payable	9 345	0	9 345	10 251	0	10 251
Other current liabilities to associated companies	3 249	0	3 249	1 178	0	1 178
Other current liabilities	19 620	0	19 620	16 103	0	16 103
Total current financial liabilities	32 214	0	32 214	27 531	0	27 531

** IFRS 15 requires separation of contract assets and contract liabilities from other assets and liabilities. The contract assets in the Group consist of prepayments of revenues in the service element in the time-charter agreements. The contract liabilities in the Group consist of prepayments of costs regarding the service element in the time-charters. Due to the limited size of contract assets and contract liabilities and that the service element is not split in the revenue from leasing contracts the contract assets and contract liabilities are not separated on an accounting line or split in the notes other than the deferred income presented in the table above.*

Based on the simplified approach in calculating the ECL the Group has the following credit loss allowances on December 31. (for description of credit risk in the Group see Note 13).

(USD 1 000)	31.12.2024 Gross carrying value	Expected credit loss allowance	Total	31.12.2023 Gross carrying value	Expected credit loss allowance	Total
Assets						
Long-term receivables	70	0	70	64	0	64
Trade accounts receivable	12 354	0	12 354	19 917	0	19 917
Receivables related parties	1 230	0	1 230	1 373	0	1 373
Other receivables	22 614	0	22 614	10 053	0	10 053
Time deposits	0	0	0	12 050	0	12 050
Sum financial assets	36 268	0	36 268	43 457	0	43 457

Based on the historic trend and expected performance of the customers the Group believes that the above expected credit loss allowance sufficiently covers the risk of default.

NOTE 11 Cash and bank deposit

Cash includes cash in hand, bank deposits and other highly liquid investments with original maturities of three months or less.

As at December 31. the balance of cash and bank deposit in the cash flow statement consist of the following:

USD 1 000	2024	2023
Cash and bank deposit	82 203	40 853
Restricted bank deposit	3 416	3 833
Total cash and bank deposit	85 619	44 686

Restricted bank deposits were placed on escrow and a pledged retention account for security for certain guarantees and financing agreements.

NOTE 12 Mortgages other long-term liabilities and guaranteed liabilities

Accounting policies

Interest-bearing loan and borrowings
All loans and borrowings are initially recognized at fair value less directly attributable transaction costs being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing debt is stated at amortized cost using the effective interest method.

The below tables present the Group's interest bearing liabilities as per 31 December:

(USD 1 000)	31.12.2024	31.12.2023
Mortgage loans	601 109	547 222
Sellers Credit 1) and 2)	4 255	0
Capitalized borrowing cost	-7 222	-6 005
Total long-term interest-bearing loans and borrowings	598 142	541 217
Current interest-bearing loans and borrowings	130 297	154 821
Current other interest-bearing loans	35 028	43 668
Current portion of sellers credit 1) and 2)	2 500	14 832
Total interest-bearing loans and borrowings	765 967	754 538

1) The last instalment on M/T Hedda Knutsen construction contracts with Cosco Shipping Heavy Industry (Zhoushan) Co Ltd. in China is payable in three payments of USD 2.5 million each, totalling USD 7.5 million. The instalment is booked as a seller's credit with the net present value on the delivery of the vessel and the investment on the vessel. The interest is expensed over the profit and loss statement during the term of the credit. The first instalment falls due at end of October 2025, the second instalment falls due at of October 2026 and the final isntalment falls due at end of October 2027.
2) The last instalments on M/T Tuva Knutsen and M/T Live Knutsen construction contracts with Cosco Shipping Heavy Industry (Zhoushan) Co Ltd. in China is payable three years after the deliveries of the vessels with USD 7.5 million for each vessel. The instalment is booked as a seller's credit with the net present value on the delivery of the vessel and the investment on the vessel. The interest is expensed over the profit and loss statement during the term of the credit. The seller's credit related to the M/T Tuva Knutsen was paid in February 2024 and the seller's credit related to the M/T Live Knutsen was paid in November 2024.

Book value of collateral (in USD 1 000)	31.12.2024	31.12.2023
Bank deposits	26 239	23 836
Account receivables	12 240	11 193
Vessels	636 426	772 748
Investments in associates	123 466	123 278
Total booked value	798 371	936 055

Changes in liabilities arising from financing activities

(USD 1 000)	January 1, 2024	Sale of business	Cash flow	Amortization of deferred debt issuance costs	Foreign exchange differences	December 31, 2024
Long term liabilities to financial institutions	541 217	-68 635	120 327	2 055	-1 077	593 887
First year instalments long term debt	198 489	0	-33 164	0	0	165 325
Total liabilities from financing activities	739 706	-68 635	87 163	2 055	-1 077	759 212

The Group's external interest-bearing debt is incurred by the ship owning companies and Knutsen NYK Offshore Tankers AS. If there is any debt in the ship owning company the vessels in the company are typically placed as security for ship mortgages together with the company's cash deposit and normal factoring pledge.

For most of the ship mortgages Knutsen NYK Offshore Tankers AS has guaranteed the debt in the ship owning companies.

The ship mortgage agreements include various financial covenants and securities but the following requirements tend to be included in the agreements with the Group's banks:

- The charter free market value of the pledged vessel(s) amounts is at least 100 % to 135 % of the outstanding loans
- Minimum liquidity requirements of the borrower ranging from USD 0.25 – 0.75 million

In addition the following financial covenants tend to be applicable for the Knutsen NYK Offshore Tankers AS (calculated on a consolidated basis for the Group) as guarantor of the loans:

- Working capital: Maintain positive working capital (next 12 months instalments to be excluded from current liabilities)
- Liquidity: Maintain free and available cash and cash equivalents on hand minimum USD 25 million and an amount equal to 4 % of the interest-bearing debt
- Minimum Equity Ratio: Minimum book equity ratio of 30 %

All financial covenants required to the Group's various ship owning companies and Knutsen NYK Offshore Tankers AS as guarantor of the loans were fully in compliance on December 31, 2024.

The Group has also secured non-amortizing credit facilities and an amortizing revolving credit facility in the total amount of USD 220.0 million at parent level. The amortizing facility and one of the non-amortizing facilities are secured by 7.4 million units in NYSE (New York Stock Exchange) listed KNOT Offshore Partners LP and the other non-amortizing are unsecured. As of December 31, 2024, USD 208.0 million of the revolving credit facilities have been drawn.

All the Group's external interest-bearing debt was at year-end denominated in USD except for the financing of the M/T Hanne Knutsen which is primarily denominated in Norwegian Kroner (NOK), the same currency that the charter hire is received in for that vessel. This secures a natural hedge of the currency risk for the project. The outstanding principal amount of the Martin Linge facility was at year-end 2024 NOK 374 million (USD 33 million at the Group balance) of which NOK 252 million was denominated in NOK and the remaining part in USD.

The Group took delivery of M/T Tuva Knutsen and M/T Live Knutsen in 2021. The last instalments on the vessel construction contracts with Cosco Shipping Heavy Industry (Zhoushan) Co Ltd. in China, Ltd. in China is payable three years after the delivery of the vessel with USD 7.5 million for each vessel. The Group took delivery of M/T Hedda Knutsen in 2024. The last instalment on the vessel construction contract with Cosco Shipping Heavy Industry (Zhoushan) Co Ltd. in China is payable in three payments of USD 2.5 million each, totaling USD 7.5 million. The instalments are booked as a seller's credits with the net present value on the delivery of the vessels and the investment on the vessels. The interest is expensed over the profit and loss statement during the term of the seller's credits.

NOTE 13 Financial risk management

General

The Group is exposed to financial market risk regarding currency interest rates and freight rates through its operations. The financial market risk is monitored continuously and the Group uses financial derivatives to reduce the risk when this is considered to be beneficial. If financial derivatives are appropriate to mitigate risks we favor utilizing conventional derivatives rather than exotic derivatives. In order to avoid counterparty risks the Group only deals with recognized financial institutions. Derivatives are solely used to manage risk related to fluctuations in interests and currency rates. The Group does not use financial derivatives to achieve financial income if no underlying exposure exists. Management continuously evaluates the effect from financial instruments on the accounts with a view to hedge accounting. Based on this evaluation hedge accounting is not used.

Capital structure

The Group has a capital-intensive business model in which the capital requirement mainly relates to investments in new vessels, conversion of vessels and repayment of debt. Interest and installments on the long-term financing will normally be repaid with the operating cash flows from the related investments mainly from cash-flows from the operation of vessels.

The Group aims at securing long-term financing of new investments from acknowledged international financial institutions. The terms of such financing will normally be influenced by the risk profile of the investments itself.

The Group's strategy is to have advanced vessels on long-term charters with first class charters and this strategy is much appreciated by banks. Since the Group has relationships with an extensive list of top tier banks with a geographical spread. The Group is dependent on the banking market but has mitigated this dependency by diversifying the bank group both in numbers and geographical location. Further, the Group is exposed to the capital markets including potential impact on covenants by the investment and agreements with KNOT Offshore Partners LP where KNOT is its sponsor, offering drop down vessels with contracts, is the general partner (KNOT Offshore Partners GP LLC) and is the largest unit holder.

Credit risk

The Group is exposed to potential losses on accounts receivable. The credit risk within our segment is regarded as very low. The company's debtors are mostly major energy companies, and it is considered fairly unlikely that they will fail to meet their obligations towards us as this means that they will not be able to transport their crude oil to onshore terminals. Distributing crude oil is imperative for the cash flow of exploration & production companies. The maximum credit exposure is regarded as equal to the size of the gross accounts receivable, i.e., USD 12.4 million. The Group is also exposed to potential losses if the agreement counterpart in a derivative contract should fail to fulfil its payment obligations on the settlement date. However, the company does not expect any of the parties to fail to fulfill their obligations since derivative contracts are only entered into with recognized financial institutions and most of the contracts are swaps where the mark to market tends to be minor compared to the nominal size of the contracts. No hedging against credit risk was undertaken in 2024 and 2023. Ongoing provisions are made and historically the loss percentage has been very low. As per December 31, 2024, USD 0 million was allocated for outstanding account receivable (USD 0 million as per December 31, 2023).

Ageing trade accounts receivables (in USD 1 000) pr. 31.12.2024	**Not yet due**	**0 - 1 month overdue**	**1- 3 months overdue**	**Older than 3 months**
Trade accounts receivable	11 420	625	271	38

Ageing trade accounts receivables (in USD 1 000) pr. 31.12.2023	**Not yet due**	**0 - 1 month overdue**	**1- 3 months overdue**	**Older than 3 months**
Trade accounts receivable	18 820	954	143	0

Interest risk

The Group's exposure to fluctuations in interest rates is mostly due to its long-term liabilities with floating interest rates. Regarding interest rate fluctuations the strategy is to limit the impact on cashflow due to fluctuations in the interest rate level. Depending on the development in the interest market the Group enters into diverse types of interest rate contracts.

As of December 31, 2024, the Group has 15 fixed interest rate contracts of which two have commencement date in 2025. As of December 31, 2024, the Group's interest rate contracts have 1.7 – 9.7 years remaining maturity. When excluding the two contracts that have not yet started, approximately 44 % of total debt nominated in USD is secured by interest rate contracts and the remaining 56 % of the mortgage debt nominated in USD has floating interest. Approximately 20 % of total debt nominated in NOK is secured by interest rate contracts and the remaining 80 % of the mortgage debt nominated in NOK has floating interest.

The following table shows the sensitivity of the Group's result before taxes at a reasonable change in the interest rate while all other variables are unchanged:

Increase/ decrease of basis points		Effect on profit before taxes (USD 1 000)
+ / - 100	2024	+ / -4 260
+ / - 100	2023	+ / -5 879

As of December 31, 2024, the interest swaps have a net positive value of USD 9.5 million.

Foreign currency risk

The Group's reporting currency is USD as revenues are predominantly denominated in USD. The Group receives revenues and lease income in USD and NOK. Shuttle tankers and ship management fees are normally received in USD. The time charter hire for M/T Hanne Knutsen and crew element of M/T Jorunn Knutsen is received in NOK and some of the management services is received in NOK. If the currency rate in 2024 had been 10 % higher / -lower than actual, this would have resulted in USD 6.8 million lower / USD 8.3 million higher revenues (in 2023 similar effect would have been USD 6.0 million lower / USD 7.4 million higher).

Operating expenses are mainly denominated in USD, CAD, DKK, and NOK but the Group also has some costs in EUR and BRL as well as other currencies.

Changes in exchange rates will thus have an effect on the operating expenses of the Group. The primary effect is the development of NOK in relation to USD, as the Group has a substantial portion of NOK costs while income is almost exclusively USD (apart from M/T Hanne Knutsen). Consequently, such currencies' fluctuations will affect the Group's profit and loss before tax. In general, a strong USD is positive for the Group as our operating costs become more competitive in relation to our charter income.

In order to reduce foreign exchange risks related to operating expenses, the Group does from time to time enter into foreign exchange swaps where the Group secures NOK and EUR against USD.

The following table shows the sensitivity of the Group's profit and loss before tax due to changes in NOK, EUR, and other currencies versus USD. All other variables remain unchanged. These variations are mainly due to changes in the Group's operating expenses.

Increase/decrease in all currencies		Effect on profit before taxes (USD 1 000)
+ / - 10%	2024	+ / - 12 753
+ / - 10%	2023	+ / - 12 311

Increase/decrease in NOK		Effect on profit before taxes (USD 1 000)
+ / - 10%	2024	+ / - 7 652
+ / - 10%	2023	+ / - 7 387

Increase/decrease in EUR		Effect on profit before taxes (USD 1 000)
+ / - 10%	2024	+ / -1 913
+ / - 10%	2023	+ / -1 847

As of December 31, 2024, the Group has no foreign exchange contracts.

Liquidity risk

The Group's strategy is to have sufficient cash and cash equivalents to ensure ongoing operations, future growth and avoid costs associated with financial distress. The Group monitors the risk of insufficient liquidity by extensive cashflow analysis. Risk management includes maintenance of sufficient liquid assets and the possibility of financing through credit facilities. The Group are continuously working to secure refinance of maturing debt 3-18 months before maturity and for 2023, the Group had one vessel, M/T Grena Knutsen, which had been on a lease agreement and which was redelivered on February 1, 2023, and financing of two newbuildings. During 2024, the Group has secured financing of one newbuilding that has been delivered during 2024, and the Group has financed one vessel acquired in 2024 which had no related debt at acquisition date. Additionally, the Group has refinanced the revolving credit facilities that matured during 2024, and refinanced M/T Jorunn Knutsen for another four years. The following table shows the maturity for the Group's financial obligations based on contractual undiscounted cash flows:

Pr. 31.12.2024	2025	2026	2027	2028	2029	2030 and thereafter
Interest bearing loans	165 765	220 895	271 241	17 464	8 357	77 214
Trade accounts payable	9 345	0	0	0	0	0
Interest rate swap expenses	-3 274	-2 602	-1 975	-1 299	-1 219	-1 126
Foreign exchange rate contracts	0	0	0	0	0	0
Total	171 836	218 293	269 266	16 164	7 138	76 088

Capital management

One of the Group's main goals is to maintain its strong creditworthiness and solidity to support the Group's business and to maximize shareholder value over time. The Group manages and adjusts its capital structure based on changes in economic structures and assumptions.

The Group monitors the capital based on equity versus total assets. The ratio is calculated as booked equity, divided by total assets. The aim is to have a ratio above 30 % which the owners think is prudent and satisfactory given our strong backlog of contracted revenue. This corresponds with the Group covenant requirement in most of the loan agreements.

December 31st	2024	2023
Total equity	464 3777	451 566
Total assets	1 264 232	1 237 861
	37 %	36 %

Interest risk

The following table shows the fixed interest contract and the mark to market value:

	Nominal value	Currency	Fixed rate *	Value as at 31.12.2024	Value as at 31.12.2023
Interest swap contract (USD)	411 019	USD	3.15 %	9 466	4 003
Interest swap contract (NOK)	50 000	NOK	1.72 %	101	357

**weighted average*

Financing risk

The Group has a solid financial position both in terms of liquidity and solidity. The Group is able to raise debt financing at fairly attractive terms.

Fair value

Estimated market values of financial instruments are determined by comparing the terms of the instruments against the current market rate. The nominal value of cash and loan obligations are a reasonable estimate of the items' market value. The estimated fair value of the Group's long-term loan obligations is based on the interest level at the balance sheet date. The value of the Group's financial derivatives is fixed at the market value on the balance sheet date. A thorough evaluation must be done prior to fixing the estimated market value. The estimates therefore do not necessarily indicate the current value that can be realized if the market is not functioning well. The fair values of the shares in a non-registered organization are estimated in their latest financial report and therefore a thorough evaluation is required prior to estimating the market value.

The fair value of long-term liabilities subject to fixed interest rates is calculated by comparing the Group's terms and the market terms for liabilities with the same terms to maturity and credit risk. As of December 31, 2024 the interest swaps have a positive value of USD 10.0 million.

For cash and bank deposits, receivable (including accounts receivables and other receivables), interest bearing debt and payables (including account payables and other current liabilities), the fair value is assessed to approximate the carrying amount. Derivative contracts are recorded at fair value and valued at mark to market. Cash and bank deposits are considered to be at level 1 in the fair value hierarchy while the others are classified in level 2.

The following tables show the carrying values and fair values of the Group's financial assets and –liabilities:

(USD 1 000)	31.12.2024 Carrying value	Fair value	31.12.2023 Carrying value	Fair value
Assets				
Other long-term receivables	70	70	64	64
Accounts receivables	12 354	12 354	19 917	19 917
Non-current financial asset	6 590	6 590	1 758	1 758
Current financial asset	3 376	3 376	4 783	4 783
Cash and bank deposits	82 203	82 203	40 853	40 853
Restricted bank deposit	3 416	3 416	3 833	3 833
Receivables from associated companies/related parties	1 230	1 230	1 373	1 373
Other receivables	22 614	22 614	10 053	10 053
Time deposit	0	0	12 050	12 050
Sum financial assets	131 853	131 853	94 684	94 684

(USD 1 000)	31.12.2024 Carrying value	Fair value	31.12.2023 Carrying value	Fair value
Liabilities				
Long-term financial liabilities	399	399	0	0
Long-term interest-bearing loans and borrowings	593 887	593 887	541 217	541 217
Short-term interest-bearing loans and borrowings	165 325	165 325	198 489	198 489
Sellers credit	6 755	6 755	14 832	14 832
Accounts payable	9 345	9 345	10 251	10 251
Other current liabilities to associated companies/ related parties	3 249	3 249	1 178	1 178
Other current liabilities	19 620	19 620	16 103	16 103
Sum financial liabilities	798 580	798 580	782 070	782 070

NOTE 14 Leases

Accounting policies

The Group applies the recognising exemptions proposed by the IFRS 16 standard on lease contracts with a term of less than 12 months, and lease contracts for which the underlying asset is of low value. Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Lease contracts which is not part of the exemptions are measured at the present value of remaining lease payments, discounted using the incremental borrowing rate.

The right-of-use assets are measured at an amount equal to the lease liability at the date of implementation. The right-of-use asset is depreciated on a straight line basis over the lease term.

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The Group leased one vessel the M/T Grena Knutsen which ended in 2023 and has some office leases and several minor leasing agreements of satellite equipment in the ship-owning companies. The leases are typically made for a period of 5-10 years and include extension options which provide operational flexibility.

In addition, the Group has paid USD 28.0 million in 2024 and USD 28.7 million in 2023 in short term lease of M/T Bodil Knutsen, M/T Hilda Knutsen, M/T Ingrid Knitsen, M/T Torill Knutsen and M/T Dan Cisne for 2024 and of M/T Bodil Knutsen, M/T Hilda Knutsen and M/T Torill Knutsen for 2023 which have been on time charters from KNOT Offshore Partners Group. The Group purchased M/T Dan Cisne from KNOP on September 3, 2024 and the short term lease for this vessel relates to the period prior to September 3, 2024.

The future minimum rents at December 31. related to non-cancellable leases fall due as follows (excluding short term leases):

(USD 1 000)	Future minimum lease payment	Interest	Present value of min. lease payments
2025	480	40	440
2026	295	16	279
2027	117	2	115
2028	0	0	0
Carrying value at December 31, 2024 for lease liabilities			**834**

For the office rent there are some variable lease payment elements in the contract as adjustments based on index regulations and some foreign exchange effects since the lease payments are made in NOK but based on the limited size of the lease commitments this is considered to be immaterial.

There are no significant lease commitments that did not commence at year-end.

Right-of-use assets of consists of office leases and some satellite equipment.

(USD 1 000)	Leased equipment	Office leases	Total right-of-use assets
Cost price 01.01.2024	**3 187**	**2 002**	**5 189**
Additions	74	0	74
Disposals	95	0	95
Cost price 31.12.2024	**3 165**	**2 002**	**5 167**
Acc. depreciation 01.01.2024	-1 926	**-1 741**	-3 667
Depreciation current period	-452	-261	-713
Acc. depreciation 31.12.2024	**-2 378**	**-2 002**	**-4 380**
Carrying value 31.12.2024	**787**	**0**	**787**

For description of assets pledged see Note 12 – Mortgages other long-term liabilities and guaranteed liabilities.

NOTE 15 Stores

Accounting policies

Stores
Store consists mainly of bunkers and lubricant oil onboard the vessels. Store is valued at cost as it is part of delivery of services. The cost of stores is based on the first-in first-out principle.

Bunkers on vessels chartered out on time-charter contracts are sold to the customer at the start of the charter period and the customer are responsible for the consumption and bunkering during the charter period. Bunkers used during CoA voyages are invoiced to the customers at our cost after finalizing the voyage. Stores at the balance sheet dates consists of:

(USD 1 000)	2024	2023
Bunkers	5 691	6 787
Lube oil	2 340	1 970
Total stock	8 031	8 757

NOTE 16 Related party information

Related parties

Knutsen NYK Offshore Tankers AS (KNOT) is owned 50% by TS Shipping Invest AS and 50% by NYK Holding (Europe) B.V. (a part of the NYK Group).

TS Shipping Invest AS is controlled by Trygve Seglem (President and CEO of KNOT and TS Shipping Invest AS). All companies in which Trygve Seglem directly or indirectly control or companies in which Trygve Seglem has material influence in is considered as related party to the company and the Group. Trygve Seglem controls among others Knutsen OAS Shipping AS, Knutsen OAS Management AS, Knutsen OAS Crewing AS, Knutsen OAS Crewing Eastern Europe AS, SIA Knutsen Eastern Europe, Knutsen OAS ML AS and Knutsen OAS Offshore AS which in 2024 as well as in 2023 delivered management services and/or crewing services to the group.

Knutsen NYK Offshore Tankers AS owns units in KNOT Offshore Partners LP (30.47 % of the general partner-, Class B- and common units) and deliver different management services to the companies in that group.

Group activities include transactions with related companies and parties. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin.

Transactions with related parties

Management services

Some services will be taken care of for KNOT Management AS by employees from the TS Shipping Invest Group. The services will include hiring crew, HSSE and QA, purchasing, new building supervision, IT services, accounting, and administration services. All services are accounted for at cost plus profit margin. Knutsen NYK Offshore Tankers Group hires property from Seglem Eiendom Group, controlled by Trygve Seglem and his family including the Chair of the Board, Jorunn Seglem.

(USD 1 000)	2024	2023
New building supervision fee and refunds to/from TSSI Group (1)	3 750	3 200
Hire project personnel from TSSI Group	43	362
Hire administration services from TSSI Group	7 026	5 917
Hire crew from TSSI Group	38 892	21 113
Hire administration services from NYK Group	436	417
Vessel hire from KNOP Group less commissions paid by KNOP	28 008	28 619
Management services to KNOP Group	15 988	11 397
Management services to NYK Group	595	595
Crewing services to KNOP Group	2 208	0
Interest and guenatees to KNOP Group	81	0
Hire of property from Seglem Eiendom Group	177	482
Hire of property and cars to NYK Group	126	111
Other operating expenses with other related parties (2)	265	196

(1) Fee for new building supervision are activated on the vessel under construction as paid.

(2) Includes simulation operational training assessment and other certified maritime courses for seafarers in addition to electrical installations on ships/offshore installations provided by companies where Trygve Seglem, his family and members of the TSSI management have significant influence.

A number of the Contracts of Affreightment (CoA) of which the operating subsidiaries vessels are servicing are formally entered into by either Knutsen OAS Shipping AS and/or Knutsen OAS (UK) Ltd. with end users. The CoA is formally not transferred but the economic effect of the contracts has been transferred to the operating entities in KNOT and a process to agree memorandum to the original agreements that the contracts will be transferred to KNOT Group.

Guarantees

TS Shipping Invest Group has issued guarantee as security for one loan agreement. There have been paid a guarantee fee of 0.5 % pro anno of the guaranteed amount. Total guarantee fee paid to TS Shipping Invest AS during 2024 is USD 0.03 million (in 2023 USD 0.1 million). The performance guarantees have not been priced.

TS Shipping Invest Group has also guaranteed for payments to the yard for six of the new-buildings in the Group which is calculated in the same way as for the guarantees for the loan agreements. Total paid guarantee fees related to these agreements in 2024 is USD 2.5 million. As of December 31, 2024 TS Shipping Invest Group has guaranteed in total USD 661.3 million related to ship building contracts.

Pursuant to the Omnibus Agreement with KNOT Offshore Partners LP, KNOT indemnifies KNOP for a period of at least three years after our sale of vessels to KNOP against certain environmental and toxic tort liabilities with respect to the assets contributed or sold to KNOP, to the extent arising prior to the time they were contributed or sold to KNOP. There is an aggregate cap of USD 5 million on the amount of indemnity coverage provided by KNOT for environmental and toxic tort liabilities. No claim may be made unless the aggregate USD amount of all claims exceeds USD 0.5 million, in which case KNOT is liable for claims only to the extent such aggregate amount exceeds USD 0.5 million.

KNOT also indemnifies KNOP for liabilities related to:

- certain defects in title to the assets contributed or sold to KNOP and any failure to obtain prior to the time they were contributed to KNOP certain consents and permits necessary for KNOP to conduct their business which liabilities arise within three years after KNOP's purchase of the vessel as applicable; and
- certain tax liabilities attributable to the operation of the assets contributed or sold to KNOP prior to the time they were contributed or sold.

Related party inter-company balances

At year end the following open short term ordinary operating receivables (+) and -payables (-) have been booked into the accounts to TS Shipping Invest Group and KNOP Group companies:

(USD 1 000)	Accounts receivables	Accounts payable
Total related parties	1 379	3 292

Other long- and short-term balances are presented with separate lines in the statements of financial position.

Transactions with key management personnel

Trygve Seglem is the President and CEO of Knutsen NYK Offshore Tankers AS (the Company). He and his family are also the sole proprietor of TS Shipping Invest AS. Trygve Seglem has received salary payment from KNOT Group during 2024 as President and CEO, see Note 17.

Regarding purchase and sale of companies and assets transactions with KNOT Offshore Partners LP, see Note 8.

NOTE 17 Voyage expenses, operating expenses vessels, other expenses, wages, employees, and distinctive contributions

Accounting policies

Operating expenses are recognized when incurred.

Voyage expenses are all expenses unique to a particular voyage, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees. Voyage expenses are paid by the customer under time charters and bareboat charters, while paid by the Group for spot contracts and during periods of off-hire.

Voyage expenses	2024	2023
Port expenses	8 658	13 925
Bunkers expenses	38 820	51 152
Commission expenses	1 579	2 519
Other voyage related expenses	3 494	4 637
Total voyage expenses	52 551	72 233

The shipping industry has become incrementally subject to the EU Emission Trading System (EU ETS) in 2024 which has required the Group to purchase carbon-offset credits. EU ETS for 2024 is included in Other voyage related expense for vessels operating on spot contracts and amounts to approximately USD 1.3 million.

Operating expenses include crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. Vessel operating expenses are paid by the Group for time charters, spot contracts and during off-hire. EU ETS for 2024 is included in Technical cost for vessels operating on time charters and is a final cost for the Group during off-hire. EU ETS for 2024 amounts to approximately USD 3.0 million.

Operating expenses vessels	2024	2023
Technical cost	25 186	21 605
Bunkers and lubricating	924	2 453
Insurance	4 415	4 576
Total operating expenses vessels	30 525	28 634

Other expenses related to construction contract	35	50

Wages and personnel cost	2024	2023
Wages	9 773	9 474
Social security	785	800
Pension costs	990	824
Other benefits	449	451
Hire administrative personnel	7 587	6 203
Crew cost paid by third party	-5 198	-4 781
Hire personnel vessels	52 465	45 332
Total personnel cost	66 851	58 304
Average number of man-labour years	251	247

The crew members onboard vessels are hired from the ship managers or the ship managers crewing agents. Ship managers are listed below:

- Canship Ugland Ltd. – M/T Jasmine Knutsen and M/T Heather Knutsen
- KNOT Management Denmark A/S – M/T Gijon Knutsen and Dan Cisne (from September 3, 2024)
- KNOT Management AS - the remaining vessels

KNOT Management AS and KNOT Management Denmark A/S are consolidated into the group accounts. KNOT Management AS has no crew employed. Most of the crews on board KNOT Management AS' managed vessels are hired from TS Shipping Invest Group or companies related to that group.

The pension plans in the Norwegian companies meet the Norwegian requirements for a mandatory company pension (OTP).

Remuneration to executives, board of directors and auditor

Charged cost during the year	Director's fee	Wages	Other benefits	Pension cost
2024	0	332	32	8
2023	0	314	40	9

There are no distinctive agreements regarding remuneration for the Chair of the Board and neither are there any distinctive bonus or option programs for any Board Member or key management personnel. No loans have been given to the company management. The President and CEO has an agreement securing 12 months' salary.

(USD 1 000)	2024	2023
Audit fees	325	171
Other assurance services	18	11
Tax services	0	6
Total	**343**	**188**

Audit fees relates to statutory audit of accounts. Fee for tax services primarily relates to tax compliance services while other assurance services relate to attestation services and accounting consultations on accounting matters.

NOTE 18 Financial items

Financial income	2024	2023
Bank interest	3 802	2 936
Realized gain on foreign exchanges rate contracts	0	59
Other interest	958	1
Dividend from preferred units	400	400
Realized gain interest rate swap	4 383	4 053
Total financial income	9 543	7 449

Financial expense	2024	2023
Interests on debt and borrowings	-55 890	-57 092
Interests on lease liabilities	-76	-145
Other financial expenses	-900	-1 179
Total financial expenses	-56 866	-59 150

NOTE 19 Taxes

The tax expense in the financial statements consists of taxes payable and changes in deferred taxes.

Companies taxed under the Norwegian tonnage tax regime are not taxed on its net operating profit. Taxation under the tonnage tax regime requires compliance to stringent requirements and voluntary or compulsory exit from the regime will result in taxation of net profits based on ordinary taxation. Net financial income is taxed on a current basis of 22 %.

Deferred tax is calculated using the liability method at 22 % of all temporary differences between the taxable value of assets and liabilities and their booked amounts at the end of the accounting year. Any temporary differences that may increase or decrease taxes that can be legally offset and are intended to be settled net are recorded net.

Deferred tax is calculated for assets and liabilities for which future realization will lead to payable tax.

Deferred tax assets are recognized to the extent that it is probable that adequate taxable profit will be generated to recover the tax asset. Anticipated utilization of tax losses is not discounted when calculating the deferred tax asset.

Tonnage tax paid under the tonnage tax regime is classified as operational expenses.

(USD 1 000)	2024	2023
Taxes payable (including correction tax)	-194	-219
Change in deferred taxes	4 301	5 957
Paid taxes	460	150
Currency differences	-2 167	0
Tax on ordinary result	2 400	5 888
Specification of tax		
Currency differences	-2 167	0
Danish/Brazilian tax - ordinary regime	339	-68
Norwegian tax - ordinary regime	4 228	5 957
Total tax on ordinary result	2 400	5 888
Temporary differences:		
Vessels	-17 126	-21 400
Gain and loss accounts	1 529	2 133
Mortgage debt	1 163	-2 322
Financial current assets/-liabilities	7 325	40
Tax loss carried forward	-90 094	-84 739
Other	-3 097	-13 560
Total temporary differences	-100 300	-119 849

Tax effect of temporary differences:	**2024**	**2023**
Vessels	-3 768	-4 708
Gain and loss accounts	336	469
Mortgage debt	256	-511
Financial current assets/-liabilities	1 612	9
Tax loss carried forward	-19 821	-18 643
Other	-681	-2 983
Deferred tax net	-22 066	-26 367

Changes in deferred tax in the balance sheet		
Opening balance deferred tax	-26 367	-32 323
Booked to profit and loss	4 301	5 957
Ending balance deferred tax	-22 066	-26 367

Payable tax in the balance sheet consist of		
Other payable corporation tax	0	0
Total payable tax in the balance sheet	0	0

Analysis of effective tax rate		
22 % of pre-tax result	6 979	2 010
Currency effect deferred taxes	-1 472	-319
Permanent differences / Norwegian tonnage tax regime	-3 107	4 198
Estimated tax	2 400	5 888

The corporate income tax rate in Norway is 22 %. Deferred tax on differences in values in associated companies with foreign partnerships has been included in the Group accounts. Further deferred tax is calculated on scenarios where a future realization will lead to a tax liability.

Deferred tax assets from losses carried forward in companies under ordinary tax regime in Norway are recognized since companies under ordinary tax regime are expected to have taxable income in the future.

NOTE 20 Group companies

The below companies are the Group's subsidiaries included in the financial statement. The Group companies' financial statements can be requested at the head office in Haugesund.

SUBSIDIARIES INCLUDED IN THE FINANCIAL STATEMENT

Subsidiaries and sub-subsidiaries	Owner	Main activity	Company share capital	Annual results (statutory accounts)	Equity as of 31.12.24 (100%)
KNOT Management AS	Knutsen NYK Offshore Tankers AS	Management company in Norway	NOK 100 000	NOK 84 813 337	NOK 38 576 446
KNOT Management Denmark A/S	KNOT Management AS	Management company in Denmark	DKK 500 000	DKK 3 359 638	DKK 5 111 840
KNOT Management do Brasil Ltda *)	KNOT Management AS	Management services in Brazil	R$ 2 789 532	R$2 783 576	R$ 3 533 808
Knutsen Atlantic Chartering AS	Knutsen NYK Offshore Tankers AS (90%) and Knutsen Shuttle Tankers 3 AS (10%)	Contracted hull N1012	NOK 1 176 000	NOK 827 890	NOK 274 647 320

Subsidiaries and sub-subsidiaries	Owner	Main activity	Company share capital	Annual results (statutory accounts)	Equity as of 31.12.24 (100%)
Knutsen Canadian Chartering AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Hedda Knutsen	NOK 1 176 000	NOK -40 025 288	NOK 180 014 354
Knutsen Newfoundland Chartering AS	Knutsen NYK Offshore Tankers AS (90%) and Knutsen Shuttle Tankers 3 AS (10%)	Newbuilding tender activity	NOK 200 000	NOK -35 162	NOK 40 578 161
Knutsen Shuttle Tankers Pool AS	Knutsen NYK Offshore Tankers AS	Pool company for group vessels in CoA trade	NOK 1 000 000	NOK -	NOK 1 000 000
Knutsen Shuttle Tankers 3 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Gijon Knutsen and M/T Siri Knutsen	NOK 300 000	NOK 20 134 532	NOK 179 329 612
Knutsen Tankers 3 AS	Knutsen NYK Offshore Tankers AS	Owner of 90% of Knutsen Shuttle Tankers Ghana Limited	NOK 100 000	NOK -56 565	NOK 34 989 151
Knutsen Shuttle Tankers Ghana Limited *) and **)	Knutsen Tankers 3 AS (90%)	Dormant company	USD -	USD 144 182	USD -
KNOT FSO AS	Knutsen NYK Offshore Tankers AS	Owner of KNOT FSO 1 AS and KNOT FSO 2 AS	NOK 100 000	NOK 86 414 986	NOK 925 253 537
KNOT FSO 1 AS	KNOT FSO AS	Owner of M/T Hanne Knutsen	NOK 100 000	NOK 73 207 791	NOK 1 281 578 668
KNOT FSO 2 AS	KNOT FSO AS	Owner of M/T Jorunn Knutsen	NOK 100 000	NOK 51 402 299	NOK 32 606 171
KNOT Shuttle Tankers 20 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Dan Cisne	NOK 10 000 000	NOK -38 982 374	NOK 125 684 501
KNOT Shuttle Tankers 27 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Live Knutsen	NOK 100 000	NOK -6 664 618	NOK 176 645 846
KNOT Shuttle Tankers 29 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Jasmine Knutsen	NOK 100 000	NOK 32 159 800	NOK 296 812 643
KNOT Shuttle Tankers 33 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Heather Knutsen	NOK 200 000	NOK 45 091 650	NOK 375 928 156
KNOT Shuttle Tankers 37 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Daqing Knutsen	NOK 30 000	NOK 7 688 667	NOK 162 619 527
KNOT Shuttle Tankers 41 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Frida Knutsen	NOK 30 000	NOK 88 602 326	NOK 320 501 395
KNOT Shuttle Tankers 42 AS	Knutsen NYK Offshore Tankers AS	Owner of M/T Sindre Knutsen	NOK 30 000	NOK 88 049 542	NOK 350 926 523
KNOT Shuttle Tankers 43 AS	Knutsen NYK Offshore Tankers AS	Contracted hull N1227	NOK 30 000	NOK -444 782	NOK 75 600 092
KNOT Shuttle Tankers 44 AS	Knutsen NYK Offshore Tankers AS	Contracted hull N1228	NOK 30 000	NOK -504 154	NOK 74 440 720
KNOT Shuttle Tankers 45 AS	Knutsen NYK Offshore Tankers AS	Contracted hull N1229	NOK 30 000	NOK -107 768	NOK 75 937 106
KNOT Shuttle Tankers 46 AS	Knutsen NYK Offshore Tankers AS	Contracted hull N1252	NOK 30 000	NOK -122 277	NOK 66 306 723
KNOT Shuttle Tankers 47 AS	Knutsen NYK Offshore Tankers AS	Newbuilding tender activity	NOK 30 000	NOK -1 357	NOK 28 643

Subsidiaries and sub-subsidiaries	Owner	Main activity	Company share capital	Annual results (statutory accounts)	Equity as of 31.12.24 (100%)
KNOT Shuttle Tankers 48 AS	Knutsen NYK Offshore Tankers AS	Newbuilding tender activity	NOK 30 000	NOK -	NOK 30 000
KNOT Shuttle Tankers 49 AS	Knutsen NYK Offshore Tankers AS	Newbuilding tender activity	NOK 30 000	NOK -	NOK 30 000
KNOT Shuttle Tankers 50 AS	Knutsen NYK Offshore Tankers AS	Newbuilding tender activity	NOK 30 000	NOK -	NOK 30 000
KNOT Shuttle Tankers 51 AS	Knutsen NYK Offshore Tankers AS	Newbuilding tender activity	NOK 30 000	NOK -	NOK 30 000
KNOT Offshore Partners GP LLC *)	Knutsen NYK Offshore Tankers AS	General Partner of KNOT Offshore Partners LP	USD 4 241 000	USD -31 035	USD 11 515 882

All the companies are Norwegian companies and have registered office in Haugesund, Norway except for KNOT Management do Brasil Ltda. the Brazilian company whose office is registered in Rio de Janeiro, KNOT Management Denmark A/S the Danish company whose office is registered in Copenhagen, Knutsen Shuttle Tankers Ghana Limited the Ghanaian company whose office is registered in Takoradi, and KNOT Offshore Partners GP LLC the Marshall Islands company whose office is registered in Aberdeen UK.

*) The statutory accounts have not been finalized yet and the amounts disclosed are from the consolidation based on IFRS Accounting Standards.
**) Knutsen Shuttle Tankers Ghana Limited is owned 10% by the general manager of the company all the other companies are 100% owned by the Group.

NOTE 21 Shareholder information and dividends

Share capital

Share capital consists of 106 790 960 shares with face value NOK 15.

Name of shareholder	Number of shares	Ownership - share in %
NYK Holding (Europe) B.V.	53 395 480	50 %
TS Shipping Invest AS	53 395 480	50 %
Total shareholders	106 790 960	100 %
Total Norwegian shareholders	53 395 480	50 %
Total foreign shareholders	53 395 480	50 %

Shares owned by the board of directors and the management	Number of shares
The board of directors	
Jorunn Seglem (indirect via TS Shipping Invest AS)	8 009 322
President & CEO	
Trygve Seglem (indirect via TS Shipping Invest AS)	37 376 836
Total	45 386 158

NOTE 22 Commitments and contingent liabilities

Accounting policies

Provisions and contingent liabilities
Provisions are recognized in the financial statements if the Group considers it probable there is a legal or constructive obligation as a result of past events that an outflow of resources will be required to cover its liabilities and if the amount can be reliably estimated. All provisions are reviewed each balance sheet date and adjusted if necessary to reflect a more accurate estimate. In instances where the timeframe may be of significance a

provision is made for the current value of future payments to cover liabilities. Provisions are not made for future operating losses. Contingent liabilities are disclosed unless the possibility of an outflow of economic resources is remote.

Claims and legal proceedings

The Group is from time to time involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management the ultimate disposition of these matters will not have a material adverse effect on the consolidated financial position results of operations or cash-flows.

NOTE 23 Subsequent Events

The Group has evaluated subsequent events from the balance sheet date through April 7, 2025 the date at which the audited consolidated financial statements were available to be issued and determined that there are no other items to disclose except as follows:

On March 3, 2025, the Group, acquired from KNOP, KNOT Shuttle Tankers 21 AS, the company that owns the shuttle tanker M/T Dan Sabia (the "Dan Sabia Acquisition"). Simultaneously, the Group sold KNOT Shuttle Tankers 27 AS, the company that owns the shuttle tanker M/T Live Knutsen, to KNOP (the "Live Knutsen Sale").

The purchase price for the Dan Sabia Acquisition was USD 25.75 million and there was no related debt. The sales price of the Live Knutsen Sale was USD 100 million, less USD 73.4 million of outstanding indebtedness under the Live Loan Facility plus capitalized fees of USD 0.4 million. The combination of the Dan Sabia Acquisition and the Live Knutsen Sale was settled by a net cash proceeds from KNOP to the Group of USD 1.2 million (relating to the difference between the prices of the respective transactions). Customary adjustments related to working capital and an associated interest rate swap are due to be made following the closing. The M/T Dan Sabia had no fixed contract at the time of acquisition. The final Purchase Parice Allocation of the acquisition is not yet ready and available.

On March 23, 2025, the Group redelivered M/T Hilda Knutsen to its owner in KNOP Group.

The Group signed on March 25, 2025 heads of agreement for an up to twenty-year time charter with an Equinor company for operation off the Brazilian coast. The Company has contracted a 154,000 dwt suez-max DP2 shuttle tanker at COSCO Shipyard Group with delivery scheduled in fourth quarter 2027 for operation on the time charter contract.

The newly announced increase in tariffs in the US may influence the global trade. The Group purchasing from US or voyages to and from US ports are normally of limited volume. The Group continues to monitor this situation and is mindful that tariffs to/from US or fees of approaching US ports may be restrictions or logistical challenges in the daily operation of our fleet. The conflict in Ukrainian, Gaza and the tariffs increases globally may also lead to further regional and international conflicts and instability, and such conflicts will disrupt supply chains and cause instability in the global economy.

KNOT Knutsen NYK Offshore Tankers

Annual Report 2024

Company Account

Knutsen NYK Offshore Tankers AS

www.knotgroup.com

Knutsen NYK Offshore Tankers AS

Profit & Loss Account

	Note	2024	2023
Operating income			
Other income		0	1 353 824
Total income		**0**	**1 353 824**
Operating Expenses			
Administration expenses	**1**	6 456 025	2 375 264
Other operating expenses		0	324
Total expenses		**6 456 025**	**2 375 589**
Operating Result		**-6 456 025**	**-1 021 765**
Financial income and expenses			
Financial income	**2**	431 826 171	421 931 490
Foreign exchange gain/-loss		-236 468 056	-52 259 825
Financial expenses	**2**	-365 578 373	-157 916 937
Net financial items		**-170 220 258**	**211 754 728**
Result before taxes		**-176 676 282**	**210 732 963**
Tax	**3**	-39 173 305	-14 305 658
Result for the period		-137 502 977	225 038 621

Knutsen NYK Offshore Tankers AS

Balance Sheet as of 31. Desember

Assets	Note	2024	2023
Fixed Assets			
Deferred tax assets	3	61 155 546	34 292 970
Investments in subsidiaries	4	5 269 917 267	4 925 152 848
Loan to group companies		0	42 410 103
Investments in associated companies	4	1 278 207 588	1 278 207 588
Total Fixed Assets		**6 609 280 401**	**6 280 063 508**
Current Assets			
Other short-term receivables		108 721	83 466
Receivables related parties		4 250 770	799
Group receivables		196 051 268	51 406 404
Group contributions		164 676 099	233 950 146
Cash and cash equivalents	5	266 153 112	60 835 324
Total Current Assets		**631 239 969**	**346 276 139**
TOTAL ASSETS		**7 240 520 370**	**6 626 339 648**

Knutsen NYK Offshore Tankers AS

Balance Sheet as of 31. Desember

Equity and liabilities	**Note**	**2024**	**2023**
Equity			
Share capital		1 601 864 400	1 601 864 400
Share premium		598 428 328	598 428 328
Total paid-up equity		**2 200 292 728**	**2 200 292 728**
Other equity		2 056 172 048	2 249 274 025
Total retained earnings		**2 056 172 048**	**2 249 274 025**
Total Shareholders' Equity	*6*	**4 256 464 776**	**4 449 566 753**
Long Term liabilities			
Liabilities to financial institutions	7	2 359 294 605	1 475 603 147
Group debt		265 829 913	413 440 969
Total Long Term Liabilities		**2 625 124 518**	**1 889 044 117**
Current Liabilities			
Trade payables		5 358 409	202 606
Accrued interest		15 651 048	11 677 453
Current liabilities group		263 169 487	259 781 826
Group contributions		70 150 000	16 000 000
Other current liabilities		4 602 132	66 892
Total Current Liabilities		**358 931 076**	**287 728 778**
SHAREHOLDERS' EQUITY AND LIABILITIES		**7 240 520 370**	**6 626 339 648**

Knutsen NYK Offshore Tankers AS

Cash Flow Statement

	NOK1	31.12.2024	31.12.2023
	Cash flow from operational activities		
	Result before taxes	-176,676,282	210,732,962
-/+	Gain/loss from sale of subsidiaries	-160,874,359	0
+	Write down/-reversal of earlier write down subsidiaries	71,591,657	-260,493,754
+/-	Changes in accounts receivables	-25,255	1,228,276
+/-	Changes in accounts payable	5,155,805	172,112
+/-	Changes in current receivables/payables to related parties	-4,249,971	-799
+/-	Changes in current group receivables/payables	-141,257,203	265,693,957
+/-	Foreign exchange gain/loss effects	225,128,144	47,229,967
+/-	Elements classified as investments-/financing activities	3,388,727	53,075,181
+/-	Changes cut-off - in other current assets and liabilities	8,508,832	-5,339,430
=	Net cash flow from operational activities	-169,309,905	312,298,472
	Cash flow from investment activities		
+	Sale and liquidation of subsidiaries	335,534,568	0
+	Repayment of equity from investments	239,126,400	242,250,089
-	Incorporation and acquisitions of subsidiaries	-326,191,688	-240,000
-	Capital injections and group contributions to subsidiaries	-368,216,221	-472,752,655
+/-	Net change in loans to finance subsidiaries	42,410,103	66,588,943
=	Net cash flow from investment activities	-77,336,839	-164,153,623
	Cash flow from financing activities		
+/-	Net change of drawn amount under Revolving credit facilities	669,764,181	-15,458,850
+/-	Net change in financing received from subsidiaries	-167,857,509	11,879,998
-	Payment of dividend	-55,599,000	-313,290,499
=	Netto kontantstrøm fra finansieringsaktiviteter	446,307,671	-316,869,351
+/-	Effect of exchange rate changes on cash and cash equivalents	5,656,860	4,559,683
=	**Net change in cash and cash equivalents**	205,317,788	-164,164,819
+	Cash and cash equivalents at the start of the period	60,835,324	225,000,143
=	**Cash and cash equivalents at the end of the period**	266,153,112	60,835,324

KNUTSEN NYK OFFSHORE TANKERS AS

Notes to the Financial Statement 2024

Accounting principles

The financial statement is prepared in accordance with the fundamental accounting principles as laid out by the Norwegian Accounting Act of 1998 and generally accepted accounting standards in Norway.

Investment in subsidiaries and associated companies

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Transactions in foreign currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

All current assets and current liabilities in foreign currencies are registered at the rate of exchange as per 31.12. Realised foreign exchange gain and foreign exchange loss are registered as financial items.

The mortgage debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Knutsen NYK Offshore Tankers AS finance the purchase and equity funding of subsidiaries and associated companies with loans in USD. USD is the functional currency for the majority of the subsidiaries and associated companies. Loans are valued at the rate of exchange at the year-end. Shares in limited companies and shares in subsidiaries and associated companies are valued including any currency gain or loss.

Note 1 Employees and remuneration

All personell in the KNOT group are employeed by the management companies. The company has no employees and thereby no pension liabilities (under the OTP regulation).

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):	2024	2023
Audit	387,975	640,500
Other services besides audit	0	0
	387,975	640,500

Note 2 Financial income and -expenses

	2024	2023
Financial income:		
Interest from group companies /related parties	8,746,697	8,209,574
Distribution from preferred units	4,348,533	4,227,933
Realized gain, currency swaps	0	625,000
Other interest income	6,055,793	2,662,408
Realized and unrealized interest rate swaps	11,299,519	0
Guarantee fees related parties	28,080,854	30,809,143
Disbursed profits from investments	10,817,472	10,589,955
Dividends/group contribution from subsidaries	108,423,521	104,192,686
Reversal write down shares	93,179,423	260,614,792
Gain sale shares	160,874,359	0
Total financial income	**431,826,171**	**421,931,490**
Financial expenses:		
Interest paid to Group companies /related parties	38,421,254	39,026,003
Unrealized loss currency swaps	0	4,199,308
Other interest expenses	150,971,130	114,227,415
Realized and unrealized interest rate swaps	10,862,403	0
Write-down shares	164,771,080	121,038
Other financial expenses	552,505	343,174
Total financial expenses	**365,578,373**	**157,916,937**

Note 3 Tax

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

	2024	2023
Profit before tax	-176,676,282	210,732,963
Non-deductible items	-99,673,895	-279,429,143
Change Temporary differences	-10,596,720	504,658
Basis for tax calculation before Group contribution	-286,946,897	-68,191,522
Net Group contribution not over profit & loss	55,957,860	138,510,500
Basis for tax calculation after Group contribution	-230,989,037	70,318,977
Change in losses carried forward	230,989,037	-70,318,977
Basis for tax payable	0	0

Calculation of tax expenses

Tax payable	0	0
Change in deferred tax	-26,862,577	16,166,652
Tax effect group contribution	-12,310,729	-30,472,310
Tax calculated	-39,173,306	-14,305,658

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:	2024/12/31	Change	2023/12/31
Financial assets and liabilities	8,088,595	4,329,242	3,759,353
Gain and loss account	-25,069,911	6,267,478	-31,337,389
Interest expenses carried forward	-98,289,693	0	-98,289,693
Losses carried forward	-260,998,440	-230,989,037	-30,009,403
Deferred tax basis	-277,979,756	-220,392,317	-155,877,132
Deferred tax, 22% booked amount	-61,155,547	-26,862,577	-34,292,970

Interest expenses carried forward is still a temporary difference amounting to 98 289 693 but is not taken into account in deferred tax.

Note 4 Shares in subsidiaries and associated companies

	Total share capital	Owner- and voting share	Number	Face value	Equity 31.12	Last years result	Book value in KNOT AS
Knutsen Shuttle Tankers 3 AS	300,000	100%	300	1,000	179,329,612	20,134,532	478,455,224
KNOT Offshore Partners GP LLC	USD 4 241 000	100%	5,340	N/A	USD 15,756,882	USD 31,035	70,981,327
KNOT Management AS	100,000	100%	100	1,000	38,576,446	84,813,337	17,136,264
KNOT Shuttle Tankers 27 AS	100,000	100%	100	1,000	176,645,846	-6,664,618	213,290,362
KNOT FSO AS	100,000	100%	100	1,000	924,618,765	80,126,877	1,907,005,344
Knutsen Newfoundland Chartering AS	200,000	90%	1,000	200	40,613,323	-35,162	36,758,883
KNOT Shuttle Tankers 29 AS	100,000	100%	100	1,000	296,812,643	32,159,800	352,802,760
Knutsen Tankers 3 AS	100,000	100%	100	1,000	34,989,151	-56,565	2,296,558
Knutsen Canadian Chartering AS	1,176,000	100%	490	2,400	180,014,354	-40,025,288	219,369,220
Knutsen Atlantic Chartering AS	1,176,000	90%	490	2,400	274,647,320	827,890	256,647,606
Knutsen Shuttle Tankers Pool AS	1,000,000	100%	10,000	100	1,000,000	0	989,523
KNOT Shuttle Tankers 33 AS	200,000	100%	2,000	100	375,928,156	45,091,650	384,550,281
KNOT Shuttle Tankers 37 AS	30,000	100%	1,000	30	162,619,527	7,688,667	171,003,616
KNOT Shuttle Tankers 41 AS	30,000	100%	1,000	30	320,501,395	88,602,326	308,026,449
KNOT Shuttle Tankers 42 AS	30,000	100%	1,000	30	350,926,522	88,049,542	410,070,802
KNOT Shuttle Tankers 43 AS	30,000	100%	1,000	30	75,600,092	-444,782	76,056,254
KNOT Shuttle Tankers 44 AS	30,000	100%	1,000	30	74,440,720	-504,154	74,956,254
KNOT Shuttle Tankers 45 AS	30,000	100%	1,000	30	75,937,106	-107,768	76,056,254
KNOT Shuttle Tankers 46 AS	30,000	100%	1,000	30	66,306,723	-122,277	66,479,000
KNOT Shuttle Tankers 47 AS	30,000	100%	1,000	30	30,000	0	80,000
KNOT Shuttle Tankers 48 AS	30,000	100%	1,000	30	30,000	0	80,000
KNOT Shuttle Tankers 49 AS	30,000	100%	1,000	30	30,000	0	80,000
KNOT Shuttle Tankers 50 AS	30,000	100%	1,000	30	30,000	0	80,000
KNOT Shuttle Tankers 51 AS	30,000	100%	1,000	30	30,000	0	80,000
KNOT Shuttle Tankers 20 AS	10,000,000	100%	100	100,000	125,684,501	-38,982,374	146,585,288
Net book value investment in subsidiaries							5,269,917,267

All of the Norwegian subsidiary companies have the same company address as the parent company, Smedasundet 40, Haugesund.

Shares in associated companies		Owner share	Number	Group Equity USD 31/12/	Last years result USD	Book value in KNOT AS
KNOT Offshore Partners L.P.		28.38%		526,827,000	14,065,000	
	Common units		9,661,255			1,151,925,163
	Class B units		252,405			92,780,078
	Preferred units		208,333			33,502,346
						1,278,207,588

The company is listed at New York Stock Exchange and the company office adresss is 2 Queens Cross, Aberdeen, Aberdeenshire AB15 4YB, United Kingdom.

Knutsen NYK Offshore Tankers AS and KNOT Offshore Partners LP agreed to convert the Incentive Distribution rights held by the company in the partnership into 50% common units and 50% class B units. The class B units will be converted into common units over 8 quarters the first time in 4th quarter 2021. The class B units is subordinated and the conversion can be adjusted if the partnership reduce the quarterly dividend per share down from the current 0.52 USD. No conversion have been done in 2024 as dividend paid are to low. At year end 2024, 3 possible conversions remain.

Note 5 Bank deposits

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

Note 6 Equity

	Share capital	Share premium	Other equity	Total equity
Equity 1.1.	1,601,864,400	598,428,328	2,249,274,025	4,449,566,753
Dividends	0	0	-55,599,000	-55,599,000
Result for the year	0	0	-137,502,977	-137,502,977
Equity 31.12	1,601,864,400	598,428,328	2,056,172,048	4,256,464,776

Share capital consist of 106.790.960 shares with face value NOK 15

Name of shareholder	Number of shares	Ownership - Share in %
NYK Holding (Europe) B.V	53,395,480	50%
TS Shipping Invest AS	53,395,480	50%
Total shareholders	106,790,960	100%

Jorunn Seglem owns indirectly 15% of TS Shipping Invest AS, which owns 50 % of Knutsen NYK Offshore Tankers AS.

Note 7 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.

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 2024/12/31	Accounting balance 2024	2023
Mortgage debt	USD	208,000,000	2,367,383,200	1,479,362,500
Debt issuance cost			-8,088,595	-3,759,353
Liabilities to financial institutions			2,359,294,605	1,475,603,147

	2024	2023
Amounts due within 12 months of the balance sheet date:		
Mortgage debt	625,990,750	816,200,000
Debt issuance cost	-3,853,707	-3,658,840
Liabilities to financial institutions	622,137,044	812,541,160
Repayment profile:		
0 - 12 months	55,000,000	80,000,000
13 - 24 months	113,000,000	40,000,000
25 - 36 months	40,000,000	25,000,000
37 - 48 months	0	0
49 - 60 months	0	0
After 60 months	0	0
	208,000,000	145,000,000

		2024	2023
The exchange rate at the year-end	USDNOK	11.3817	10.2025

For debt issued directly to vessel owning subsidiaries of Knutsen NYK Offshore Tankers AS, parent company guarantees for outstanding amount at any time are typically issued in favor of the respective lenders.

The company seek to reduce market risk and financial risk by use of long term contracts and financial instruments. Though, since a substantial part of the company's revenues, investments and debt also are denominated in the same currency, this limits the company's foreign exchange risk.

The company has entered into interest rate swap contracts to reduce the effects of interest rate fluctations. 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 a 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. As of December 31, 2024, there are two contracts entered that have future start. These two contracts are included in the table below with USD 75 million in Outstanding fixed interest rate swaps and with USD 2 187 457 in Mark to market valuation.

	Currency	2024	2023
Outstanding fixed interest rate swaps	USD	198,750,000	0
Mark to market valuation	USD	5,607,315	0