



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	998 942 829
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNOT SHUTTLE TANKERS AS
Forretningsadresse:	Smedasundet 40 5529 HAUGESUND

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Mørselskap 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:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Karl Gerhard Bråstein Dahl
Dato for fastsettelse av årsregnskapet:	07.04.2025

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, 16.05.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Kostnader			
Other operating expenses		136 953	
Administration	1	1 958 878	1 165 301
Sum kostnader		2 095 831	1 165 301
Driftsresultat		-2 095 831	-1 165 301
Finansinntekter og finanskostnader			
Financial income	2	676 757 065	910 780 402
Foreign exchange gain/loss		-86 077 103	-61 915 261
Sum finansinntekter		590 679 962	848 865 141
Financial expenses	2	85 988 967	104 949 681
Sum finanskostnader		85 988 967	104 949 681
Netto finans		504 690 995	743 915 460
Resultat før skattekostnad		502 595 164	742 750 158
Taxes	3	6 959 769	-47 001 694
Årsresultat		495 635 395	789 751 852
Årsresultat etter minoritetsinteresser		495 635 395	789 751 852
Totalresultat		495 635 395	789 751 852



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	3	37 179 093	44 423 596
Sum immaterielle eiendeler		37 179 093	44 423 596
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	4	4 106 620 895	4 078 424 114
Sum finansielle anleggsmidler		4 106 620 895	4 078 424 114
Sum anleggsmidler		4 143 799 988	4 122 847 710
Omløpsmidler			
Varer			
Fordringer			
Receivables	9	156 355	77 047
Konsernfordringer		60 003 093	35 900 227
Sum fordringer		60 159 449	35 977 274
Bankinnskudd, kontanter og lignende			
Bank deposits	5	106 397 388	97 897 675
Sum bankinnskudd, kontanter og lignende		106 397 388	97 897 675
Sum omløpsmidler		166 556 837	133 874 950
SUM EIENDELER		4 310 356 825	4 256 722 660
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		606 000 000	606 000 000
Overkurs		1 696 082 680	1 696 082 680
Sum innskutt egenkapital		2 302 082 680	2 302 082 680



Balanse

Beløp i: NOK	Note	2024	2023
Opptjent egenkapital			
Other equity		1 181 067 904	868 913 209
Udekket tap	6		
Sum opptjent egenkapital		1 181 067 904	868 913 209
Sum egenkapital	6, 7	3 483 150 584	3 170 995 889
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3	911 147	1 138 934
Sum avsetninger for forpliktelser		911 147	1 138 934
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	8	300 459 649	510 124 999
Langsiktig konserngjeld	8	466 449 434	456 765 925
Sum annen langsiktig gjeld		766 909 083	966 890 924
Sum langsiktig gjeld		767 820 230	968 029 858
Kortsiktig gjeld			
Leverandørgjeld	9	753 545	374 511
Tax payable	3	227 787	284 734
Kortsiktig konserngjeld		56 479 377	115 021 685
Other current liabilities		1 925 301	2 015 983
Sum kortsiktig gjeld		59 386 011	117 696 913
Sum gjeld		827 206 241	1 085 726 771
SUM EGENKAPITAL OG GJELD		4 310 356 825	4 256 722 660



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Report of Independent Registered Public Accounting Firm

To the Unitholders and the Board of Directors of KNOT Offshore Partners LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of KNOT Offshore Partners LP (the Partnership) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 27, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.



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Vessel impairment

Description of the Matter

The carrying value of the Partnership's vessels was \$1,462 million as of December 31, 2024. As explained in Note 2(n) and 21 to the consolidated financial statements, the Partnership assesses vessels for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If impairment indicators are identified, the Partnership compares the undiscounted cash flows expected to be generated by that vessel to the carrying value (recoverability test). If the carrying value of the vessel is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. During the year ended December 31, 2024, the Partnership recognized an impairment loss of \$16.4 million to write down two vessels' carrying value to its estimated fair value.

Auditing the Partnership's measurement of the impairment loss was complex due to the significant estimation uncertainty and judgement in forecasting the future cash flows of the vessels. Specifically, these cash flow estimates are sensitive to significant assumptions including the discount rate, estimation of daily charter rates, vessel utilization and potential sale price of the vessels.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Partnership's impairment assessment process, including controls over management's review of the significant assumptions described above.

To audit the recoverability test, we performed audit procedures that included, among others, analyzing management's recoverability test by comparing the methodology used against accounting guidance under ASC 360 and practices common in the industry. We tested the reasonableness of estimated daily charter rates by comparing them to charter rates obtained in the past, third party analyst reports developed by independent market research firms, recent shuttle tanker tender activity undertaken by the Partnership and historical charter rate information. We tested the source information underlying the calculation as well as the mathematical accuracy of the model. We involved our valuation specialists to assist in developing a range of independent discount rate estimates and compared those to the discount rate selected by management.

We assessed whether the vessel utilization assumptions were reasonable based on historical utilization of the Partnership's vessels. We also reviewed market reports and analyzed how the economic factors such as future demand and supply for shuttle tankers have been incorporated in the charter rates. We compared the estimated sale price of the vessels to actual transactions which took place after the date of the estimation. We also assessed the adequacy of the vessel impairment disclosures as included in Note 2(n), Note 14 and Note 21 of the consolidated financial statements.



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Acquisition of KNOT Shuttle Tankers 31 AS

Description of the Matter

As disclosed in Note 24 to the consolidated financial statements, during September 2024, the Partnership completed its acquisition of KNOT Shuttle Tankers 31 AS for a total consideration of \$97.5 million, less \$69 million of outstanding indebtedness.

Substantially all of the fair value of the gross assets acquired was concentrated in the *Tuva Knutsen* (the “*Tuva*” or “vessel”) shuttle tanker. The transaction was accounted for as an asset acquisition.

Auditing the Partnership's accounting for its acquisition of KNOT Shuttle Tankers 31 AS was complex due to the significant judgment and estimation in the Partnership's determination of the fair value of the *Tuva* and associated contract liabilities. The Partnership used a discounted cash flow to measure the fair value of the vessel and the related contract liabilities. The significant assumptions used to estimate the fair value of the vessel included discount rate, estimation of daily charter rates and vessel utilization.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Partnership's accounting for the acquisition, including controls over the valuation model and significant inputs to the valuation of the acquired vessel and related contract liabilities.

To test the fair value of the vessel and associated contract liabilities, with the assistance of our valuation specialists, we performed audit procedures that included, among others, evaluating the appropriateness of the valuation methodology applied in accordance with ASC 820, including the mathematical accuracy and discount rate used in the model. We further evaluated the competence and objectivity of the Partnership's financial advisor. We compared forecasted time charter rates to the current contractual period achieved by the vessel and with historical charter rates. We evaluated market and economic factors related to future demand and supply for shuttle tankers which were incorporated into forecasted charter rates, as well as estimated market rates. We involved our valuation specialists to assist in developing a range of independent discount rate estimates and compared those to the discount rate selected by management. We evaluated the average utilization against the relevant market conditions and the historical rates and planned drydocks. We also assessed the adequacy of the acquisition of KNOT Shuttle Tankers 31 AS disclosures as included in Note 2(b), Note 14 and Note 24 of the consolidated financial statements.

/s/ Ernst & Young AS

We have served as the Partnership's auditor since 2013.

Oslo, Norway
March 27, 2025



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Report of Independent Registered Public Accounting Firm

To the Unitholders and the Board of Directors of KNOT Offshore Partners LP

Opinion on Internal Control Over Financial Reporting

We have audited KNOT Offshore Partners LP's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, KNOT Offshore Partners LP (the Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2024 consolidated financial statements of the Partnership and our report dated March 27, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young AS

Oslo, Norway
March 27, 2025



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KNOT OFFSHORE PARTNERS LP

Consolidated Statements of Operations

For the Years Ended December 31, 2024, 2023 and 2022

(U.S. Dollars in thousands, except per unit amounts)

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Operating revenues: (Notes 2(e), 5, 6 and 19)			
Time charter and bareboat revenues	\$ 306,915	\$ 277,084	\$ 262,797
Voyage revenues	3,628	8,849	4,689
Loss of hire insurance recoveries (Notes 2(t) and 8)	5,970	2,840	758
Other income	2,086	1,943	341
Total revenues (Notes 2(e), 5, 6, 8 and 19)	<u>318,599</u>	<u>290,716</u>	<u>268,585</u>
Gain from disposal of vessel (Note 19)	703	—	—
Operating expenses:			
Vessel operating expenses (Notes 2(e) and 19)	108,519	93,351	86,032
Voyage expenses and commission	3,600	5,536	2,814
Depreciation (Note 14)	111,817	110,902	107,419
Impairment (Notes 2(n), 14 and 21)	16,384	49,649	—
General and administrative expenses	6,067	6,142	6,098
Total operating expenses	<u>246,387</u>	<u>265,580</u>	<u>202,363</u>
Operating income (loss)	<u>72,915</u>	<u>25,136</u>	<u>66,222</u>
Finance income (expense): (Notes 2(f) and 19)			
Interest income	3,636	3,468	822
Interest expense (Note 9(a))	(67,352)	(72,070)	(42,604)
Other finance expense (Note 9(b))	(358)	(589)	(628)
Realized and unrealized gain (loss) on derivative instruments (Note 10)	6,798	5,369	35,510
Net gain (loss) on foreign currency transactions	(943)	(237)	220
Total finance income (expense)	<u>(58,219)</u>	<u>(64,059)</u>	<u>(6,680)</u>
Income (loss) before income taxes	<u>14,696</u>	<u>(38,923)</u>	<u>59,542</u>
Income tax benefit (expense) (Notes 2(r) and 18)	(631)	4,595	(875)
Net income (loss)	<u>\$ 14,065</u>	<u>\$ (34,328)</u>	<u>\$ 58,667</u>
Series A Preferred unitholders' interest in net income (loss)	\$ 6,800	\$ 6,800	\$ 6,800
General Partner's interest in net income (loss)	134	(760)	951
Limited Partners' interest in net income (loss)	7,131	(40,368)	50,916
Earnings per unit (Basic): (Note 22)			
Common unit (basic)	\$ 0.21	\$ (1.19)	\$ 1.48
Class B unit (basic)	\$ —	\$ —	\$ 1.48
General Partner unit (basic)	\$ 0.21	\$ (1.19)	\$ 1.48
Earnings per unit (Diluted): (Note 22)			
Common unit (diluted)	\$ 0.21	\$ (1.19)	\$ 1.48
Class B unit (diluted)	\$ —	\$ —	\$ 1.48
General Partner unit (diluted)	\$ 0.21	\$ (1.19)	\$ 1.48

The accompanying notes are an integral part of these consolidated financial statements.



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KNOT OFFSHORE PARTNERS LP
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024, 2023 and 2022
(U.S. Dollars in thousands)

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ 14,065	\$ (34,328)	\$ 58,667
Other comprehensive income, net of tax	—	—	—
Comprehensive income (loss)	<u>\$ 14,065</u>	<u>\$ (34,328)</u>	<u>\$ 58,667</u>

The accompanying notes are an integral part of these consolidated financial statements.



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KNOT OFFSHORE PARTNERS LP

Consolidated Balance Sheets

As of December 31, 2024 and 2023

(U.S. Dollars in thousands)

<i>(U.S. Dollars in thousands)</i>	At December 31, 2024	At December 31, 2023
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents (Notes 2(g) and 11)	\$ 66,933	\$ 63,921
Amounts due from related parties (Note 19(c))	2,230	348
Inventories (Notes 2(i) and 13)	3,304	3,696
Derivative assets (Notes 2(q), 10 and 11)	8,112	13,019
Other current assets (Notes 2(j), 12(a) and 12(b))	14,793	8,795
Total current assets	95,372	89,779
<i>Long-term assets:</i>		
Vessels, net of accumulated depreciation (Notes 2(k), 2(l), 2(m), 14 and 19(a))	1,462,192	1,492,998
Right-of-use assets (Notes 2(l) and 6)	1,269	2,126
Deferred tax assets (Notes 2(f) and 18)	3,326	4,358
Derivative assets (Notes 2(q), 10 and 11)	5,189	7,229
Accrued income (Note 2(e))	4,817	—
Total Long-term assets	1,476,793	1,506,711
Total assets	\$ 1,572,165	\$ 1,596,490
LIABILITIES AND EQUITY		
<i>Current liabilities:</i>		
Trade accounts payable (Note 19(d))	\$ 5,766	\$ 10,243
Accrued expenses (Note 16)	11,465	14,775
Current portion of long-term debt (Notes 11 and 17)	256,659	98,960
Current lease liabilities (Note 6)	1,172	982
Income taxes payable (Notes 2(f) and 18)	60	44
Current portion of contract liabilities (Notes 2(o) and 15)	2,889	—
Prepaid charter (Note 2(s))	7,276	467
Amount due to related parties (Note 19(c))	1,835	2,106
Total current liabilities	287,122	127,577
<i>Long-term liabilities:</i>		
Long-term debt (Notes 2(p), 11 and 17)	648,075	857,829
Lease liabilities (Note 6)	97	1,144
Contract liabilities (Notes 2(o) and 15)	23,776	—
Deferred tax liabilities (Notes 2(r) and 18)	91	127
Deferred revenues (Note 2(e))	1,869	2,336
Total long-term liabilities	673,908	861,436
Total liabilities	961,030	989,013
<i>Commitments and contingencies (Notes 2(t) and 20)</i>		
Series A Convertible Preferred Units (Notes 22 and 23)	84,308	84,308
Equity:		
Partners' capital:		
Common unitholders: 34,045,081 units issued and outstanding at December 31, 2024 and 2023, respectively	513,603	510,013
Class B unitholders: 252,405 units issued and outstanding at December 31, 2024 and 2023, respectively	3,871	3,871
General partner interest: 640,278 units issued and outstanding at December 31, 2024 and 2023, respectively	9,353	9,285
Total partners' capital	526,827	523,169
Total liabilities and equity	\$ 1,572,165	\$ 1,596,490

The accompanying notes are an integral part of these consolidated financial statements.



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KNOT OFFSHORE PARTNERS LP
Consolidated Statements of Changes in Partners' Capital
For the Years Ended December 31, 2024, 2023 and 2022

(U.S. Dollars in thousands)

<i>(U.S. Dollars in thousands)</i>	Partners' Capital			Accumulated Other Comprehensive Income (Loss)	Total Partners' Capital	Series A Convertible Preferred Units
	Common Units	Class B Units	General Partner Units			
Consolidated balance at December 31, 2021	\$ 568,762	\$ 9,453	\$ 10,492	\$ —	\$ 588,707	\$ 84,308
Net income	50,297	619	951	—	51,867	6,800
Conversion of Class B to common units (1)	5,238	(5,238)	—	—	—	—
Other comprehensive income	—	—	—	—	—	—
Cash distributions	(70,375)	(963)	(1,332)	—	(72,670)	(6,800)
Consolidated balance at December 31, 2022	\$ 553,922	\$ 3,871	\$ 10,111	\$ —	\$ 567,904	\$ 84,308
Net income	(40,368)	—	(760)	—	(41,128)	6,800
Other comprehensive income	—	—	—	—	—	—
Cash distributions	(3,541)	—	(66)	—	(3,607)	(6,800)
Consolidated balance at December 31, 2023	\$ 510,013	\$ 3,871	\$ 9,285	\$ —	\$ 523,169	\$ 84,308
Net income (loss)	7,131	—	134	—	7,265	6,800
Other comprehensive income	—	—	—	—	—	—
Cash distributions	(3,541)	—	(66)	—	(3,607)	(6,800)
Consolidated balance at December 31, 2024	\$ 513,603	\$ 3,871	\$ 9,353	\$ —	\$ 526,827	\$ 84,308

(1) On September 7, 2021, the Partnership entered into an exchange agreement with Knutsen NYK and the Partnership's general partner whereby Knutsen NYK contributed to the Partnership all of Knutsen NYK's IDRs, in exchange for the issuance by the Partnership to Knutsen NYK of 673,080 common units and 673,080 Class B Units, whereupon the IDRs were cancelled. As of December 31, 2021, 84,135 of the Class B Units had been converted to common units. As of December 31, 2022, 2023 and 2024, 420,675 of the Class B Units had been converted to common units.

The accompanying notes are an integral part of these consolidated financial statements.



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KNOT OFFSHORE PARTNERS LP
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024, 2023 and 2022
(U.S. Dollars in thousands)

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
OPERATING ACTIVITIES			
Net income (loss) (1)	\$ 14,065	\$ (34,328)	\$ 58,667
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation	111,817	110,902	107,419
Impairment	16,384	49,649	—
Amortization of contract intangibles / liabilities	(963)	(651)	(1,442)
Amortization of deferred revenue	(467)	(467)	—
Amortization of deferred debt issuance cost	2,221	2,503	2,692
Drydocking expenditure	(553)	(19,375)	(17,614)
Income tax (benefit)/expense	631	(4,595)	875
Income taxes paid	(41)	(665)	(422)
Unrealized (gain) loss on derivative instruments	8,720	9,200	(38,490)
Unrealized loss on foreign currency transactions	776	67	49
Gain from disposal of vessel	(703)	—	—
Changes in operating assets and liabilities:			
Decrease (increase) in amounts due from related parties	(10,445)	1,650	723
Decrease (increase) in inventories	583	2,139	(2,163)
Decrease (increase) in other current assets	(4,371)	6,735	(9,689)
Decrease (increase) in accrued income	(4,817)	—	1,450
Increase (decrease) in trade accounts payable	(4,379)	5,867	251
Increase (decrease) in accrued expenses	(4,176)	4,125	3,528
Increase (decrease) prepaid charter	6,809	(1,504)	(4,682)
Increase (decrease) in amounts due to related parties	6,054	389	(210)
Net cash provided by operating activities	137,145	131,641	100,942
INVESTING ACTIVITIES			
Additions to vessel and equipment	(945)	(2,779)	(3,309)
Proceeds from asset swap (net cash)	607	—	—
Net cash provided by (used in) investing activities	(338)	(2,779)	(35,514)
FINANCING ACTIVITIES			
Proceeds from long-term debt	60,000	250,000	167,000
Repayment of long-term debt	(182,392)	(349,642)	(166,609)
Payment of debt issuance cost	(521)	(2,461)	(889)
Cash distributions	(10,407)	(10,407)	(79,470)
Net cash used in financing activities	(133,320)	(112,510)	(79,968)
Effect of exchange rate changes on cash	(475)	(10)	(174)
Net increase (decrease) in cash and cash equivalents	3,012	16,342	(14,714)
Cash and cash equivalents at the beginning of the period	63,921	47,579	62,293
Cash and cash equivalents at the end of the period	\$ 66,933	\$ 63,921	\$ 47,579

(1) Included in net income is interest paid amounting to \$65.7 million, \$69.3 million and \$37.3 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The accompanying notes are an integral part of these consolidated financial statements.



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KNOT OFFSHORE PARTNERS LP Notes to Consolidated Financial Statements

1) Description of Business

KNOT Offshore Partners LP (the "Partnership") was formed as a limited partnership under the laws of the Republic of the Marshall Islands. The Partnership was formed for the purpose of acquiring 100% ownership interests in four shuttle tankers owned by Knutsen NYK Offshore Tankers AS ("KNOT") in connection with the Partnership's initial public offering of its common units (the "IPO"), which was completed on April 15, 2013.

As of December 31, 2024, the Partnership had a fleet of eighteen shuttle tankers, the *Windsor Knutsen*, the *Bodil Knutsen*, the *Recife Knutsen*, the *Fortaleza Knutsen*, the *Carmen Knutsen*, the *Hilda Knutsen*, the *Torill Knutsen*, the *Dan Sabia*, the *Ingrid Knutsen*, the *Raquel Knutsen*, the *Tordis Knutsen*, the *Vigdis Knutsen*, the *Lena Knutsen*, the *Brasil Knutsen*, the *Anna Knutsen*, the *Tove Knutsen*, the *Symmøve Knutsen* and the *Tuva Knutsen*, each referred to as a "Vessel" and, collectively, as the "Vessels". The Vessels operate under fixed charter contracts to charterers, with expiration dates between 2025 and 2027. Please see Note 6—Operating Leases.

The consolidated financial statements have been prepared assuming that the Partnership will continue as a going concern.

On September 3, 2024, the Partnership's subsidiary, KNOT Shuttle Tankers AS, acquired KNOT Shuttle Tankers 31 AS, the company that owns the shuttle tanker *Tuva Knutsen*, from Knutsen NYK (the "Tuva Knutsen Acquisition"). Simultaneously, KNOT Shuttle Tankers AS sold KNOT Shuttle Tankers 20 AS, the company that owns the shuttle tanker *Dan Cisne*, to Knutsen NYK (the "Dan Cisne Sale"). The acquisition of the *Tuva Knutsen* was accounted for as an acquisition of an asset. As a result of the Tuva Knutsen Acquisition, the Partnership has recorded the results of operations of the *Tuva Knutsen* in its consolidated statement of operations from September 3, 2024. See Note 24—Acquisitions. As a result of the Dan Cisne Sale, the Partnership has recorded the results of operations of the *Dan Cisne* in its consolidated statement of operations until September 3, 2024.

The Partnership expects that its primary future sources of funds will be available cash, cash from operations, borrowings under any new loan agreements and the proceeds of any debt or equity financings. The Partnership believes that these sources of funds (assuming the current rates earned from existing charters) will be sufficient to cover operational cash outflows, working capital requirements and ongoing obligations under the Partnership's lease obligations and financing commitments to pay loan interest and make scheduled loan repayments and to make distributions on its outstanding units assuming the Partnership is able to timely refinance its maturing credit facilities on similar terms as its existing facilities. Accordingly, as of March 27, 2025, the Partnership believes that its current resources are sufficient to meet working capital requirements and other cash requirements for its current business for at least the next twelve months. See Note 17—Long-Term Debt.

2) Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). All intercompany balances and transactions are eliminated on consolidation.

The consolidated financial statements include the financial statements of the entities listed in Note 4—Subsidiaries

(b) Business Combinations and Asset Acquisitions

Business combinations are accounted for under the purchase method of accounting. On acquisition, the identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. The consideration transferred for an acquisition is measured at fair value of the consideration given. Acquisition related costs are expensed as incurred. The results of operations of the acquired businesses are included in the consolidated results as of the date of the applicable acquisition.

Dependent on the facts and circumstances, the assessment of a transaction may be considered the acquisition of an asset, when substantially all of the fair value of assets acquired is concentrated in a single identifiable asset, rather than a business combination. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets acquired and liabilities assumed



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on a relative fair value basis. Acquisition related costs are capitalized as a component of the assets acquired. See Note 24—Acquisitions.

(c) Reporting Currency

The consolidated financial statements are prepared in the reporting currency of U.S. Dollars. The functional currency of the vessel-owning Partnership subsidiaries is the U.S. Dollar, because the subsidiaries operate in the international shipping market, in which all revenues are U.S. Dollar-denominated and the majority of expenditures are made in U.S. Dollars. Transactions involving other currencies during the year are converted into U.S. Dollars using the exchange rates in effect at the time of the transactions. As of the balance sheet dates, monetary assets and liabilities that are denominated in currencies other than the U.S. Dollar are translated to reflect the year-end exchange rates. Resulting gains or losses are reflected separately in the accompanying consolidated statements of operations.

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives and impairment of Vessels, vessel market values, drydocking, purchase price allocation and income taxes.

(e) Revenues and Operating Expenses

The Partnership's time charter contracts include both a lease component, consisting of the lease of the vessel, and non-lease component, consisting of operation of the vessel for the customers. The lease element is accounted for as an operating lease on a straight-line basis over the term of the charter, while the non-lease service element consisting of the operation of the vessel is recognized over time as the services are delivered. Revenue from time charters is not recognized during days the Vessel is off-hire. Revenue is recognized from delivery of the Vessel to the charterer, until the end of the contract period. Under bareboat charters, the Partnership provides a specified Vessel for a fixed period of time at a specified day rate and the Partnership recognizes revenues from bareboat charters as operating leases on a straight-line basis over the term of the charter. Where the term of the contract is based on the duration of a single voyage, the Partnership evaluates whether the voyage contain leases and, if so, recognizes lease revenue as described above, and if not, recognizes revenue in accordance with ASC 606 upon the satisfaction of the performance obligations in the contract on a load-to-discharge basis.

In connection with the installation of the volatile organic compound emissions ("VOC") control equipment on the *Bodil Knutsen*, the Partnership is receiving a grant to compensate for expenses incurred in relation to the retrofit of the vessel, the installation of the equipment and maintenance and operation of the unit. These grants or contributions are recorded as deferred revenue when they are received. The deferred revenue is recognized as other income over the useful life of the related asset.

In connection with the extensions of time charter contracts on the *Tordis Knutsen*, the *Lena Knutsen* and the *Brasil Knutsen*, there is a difference in the time charter recognized in revenue and the rental payment received from charter, thus there will be accrued income on the balance sheet.

Voyage expenses are paid by the customer under time charter and bareboat charters. Voyage expenses are paid by the Partnership for spot contracts and during periods of off-hire and are recognized when incurred.

Vessel operating expenses include commissions, crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. Vessel operating expenses are paid by the Partnership for time charters, spot contracts and during off-hire and are recognized when incurred.

The Partnership directly employs one onshore employee and no seagoing employees. Related parties have provided the management services for the Vessels and employ the crews that work on the Vessels. The Partnership is not liable for any pension or post-retirement benefits. See Note 19—Related Party Transactions.



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(f) Financial Income (Expense)

Other finance expenses include external bank fees and commitment fees paid on undrawn revolving credit facility.

(g) Cash and Cash Equivalents

The Partnership considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(h) Trade Accounts Receivable

Accounts receivables are recorded at the invoiced amount and do not bear interest. Time charter and bareboat charter contracts require customers to pay in advance of the period of hire.

The allowance for expected credit losses is the Partnership's best estimate of the expected credit losses over the remaining lives of the assets. Expected credit losses are estimated using historical credit loss experience, relevant available information, from internal and external sources, relating to current conditions and reasonable and supportable forecasts of economic conditions impacting the collectability of the assets. There was no allowance for expected credit loss or amounts written off against the allowance as of December 31, 2024, 2023 and 2022.

The Partnership does not have any off-balance-sheet credit exposure related to its customers.

(i) Inventories

Inventories, which are comprised of lubricating oils and, for vessels not operating on time charter or bareboat charter, also bunkers, are stated at the lower of cost or net realizable value. For vessels on time charters or bareboat charters, there are no bunkers, as the charterer supplies the bunkers, which principally consist of fuel oil. Cost is determined using the first-in, first-out method for all inventories.

(j) Other Current Assets

Other current assets principally consist of prepaid expenses and other receivables.

(k) Vessels and Equipment

Vessels and equipment are stated at the historical acquisition or construction cost, including capitalized interest, supervision and technical and delivery cost, 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.

Generally, the Partnership drydocks each vessel every 60 months until the vessel is 15 years old and every 30 months thereafter, as required for the renewal of certifications issued by classification societies. For vessels operating on time charters, the Partnership capitalizes the costs directly associated with the classification and regulatory requirements for inspection of the vessels and improvements incurred during drydocking. Drydock cost is depreciated on a straight-line basis over the period until the next planned drydocking takes place. The Partnership expenses costs related to routine repairs and maintenance performed during drydocking or as otherwise incurred. For vessels that are newly built or acquired, an element of the cost of the vessel is initially allocated to a drydock component and depreciated on a straight-line basis over the period until the next planned drydocking. When significant dry-docking expenditures occur prior to the expiration of this period, the Partnership expenses the remaining balance of the original drydocking cost in the month of the subsequent drydocking. For vessels operating on bareboat charters, the charter-party bears the cost of any drydocking.



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Depreciation on vessels and equipment is calculated on a straight-line basis over the asset's estimated useful life, less an estimated residual value, as follows:

	<u>Useful Life</u>
Hull	23 years
Anchor-handling, loading and unloading equipment	23 years
Main/auxiliary engine	23 years
Thruster, dynamic positioning systems, cranes and other equipment	23 years
Drydock costs	2.5 – 5 years

A vessel is depreciated to its estimated residual value, which is calculated based on the weight of the ship and estimated steel price. Any cost related to the disposal is deducted from the residual value.

Historically, the useful life of the Partnership's vessels and equipment was assessed as 25 years commencing from the date the vessel and equipment were delivered from the shipyard. As of June 30, 2021, the Partnership considered factors related to the ongoing use of the vessels and equipment, gradual shifts in market conditions and other long-term factors associated with the global oil and maritime transportation industries and based on this has reassessed the useful life as being 23 years.

(l) Right-of-use assets and lease liabilities

The Partnership assesses whether a contract contains a lease at inception of the contract. The assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Partnership obtains substantially all the economic benefits from the use of that asset, and whether the Partnership has the right to direct the use of the asset. The Partnership does not separate lease components from non-lease components as lessee. The Partnership recognizes a right-of-use asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less, which are expensed on a straight-line basis over the lease term.

(m) Capitalized Interest

Interest expense incurred on the Partnership's debt during the construction of the Vessels exceeding one year is capitalized during the construction period.

(n) Impairment of Long-Lived Assets

Vessels and equipment, vessels under construction and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Partnership first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. See Note 21—Impairment of Long - Lived Assets.

(o) Intangibles

Intangible assets represent contractual rights for charters obtained in connection with business and asset acquisitions that have favorable contractual terms relative to market as of the acquisition dates. Contract liabilities represent contractual rights obtained in connection with business acquisitions that have unfavorable contractual terms relative to market as of the acquisition dates. The favorable and unfavorable contract rights have definite lives and are amortized to revenues over the period of the related contracts. Intangible assets with a definite life are tested for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds the estimated fair value of the asset.



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The contract related intangible assets and liabilities and their amortization periods at acquisition dates are as follows:

<u>Intangible category</u>	<u>Amortization Period</u>
Unfavorable contractual rights— <i>Fortaleza Knutsen</i>	12 years
Unfavorable contractual rights— <i>Recife Knutsen</i>	12 years
Unfavorable contractual rights— <i>Tuva Knutsen</i>	12 years

The unfavorable contractual rights for charters associated with *Fortaleza Knutsen* and *Recife Knutsen* were obtained in connection with a step acquisition in 2008 that had unfavorable contractual terms relative to market as of acquisition date. The *Fortaleza Knutsen* and the *Recife Knutsen* commenced on their 12 years' fixed bareboat charters in March 2011 and August 2011, respectively. The unfavorable contract rights related to *Fortaleza Knutsen* and *Recife Knutsen* are amortized to bareboat revenues on a straight-line basis over the 12 years' contract period that expired in March 2023 and August 2023, respectively.

The unfavorable contractual rights for the time charter contract associated with *Tuva Knutsen* were obtained in connection with an acquisition in 2024 that had unfavorable contractual terms relative to market as of acquisition date. The *Tuva Knutsen* commenced on its 5 year time charter contract in February 2021, with options to declare additional terms for up to a total of 10 years. The unfavorable contract rights related to the *Tuva Knutsen* are split between the firm contract period and the option period and both are amortized to time charter revenue on a straight-line basis over the remaining term of their estimated period and the option ending in January 2036. Thus, the amortized values are different for the firm period and for the optional period.

(p) Debt Issuance Costs

Debt issuance costs, including fees, commissions and legal expenses, are deferred and presented net of debt. Debt issuance costs of term loans are amortized over the term of the relevant loan. Amortization of debt issuance costs is included in interest expense. These costs are presented as a deduction from the corresponding liability, consistent with debt discount.

(q) Derivative Instruments

The Partnership uses derivatives to reduce market risks associated with its operations. The Partnership uses interest rate swaps for the management of interest risk exposure. The interest rate swaps effectively convert a portion of the Partnership's debt from a floating to a fixed rate over the life of the transactions without an exchange of underlying principal.

The Partnership seeks to reduce its exposure to fluctuations in foreign exchange rates through the use of foreign currency forward contracts.

All derivative instruments are initially recorded at fair value as either assets or liabilities in the accompanying consolidated balance sheets and subsequently measured to fair value. The Partnership does not apply hedge accounting to its derivative instruments. Changes in the fair value of the derivative instruments are recognized in earnings. Gains and losses from the interest rate swap contracts of the Partnership related to long-term mortgage debt and foreign exchange forward contracts are recorded in realized and unrealized gain (loss) on derivative instruments in the consolidated statements of operations. Cash flows related to interest rate swap contracts are presented as cash flows provided by operating activities. Cash flows related to foreign exchange forward contracts entered into to economically hedge operating expenses in currencies other than U.S. Dollars are presented as cash flows provided by operating activities in the consolidated statements of cash flows, while cash flows related to foreign exchange forward contracts entered into to hedge contractual obligations to pay the shipyard in currencies other than functional currency of U.S. Dollars are presented as cash flows used in investing activities in the consolidated statements of cash flows.



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(r) Income Taxes

Historically, part of the Partnership's activities were subject to ordinary taxation and taxes were paid on taxable income (including operating income and net financial income and expense), while part of the activities were subject to the Norwegian Tonnage Tax Regime (the "tonnage tax regime"). Under the tonnage tax regime, tax is based on the tonnage of the vessel, and not operating income. Net financial income and expense remain taxable as ordinary income at the regular corporate income tax rate. Income taxes arising from the part of activities subject to ordinary taxation are included in income tax expense in the consolidated statements of operations. For the portion of activities subject to the tonnage tax regime, tonnage taxes are classified as vessel operating expenses, while the current and deferred taxes arising on net financial income and expense are reflected as income tax expense in the consolidated statements of operations. See Note 18—Income Taxes.

The Partnership accounts for deferred income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the financial statement basis and the tax basis of the Partnership's assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized.

Recognition of uncertain tax positions is dependent upon whether it is more-likely-than-not that a tax position taken or expected to be taken in a tax return will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. If a tax position meets the more-likely-than-not recognition threshold, it is measured to determine the amount of benefit to recognize in the consolidated financial statements based on U.S. GAAP guidance. The Partnership recognizes interest and penalties related to uncertain tax positions in income tax expense.

(s) Prepaid Charter

Under terms of the time charters and bareboat charters, the customer pays for the month's charter the first day of each month that is recorded as prepaid charter revenues.

(t) Commitments, Contingencies and Insurance Proceeds

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. See Note 20—Commitments and Contingencies

Insurance claims for property damage for recoveries up to the amount of loss recognized are recorded when the claims submitted to insurance carriers are probable of recovery. Claims for property damage in excess of the loss recognized and for loss of hire are considered gain contingencies, which are generally recognized when the proceeds are received.

(u) Fair Value Measurements

The Partnership utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Partnership determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- *Level 1 Inputs:* Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date
- *Level 2 Inputs:* Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.



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- *Level 3 Inputs*: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(v) Recently Adopted Accounting Standards

In November 2023, the Financial Accounting Standards Board (“FASB”) issued an amendment to the Accounting Standard Update (“ASU”) 2023-07 *Segment Reporting (TOPIC 280): Improvements to Reportable Segment Disclosures*. The update requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis to provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. The FASB issued the ASU in response to requests from investors for companies to disclose more information about their financial performance at the segment level. The ASU does not change how a public entity identifies its operating segments, aggregates them or applies the quantitative thresholds to determine its reportable segments.

The guidance requires a public entity to disclose for each reportable segment, on an interim and annual basis, the significant expense categories and amounts that are regularly provided to the chief operating decision-maker (“CODM”) and included in each reported measure of a segment’s profit or loss. The significant expense principle is consistent with the management approach public entities already applies for segment reporting. That is, entities are required to disclose information about significant segment expenses based on information that is regularly provided to the CODM, rather than prescribed expense categories.

The guidance is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied retrospectively to all periods presented in the financial statements. The new guidance did not materially impact the Partnership.

(w) New Accounting Standards Not Yet Adopted

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The guidance requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This guidance is effective for periods beginning after December 15, 2024, with early adoption permitted. The amendments in this update should be applied either prospectively or retrospectively to all periods presented in the financial statements. The Partnership has not yet adopted this ASU and is in the process of evaluating the impact of the adoption of this pronouncement on its consolidated financial statements and related disclosures.

The Partnership has reviewed all other recently issued accounting pronouncements and has not identified any new or amended standards that would have a material impact on the Partnership's current accounting policies.

3) Formation Transactions and Initial Public Offering

During April 2013, the following transactions occurred in connection with KNOT’s transfer of the interests in KNOT Shuttle Tankers AS and the subsequent IPO:

Capital Contribution

- KNOT contributed to the Partnership’s subsidiary KNOT Offshore Partners UK LLC (“KNOT UK”) its 100% interest in KNOT Shuttle Tankers AS, which directly or indirectly owned (1) Knutsen Shuttle Tankers XII KS, the owner of the *Recife Knutsen* and the *Fortaleza Knutsen*, (2) Knutsen Shuttle Tankers XII AS, the general partner of Knutsen Shuttle Tankers XII KS, and (3) the *Windsor Knutsen* and the *Bodil Knutsen* and all of their related charters, inventory and long-term debt. This was accounted for as a capital contribution by KNOT to the Partnership.



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Recapitalization of the Partnership

- (ii) The Partnership issued to KNOT 8,567,500 subordinated units, representing a 49.0% limited partner interest in the Partnership, and 100% of the incentive distribution rights ("IDRs"), which entitled KNOT to increasing percentages of the cash the Partnership distributed in excess of \$0.43125 per unit per quarter.
- (iii) The Partnership issued 349,694 general partner units to the General Partner representing a 2.0% general partner interest in the Partnership.

Initial Public Offering

- (iv) In connection with the IPO, the Partnership issued and sold to the public, through the underwriters, 8,567,500 common units (including 1,117,500 common units sold pursuant to the full exercise of the underwriters' option to purchase additional units), representing a 49.0% limited partner interest in the Partnership. The price per common unit in the IPO was \$21.00. The Partnership received gross proceeds of approximately \$179.9 million in connection with the IPO. Expenses relating to the IPO, including, among other things, incremental costs directly attributable to the IPO, were deferred and charged against the gross proceeds of the IPO, whereas other costs were expensed as incurred. The net proceeds of the IPO (approximately \$160.7 million, after deducting underwriting discounts, commissions and structuring fees and offering expenses payable by the Partnership) were used by the Partnership to make a cash distribution to KNOT of approximately \$21.95 million (which equals net proceeds from the underwriters' option exercised in full after deducting the underwriting discounts and commissions), to repay approximately \$118.9 million of outstanding debt and pre-fund approximately \$3.0 million of the Partnership's one-time entrance tax into the Norwegian tonnage tax regime. The remainder of the net proceeds was made available for general partnership purposes.

Agreements

In connection with the IPO, at or prior to the closing of the IPO, the Partnership entered into several agreements, including:

- An Administrative Services Agreement with KNOT UK, pursuant to which:
 - KNOT UK agreed to provide to the Partnership administrative services; and
 - KNOT UK is permitted to subcontract certain of the administrative services provided under the administrative services agreement to Knutsen OAS (UK) Ltd. ("KOAS UK") and Knutsen OAS Shipping AS ("KOAS"), both wholly owned subsidiaries of TS Shipping Invest AS ("TSSI");
- Amended Technical Management Agreements with KNOT Management AS ("KNOT Management"), a wholly owned subsidiary of KNOT, that govern the crew, technical and commercial management of the vessels in the fleet;
- A Contribution and Sale Agreement with KNOT pursuant to which the Partnership acquired the entities that comprised its initial fleet;
- Amendments to certain of the Partnership's existing vessel financing agreements to permit the transactions pursuant to which the Partnership acquired its initial fleet in connection with the IPO and to include a \$20.0 million revolving credit facility; and
- An Omnibus Agreement with KNOT, the General Partner and the other parties thereto governing, among other things:
 - To what extent the Partnership and KNOT may compete with each other;
 - The Partnership's option to purchase the *Carmen Knutsen*, the *Hilda Knutsen*, the *Torill Knutsen*, the *Ingrid Knutsen* and the *Raquel Knutsen* from KNOT;



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- Certain rights of first offer on shuttle tankers operating under charters of five or more years;
- The provision of certain indemnities to the Partnership by KNOT; and
- KNOT's guarantee of the payment of the hire rate under the original *Bodil Knutsen* and *Windsor Knutsen* charters for a period of five years following the closing date of the IPO.

4) Subsidiaries

The following table lists the Partnership's subsidiaries and their purpose as of December 31, 2024.

<u>Company Name</u>	<u>Jurisdiction of Formation</u>	<u>Purpose</u>
KNOT Offshore Partners UK LLC	Marshall Islands	Holding Company
KNOT Shuttle Tankers AS	Norway	Holding Company
KNOT Shuttle Tankers 17 AS	Norway	Owner of the <i>Bodil Knutsen</i>
KNOT Shuttle Tankers 18 AS	Norway	Owner of the <i>Windsor Knutsen</i>
Knutsen Shuttle Tankers XII AS	Norway	Owner of the <i>Fortaleza Knutsen</i> and the <i>Recife Knutsen</i>
Knutsen Shuttle Tankers 13 AS	Norway	Owner of the <i>Carmen Knutsen</i>
Knutsen Shuttle Tankers 14 AS	Norway	Owner of the <i>Hilda Knutsen</i>
Knutsen Shuttle Tankers 15 AS	Norway	Owner of the <i>Torill Knutsen</i>
KNOT Shuttle Tankers 21 AS	Norway	Owner of the <i>Dan Sabia</i>
Knutsen NYK Shuttle Tankers 16 AS	Norway	Owner of the <i>Ingrid Knutsen</i>
Knutsen Shuttle Tankers 19 AS	Norway	Owner of the <i>Raquel Knutsen</i>
KNOT Shuttle Tankers 24 AS	Norway	Owner of the <i>Tordis Knutsen</i>
KNOT Shuttle Tankers 25 AS	Norway	Owner of the <i>Vigdis Knutsen</i>
KNOT Shuttle Tankers 26 AS	Norway	Owner of the <i>Lena Knutsen</i>
KNOT Shuttle Tankers 32 AS	Norway	Owner of the <i>Brasil Knutsen</i>
KNOT Shuttle Tankers 30 AS	Norway	Owner of the <i>Anna Knutsen</i>
KNOT Shuttle Tankers 34 AS	Norway	Owner of the <i>Tove Knutsen</i>
KNOT Shuttle Tankers 35 AS	Norway	Owner of the <i>Synnøve Knutsen</i>
KNOT Shuttle Tankers 31 AS	Norway	Owner of the <i>Tuva Knutsen</i>

5) Significant Risks and Uncertainties Including Business and Credit Concentrations

The Partnership's operational results are dependent on the worldwide market for shuttle tankers and the ability of the Partnership to timely enter into customer charters. Market conditions for shipping activities are typically volatile, and, as a consequence, the hire rates the Partnership may be able to achieve might vary over time. The market today is mainly dependent upon four factors: the supply of vessels, the demand for vessels and oil, the long-term oil price outlook and overall growth in the world economy. The general supply of vessels is impacted by the number of newbuilds, the removal of older vessels from the market and legislation that may limit the use of older vessels or new standards for vessels used in specific trades.

As of December 31, 2024, all of the Partnership's Vessel crews, which are employed through KOAS were represented by collective bargaining agreements that are renegotiated annually, or bi-annually.

The Partnership did not incur any loss relating to its trade receivables during the years ended December 31, 2024, 2023 and 2022.



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The following table presents time charter and bareboat revenues and percentage of revenues for material customers that accounted for 10% and more of the Partnership's revenues during the years ended December 31, 2024, 2023 and 2022. All of these customers are subsidiaries of major international oil companies.

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,					
	2024		2023		2022	
Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell	\$ 73,337	24 %	\$ 33,019	12 %	\$ 12,546	5 %
Equinor ASA	53,297	17 %	36,563	13 %	24,828	9 %
Fronape International Company, a subsidiary of Petrobras Transporte S.A.	42,238	14 %	51,743	18 %	45,975	17 %
Repsol Sinopec Brasil, S.A., a subsidiary of Repsol Sinopec Brasil, B.V., combined with Repsol Trading S.A.	41,235	13 %	36,946	13 %	37,571	14 %
KNOT	28,008	9 %	28,682	10 %	19,220	7 %
Chartering and Shipping Service S.A., a subsidiary of TotalEnergies	24,127	8 %	41,030	14 %	25,352	9 %
Eni Trading and Shipping S.p.A.	6,636	2 %	—	— %	36,256	14 %

The Partnership has financial assets that expose it to credit risk arising from possible default by a counterparty. The Partnership considers its counterparties to be creditworthy banking and financial institutions and does not expect any significant loss to result from non-performance by such counterparties. The maximum loss due to credit risk that the Partnership would incur if counterparties failed completely to perform would be the carrying value of cash and cash equivalents, and derivative assets. The Partnership, in the normal course of business, does not demand collateral from its counterparties.

6) Operating Leases

Revenues

The Partnership's primary source of revenues is chartering its shuttle tankers to its customers. The Partnership uses two types of contracts, time charter contracts and bareboat charter contracts. The Partnership's time-charter contracts include both a lease component, consisting of the bareboat element of the contract, and non-lease component, consisting of operation of the vessel for the customers, which includes providing the crewing and other services related to the Vessel's operations, the cost of which is included in the daily hire rate, except when off hire.

The following table presents the Partnership's revenues by time charter, bareboat charters and other revenues for the years ended December 31, 2024, 2023 and 2022:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Time charter revenues (service element included)	\$ 302,061	\$ 246,670	\$ 216,822
Bareboat revenues	4,854	30,414	45,975
Total time charter and bareboat revenues	<u>306,915</u>	<u>277,084</u>	<u>262,797</u>
Other revenues (voyage revenues, loss of hire insurance recoveries and other income)	11,684	13,632	5,788
Total revenues	<u>\$ 318,599</u>	<u>\$ 290,716</u>	<u>\$ 268,585</u>

See Note 2(1)—Right-of-use assets and lease liabilities.



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As of December 31, 2024, the minimum contractual future revenues to be received from time charters and bareboat charters during the next five years and thereafter are as follows (including the service element of time charters, but excluding unexercised customer option periods and excluding any contracted revenues signed after December 31, 2024):

<i>(U.S. Dollars in thousands)</i>	
2025	\$ 316,989
2026	245,353
2027	156,374
2028	75,494
2029	42,007
2030 and thereafter	34,210
Total	<u>\$ 870,427</u>

The minimum contractual future revenues should not be construed to reflect total charter hire revenues for any of the years. Minimum contractual future revenues are calculated based on certain assumptions such as operating days per year. In addition, minimum contractual future revenues presented in the table above have not been reduced by estimated off-hire time for periodic maintenance. The amounts may vary given unscheduled future events such as vessel maintenance.

The Partnership's fleet as of December 31, 2024 consisted of:

- the *Fortaleza Knutsen*, a shuttle tanker built in 2011 that is currently operating under a time charter contract that expires in March 2026 with Fronape International Company, a subsidiary of Petrobras Transporte S.A. ("Transpetro");
- the *Recife Knutsen*, a shuttle tanker built in 2011 that is currently operating under a time charter contract that expires in August 2026 with Fronape International Company, a subsidiary of Transpetro;
- the *Bodil Knutsen*, a shuttle tanker built in 2011 that is currently operating under a time charter contract with Equinor that expires in March 2026, with options for the charterer to extend the charter by two further one-year periods;
- the *Windsor Knutsen*, a conventional oil tanker built in 2007 and retrofitted to a shuttle tanker in 2011 that is currently operating under a time charter contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell ("Shell"), that expired in March 2025. In November 2021, the Partnership entered into a new time charter contract for the *Windsor Knutsen* with Equinor to commence in the fourth quarter of 2024 or the first quarter of 2025 for a fixed period, at the charterer's option, of either one year or two years, with options for the charterer to extend the charter, in either case, by two further one-year periods. The Partnership has agreed with Equinor to substitute the *Brasil Knutsen* for the *Windsor Knutsen*, with the time charter contract otherwise remaining unchanged. In September 2023, the Partnership signed a new time charter contract for the *Windsor Knutsen* with ExxonMobil to commence in May 2025. The new time charter contract is for a fixed period of two years;
- the *Carmen Knutsen*, a shuttle tanker built in 2013 that is currently operating under a time charter that expires in January 2026, with Repsol Sinopec Brasil, B.V. a subsidiary of Repsol Sinopec Brasil, S.A. ("Repsol"). Thereafter, the *Carmen Knutsen* will commence a new time charter with an oil major in first quarter of 2026 for a fixed period of four years plus a charterer's option for one additional year;
- the *Hilda Knutsen*, a shuttle tanker built in 2013 that is currently operating under a 30-days rolling time charter contract with Knutsen Shuttle Tankers Pool AS, which is due to expire in March 2025. On October 14, 2024 a time charter for the *Hilda Knutsen* was executed with Shell, which is due to commence in March 2025 for a fixed period of one year;



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- the *Torill Knutsen*, a shuttle tanker built in 2013 that is currently operating under a time charter with Eni Trade and Biofuels S.p.A. ("Eni"), that expires in December 2027, with options for the charterer to extend the charter by three one-year periods;
- the *Dan Sabia*, a shuttle tanker built in 2012, The *Dan Sabia* was sold to KNOT on March 3, 2025 in an asset swap where the Partnership acquired from KNOT the *Live Knutsen*;
- the *Ingrid Knutsen*, a shuttle tanker built in 2013 currently operating under a time charter contract with Eni that expires in October 2026, with options for the charterer to extend the charter by two one-year periods;
- the *Raquel Knutsen*, a shuttle tanker built in 2015 that is currently operating under a time charter that expires in June 2025 with Repsol, with options for the charterer to extend the charter by one three-year period and one two-year period;
- the *Tordis Knutsen*, a shuttle tanker built in 2016 that is currently operating under a time charter with Shell that expires in July 2028, with options for the charterer to extend the charter by three one-year periods;
- the *Vigdís Knutsen*, a shuttle tanker built in 2017 that is currently operating under a time charter with Shell that was due to expire in March 2027. Pursuant to a contractual election by Shell in January 2025, the time charter is due to convert during or after July 2025 to a bareboat charter with an extended expiration date in 2030, with an option for the charterer to extend the charter for two years;
- the *Lena Knutsen*, a shuttle tanker built in 2017 that is currently operating under a time charter with Shell that expires in September 2028, with options for the charterer to extend the charter by three one-year periods;
- the *Brasil Knutsen*, a shuttle tanker built in 2013 that is currently operating under a time charter with Petrório Luxembourg Holding S.A.R.L. which expires in or around July 2025, following exercise in January 2025 of charterer's options for two months. The vessel will commence on a new time charter with Equinor in the third quarter of 2025 for a fixed period of two years, with options for the charterer to extend the charter by two one-year periods;
- the *Anna Knutsen*, a shuttle tanker built in 2017 that is currently operating under a time charter with TotalEnergies that expires in April 2026 with an option for the charterer to extend for a further one-year period. Thereafter, the *Anna Knutsen* will commence a new time charter with an oil major in June 2027 for a fixed period of one year plus a charterer's option to extend the charter by three one-year periods;
- the *Tove Knutsen*, a shuttle tanker built in 2020 that is currently operating under a time charter that expires in November 2027 with Equinor, with multiple options to extend the charter until November 2040;
- the *Symmøve Knutsen*, a shuttle tanker built in 2020 that is currently operating under a time charter that expires in February 2027 with Equinor, with multiple options to extend the charter until February 2042; and
- the *Tuva Knutsen*, a shuttle tanker built in 2021 that is currently operating under a time charter that expires in February 2026 with TotalEnergies, with multiple options to extend the charter until February 2036. As part of the Tuva Knutsen Acquisition, KNOT has effectively guaranteed the hire rate for the *Tuva Knutsen* until September, 2031 on the same basis as if TotalEnergies had exercised its options through such date.

Lease obligations

The Partnership does not have any material leased assets but has some leased equipment on operational leases on the various ships operating on time charter contracts. As of December 31, 2024 and 2023, the right-of-use asset and lease liability for operating leases was \$1.3 million and \$2.1 million and are presented as separate line items on the balance sheets, respectively. The operating lease cost and corresponding cash flow effect for 2024 was \$0.8 million. As of December 31, 2024, the weighted average discount rate



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for the operating leases for the portfolio excluding the *Recife Knutsen* and the *Tuva Knutsen* was 7.2% and was 7.6% for the *Recife Knutsen* and the *Tuva Knutsen* alone. The rate was determined using the expected incremental borrowing rate for a loan facility of similar term. As of December 31, 2024, the weighted average remaining lease terms are 1.1 years.

A maturity analysis of the Partnership's lease liabilities from leased-in equipment as of December 31, 2024 is as follows:

<i>(U.S. Dollars in thousands)</i>	
2025	\$ 1,223
2026	98
2027	—
2028	—
2029 and thereafter	—
Total	1,321
Less imputed interest	52
Carrying value of operating lease liabilities	\$ 1,269

7) Segment Information

The Partnership has one reportable segment: the shuttle tanker segment. The shuttle tanker segment generates revenues by charging customers for the hire of the Partnership's vessels and for services related to the loading, transportation and discharge of their crude oil using the vessels in the fleet. The Partnership mainly provides all of these services under time charters and bareboat charters. As of December 31, 2024, the Partnership's fleet consisted of eighteen vessels, and operated solely under time charters. As of December 31, 2023, the Partnership's fleet consisted of eighteen vessels, and operated under time charters and bareboat charters. In both time charters and bareboat charters, the charterer, not the Partnership, controls the choice of which trading areas the Vessels will serve. Accordingly, the Partnership's chief operating decision maker does not evaluate performance according to geographical region.

The following table presents time charter and bareboat revenues and percentages of revenues for material customers that accounted for more than 10% of the Partnership's consolidated revenues during the years ended December 31, 2024, 2023 and 2022. All of these customers are subsidiaries of major national or international oil companies.

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,					
	2024		2023		2022	
Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell	\$ 73,337	24 %	\$ 33,019	12 %	\$ 12,546	5 %
Equinor ASA	53,297	17 %	36,563	13 %	24,828	9 %
Fronape International Company, a subsidiary of Petrobras Transporte S.A.	42,238	14 %	51,743	18 %	45,975	17 %
Repsol Sinopec Brasil, S.A., a subsidiary of Repsol Sinopec Brasil, B.V., combined with Repsol Trading S.A.	41,235	13 %	36,946	13 %	37,571	14 %
KNOT	28,008	9 %	28,682	10 %	19,220	7 %
Chartering and Shipping Service S.A., a subsidiary of TotalEnergies	24,127	8 %	41,030	14 %	25,352	9 %
Eni Trading and Shipping S.p.A.	6,636	2 %	—	— %	36,256	14 %

The Partnership has financial assets that expose it to credit risk arising from possible default by a counterparty. The Partnership considers its counterparties to be creditworthy banking and financial institutions and does not expect any significant loss to result from non-performance by such counterparties. The maximum loss due to credit risk that the Partnership would incur if counterparties failed completely to perform would be the carrying value of cash and cash equivalents, and derivative assets. The Partnership, in the normal course of business, does not demand collateral from its counterparties.

The accounting policies of the shuttle tanker segment are the same as those described in the summary of significant accounting policies.

The chief operating decision maker manages the business activities on a consolidated basis and assesses performance for the shuttle tanker segment based on operating income that also is reported on the Consolidated Statements of Operations. Although separate vessel financial information is available, the chief operating decision maker internally evaluates the performance of the



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Partnership as a whole and not on basis of each vessel or charters. As a result, the Partnership has determined that it has one reportable segment. Consolidated expenses presented within the Consolidated Statements of Operations are considered to be significant expenses as they are important to the Partnership's segment and regularly reported to the chief operating decision maker. The Partnership has not identified any other significant expense categories. The measure of segment assets is reported within the Consolidated Balance Sheets.

The chief operating decision maker uses operating income to evaluate performance and allocation of resources. In this industry, the nature of allocation of resources for new capital expenditure is typically not related to the existing vessels but would rather result in the acquisition or construction of a new shuttle tanker. Typically, such investment decisions are not made on a speculative basis but would occur when a specific long-term customer contract has already been negotiated. The ability to negotiate a contract with acceptable terms to justify such a major capital expenditure is dependent on the prevailing market conditions at the time of the negotiation rather than on historical indicators of operations. Much of the ongoing capital expenditure is driven by classification requirements and is to a large extent unavoidable.

The decisions related to resource allocation and the assessment of the operating results of the Partnership is the responsibility of the Board of Directors, top executives and the entity that has technical management of the vessels on time charters. The Partnership's chief operating decision maker is as such the Board of Directors.

The Partnership does not have intra-entity sales or transfers.

For information about reported segment assets, segment revenue, significant segment expense categories and segment profit or loss, reference is made to the Consolidated Balance Sheets and Consolidated Statements of Operations.

8) Insurance Proceeds

Insurance claims for property damage for recoveries up to the amount of loss recognized are recorded when the claims submitted to insurance carriers are probable of recovery. Claims for property damage in excess of the loss recognized and for loss of hire are recognized when the proceeds are received. As of December 31, 2024, the Partnership had open insurance claims for loss of hire and hull and machinery recoveries of \$3.9 million and \$0.0 million, respectively, which were recorded as part of Other current asset. As of December 31, 2023, the Partnership had open insurance claims for loss of hire and hull and machinery recoveries of \$0.0 million and \$0.1 million, respectively, which were recorded as part of Other current asset. See Note 12(b)—Other Current Asset.

As of December 31, 2022, loss of hire proceeds of \$0.8 million related to the *Vigdis Knutsen* were recognized as a component of the total revenues, since day rates are recovered under the terms of the policy.

As of December 31, 2023, loss of hire proceeds of \$2.8 million related to the *Symmøve Knutsen*, the *Windsor Knutsen*, the *Lena Knutsen*, and the *Tove Knutsen* were recognized as a component of the total revenues, since day rates are recovered under the terms of the policy.

As of December 31, 2024, loss of hire proceeds of \$6.0 million related to the *Brasil Knutsen* and the *Torill Knutsen* were recognized as a component of total revenues, since day rates are recovered under the terms of the policy.

9) Other Finance Expenses

(a) Interest Expense

The following table presents the components of interest expense as reported in the consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Interest expense	\$ 65,131	\$ 69,567	\$ 39,912
Amortization of debt issuance cost and fair value of debt assumed	2,221	2,503	2,692
Total interest expense	<u>\$ 67,352</u>	<u>\$ 72,070</u>	<u>\$ 42,604</u>



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(b) Other Finance Expense

The following table presents the components of other finance expense for the years ended December 31, 2024, 2023 and 2022:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Bank fees, charges	\$ 258	\$ 554	\$ 294
Guarantee costs	60	—	—
Commitment fees	40	35	334
Total other finance expense	<u>\$ 358</u>	<u>\$ 589</u>	<u>\$ 628</u>

10) Derivative Instruments

Interest Rate Risk Management

The consolidated financial statements include the results of interest rate swap contracts to manage the Partnership's exposure related to changes in interest rates on its variable rate debt instruments and the results of foreign exchange forward contracts to manage its exposure related to changes in currency exchange rates on its operating expenses, mainly crew expenses, in currency other than the U.S. Dollar and on its contract obligations. The Partnership does not apply hedge accounting for derivative instruments. The Partnership does not speculate using derivative instruments.

By using derivative financial instruments to economically hedge exposures to changes in interest rates, the Partnership exposes itself to credit risk and market risk. Derivative instruments that economically hedge exposures are used for risk management purposes, but these instruments are not designated as hedges for accounting purposes. Credit risk is the failure of the counterparty to perform under the terms of the derivative instrument. When the fair value of a derivative instrument is positive, the counterparty owes the Partnership, which creates credit risk for the Partnership. When the fair value of a derivative instrument is negative, the Partnership owes the counterparty, and, therefore, the Partnership is not exposed to the counterparty's credit risk in those circumstances. The Partnership minimizes counterparty credit risk in derivative instruments by entering into transactions with major banking and financial institutions. The derivative instruments entered into by the Partnership do not contain credit risk-related contingent features. The Partnership has not entered into master netting agreements with the counterparties to its derivative financial instrument contracts.

Market risk is the adverse effect on the value of a derivative instrument that results from a change in interest rates, currency exchange rates or commodity prices. The market risk associated with interest rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The Partnership assesses interest rate risk by monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating economical hedging opportunities.

The Partnership has historically used variable interest rate mortgage debt to finance its vessels. The variable interest rate mortgage debt obligations expose the Partnership to variability in interest payments due to changes in interest rates. The Partnership believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, the Partnership has historically entered into interest rate swap contracts to manage fluctuations in cash flows resulting from changes in the benchmark Secured Overnight Financing Rate ("SOFR"). These swaps change a portion of the Partnership's total variable rate cash flow exposure on the mortgage debt obligations to fixed cash flows. Under the terms of the interest rate swap contracts, the Partnership receives SOFR-based variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed rate debt for the notional amount of its debt hedged.

As of December 31, 2024 and 2023, the total notional amount of the Partnership's outstanding interest rate swap contracts that were entered into in order to hedge outstanding or forecasted debt obligations were \$417.9 million and \$426.5 million, respectively. As of December 31, 2024 and 2023, the carrying amount of the interest rate swap contracts was a net asset of \$13.3 million and a net asset of \$20.2 million, respectively. See Note 11—Fair Value Measurements.



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Changes in the fair value of interest rate swap contracts are reported in realized and unrealized gain (loss) on derivative instruments in the same period in which the related interest affects earnings.

The Partnership and its subsidiaries utilize the U.S. Dollar as their functional and reporting currency, because all of their revenues and the majority of their expenditures, including the majority of their investments in vessels and their financing transactions, are denominated in U.S. Dollars. Payment obligations in currencies other than the U.S. Dollar, and in particular operating expenses in NOK, expose the Partnership to variability in currency exchange rates. The Partnership believes that it is prudent to limit the variability of a portion of its currency exchange exposure where possible. To meet this objective, the Partnership at times has entered into foreign exchange forward contracts to manage fluctuations in cash flows resulting from changes in the exchange rates towards the U.S. Dollar. The agreements change the variable exchange rate to fixed exchange rates at agreed dates.

The following table presents the realized and unrealized gains and losses that are recognized in earnings as net gain (loss) on derivative instruments for the years ended December 31, 2024, 2023 and 2022:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Realized gain (loss):			
Interest rate swap contracts	\$ 15,518	\$ 14,648	\$ (2,478)
Foreign exchange forward contracts	—	(79)	(502)
Total realized gain (loss):	15,518	14,569	(2,980)
Unrealized gain (loss):			
Interest rate swap contracts	(8,720)	(9,200)	38,490
Total unrealized gain (loss):	(8,720)	(9,200)	38,490
Total realized and unrealized gain (loss) on derivative instruments:	\$ 6,798	\$ 5,369	\$ 35,510

11) Fair Value Measurements

(a) Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Partnership's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023. Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

<i>(U.S. Dollars in thousands)</i>	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Recurring:				
Financial assets:				
Cash and cash equivalents	\$ 66,933	\$ 66,933	\$ 63,921	\$ 63,921
<i>Current derivative assets:</i>				
Interest rate swap contracts	8,112	8,112	13,019	13,019
<i>Non-current derivative assets:</i>				
Interest rate swap contracts	5,189	5,189	7,229	7,229
Financial liabilities:				
<i>Non-current derivative liabilities:</i>				
Long-term debt, current and non-current	\$ 909,653	\$ 887,192	\$ 963,005	\$ 941,647

The carrying amounts shown in the table above are included in the consolidated balance sheets under the indicated captions. Carrying amount of long-term debt, current and non-current, above excludes capitalized debt issuance cost of \$4.9 million and \$6.2 million as of December 31, 2024 and 2023, respectively. The carrying value of trade accounts receivable, trade accounts payable and receivables/payables to owners and affiliates approximate their fair value.



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The fair values of the financial instruments shown in the above table as of December 31, 2024 and 2023 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Partnership's own judgment about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Partnership based on the best information available in the circumstances, including expected cash flows, appropriately risk-adjusted discount rates and available observable and unobservable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- *Cash and cash equivalents and restricted cash:* The fair value of the Partnership's cash balances approximates the carrying amounts due to the current nature of the amounts. As of December 31, 2024 and 2023 there is no restricted cash.
- *Interest rate swap contracts:* The fair value of interest rate swap contracts is determined using an income approach using the following significant inputs: (1) the term of the swap contract (weighted average of 1.0 years and 2.0 years, as of December 31, 2024 and 2023, respectively), (2) the notional amount of the swap contract (ranging from \$13.8 million to \$27.9 million as of December 31, 2024 and ranging from \$2.6 million to \$30.7 million as of December 31, 2023), discount rates interpolated based on relevant SOFR swap curves; and (3) the rate on the fixed leg of the swap contract (rates ranging from 0.71% to 2.90% for the contracts as of December 31, 2024 and 2023).
- *Long-term debt:* With respect to long-term debt measurements, the Partnership uses market interest rates and adjusts for risks such as its own credit risk. In determining an appropriate spread to reflect its credit standing, the Partnership considered interest rates currently offered to KNOT for similar debt instruments of comparable maturities by KNOT's and the Partnership's bankers as well as other banks that regularly compete to provide financing to the Partnership.



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(b) Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value or for which fair value is required to be disclosed) as of December 31, 2024 and December 31, 2023:

	Carrying Value December 31, 2024	Fair Value Measurements at Reporting Date Using		
		Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(U.S. Dollars in thousands)</i>				
Recurring:				
Financial assets:				
Cash and cash equivalents	\$ 66,933	\$ 66,933	\$ —	\$ —
<i>Current derivative assets:</i>				
Interest rate swap contracts	8,112	—	8,112	—
<i>Non-current derivative assets:</i>				
Interest rate swap contracts	5,189	—	5,189	—
Financial liabilities:				
<i>Non-current derivative liabilities:</i>				
Long-term debt, current and non-current	\$ 909,653	\$ —	\$ 887,192	\$ —

	Carrying Value December 31, 2023	Fair Value Measurements at Reporting Date Using		
		Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(U.S. Dollars in thousands)</i>				
Recurring:				
Financial assets:				
Cash and cash equivalents	\$ 63,921	\$ 63,921	\$ —	\$ —
<i>Current derivative assets:</i>				
Interest rate swap contracts	13,019	—	13,019	—
<i>Non-current derivative assets:</i>				
Interest rate swap contracts	7,229	—	7,229	—
Financial liabilities:				
<i>Non-current derivative liabilities:</i>				
Long-term debt, current and non-current	\$ 963,005	\$ —	\$ 941,647	\$ —

The Partnership's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 and Level 2 as of December 31, 2024 and December 31, 2023.

12) Trade Accounts Receivable and Other Current Assets

(a) Trade Accounts Receivable

Trade accounts receivable are presented as part of Other current assets, see Note 12(b)—Other Current Assets. Trade accounts receivable are presented net of provisions for expected credit loss. As of December 31, 2024 and 2023, there was no provision for expected credit loss.



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(b) Other Current Assets

Other current assets consist of the following:

<i>(U.S. Dollars in thousands)</i>	At December 31, 2024	At December 31, 2023
Trade receivables	\$ 6,251	\$ 4,882
Trade receivables due from KNOT and affiliates (refer to Note 19 (d))	804	—
Insurance claims for recoveries (refer to Note 8)	3,877	124
Refund of value added tax	1,337	1,254
Prepaid expenses	1,505	1,568
Other receivables	1,019	967
Total other current assets	<u>\$ 14,793</u>	<u>\$ 8,795</u>

13) Inventory

The following table presents the inventory as of December 31, 2024 and December 31, 2023:

<i>(U.S. Dollars in thousands)</i>	At December 31, 2024	At December 31, 2023
Lubricating oil	\$ 3,304	\$ 2,995
Bunkers	—	701
Total inventory	<u>\$ 3,304</u>	<u>\$ 3,696</u>

14) Vessels and Equipment

<i>(U.S. Dollars in thousands)</i>	Vessels & equipment	Accumulated depreciation	Accumulated impairment	Net Vessels
Vessels, December 31, 2022	\$ 2,388,615	\$ (727,814)	\$ (29,421)	\$ 1,631,380
Additions	2,794	—	—	2,794
Drydock costs	19,375	—	—	19,375
Disposals	(12,350)	12,350	—	—
Depreciation and impairment for the period (3)	—	(110,902)	(49,649)	(160,551)
Vessels, December 31, 2023	\$ 2,398,434	\$ (826,366)	\$ (79,070)	\$ 1,492,998
Additions (1)	126,106	—	—	126,106
Drydock costs	553	—	—	553
Disposals (2)	(103,537)	43,973	30,300	(29,264)
Depreciation and impairment for the period (3)	—	(111,817)	(16,384)	(128,201)
Vessels, December 31, 2024	\$ 2,421,556	\$ (894,210)	\$ (65,154)	\$ 1,462,192

As of December 31, 2024 and 2023, Vessels with a book value of \$1.462 million and \$1.493 million, respectively, are pledged as security for the Partnership's long-term debt. See Note 17—Long-Term Debt.

- (1) On September 3, 2024 the Partnership acquired KNOT's 100% interest in KNOT Shuttle Tankers 31 AS, the company that owns and operates the *Tuva Kmtsén*. This acquisition was accounted for as an acquisition of assets. See Note 24—Acquisitions.
- (2) On September 3, 2024 the Partnership sold to KNOT its 100% interest in KNOT Shuttle Tankers 20 AS, the company that owns and operates the *Dan Cisne*. This sales transaction was part of an asset swap. See footnote (1) above and see Note 19 (a)—Related Parties.
- (3) The carrying values of the *Dan Sabia* and the *Dan Cisne* were written down to their estimated fair values as of June 30, 2024 and 2023. See Note 21—Impairment of Long - Lived Assets.



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Drydocking activity for the years ended December 31, 2024 and 2023 is summarized as follows:

<i>(U.S. Dollars in thousands)</i>	At December 31, 2024	At December 31, 2023
Balance at the beginning of the year	\$ 40,587	\$ 24,595
Costs incurred for drydocking	553	19,375
Costs re-allocated to drydocking due to change of contract	2,039	7,849
Costs allocated to drydocking as part of acquisition of asset	910	—
Drydock amortization as part of sale of asset	(1,490)	—
Drydock amortization	(13,938)	(11,232)
Balance at period end	\$ 28,661	\$ 40,587

15) Contract Liabilities

Contract Liabilities

The unfavorable contractual rights for charters associated with *Fortaleza Knutsen* and *Recife Knutsen* were obtained in connection with a step acquisition in 2008 that had unfavorable contractual terms relative to market as of the acquisition date. The *Fortaleza Knutsen* and the *Recife Knutsen* commenced on their 12 years' fixed bareboat charters in March 2011 and August 2011, respectively. The unfavorable contract rights related to *Fortaleza Knutsen* and *Recife Knutsen* are amortized to bareboat revenues on straight-line basis over the 12 years' contract period that expired in March 2023 and August 2023, respectively.

The unfavorable contractual rights for the time charter contract associated with *Tuva Knutsen* were obtained in connection with the acquisition in 2024 that had unfavorable contractual terms relative to market as of the acquisition date. The *Tuva Knutsen* commenced on its 5 year time charter in February 2021, with options to declare additional terms for up to a total of 10 years. The unfavorable contract rights related to the *Tuva Knutsen* are split between the firm contract period and the option period and both are amortized to time charter revenue on a straight-line basis over the remaining term of their estimated period and the option ending in January 2036. Thus, the amortized values are different for the firm period and for the optional period.

<i>(U.S. Dollars in thousands)</i>	Unfavourable contract rights <i>Fortaleza Knutsen</i>	Unfavourable contract rights <i>Recife Knutsen</i>	Unfavourable contract rights <i>Tuva Knutsen</i>	Total Contract liabilities
Contract liabilities, December 31, 2022	\$ (174)	\$ (477)	\$ —	\$ (651)
Additions	—	—	—	—
Amortization for the year	174	477	—	651
Contract liabilities, December 31, 2023	\$ —	\$ —	\$ —	\$ —
Additions (refer to Note 24)	—	—	(27,628)	(27,628)
Amortization for the year	—	—	963	963
Contract liabilities, December 31, 2024	\$ —	\$ —	\$ (26,665)	\$ (26,665)

The following table presents the Partnership's outstanding contract liabilities as of December 31, 2024.

<i>(U.S. Dollars in thousands)</i>		
2025	\$	(2,889)
2026		(2,889)
2027		(2,889)
2028		(2,889)
2029 and thereafter		(15,109)
Total	\$	(26,665)



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Accumulated amortization for contract liabilities was \$23.8 million and \$18.3 million as of December 31, 2024 and 2023, respectively.

16) Accrued expenses

The following table presents accrued expenses as of December 31, 2024 and December 31, 2023:

<i>(U.S. Dollars in thousands)</i>	<u>At December 31, 2024</u>	<u>At December 31, 2023</u>
Operating expenses	\$ 3,629	\$ 3,025
Interest expenses	4,936	5,032
Other expenses	2,900	6,718
Total accrued expenses	<u>\$ 11,465</u>	<u>\$ 14,775</u>

17) Long-Term Debt

Long-term debt as of December 31, 2024 and 2023, consisted of the following:

<i>(U.S. Dollars in thousands)</i>	<u>Vessel</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
\$345 million loan facility	<i>Anna Knutsen, Tordis Knutsen, Vigdis Knutsen, Brasil Knutsen, Lena Knutsen Windsor Knutsen, Bodil Knutsen, Carmen Knutsen, Fortaleza Knutsen, Recife Knutsen, Ingrid Knutsen</i>	\$ 263,438	\$ 288,534
\$240 million loan facility	<i>Knutsen</i>	186,792	222,264
Hilda loan facility	<i>Hilda Knutsen</i>	56,250	60,000
\$172.5 million loan facility	<i>Dan Sabia</i>	—	10,370
\$192.1 million loan facility	<i>Tove Kuntsen, Synnøve Knutsen</i>	144,597	153,702
\$69 million Tuva loan facility	<i>Tuva Knutsen</i>	67,744	—
\$25 million revolving credit facility with NTT		1,500	25,000
\$25 million revolving credit facility with Shinsei		25,000	25,000
Raquel Sale & Leaseback	<i>Raquel Knutsen</i>	73,653	79,070
Torill Sale & Leaseback	<i>Torill Knutsen</i>	90,679	99,065
Total long-term debt		<u>\$ 909,653</u>	<u>\$ 963,005</u>
Less: current installments		258,739	101,010
Less: unamortized deferred loan issuance costs		2,080	2,050
Current portion of long-term debt		<u>256,659</u>	<u>98,960</u>
Amounts due after one year		650,914	861,995
Less: unamortized deferred loan issuance costs		2,839	4,166
Long-term debt, less current installments, and unamortized deferred loan issuance costs		<u>\$ 648,075</u>	<u>\$ 857,829</u>



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The Partnership's outstanding debt of \$909.7 million as of December 31, 2024 is repayable as follows :

<i>(U.S. Dollars in thousands)</i>	Sale & Leaseback	Period repayment	Balloon repayment	Total
2025	\$ 14,399	\$ 81,257	\$ 163,083	\$ 258,739
2026	15,060	64,272	219,521	298,853
2027	15,751	31,525	93,598	140,874
2028	16,520	13,241	78,824	108,585
2029	17,232	—	—	17,232
2030 and thereafter	85,370	—	—	85,370
Total	\$ 164,332	\$ 190,295	\$ 555,026	\$ 909,653

As of December 31, 2024, the interest rates on the Partnership's loan agreements were SOFR plus a fixed margin ranging from 2.0% to 2.5%, except for the Dan Sabia Facility that bore interest based on LIBOR until it was fully repaid in January 2024.

As shown on the balance sheet at December 31, 2024 and as disclosed in the table above, the Partnership has significant debt coming due within one year, of which approximately \$163.1 million relates to balloon repayments on certain facilities as described further below. The Partnership has commenced discussions and negotiations with its lending group and other institutions and advisors concerning the refinancing of all of its credit facilities that mature in 2025. However, if the Partnership is not able to secure the refinancing of this debt, there will be insufficient liquid funds necessary to repay the debt at maturity.

Although there is some judgement required in assessing this risk, given the negotiations that are already underway and given the Partnership's history of successfully obtaining financing or refinancing its debt, management believes that it will be able to conclude a refinancing of all such facilities on similar terms (including that no re-leverage is required) prior to maturity. However, no assurance can be given that all such facilities will be timely refinanced on acceptable terms.

\$345 Million Term Loan Facility

In September 2021, the Partnership's subsidiaries which own the *Tordis Knutsen*, the *Vigdís Knutsen*, the *Lena Knutsen*, the *Anna Knutsen* and the *Brasil Knutsen*, entered into a new \$345 million senior secured credit facility in order to refinance their existing term loans (the "\$345 Million Loan Facility"). The \$345 Million Loan Facility consists of a term loan repayable in 20 consecutive quarterly installments, with a balloon payment of \$220 million due at maturity in September 2026. The facility bears interest at a rate per annum equal to SOFR plus a Credit Adjustment Spread ("CAS") of 0.26161% and a margin of 2.05%. The facility is guaranteed by the Partnership and secured by mortgages on the five vessels.

The \$345 Million Loan Facility contains the following financial covenants:

- Each borrower shall at all times maintain Liquidity equal to or greater than \$250,000;
- Positive working capital of the Partnership, excluding amounts in respect of liabilities for instalments on long-term debt and capital lease payments falling due within twelve (12) months after the relevant calculation date and any group intercompany balances;
- Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 8 vessels and \$1 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 12 additional vessels in excess of 8 vessels;
- Minimum book equity ratio for the Partnership of 30%; and
- Minimum EBITDA to interest ratio for the Partnership of 2.50.

The \$345 Million Loan Facility also identifies various events that may trigger mandatory reduction, prepayment, and cancellation of the facility, including if the aggregate market value of the vessels is less than 125% of the outstanding balance under the facility,



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upon a total loss or sale of a vessel and customary events of default. As of December 31, 2024, the borrowers and the guarantors were in compliance with all covenants under this facility.

\$240 Million Senior Secured Term Loan Facility

On June 2, 2023, the Partnership's subsidiaries which own the Vessels entered into the \$240 Million Loan Facility, which consists of a five-year term loan. The \$240 Million Loan Facility bears interest at a rate per annum equal to SOFR plus a margin of 2.4% and is repayable in 20 consecutive quarterly installments, with a final payment at maturity in May 2028 of \$85.4 million, which amount includes the balloon payment and last quarterly installment. The loan is guaranteed by the Partnership and KNOT Shuttle Tankers AS and secured by mortgages on the Vessels. The Vessels, assignments of earnings, charterparty contracts and insurance proceeds are pledged as collateral for the \$240 Million Loan Facility.

The \$240 Million Loan Facility contains the following financial covenants:

- Each borrower shall at all times maintain liquidity equal to or greater than \$500,000;
- Positive working capital of the Partnership, excluding amounts in respect of liabilities for instalments on long-term debt and capital lease payments falling due within twelve (12) months after the relevant calculation date and any group intercompany balances;
- Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 8 vessels and \$1 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 12 additional vessels in excess of 8 vessels (of which a minimum of \$10 million must be cash);
- Minimum book equity ratio for the Partnership of 30%; and
- Minimum EBITDA to interest ratio for the Partnership of 2.50.

The \$240 Million Loan Facility also identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including if the aggregate market value of the vessels is less than 130% of the outstanding balance under the \$240 Million Loan Facility (or less than 166% after June 2, 2027), upon a total loss or sale of a vessel and customary events of default. As of December 31, 2024, the borrowers and the guarantors are in compliance with all covenants under this facility.

\$100 Million Hilda Loan Facility

In May 2017, the Partnership's subsidiary, Knutsen Shuttle Tankers 14 AS, which owns the vessel *Hilda Knutsen*, entered into a new \$100 million senior secured term loan facility with Mitsubishi UFJ Lease & Finance (Hong Kong) Limited (the "\$100 Million Hilda Facility"). The \$100 Million Hilda Facility was repayable in 28 consecutive quarterly installments with a final payment due at maturity of \$58.5 million, which included the balloon payment and last quarterly installment.

On April 5, 2024, the Partnership entered into a new three-year \$60 million senior secured term loan facility with DNB (the "\$60 Million Hilda Loan Facility") as described below. The \$100 Million Hilda Loan Facility was repaid in May 2024.

\$60 Million Hilda Loan Facility

In May 2024, the Partnership's subsidiary, Knutsen Shuttle Tankers 14 AS, which owns the vessel *Hilda Knutsen*, entered into a new \$60 million senior secured term loan facility with DNB (the "\$60 Million Hilda Facility"). The \$60 Million Hilda Facility is repayable in 12 consecutive quarterly installments with a final payment due at maturity of \$39.4 million, which includes the balloon payment and last quarterly installment. The facility bears interest at a rate per annum equal to SOFR plus a margin of 2.25%. The Partnership and KNOT Shuttle Tankers AS are the sole guarantors. The facility matures in March 2027.



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The \$60 Million Hilda Facility contains the following primary financial covenants:

- The borrower shall at all times maintain liquidity equal or greater than \$500,000;
- Positive working capital of the Partnership, excluding amounts in respect of liabilities for instalments on long-term debt and capital lease payments falling due within twelve (12) months after the relevant calculation date and any group intercompany balances;
- Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 8 vessels and \$1 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 12 additional vessels in excess of 8 vessels (of which a minimum of \$10 million must be cash);
- Minimum book equity ratio for the Partnership of 30%; and
- Minimum EBITDA to interest ratio for the Partnership of 2.50.

The \$60 Million Hilda Facility also identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including if the market value of the vessels is less than 135% of the outstanding loan under the \$60 Million Hilda Facility, upon a total loss or sale of the vessel and customary events of default. As of December 31, 2024, the borrower and the guarantors were in compliance with all covenants under this facility.

\$172.5 Million Secured Loan Facility

In April 2014, KNOT Shuttle Tankers 20 AS and KNOT Shuttle Tankers 21 AS, the subsidiaries owning the *Dan Cisne* and *Dan Sabia*, as the borrowers, entered into a \$172.5 million senior secured loan facility. In connection with the Partnership's acquisition of the *Dan Cisne*, in December 2014, the \$172.5 million senior secured loan facility was split into a tranche related to the *Dan Cisne* (the "Dan Cisne Facility") and a tranche related to *Dan Sabia* (the "Dan Sabia Facility").

The Dan Cisne Facility and the Dan Sabia Facility were repaid in full at their respective maturity dates in September 2023 and January 2024, with a \$10.2 million and a \$10.4 million payment, respectively.

\$192.1 Million Secured Loan Facility

In July 2019, KNOT Shuttle Tankers 34 AS and KNOT Shuttle Tankers 35 AS, the subsidiary owning the *Tove Knutsen* and the *Synnøve Knutsen*, as the borrowers, entered into a \$192.1 million secured loan facility. The loan facility is split into a tranche related to the *Tove Knutsen* (the "Tove Facility") and a tranche related to the *Synnøve Knutsen* (the "Synnøve Facility"). The Tove Facility is repayable in quarterly installments with a final balloon payment of \$66.6 million due at maturity in September 2025, which includes the balloon payment and last quarterly installment. The Synnøve Facility is repayable in quarterly installments with a final payment of \$72.3 million due at maturity in October 2025, which includes the balloon payment and last quarterly installment. The facility bears interest at an annual rate equal to SOFR plus a Credit Adjustment Spread ("CAS") of 0.26161% and a margin of 1.75%. The facility is secured by a standard security package for a vessel financing, including a vessel mortgage on the *Tove Knutsen* and the *Synnøve Knutsen*, assignments of earnings, charterparty contracts and insurance proceeds. The Partnership and KNOT Shuttle Tankers AS guarantee the facility.

The \$192.1 Million Secured Loan Facility contains the following financial covenants:

- Positive working capital of the Partnership, excluding amounts in respect of liabilities for instalments on long-term debt and capital lease payments falling due within twelve (12) months after the relevant calculation date and any group intercompany balances;



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- Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 8 vessels and \$1 million for each owned vessel with less than 12 months remaining tenor on its employment contract in excess of 8 vessels;
- Minimum book equity ratio for the Partnership of 30%; and
- Minimum EBITDA to interest ratio for the Partnership of 2.50.

The \$192.1 Million Secured Loan Facility also identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including if the market value of either of the vessels falls below 110% of the outstanding loan, upon total loss or sale of the vessels and customary events of default. As of December 31, 2024, the borrower and the guarantors were in compliance with all covenants under this facility.

\$69 Million Tuva Loan Facility

On January 15, 2021, KNOT Shuttle Tankers 31 AS, the subsidiary owning the Tuve Knutsen, as borrower, entered into a \$88 million term loan facility with Nordea Bank ABP (the "\$69 Million Tuva Loan Facility"). The \$69 Million Tuva Loan Facility became one of the Partnership's debt obligations upon closing of the Tuva Knutsen Acquisition on September 3, 2024. The \$69 Million Tuva Loan Facility is repayable in quarterly installments with a final payment due at maturity of \$57.4 million, which includes the balloon payment and last quarterly installment. The facility bears interest at a rate per annum equal to SOFR plus a margin of 2.16%. In connection with the Tuva Knutsen Acquisition, the Partnership and KNOT Shuttle Tankers AS became the sole guarantors. The facility is secured by a mortgage on the *Tuva Knutsen*. The facility matures in January 2027.

The \$69 Million Tuva Loan Facility contains the following primary financial covenants:

- The borrower shall at all times maintain liquidity equal or greater than \$500,000;
- Positive working capital of the Partnership, excluding amounts in respect of liabilities for instalments on long-term debt and capital lease payments falling due within twelve (12) months after the relevant calculation date and any group intercompany balances;
- Minimum liquidity of the Partnership of \$15 million plus increments of \$1.5 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 8 vessels and \$1 million for each owned vessel with less than 12 months remaining tenor on its employment contract up to 12 additional vessels in excess of 8 vessels (of which a minimum of \$10 million must be cash);
- Minimum book equity ratio for the Partnership of 30%; and
- Minimum EBITDA to interest ratio for the Partnership of 2.50.

The \$69 Million Tuva Loan Facility also identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including if the market value of the *Tuva Knutsen* falls below 125% of the outstanding loan, upon total loss or sale of the vessel and customary events of default. As of December 31, 2024, the borrower and the guarantors were in compliance with the covenants under this facility.

Revolving Credit Facilities

On August 16, 2023, the Partnership closed the refinancing of the first of its two \$25 million revolving credit facilities, with the facility being rolled over with NTT Finance Corporation. The facility will mature in August 2025, bears interest at a rate per annum equal to SOFR plus a margin of 2.23% and has a commitment fee of 0.5% on any undrawn portion of the facility. The commercial terms of the facility are substantially unchanged from the facility entered into in June 2021 with NTT Finance Corporation.



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On November 15, 2023, the Partnership closed the refinancing of the second of its two \$25 million revolving credit facilities, with the facility being rolled over with SBI Shinsei Bank, Limited. The new facility will mature in November 2025, bears interest at a rate per annum equal to SOFR plus a margin of 2.0% and has a commitment fee of 0.8% on the undrawn portion of the facility. The commercial terms of the facility are substantially unchanged from the facility entered into in November 2020 with SBI Shinsei Bank, Limited.

Raquel Sale and Leaseback

On December 30, 2020, the Partnership through its wholly owned subsidiary, Knutsen Shuttle Tankers 19 AS, which owned the *Raquel Knutsen*, agreed to enter into a sale and leaseback agreement with a Japanese-based lessor for a lease period of ten years. The closing of the transaction occurred on January 19, 2021. The gross sales price was \$94.3 million, and a portion of the proceeds was used to repay the outstanding loan and cancellation of the interest rate swap agreements related to the vessel. The bareboat rate under the lease consists of a fixed element per day and there is a fixed-price purchase obligation at maturity.

Torill Sale and Leaseback

On June 30, 2022, the Partnership through its wholly owned subsidiary, Knutsen Shuttle Tankers 15 AS, which owned the *Torill Knutsen*, closed a sale and leaseback agreement with a Japanese-based lessor for a lease period of ten years. The gross sales price was \$112.0 million, and a portion of the proceeds was used to repay the outstanding loan related to the vessel. The bareboat rate under the lease consists of a fixed element per day and there is a fixed-price purchase obligation at maturity.

18) Income Taxes

(a) Components of Current and Deferred Tax Expense

All of the income from continuing operations before income taxes was taxable in Norway for the years ended December 31, 2024, 2023 and 2022. Our Norwegian subsidiaries are subject to Norwegian tonnage tax rather than ordinary corporate taxation. Under the tonnage tax regime, tax is payable based on the tonnage of the vessel, not on operating income, and is included within operating expenses. Net financial income and expense remain taxable as ordinary income at the regular corporate income tax rate of 22% and is recorded as an income tax expense. The amount of tonnage tax included in operating expenses for each of the years ended December 31, 2024, 2023 and 2022 was \$0.2 million, \$0.2 million and \$0.2 million respectively. See Note 2(r)—Income Taxes. The activities taxable in the UK relate to KNOT UK and are based on the operating income for the entity.

The significant components of current and deferred income tax expense attributable to income from continuing operations for the years ended December 31, 2024, 2023 and 2022 are as follows:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Current tax benefit (expense)	\$ (606)	\$ 4,598	\$ (878)
Deferred tax benefit (expense)	(25)	(3)	3
Income tax benefit (expense)	<u>\$ (631)</u>	<u>\$ 4,595</u>	<u>\$ (875)</u>



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(b) Taxation

Income taxes attributable to income from continuing operations was an income tax expense of \$631,000 for the year ended December 31, 2024, an income tax benefit of \$4,595,000 for the year ended December 31, 2023 and an income tax expense of \$875,000 for the year ended December 31, 2022. These differed from the amounts computed by applying the tax rates in Norway (22% of the tonnage tax) and the UK (19% until April 2023 and 25% thereafter, each as applied to pretax net income) for the years ended December 31, 2024, 2023 and 2022 respectively, as a result of the following:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Income tax benefit (expense) within Norwegian tonnage tax regime	\$ (594)	\$ 4,610	\$ (866)
Income tax benefit (expense) within UK	(37)	(15)	(9)
Income tax benefit (expense)	\$ (631)	\$ 4,595	\$ (875)
Effective tax rate	(4)%	(12)%	(1)%

(c) Components of Deferred Tax Assets and Liabilities

The tax effects, relating to the Norwegian tonnage tax regime, of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2024 and 2023 are presented below:

<i>(U.S. Dollars in thousands)</i>	As of December 31,	
	2024	2023
Deferred tax assets:		
Financial loss carry forwards for tonnage tax	\$ 19,341	\$ 24,671
Valuation allowance	(16,015)	(20,313)
Deferred tax liabilities:		
Entrance tax	(91)	(127)
Total net deferred tax assets (liabilities)	\$ 3,235	\$ 4,231

The net deferred tax assets (liabilities) is classified in the consolidated balance sheets as follows:

<i>(U.S. Dollars in thousands)</i>	As of December 31,	
	2024	2023
Non-current deferred tax assets	3,326	4,358
Non-current deferred tax liabilities	(91)	(127)
Total net deferred tax assets (liabilities)	\$ 3,235	\$ 4,231

Changes in the net deferred tax assets (liabilities) at December 31, 2024 and 2023 are presented below:

<i>(U.S. Dollars in thousands)</i>	As of December 31,	
	2024	2023
Total net deferred tax assets (liabilities) at January 1,	\$ 4,231	\$ (424)
Change in temporary differences	(1,009)	4,643
Translation differences	13	12
Total net deferred tax assets (liabilities) at December 31,	\$ 3,235	\$ 4,231

The Partnership records a valuation allowance for deferred tax assets when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized. The valuation allowances were \$16.0 million and \$20.3 million as of December 31, 2024 and 2023, respectively. The valuation allowances relate to the financial loss carry forwards and other deferred tax assets for tonnage tax that, in the judgment of the Partnership, are more-likely-than-not to be realized reflecting the Partnership's cumulative loss position for tonnage tax. In assessing the realizability of deferred tax assets, the Partnership considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized taking into account all the positive and negative evidence available. In September 2023, KNOT Shuttle Tankers 12 AS and KNOT Shuttle Tankers AS were merged. After the merger, the financial loss carry forwards in KNOT Shuttle Tankers 12 AS were transferred to the acquiring entity, KNOT Shuttle Tankers AS.



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KNOT Shuttle Tankers AS has taxable income, and the Partnership has determined it is more likely than not that some of the benefit from the deferred tax assets would be realized based on the weight of available evidence. As of December 31, 2024, the Partnership has determined that \$3.2 million of the deferred tax assets are more likely than not to be realized.

After the reorganization of the Partnership's predecessor's activities into the new group structure in February 2013, all profit from continuing operations in Norway is taxable within the tonnage tax regime. The consequence of the reorganization is a one-time entrance tax into the Norwegian tonnage tax regime due to the Partnership's acquisition of the shares in the subsidiary that owns the *Fortaleza Knutsen* and the *Recife Knutsen*. The total amount of the entrance tax was estimated to be approximately \$3.0 million, which was recognized in the three months ended March 31, 2013. At September 30, 2017 the Partnership acquired the shares in the subsidiary that owns the *Lena Knutsen*, and recognized an additional entrance tax of \$0.1 million. The entrance tax on this gain is payable over several years and is calculated by multiplying the Norwegian tax rate by the declining balance of the gain, which will decline by 20% each year. At December 31, 2023 the entrance tax had declined to approximately \$0.16 million due to paid entrance tax, change in tax rate and translation effects. As of December 31, 2024, the entrance tax had declined to approximately \$0.11 million due to paid entrance tax and translation effects. The taxes payable are calculated based on the Norwegian corporate tax rate of 22% for 2024 and 2023, and the deferred tax liabilities are also calculated based on a tax rate of 22% effective for 2024 and 2023. Income tax expense within the UK of \$37,000 and \$14,750 for 2024 and 2023, respectively, was calculated by multiplying the tax basis with the UK tax rate of 25% and 25% in 2024 and 2023, respectively.

As of December 31, 2024, the total income taxes payable are estimated to be \$0.06 million and consist primarily of net financial income and expense taxable in Norway at the normal corporate income tax rate, payable Norwegian entrance tax and ordinary UK corporation tax. As of December 31, 2023, the total income taxes payable are estimated to be \$0.04 million and consist primarily of net financial income and expense taxable in Norway at the normal corporate income tax rate, payable Norwegian entrance tax and ordinary UK corporation tax.

The tax loss carry forward from ordinary taxation and financial loss carry forwards for tonnage tax have no expiration dates.

The Partnership's Norwegian income tax returns are subject to examination by Norwegian tax authorities going back ten years. The Partnership had no unrecognized tax benefits as of December 31, 2024 and 2023. During the years ended December 31, 2024 and 2023, the Partnership did not incur any interest or penalties on its tax returns.

On December 14, 2017, the Norwegian government concluded the negotiations with the EFTA Surveillance Authority regarding the Norwegian tonnage tax regime, which has been approved for another ten years, until 2027. Pursuant to the approval, Norway has introduced restrictions that eliminates the ability of companies that own vessels under certain bareboat charters to qualify for the Norwegian tonnage tax regime. Companies that no longer qualify for the Norwegian tonnage tax regime will instead be subject to Norwegian corporate income tax. However, there are no limitations on intra-group bareboat chartering, as well as bareboat charters where crewing services are carried out by a related party. In order to constitute a related party, a minimum of 25% ownership/control is required, according to the "associated enterprise" definition in the ATAD directive (Council Directive EU 2016/1164.) Due to the fact that KNOT has an ownership interest in the Partnership that exceeds 25% as well as an ownership interest of 100% in KNOT Management and KNOT Management Denmark AS which provide services to the Vessels owned by the Partnership which operate on bareboat charters, the Vessels operating on bareboat charters are effectively seen as time charter services to the customer. The services are provided to the charterer. If this related party situation is ended, other alternatives and possibly mitigating measures must be evaluated.

19) Related Party Transactions

(a) Related Parties

Prior to the IPO, the Partnership's predecessor operated as an integrated part of KNOT. KNOT is owned 50% by TSSI and 50% by NYK Europe.

The Partnership's vessels that operate under time charters are subject to technical management agreements pursuant to which certain crew, technical and commercial management services are provided by KNOT Management or KNOT Management Denmark, each of which is a 100% owned subsidiary of KNOT. Under these technical management agreements, the Partnership's subsidiaries pay fees to and reimburse the costs and expenses of KNOT Management. With respect to the Partnership's vessels that operate under



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bareboat charters, the customer is responsible for providing the crew, technical and commercial management of the vessel. However, each of the vessels operating under bareboat charters are subject to management and administration agreements with either KNOT Management or KNOT Management Denmark, pursuant to which these companies provide general monitoring services for the vessels in exchange for an annual fee.

The Partnership is a party to an administrative services agreement with KNOT UK, pursuant to which KNOT UK provides administrative services, and KNOT UK is permitted to subcontract certain of the administrative services provided under the administrative services agreement to KOAS UK and KOAS. On May 7, 2015, the Partnership entered into an amendment to the administrative services agreement, which allows KNOT UK to also subcontract administrative services to KNOT Management.

The amounts of such costs and expenses included in the consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022 are as follows:

<i>(U.S. Dollars in thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Statements of operations:			
<i>Time charter and bareboat revenues:</i>			
Time charter income from KNOT (1)	\$ 28,008	\$ 28,682	\$ 14,531
Gain from disposal of vessel (2)	703	—	—
<i>Operating expenses:</i>			
Vessel operating expenses (3)	19,028	16,507	15,828
Voyage expenses and commissions (4)	15	70	59
Technical and operational management fee from KNOT to Vessels (5)	12,490	10,461	9,265
Operating expenses from other related parties (6)	1,730	801	799
<i>General and administrative expenses:</i>			
Administration fee from KNOT Management (7)	1,264	1,189	1,356
Administration fee from KOAS (7)	826	631	699
Administration fee from KOAS UK (7)	68	71	76
Administration and management fee from KNOT (8)	26	64	59
Total income (expenses)	\$ (6,736)	\$ (1,112)	\$ (13,610)

<i>(U.S. Dollars in thousands)</i>	At December 31,	At December 31,	At December 31,
	2024	2023	2022
Balance Sheet:			
<i>Vessels:</i>			
Drydocking supervision fee from KNOT (9)	\$ 10	\$ 135	\$ 156
Drydocking supervision fee from KOAS (9)	—	(77)	96
Equipment purchased from Knutsen Ballast Water AS (10)	70	577	1,148
Total	\$ 80	\$ 635	\$ 1,400

- (1) *Time charter income from KNOT:* The *Bodil Knutsen* has operated under a time charter with Knutsen Shuttle Tankers Pool AS, a subsidiary of KNOT, since the second quarter of 2021. The *Hilda Knutsen* commenced a time charter with Knutsen Shuttle Tankers Pool AS in the third quarter of 2022. The *Torill Knutsen* commenced a time charter with Knutsen Shuttle Tankers Pool AS in the first quarter of 2023. The *Ingrid Knutsen* commenced a time charter with Knutsen Shuttle Tankers Pool AS in the second quarter of 2024. The *Dan Cisme* commenced a time charter with Knutsen Shuttle Tankers Pool AS in the second quarter of 2024.
- (2) *Gain from disposal of vessel:* On September 3, 2024, the Partnership acquired from KNOT the *Tuva Knutsen*, and simultaneously the Partnership sold to KNOT the *Dan Cisme*. The purchase price for the Tuva Knutsen Acquisition was \$97.5 million less \$69.0 million of outstanding debt plus \$0.4 million of capitalized fees related to the credit facility secured by the *Tuva Knutsen*. The sale price for the *Dan Cisme* Sale was \$30 million. These purchase and sale prices resulted in a net payment of \$1.1 million paid by KNOT to the Partnership on September 3, 2024 in addition to customary adjustments relating to working capital related to the *Tuva Knutsen* and the *Dan Cisme*. See Note 24—Acquisitions.



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- (3) *Vessel operating expenses*: KNOT Management or KNOT Management Denmark provides technical and operational management of the vessels on time charter including crewing and crew training services.
- (4) *Voyage expenses and commissions*: As of December 31, 2024 and 2023, the *Ingrid Knutsen* and the *Torill Knutsen* had completed spot voyages where Knutsen Shuttle Tankers Pool AS has earned a 1.25% commission. As of December 31, 2022 the *Windsor Knutsen* and the *Torill Knutsen* had completed spot voyages where Knutsen Shuttle Tankers Pool AS has earned a 1.25% commission.
- (5) *Technical and operational management fee, from KNOT Management or KNOT Management Denmark to Vessels*: KNOT Management or KNOT Management Denmark provides technical and operational management of the vessels on time charter including crewing, purchasing, maintenance and other operational service. In addition, there is also a charge for 24-hour emergency response services provided by KNOT Management for all vessels managed by KNOT Management.
- (6) *Operating expenses from other related parties*: Simsea Real Operations AS, a company jointly owned by the Partnership's Chairman of the Board, Trygve Seglem, and by other third-party shipping companies in Haugesund, provides simulation, operational training assessment and other certified maritime courses for seafarers. The cost is course fees for seafarers. Knutsen OAS Crewing AS, a subsidiary of TSSI, provides administrative services related to Eastern European crew on vessels operating on time charter contracts. The cost is a fixed fee per month per such crew member onboard a vessel. Level Power & Automation AS, a company that provides the Partnership's vessels with equipment and inspection services, is owned by Level Group AS, where Trygve Seglem, his family and members of TSSI management have significant influence.
- (7) *Administration fee from KNOT Management, Knutsen OAS Shipping AS ("KOAS") and Knutsen OAS (UK) Ltd. ("KOAS UK")*: Administration costs include compensation and benefits of KNOT Management's management and administrative staff on a time-spent basis as well as other general and administration expenses. Some services are also provided by KOAS and KOAS UK. Net costs are total administration cost plus a 5% margin. As such, the level of administration costs charged to the Partnership can vary from year to year based on the administration and financing services provided each year. KNOT Management also charges each subsidiary a fixed annual fee for the preparation of statutory financial statements.
- (8) *Administration and management fee from KNOT Management and KNOT Management Denmark*: For bareboat charters, the shipowner is not responsible for providing crewing or other operational services and the customer is responsible for all vessel operating expenses and voyage expenses. However, each of the vessels under bareboat charters is subject to a management and administration agreement with either KNOT Management or KNOT Management Denmark, pursuant to which these companies provide general monitoring services for the vessels in exchange for an annual fee.
- (9) *Drydocking supervision fee from KNOT Management, KNOT Management Denmark and KOAS*: KNOT Management, KNOT Management Denmark and KOAS provide supervision and hire out service personnel during drydocking of the vessels. The fee is calculated as a daily fixed fee.
- (10) *Equipment purchased from Knutsen Ballast Water AS*: As part of the scheduled drydocking of the *Carmen Knutsen* that commenced in the fourth quarter of 2022 until the first quarter of 2023, a ballast water treatment system was installed on the vessel. As part of the scheduled drydocking of the *Torill Knutsen* in the fourth quarter of 2023, a ballast water treatment system was installed on the vessel. As of December 31, 2023, parts of the system had been purchased from Knutsen Ballast Water AS, a subsidiary of TSSI, for \$0.58 million. During the scheduled drydocking of the *Windsor Knutsen* in 2022, a ballast water treatment system was installed on the vessel. As of December 31, 2022, parts of the systems installed on the *Windsor Knutsen* and the *Carmen Knutsen* had been purchased from Knutsen Ballast Water AS for \$1.15 million.

(b) Transactions with Management and Directors

Trygve Seglem, the Chairman of the Partnership's board of directors and the President and CEO of KNOT, controls Seglem Holding AS, which owns 100% of the equity interest in TSSI, which controls KOAS. TSSI owns 50% of the equity interest in KNOT. NYK, which owns 50% of the equity interest in KNOT, has management and administrative personnel on secondment to KNOT. Mr. Seglem, along with other third-party shipping companies in Haugesund, also jointly owns Simsea Real Operations AS.



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See the footnotes to Note 19(a)—Related Party Transactions—Related Parties for a discussion of the allocation principles for KNOT’s administrative costs, including management and administrative staff, included in the consolidated statements of operations.

(c) Amounts Due from and Due to Related Parties

Balances with related parties consisted of the following:

<i>(U.S. Dollars in thousands)</i>	<u>At December 31, 2024</u>	<u>At December 31, 2023</u>
Balance Sheet:		
Trading balances due from KOAS	\$ 427	\$ —
Trading balances due from KNOT and affiliates	1,803	348
Amount due from related parties	<u>\$ 2,230</u>	<u>\$ 348</u>
Trading balances due to KOAS	\$ 1,339	\$ 1,696
Trading balances due to KNOT and affiliates	496	410
Amount due to related parties	<u>\$ 1,835</u>	<u>\$ 2,106</u>

Amounts due from and due to related parties are unsecured and intended to be settled in the ordinary course of business. The majority of these related party transactions relate to vessel management and other fees due to KNOT, KNOT Management, KOAS UK and KOAS.

(d) Trade accounts payable and other current assets

Trade accounts payable to related parties are included in total trade accounts payables in the balance sheet. The balances to related parties consisted of the following:

<i>(U.S. Dollars in thousands)</i>	<u>At December 31, 2024</u>	<u>At December 31, 2023</u>
Balance Sheet:		
Trading balances due to KOAS	\$ 1,394	\$ 1,158
Trading balances due to KNOT and affiliates	1,379	2,045
Trade accounts payables to related parties	<u>\$ 2,773</u>	<u>\$ 3,203</u>

Trading balances from KNOT and affiliates are included in other current assets in the balance sheet. The balances from related parties consisted of the following:

<i>(U.S. Dollars in thousands)</i>	<u>At December 31, 2024</u>	<u>At December 31, 2023</u>
Balance Sheet:		
Trade receivables due from KNOT and affiliates (refer to Note 19 (b))	\$ 804	\$ —
Other trading balances due from KOAS	521	376
Other current assets from related parties	<u>\$ 1,325</u>	<u>\$ 376</u>

(e) Acquisitions from KNOT

On September 3, 2024, the Partnership acquired KNOT’s 100% interest in KNOT Shuttle Tankers 31 AS, the company that owns and operates the *Tuva Knutsen*. This acquisition was accounted for as an acquisition of assets.

The board of directors of the Partnership (the “Board”) and the Conflicts Committee of the Board approved the purchase price for the transaction described above. The Conflicts Committee retained an outside financial advisor and outside legal counsel to assist with its evaluation of the Tuva Knutsen Acquisition. See Note 24—Acquisitions.



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(f) Sale of Vessel to KNOT

On September 3, 2024, the Partnership sold its 100% interest in KNOT Shuttle Tankers 20 AS, the company that owns and operates the *Dan Cisne*, to KNOT in an asset swap where the Partnership acquired from KNOT the Tuva Knutsen as described in footnote (e) above. The sales price of the *Dan Cisne* was \$30 million and the sales transaction resulted in a net gain of \$0.7 million.

The Board and the Conflicts Committee of the Board approved the sales price for the transaction described above. The Conflicts Committee retained an outside financial advisor and outside legal counsel to assist with its evaluation of the *Dan Cisne* Sale.

The cost of the fee paid to the financial advisor was divided equally between the Partnership and KNOT. Sales related costs of \$0.03 million as of September 3, 2024, were deducted from the net gain of disposal of the *Dan Cisne*.

20) Commitments and Contingencies

Assets Pledged

As of December 31, 2024 and 2023, Vessels with a book value of \$1.462 million and \$1.493 million, respectively, were pledged as security held as guarantee for the Partnership's long-term debt and interest rate swap obligations. See Note 10—Derivative Instruments, Note 14—Vessels and Equipment and Note 17—Long-Term Debt.

Claims and Legal Proceedings

Under the Partnership's time charters, claims to reduce the hire rate payments can be made if the Vessel does not perform to certain specifications in the agreements. No accrual for possible claims was recorded for the years ended December 31, 2024, 2023 and 2022.

From time to time, the Partnership is 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.

Insurance

The Partnership maintains insurance on all the Vessels to insure against marine and war risks, which include damage to or total loss of the Vessels, subject to deductible amounts that average \$0.15 million per Vessel, and loss of hire.

Under the loss of hire policies, the insurer will pay compensation for the lost hire rate agreed in respect of each Vessel for each day, in excess of 14 deductible days, for the time that the Vessel is out of service as a result of damage, for a maximum of 180 days. In addition, the Partnership maintains protection and indemnity insurance, which covers third-party legal liabilities arising in connection with the Vessels' activities, including, among other things, the injury or death of third-party persons, loss or damage to cargo, claims arising from collisions with other vessels and other damage to other third-party property, including pollution arising from oil or other substances. This insurance is unlimited, except for pollution, which is limited to \$1 billion per vessel per incident. The protection and indemnity insurance is maintained through a protection and indemnity association, and as a member of the association, the Partnership may be required to pay amounts above budgeted premiums if the member claims exceed association reserves, subject to certain reinsured amounts. If the Partnership experiences multiple claims each with individual deductibles, losses due to risks that are not insured or claims for insured risks that are not paid, it could have a material adverse effect on the Partnership's results of operations and financial condition. See Note 8—Insurance Proceeds.

21) Impairment of Long-Lived Assets

The carrying value of the Partnership's fleet is regularly assessed as events or changes in circumstances may indicate that a vessel's net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, and in such situation the carrying amount of the vessel is reduced to its estimated fair value. The Partnership considers factors related to vessel age, expected residual value, ongoing use of the vessels and equipment, shifts in market conditions and other impacting factors associated with the shuttle tanker business as well as the wider global oil and maritime transportation industries.



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This exercise in the second quarters of 2024 resulted in impairments in respect of both the *Dan Cisne* and the *Dan Sabia* principally due to their high carrying value, and their smaller size not being optimal for the Brazilian market, therefore affecting the outlook for their future employment. The carrying value of the *Dan Cisne* and the *Dan Sabia* were written down to their estimated fair value, using a discounted cash flow valuation. Our estimates of future cash flows involve assumptions about future hire rates, vessel utilization, operating expenses, drydocking expenditures, vessel residual values, the remaining estimated life of our vessels, possible sale of the two vessels and discount rates. The Partnership's consolidated statement of operations for the year ended December 31, 2024, includes a \$5.8 million impairment charge related to the *Dan Cisne* and a \$10.6 million impairment charge related to the *Dan Sabia*. The impairment of the *Dan Cisne* and the *Dan Sabia* is included in the Partnership's only segment, the shuttle tanker segment.

This exercise in respect of the second quarter of 2023 resulted in impairments in respect of both the *Dan Cisne* and the *Dan Sabia* principally due to their charter contracts moving closer to expiration without being renewed, their high carrying value, and their smaller size not being optimal for the Brazilian market, therefore affecting the outlook for their future employment. The carrying values of the *Dan Cisne* and the *Dan Sabia* were written down to their estimated fair value, using a discounted cash flow valuation. Our estimates of future cash flows involve assumptions about future hire rates, vessel utilization, operating expenses, drydocking expenditures, vessel residual values, the remaining estimated life of our vessels, possible sale of the two vessels and discount rates. The Partnership's consolidated statement of operations for year ended December 31, 2023, includes a \$24.5 million impairment charge related to the *Dan Cisne* and \$25.2 million impairment charge related to the *Dan Sabia*.



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22) Earnings per Unit and Cash Distributions

The calculations of basic and diluted earnings per unit (1) are presented below:

<i>(U.S. Dollars in thousands, except per unit data)</i>	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ 14,065	\$ (34,328)	\$ 58,667
Less: Series A Preferred unitholders' interest in net income (loss)	6,800	6,800	6,800
Net income (loss) attributable to the unitholders of KNOT Offshore Partners LP	7,265	(41,128)	51,867
Less: Distributions (2)	3,607	3,607	55,404
Under (over) distributed earnings	3,658	(44,735)	(3,537)
Under (over) distributed earnings attributable to:			
Common unitholders	3,591	(43,909)	(3,430)
Class B unitholders (3)	—	—	(42)
General Partner	67	(826)	(65)
Weighted average units outstanding (basic) (in thousands):			
Common unitholders	34,045	34,045	33,882
Class B unitholders	252	252	416
General Partner	640	640	640
Weighted average units outstanding (diluted) (in thousands):			
Common unitholders	38,399	38,430	37,919
Class B unitholders	252	252	416
General Partner	640	640	640
Earnings per unit (basic):			
Common unitholders	\$ 0.21	\$ (1.19)	\$ 1.48
Class B unitholders (3)	—	—	1.48
General Partner	0.21	(1.19)	1.48
Earnings per unit (diluted):			
Common unitholders (4)	\$ 0.21	\$ (1.19)	\$ 1.48
Class B unitholders (3)	—	—	1.48
General Partner	0.21	(1.19)	1.48
Cash distributions declared and paid in the period per unit (5)	\$ 0.10	\$ 0.10	\$ 2.08
Subsequent event: Cash distributions declared and paid per unit relating to the period (6)	\$ 0.03	\$ 0.03	\$ 0.03

- (1) Earnings per unit have been calculated in accordance with the cash distribution provisions set forth in the Partnership's agreement of limited partnership (the "Partnership Agreement").
- (2) This refers to distributions made or to be made in relation to the period irrespective of the declaration and payment dates and based on the number of units outstanding at the record date.
- (3) When the distribution target is not met, there is no allocation of net income (loss) to Class B units.
- (4) Diluted weighted average units outstanding and earnings per unit diluted for the year ended December 31, 2024, 2023 and 2022 does not reflect any potential common units relating to the Series A Preferred Units since the assumed issuance of any additional units would be anti-dilutive.
- (5) Refers to cash distributions declared and paid during the period.
- (6) Refers to cash distributions declared and paid subsequent to the period end.

The Partnership's Series A Convertible Preferred Units (the "Series A Preferred Units") rank senior to the common units and Class B Units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up. The Series A Preferred Units have a liquidation preference of \$24.00 per unit, plus any Series A unpaid cash distributions, plus all accrued but



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unpaid distributions on such Series A Preferred Unit with respect to the quarter in which the liquidation occurs to the date fixed for the payment of any amount upon liquidation. The Series A Preferred Units are entitled to cumulative distributions from their initial issuance date, with distributions being calculated at an annual rate of 8.0% on the stated liquidation preference and payable quarterly in arrears within 45 days after the end of each quarter, when, as and if declared by the Board.

The Series A Preferred Units are generally convertible, at the option of the holders of the Series A Preferred Units, into common units at the applicable conversion rate. The conversion rate will be subject to adjustment under certain circumstances. In addition, the conversion rate will be redetermined on a quarterly basis, such that the conversion rate will be equal to \$24.00 (the "Issue Price") divided by the product of (x) the book value per common unit at the end of the immediately preceding quarter (pro-forma for per unit cash distributions payable with respect to such quarter) multiplied by (y) the quotient of (i) the Issue Price divided by (ii) the book value per common unit on February 2, 2017. In addition, the Partnership may redeem the Series A Preferred Units at any time until February 2, 2027 at the redemption price specified in the Partnership Agreement, provided, however, that upon notice from the Partnership to the holders of Series A Preferred Units of its intent to redeem, such holders may elect, instead, to convert their Series A Preferred Units into common units at the applicable conversion rate.

Upon a change of control of the Partnership, the holders of Series A Preferred Units will have the right to require cash redemption at 100% of the Issue Price. In addition, the holders of Series A Preferred Units will have the right to cause the Partnership to redeem the Series A Preferred Units on February 2, 2027 in, at the option of the Partnership, (i) cash at a price equal to 70% of the Issue Price or (ii) common units such that each Series A Preferred Unit receives common units worth 80% of the Issue Price (based on the volume-weighted average trading price, as adjusted for splits, combinations and other similar transactions, of the common units as reported on the NYSE for the 30 trading day period ending on the fifth trading day immediately prior to the redemption date) plus any accrued and unpaid distributions. In addition, subject to certain conditions, the Partnership has the right to convert the Series A Preferred Units into common units at the applicable conversion rate if the aggregate market value (calculated as set forth in the partnership agreement) of the common units into which the outstanding Series A Preferred Units are convertible, based on the applicable conversion rate, is greater than 130% of the aggregate Issue Price of the outstanding Series A Preferred Units.

The Series A Preferred Units have voting rights that are identical to the voting rights of the common units and Class B Units, except they do not have any right to nominate, appoint or elect any of the directors of the Board, except whenever distributions payable on the Series A Preferred Units have not been declared and paid for four consecutive quarters (a "Trigger Event"). Upon a Trigger Event, holders of Series A Preferred Units, together with the holders of any other series of preferred units upon which like rights have been conferred and are exercisable, may replace one of the members of the Board appointed by the General Partner with a person nominated by such holders, such nominee to serve until all accrued and unpaid distributions on the preferred units have been paid. The Series A Preferred Units are entitled to vote with the common units and Class B Units as a single class so that the Series A Preferred Units are entitled to one vote for each common unit into which the Series A Preferred Units are convertible at the time of voting.

On September 7, 2021, the Partnership entered into an exchange agreement with its general partner and KNOT whereby KNOT contributed to the Partnership all of KNOT's IDRs in exchange for the issuance by the Partnership to KNOT of 673,080 common units and 673,080 Class B Units, whereupon the IDRs were cancelled (the "IDR Exchange"). The IDR Exchange closed on September 10, 2021. The Class B Units are a new class of limited partner interests which are not entitled to receive cash distributions in any quarter unless common unitholders receive a distribution of at least \$0.52 for such quarter (the "Distribution Threshold"). When common unitholders receive a quarterly distribution at least equal to the Distribution Threshold, then Class B unitholders will be entitled to receive the same distribution as common unitholders.

For each quarter (starting with the quarter ended September 30, 2021) that the Partnership pays distributions on the common units that are at or above the Distribution Threshold, one-eighth of the Class B Units will be converted to common units on a one-for-one basis until such time as no further Class B Units exist. The Class B Units will generally vote together with the common units as a single class.



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After the payment of the Partnership's quarterly cash distribution on February 12, 2022, with respect to the fourth quarter of 2021, 84,135 of the Class B Units converted to common units on a one-to-one basis. After the payment of the Partnership's quarterly cash distribution on May 12, 2022, with respect to the first quarter of 2022, 84,135 of the Class B Units converted to common units on a one-to-one basis. After the payment of the Partnership's quarterly cash distribution on August 11, 2022, with respect to the second quarter of 2022, 84,135 of the Class B Units converted to common units on a one-to-one basis. After the payment of the Partnership's quarterly cash distribution on November 9, 2022 with respect to the third quarter of 2022, 84,135 of the Class B Units converted to common units on a one-to-one basis.

On January 11, 2023, the Partnership declared a quarterly cash distribution with respect to the fourth quarter of 2022 of \$0.026 per common unit and, after the payment of this quarterly cash distribution on February 9, 2023, no Class B Units converted to common units. After the payment of the Partnership's quarterly cash distribution on May 11, 2023, with respect to the first quarter, no Class B Units converted to common units. After the payment of the Partnership's quarterly cash distribution on August 10, 2023, with respect to the second quarter, no Class B Units converted to common units. After the payment of the Partnership's quarterly cash distribution on November 9, 2023, with respect to the third quarter, no Class B Units converted to common units.

As of December 31, 2024, 71.4% of the Partnership's total number of common units outstanding representing limited partner interests were held by the public (in the form of 24,293,458 common units) and 28.4% of such units were held directly by KNOT (in the form of 9,661,255 common units). In addition, KNOT, through its ownership of the General Partner, held a 1.83% general partner interest (in the form of 640,278 general partner units) and a 0.3% limited partner interest (in the form of 90,368 common units). As of December 31, 2023, KNOT also held 208,333 Series A Preferred Units and 252,405 Class B Units.

Earnings per unit—basic is determined by dividing net income, after deducting the amount of net income attributable to the Series A Preferred Units and the distribution paid or to be made in relation to the period, by the weighted-average number of units outstanding during the applicable period.

The computation of limited partners' interest in net income per common unit – diluted assumes the issuance of common units for all potentially dilutive securities consisting of 3,541,666 Series A Preferred Units and 252,405 Class B Units as of December 31, 2024. Consequently, the net income attributable to limited partners' interest is exclusive of any distributions on the Series A Preferred Units. In addition, the weighted average number of common units outstanding has been increased assuming the Series A Preferred Units and Class B Units have been converted to common units using the if-converted method. The computation of limited partners' interest in net income per common unit – diluted does not assume the issuance of Series A Preferred Units and Class B Units if the effect would be anti-dilutive.

The General Partner's, Class B unitholders' and common unitholders' interest in net income was calculated as if all net income was distributed according to the terms of the Partnership Agreement, regardless of whether those earnings would or could be distributed. The Partnership Agreement does not provide for the distribution of net income. Rather, it provides for the distribution of available cash, which is a contractually defined term that generally means all cash on hand at the end of each quarter less the amount of cash reserves established by the Board to provide for the proper conduct of the Partnership's business, including reserves for future capital expenditures, anticipated credit needs and capital requirements and any accumulated distributions on, or redemptions of, the Series A Preferred Units. Unlike available cash, net income is affected by non-cash items, such as depreciation and amortization, unrealized gains and losses on derivative instruments and unrealized foreign currency gains and losses.

23) Unit Activity

The following table shows the number of common units, Class B Units, general partner units and Series A Preferred Units from December 31, 2022 until December 31, 2024:

<i>(in units)</i>	<u>Common Units</u>	<u>Class B Units</u>	<u>General Partner Units</u>	<u>Convertible Preferred Units</u>
December 31, 2022	34,045,081	252,405	640,278	3,541,666
December 31, 2023	34,045,081	252,405	640,278	3,541,666
December 31, 2024	34,045,081	252,405	640,278	3,541,666



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24) Acquisitions

On September 3, 2024, the Partnership's wholly owned subsidiary, KNOT Shuttle Tankers AS, acquired KNOT Shuttle Tankers 31 AS ("KNOT 31"), the company that owns and operates the *Tuva Knutsen*. The purchase price for the vessel was \$97.5 million, less \$69.0 million of outstanding indebtedness related to the *Tuva Knutsen* plus approximately \$0.4 million for certain capitalized fees related to the financing of the *Tuva Knutsen* and plus customary working capital purchase price adjustments of \$2.7 million.

On July 1, 2022, the Partnership's wholly owned subsidiary, KNOT Shuttle Tankers AS, acquired KNOT Shuttle Tankers 35 AS ("KNOT 35"), the company that owns and operates the *Synnøve Knutsen*. The purchase price for the vessel was \$119.0 million, less \$87.7 million of outstanding indebtedness related to the *Synnøve Knutsen* plus approximately \$0.6 million for certain capitalized fees related to the financing of the *Synnøve Knutsen* and plus customary working capital purchase price adjustments of \$5.9 million.

The board of directors of the Partnership and the Conflicts Committee approved the purchase price for the transactions. The Conflicts Committee 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 Partnership and KNOT. Acquisition related costs of \$0.03 million as of September 3, 2024, were capitalized as a component of the assets acquired. Acquisition related costs of \$0.04 million as of July 1, 2022, were capitalized as a component of the assets acquired. The allocation of the purchase price to acquired identifiable assets was based on their estimated fair values at the date of acquisition. The purchase price of the acquisition has been allocated to the identifiable assets acquired. The details of the transaction are as follows:

<i>(U.S. Dollars in thousands)</i>	Final <i>Tuva Knutsen</i> September 3, 2024	Final <i>Synnøve Knutsen</i> July 1, 2022
Purchase consideration (1)	\$ 31,557	\$ 37,907
Less: Fair value of net assets acquired:		
Vessels and equipment (2)	125,161	119,119
Cash	1,782	5,702
Inventories	285	291
Derivatives assets	1,773	958
Others current assets	1,101	211
Amounts due from related parties	—	53
Long-term debt	(69,038)	(87,661)
Deferred debt issuance	404	592
Trade accounts payable	(249)	(160)
Accrued expenses	(1,419)	(694)
Amounts due to related parties	(615)	(503)
Contract liabilities: Unfavourable contract rights (refer to Note 15 (b))	(27,628)	(1)
Subtotal	31,557	37,907
Difference between the purchase price and fair value of net assets acquired	\$ —	\$ —

(1) The purchase consideration comprises the following:



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	Final <i>Tuva Knutsen</i> September 3, 2024	Final <i>Synnøve Knutsen</i> July 1, 2022
<i>(U.S. Dollars in thousands)</i>		
Cash consideration paid to KNOT (from KNOP)	\$ —	\$ 31,931
Cash consideration paid to KNOP (from KNOT)	(1,135)	—
Asset swap (sale of the <i>Dan Cisne</i>)	30,000	—
Purchase price adjustments	2,659	5,937
Acquisition-related costs	33	39
Purchase price	<u>\$ 31,557</u>	<u>\$ 37,907</u>

(2) Vessel and equipment includes allocation to drydocking (in thousands) of \$910 and \$2,133 related to the *Tuva Knutsen* and the *Synnøve Knutsen*, respectively.

25) Subsequent Events

The Partnership has evaluated subsequent events from the balance sheet date through March 27, 2025, the date at which the audited consolidated financial statements were issued, and determined that there are no other items to disclose, except as follows:

On January 8, 2025, the Partnership declared a quarterly cash distribution of \$0.026 per common unit with respect to the quarter ended December 31, 2024, which was paid on February 6, 2025, to all common unitholders of record on January 27, 2025. On the same day, the Partnership declared a quarterly cash distribution to holders of Series A Preferred Units with respect to the quarter ended December 31, 2024 in an aggregate amount of \$1.7 million.

In January 2025, the final insurance claim payment was received in respect of repair work and loss of hire for the *Torill Knutsen*, which had arisen from the breakage of a generator rotor in January 2024.

On January 21, 2025, Petrorio exercised its option to extend the contract of the *Brasil Knutsen* for two periods of 30 days from May 1, 2025 and redelivery will be July 1, 2025. The vessel will commence on a new time charter with Equinor in the third quarter of 2025 for a fixed period of two years, with options for the charterer to extend the charter by two further one -year periods.

On January 24, 2025, Shell exercised its option to switch from time charter on the *Vigdís Knutsen* to bareboat charter. This change will take effect during or after July 2025. At the same time, the fixed duration of this charter was extended from 2027 to 2030, with the further addition one charterer's option for two years.

On March 3, 2025, the Partnership's wholly owned subsidiary, KNOT Shuttle Tankers AS, acquired from KNOT, KNOT Shuttle Tankers 27 AS, the company that owns the shuttle tanker *Live Knutsen* (the "Live Knutsen Acquisition"). Simultaneously, KNOT Shuttle Tankers AS sold KNOT Shuttle Tankers 21 AS, the company that owns the shuttle tanker *Dan Sabia*, to KNOT (the "Dan Sabia Sale"). The purchase price for the Live Knutsen Acquisition was \$100 million, less \$73.4 million of outstanding indebtedness under the Live Loan Facility plus capitalized fees of \$0.4 million. The sale price for the Dan Sabia Sale was \$25.75 million and there was no related debt. The combination of the Live Knutsen Acquisition and the Dan Sabia Sale was settled by a net cash payment from KNOT Shuttle Tankers AS to KNOT of \$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. KNOT Shuttle Tankers 27 AS, as borrower, had entered into a senior secured term loan facility on October 14, 2021 with SMBC Bank EU AG and others, the initial amount of which was \$89.6 million. Following repayment of the quarterly installments due prior to March 3, 2025, the outstanding amount of this facility had been reduced to \$73.4 million. In connection with the acquisition of KNOT Shuttle Tankers 27 AS, the Partnership and KNOT Shuttle Tankers AS became the sole guarantors of this facility (the "Live Loan Facility"). The Live Loan Facility is repayable in quarterly installments with a final payment due at maturity of \$65.9 million. The facility bears interest at a rate per annum equal to SOFR plus a margin of 2.01% including a Credit Adjustment Spread. The facility is secured by a mortgage on the *Live Knutsen*. The facility matures in October 2026.

The *Live Knutsen* is operating in Brazil on a charter contract with Galp Sinopec, for which the current fixed period expires in November 2026, and for which the charterer holds options for a further 6 years. As part of the Live Knutsen Acquisition, KNOT has agreed that if at any time until the end of the first option period (currently scheduled for November 2029) the *Live Knutsen* is not receiving from any charterer a rate of hire that is equal to or greater than the rate of hire then in effect and payable under the Galp Sinopec charter, then KNOT shall pay the Partnership such rate of hire that would have been in effect and payable under the Galp Sinopec charter; provided, however, that in the event that for any period during such period the *Live Knutsen* is chartered under a



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charter other than the Galp Sinopec charter and the rate of hire being paid under such charter is lower than the rate of hire that would have been in effect and payable under the Galp Sinopec charter during any such period, then KNOT shall pay the Partnership the difference between the rate of hire that would have been in effect and payable under the existing *Live Knutsen* charter during such period and the rate of hire that is then in effect and payable under such other charter. Thus, KNOT has effectively guaranteed the hire rate for the *Live Knutsen* until November 2029 on the same basis as if Galp Sinopec had exercised its options through such date.

On March 23, 2025, the *Hilda Knutsen* began operating under a time charter with Shell for a fixed period of one year.



Exhibit 4.30

SHARE PURCHASE AGREEMENT

Between

KNOT Shuttle Tankers AS

(as Seller)

And

Knutsen NYK Offshore Tankers AS

(as Buyer)

for the sale and purchase of the shares in

KNOT Shuttle Tankers 21 AS



SHARE PURCHASE AGREEMENT

This agreement (this “**Agreement**”) is entered into on the 27 February 2025 between:

(1) **KNOT Shuttle Tankers AS**, company registration no. 998 942 829

(the “**Seller**”), and

(2) **Knutsen NYK Offshore Tankers AS**, company registration no. 995 221 713

(the “**Buyer**”).

The Seller and the Buyer are hereinafter individually referred to as a “**Party**” and jointly the “**Parties**”.

1 RECITALS

WHEREAS:

- a) **KNOT Shuttle Tankers 21 AS**, company registration no. 911 782 189, is a private limited liability company that has as its purpose to engage in shipowning activities, is duly incorporated under Norwegian law and has its registered place of business in Haugesund, Norway (the “**Company**”);
- b) The Seller is the sole owner of the ownership interest in the Company, with a share capital of NOK 10,000,000;
- c) The Company is the owner of the MT “**Dan Sabia**”, having IMO No. 9513438 (the “**Vessel**”); and
- d) The Seller and the Buyer have agreed that the Buyer shall acquire 100% of the shares in the Company (the “**Dan Sabia Shares**”) on the terms and conditions set forth in this Agreement and the Settlement Agreement dated 27 February 2025 between the Seller and the Buyer (the “**Settlement Agreement**”).

2 DEFINITIONS

In this Agreement, the following definitions shall have the following meanings:

- a) **Accounting Principles** means the applicable Norwegian generally accepted accounting principles as defined by Norwegian law and regulations and accounting standards issued by the Norwegian Accounting Standards Board (Nw: *Norsk Regnskapsstiftelse/NRS*), applied on a consistent basis;



b)	Accounts	means, in respect of the Company, its audited profit and loss and balance sheet statement as per the Accounts Date attached as Appendix 2 ;
c)	Accounts Date	means 31 December 2023;
d)	Agreement	shall have the meaning ascribed to such term in the preamble to this Agreement;
e)	Business	means the current business of the Company, being to own the Vessel;
f)	Business Day	means a day on which banks are open for general banking business in Norway;
g)	Buyer	shall have the meaning ascribed to such term in the preamble to this Agreement;
h)	Buyer Indemnitees	shall have the meaning ascribed to such term in Clause 12.1;
i)	Closing	shall have the meaning ascribed to such term in Clause 5.1;
j)	Closing Date	means the date when the Closing actually takes place according to Clause 5.1;
k)	Companies Act	means the Norwegian Limited Liability Companies Act of 1997
l)	Company	shall have the meaning ascribed to such term in Clause 1;
m)	Dan Sabia Purchase Price	shall have the meaning ascribed to such term in Clause 4;
n)	Dan Sabia Purchase Price Adjustments	shall have the meaning ascribed to such term in Clause 5.4;
o)	Dan Sabia Shares	shall have the meaning ascribed to such term in Clause 1;
p)	Encumbrance	means any mortgage, charge, pledge, lien, option or other security interest or restriction of any kind;
q)	Governmental Authority	means any domestic or foreign government, including federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing and any multinational or supranational organization;



r)	Indemnified Party	shall have the meaning ascribed to such term in Clause 12.3;
s)	Indemnifying Party	shall have the meaning ascribed to such term in Clause 12.3;
t)	Live SPA	means the Share Purchase Agreement, dated the date hereof, pursuant to which the Buyer has agreed to sell to the Seller all of the shares in KNOT Shuttle Tankers 27 AS, the owner of the vessel Live Knutsen;
u)	Losses	means any loss, liability, claim, damage, expense (including costs of investigation and defence and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim;
v)	Material Adverse Effect	means a material adverse effect on the condition (financial, commercial, technical, legal or otherwise) of the Business, assets, results of operations or prospects of the Company;
w)	Material Agreement	shall have the meaning ascribed to such term in Clause 8.10;
x)	Party	shall have the meaning ascribed to such term in the preamble to this Agreement;
y)	Parties	shall have the meaning ascribed to such term in the preamble to this Agreement;
z)	Partnership	means KNOT Offshore Partners LP, a Marshall Islands limited partnership;
aa)	Seller	shall have the meaning ascribed to such term in the preamble to this Agreement;
bb)	Seller Indemnities	shall have the meaning ascribed to such term in Clause 12.2;
cc)	Settlement Agreement	shall have the meaning ascribed to such term in Clause 1;
dd)	Signing Date	means the date of this Agreement;
ee)	Taxes	means all taxes (including value-added tax and similar taxes), however denominated, including interest, penalties and other additions to tax that may become payable or imposed by any applicable statute, rule or regulation or any governmental agency, including all taxes, withholdings and other charges in respect of income, profits, gains, payroll, social security or other social benefit taxes, sales, use, excise, real or personal property, stamps, transfers and workers' compensation, which the Company is required to pay, withhold or collect;



- ff) **Third-Party Claim** shall have the meaning ascribed to such term in Clause 12.3; and
gg) **Vessel** shall have the meaning ascribed to such term in Clause 1.

3 SALE AND PURCHASE

Subject to the terms and conditions set forth in this Agreement, the Seller agrees to sell, and the Buyer agrees to purchase, the Dan Sabia Shares, together with all rights attached to them.

The Dan Sabia Shares shall be transferred to the Buyer on the Closing Date, free and clear from any Encumbrances.



4 PURCHASE PRICE

The Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller the Dan Sabia Shares for USD 25,750,000, (the “**Dan Sabia Purchase Price**”), plus the Dan Sabia Purchase Price Adjustments, all in accordance with and subject to the terms and conditions set forth in this Agreement.

The Dan Sabia Purchase Price shall be settled and paid in accordance with the Settlement Agreement, subject to the subsequent Dan Sabia Purchase Price Adjustments in accordance with Clause 5.4.

The Dan Sabia Purchase Price as calculated above is based on the assumption that Closing occurs within 28 February, 2025 at 23:59 CET. If Closing should occur at another time the Parties shall agree on an adjusted Dan Sabia Purchase Price to be paid on Closing.

5 CLOSING

5.1 Time and place

Subject to the satisfaction or waiver of the conditions set forth in Clause 6, the completion of the transactions contemplated by this Agreement (the “**Closing**”) shall take place at the offices of the Seller at 28 February 2025 or such other time as the Parties agree.

5.2 The Seller’s Closing obligations

At the Closing, the Seller shall:

- a) deliver to the Buyer a copy of the minutes of the meeting of the board of directors of the Seller authorising the execution of, and the consummation of the transaction contemplated by, this Agreement; and
- b) in exchange for the payment of the Dan Sabia Purchase Price in accordance with the Settlement Agreement, transfer the Dan Sabia Shares to the Buyer and deliver to the Buyer the share register of the Company with the Buyer duly registered as the owner of the Dan Sabia Shares, as well as the related notices according to Sections 4-7 and 4-10 of the Companies Act.

5.3 The Buyer’s Closing obligations

At the Closing, the Buyer shall

- a) settle the Dan Sabia Purchase Price in accordance with Clause 4 and the Settlement Agreement.

5.4 Post-Closing Adjustment

- a) Within 60 days following the Closing Date, the Buyer and the Seller shall agree on the amount of the post-Closing adjustments to the Dan Sabia Purchase Price based on:
 - (i) The Company’s working capital, including the amounts owed to KNOT Management AS pursuant to Clause 8.7 of this Agreement (the “Dan Sabia Purchase Price Adjustments”) as of 23:59 hours CET, on 28 February, 2025.



- b) Within 3 business days following the date on which the Dan Sabia Purchase Price Adjustments have been agreed pursuant to Clause 5.4 a) above, the Buyer or the Seller (as the case may be) shall pay to the other Party an amount, in cash, equal to the net Dan Sabia Purchase Price Adjustments. Any amounts other than those covered by the Dan Sabia Purchase Price Adjustments varying in the period between the Signing Date and the Closing Date shall be for Seller's account.

6 CLOSING CONDITIONS

6.1 Conditions to the Buyer's Closing obligations

The obligations of the Buyer to purchase the Dan Sabia Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Buyer) on or before the Closing Date:

- a) there is no material breach of any of the representations and warranties of the Seller set forth in Clause 8 and Clause 9;
- b) the Buyer shall have obtained the funds necessary to consummate the purchase of the Dan Sabia Shares in accordance with the terms of this Agreement and the Settlement Agreement, and to pay all related fees and expenses;
- c) in all respects material to the transactions contemplated hereby, the Seller shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Seller at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement; and
- d) the results of the searches, surveys, tests and inspections of the Vessel referred to in Clause 10.1 f) are reasonably satisfactory to the Buyer.

6.2 Conditions to the Seller's Closing obligations

The obligations of the Seller to sell the Dan Sabia Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Seller) on or before the Closing Date:

- a) there is no material breach of any of the representations and warranties of the Buyer set forth in Clause 7; and
- b) in all respects material to the transactions contemplated hereby, the Buyer shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Buyer at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement.



6.3 Conditions of the Parties.

The obligations of Seller to sell the Dan Sabia Shares and the obligations of Buyer to purchase the Dan Sabia Shares are subject to the satisfaction (or waiver by each of Seller and Buyer) on or prior to the Closing Date of the following conditions:

- a) The Seller shall have received any and all written consents, permits, approvals or authorizations of any Governmental Authority or any other Person and shall have made any and all notices or declarations to or filing with any Governmental Authority or any other Person, including those related to any environmental laws or regulations, required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereunder, including the transfer of the Dan Sabia Shares;
- b) No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Dan Sabia Shares; and
- c) The sale of the shares of KNOT Shuttle Tankers 27 AS by Buyer to Seller pursuant to the terms of the Live SPA and the Settlement Agreement shall be consummated on the Closing Date.

7 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller that as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

7.1 Corporate existence and power

The Buyer is duly incorporated, validly existing and in good standing under the laws of Norway.

The Buyer has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the Business or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.

7.2 Corporate authorisation and non-contravention

This Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of the Buyer and constitutes or will, when executed, constitute valid and binding obligations of the Buyer enforceable in accordance with its respective terms.

The execution by the Buyer of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by the Buyer of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of the Buyer or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which the Buyer is bound.



The Buyer is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.

8 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

8.1 Corporate existence and power

Each of the Company and the Seller is duly incorporated, validly existing and in good standing under the laws of Norway.

Each of the Company and the Seller has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the Business or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.

The Company does not own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company or other entity.

8.2 Corporate authorisation and non-contravention

This Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of each of the Company and the Seller, as appropriate, and constitutes or will, when executed, constitute valid and binding obligations of each of the Company and the Seller, as appropriate, enforceable in accordance with its respective terms.

The execution by each of the Company and the Seller, as appropriate, of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by each of the Company and the Seller, as appropriate, of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of each of the Company and the Seller, as appropriate, or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which each of the Company and the Seller, as appropriate, is bound.

Each of the Company and the Seller, as appropriate, is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.

8.3 Capitalisation and title

The Seller has full ownership to the Dan Sabia Shares. The Dan Sabia Shares are duly authorised, validly issued and fully paid and at Closing, will be free and clear from any Encumbrances.

There is no outstanding subscription, option or similar rights relating to the Dan Sabia Shares.



8.4 Records

The Company's articles of association, shareholders' register and other organizational documents are true, accurate, up-to-date and complete.

8.5 Accounts

The Accounts have been prepared in accordance with the Accounting Principles and in accordance with the books and records of the Company. The Accounts give a true and accurate view of the financial position, solvency, assets, liabilities, liquidity, cash flow and the result of the operations of the Company as of the Accounts Date.

8.6 No undisclosed liabilities

Neither the Company nor the Vessel has any Encumbrances, or other liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation), the management agreement relating to the Vessel with KNOT Management Denmark A/S, the inter-company balance described in Clause 8.7 and the Encumbrances appearing in the ship registry of the Vessel. The Vessel is not subject to any charter.

8.7 Loans and other financial facilities

The vessel is debt free. As of 31 January, 2025, the non-interest bearing inter-company balance between the Company (as borrower) and KNOT Management AS (as lender) was NOK 21,558.

The Company is not indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller or any spouse, child or other relative or any affiliate of any such person, nor is any such officer, director, stockholder, employee, relative or affiliate indebted to the Company.

8.8 Assets

At the Closing Date, the Company shall not be using assets in the Business that it neither owns nor has the right to use pursuant to written agreements with third parties. At the Closing Date, the assets of the Company will comprise all the assets necessary for carrying on the Business fully and effectively to the extent to which it is conducted at the Signing Date.

8.9 Absence of certain changes or events

Since the Accounts Date, there has not occurred or arisen:

- a) any change of accounting methods, principles or practices, accounting, invoicing and supplier practice or procedures for the Company;
- b) any acquisition or disposal of, or the entering into any agreement to acquire or dispose of, any asset, other than the sale of products in the ordinary course of business;
- c) the termination of any Material Agreement;
- d) any obligations, commitments or liabilities, contingent or otherwise, whether for Taxes or otherwise, except obligations, commitments and liabilities arising in the ordinary course of business;



- e) any event or condition, whether covered by insurance or not, which has resulted in or may result in a Material Adverse Effect; or
- f) the entering into of any agreements or commitments other than on customary terms.

8.10 Agreements

Each Material Agreement is in full force and effect. No other Material Agreements will be entered into by the Company prior the Closing Date without the prior consent of the Buyer (such consent not to be unreasonably withheld). The Company has fulfilled all material obligations required pursuant to the Material Agreements to have been performed by it prior to the Signing Date and has not waived any material rights thereunder.

There has not occurred any material default on the part of the Company under any of the Material Agreements, or to the knowledge of the Seller, on the part of any other party thereto, nor has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of the Company under any of the Material Agreements nor, to the knowledge of the Seller, has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of any other party to any of the Material Agreements.

The term “Material Agreement” means each agreement, contract or other undertaking by or of the Company (a) that is of material importance to the Business or (b) the value of which, in respect of total turnover during one year, is not less than USD 50,000.

8.11 Insurance

The Company maintains insurance policies on fire, theft, loss, disruption, product and general liability and other forms of insurance with reputable insurers that would reasonably be judged to be sound and required for the Business.

The Company’s insurance policies do not contain any provisions regarding a change of control or ownership of the insured.

The Company is in compliance with all terms and conditions contained in the insurance policies, and nothing has been done or omitted to be done that would make any insurance policy or insurance void or voidable or that would result in a reduction of the coverage (*No avkortning*).

8.12 Environmental matters

The Company is not and has not been in breach of any applicable laws (whether civil, criminal or administrative), statutes, regulations, directives, codes, judgments, orders or any other measures imposed by any governmental, statutory or regulatory body with regard to the pollution or the protection of the environment or to the protection of human health or human safety, or any other living organisms supported by the environment.

There is no current governmental investigation or disciplinary proceeding relating to any alleged breach of any law or permit by the Company, and none is pending, nor threatened.

The Company has not, other than as permitted under applicable permits or applicable laws or regulations held from time to time, disposed of, discharged, released, placed, dumped or emitted



any hazardous substances, such as pollutants, contaminants, hazardous or toxic materials, wastes or chemicals. Neither the Seller nor the Company has received any formal or informal notice or other communication from which it appears that the Company may be or has been in violation of any laws or permits. There are no actual or contingent obligations on the Company to pay money or carry out any work in order to keep or be granted an extension or renewal of any existing permit. There are no facts or circumstances that could result in such an obligation. The properties used by the Company are not made of or do not contain any form of asbestos or any other toxic substance that may cause damage to the health of the persons working or visiting the premises.

8.13 Compliance with laws

The Company has at all times conducted the Business in accordance with and has complied with any applicable laws in Norway and in any other relevant countries relating to its operations and the Business.

All necessary licences, consents, permits and authorisations have been obtained by the Company to enable the Company to carry on the Business in the places and in the manner in which such Business is now conducted and all such licences, consents, permits and authorisations are valid and subsisting and have been complied with in all respects.

8.14 Litigation

There are no claims, actions, lawsuits, administrative, governmental, arbitration or other legal proceedings (including but not limited to proceedings related to Taxes) pending or threatened against or involving the Company, the Business or properties or assets of the Company and which would result in a Material Adverse Effect if adversely determined.

8.15 Taxes

The Company has properly filed with the appropriate Tax authorities all Tax returns and reports required to be filed for all Tax periods ending prior to the Closing Date. Such filings are true, correct and complete. All information required for a correct assessment of Taxes has been provided.

The Tax returns of the Company have been assessed and approved by the Tax authorities through the Tax years up to and including the years for which such assessment and approval is required, and the Company is not subject to any dispute with any such authority.

All Taxes that have become due have been fully paid or fully provided for in the Accounts, and the Company shall not be liable for any additional Tax pertaining to the period before the Accounts Date. All Taxes for the period after the Accounts Date have been fully paid when due.

There are no Tax audits, Tax disputes or Tax litigation pending or threatened against or involving the Company. There is no basis for assessment of any deficiency in any Taxes against the Company that has not been provided for in the Accounts or that has not been paid.

The Company is not and has not been involved in any transaction that could be considered as Tax-evasive. All losses for Tax purposes incurred by of the Company are trading losses and are available to be carried forward and set off against income in succeeding periods without limitation and have been accepted by the relevant Tax authorities.



The Company is not and has not been subject to any Tax outside its respective country of fiscal residence.

8.16 Relationship with the Seller

Except as disclosed to the Buyer, there are no written or oral agreements or arrangements between the Company and the Seller, and no liabilities or obligations (contingent or otherwise) owed by the Company to the Seller.

No services provided by the Seller to the Company are necessary in the ordinary course of business.

No payments of any kind, including, but not limited to management charges, have been made by the Company to the Seller, save for payments under agreements or arrangements made on an arm's-length basis in accordance with applicable law and regulations.

8.17 Information

All documents provided to the Buyer by or on behalf of the Seller or the Company are true and correct, and no document provided to the Buyer by or on behalf of the Seller or the Company contains any untrue statement of a relevant fact or omits to state a relevant fact necessary to make the statements contained in the document not misleading.

There are no facts or circumstances known to the Seller, relating to the affairs of the Company, that have not been disclosed to the Buyer, which, if disclosed, reasonably could have been expected to influence the decision of the Buyer to purchase the Dan Sabia Shares on the terms of this Agreement.

The Seller confirms that the Seller, prior to the Signing Date, has made, and until the Closing Date, shall continue to make, all investigations necessary in order to ensure that the statements in Clauses 8 and 9 are correct.

9 REPRESENTATIONS AND WARRANTIES OF THE SELLER REGARDING THE VESSEL

The Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

9.1 Flag and title

The Company is the registered owner of the Vessel and has good and marketable title to the Vessel, free and clear of any and all Encumbrances. The Vessel is properly registered in the name of the Seller under and pursuant to the flag and law of Denmark, and all fees due and payable in connection with such registration have been paid.

9.2 Classification

The Vessel is entered with the DNV GL and has the highest classification rating. The Vessel is in class without any recommendations or notation as to class or other requirement of the relevant classification society, and if the Vessel is in a port, it is in such condition that it cannot be detained by any port state authority or the flag state authority for any deficiency.

9.3 Maintenance

The Vessel has been maintained in a proper and efficient manner in accordance with



internationally accepted standards for good ship maintenance, is in good operating order, condition and repair and is seaworthy, and all repairs made to the Vessel during the last two years and all known scheduled repairs due to be made and all known deficiencies have been disclosed to the Buyer.

9.4 Liens

The Vessel is not (a) under arrest or otherwise detained, (b) other than in the ordinary course of business, in the possession of any person (other than her master and crew) or (c) subject to a possessory lien.

9.5 Safety

The Vessel is supplied with valid and up-to-date safety, safety construction, safety equipment, radio, loadline, health, tonnage, trading and other certificates or documents as may for the time being be prescribed by the law of Denmark or of any other pertinent jurisdiction, or that would otherwise be deemed necessary by a shipowner acting in accordance with internationally accepted standards for good ship management and operations.

9.6 No blacklisting or boycotts

No blacklisting or boycotting of any type has been applied or currently exists against or in respect of the Vessel.

9.7 No options

There are not outstanding any options or other rights to purchase the Vessel.

9.8 Insurance

The insurance policies relating to the Vessel are as set forth on [Appendix 1](#) hereto, each of which is in full force and effect and, to the Seller's knowledge, not subject to being voided or terminated for any reason.

10 COVENANTS PRIOR TO THE CLOSING

10.1 Covenants of the Seller Prior to the Closing

From the Signing Date to the Closing Date, the Seller shall cause the Company to conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted. The Seller shall not permit the Company to enter into any contracts or other written or oral agreements prior to the Closing Date, other than such contracts and agreements as have been disclosed to the Buyer prior to the Signing Date, without the prior consent of the Buyer (such consent not to be unreasonably withheld). In addition, the Seller shall not permit the Company to take any action that would result in any of the conditions to the purchase and sale of the Dan Sabia Shares set forth in Clause 6 not being satisfied. Furthermore, the Seller hereby agrees and covenants that it:

- a) shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective as promptly as possible the transactions contemplated by this Agreement and to co-operate with the Buyer and others in connection with the foregoing;



- b) shall use its best efforts to obtain the authorisations, consents, orders and approvals of regulatory bodies and officials that may be or become necessary for the performance of its obligations pursuant to this Agreement and the completion of the transactions contemplated by it;
- c) shall co-operate with the Buyer and promptly seek to obtain such authorisations, consents, orders and approvals as may be necessary for the performance of the Parties' respective obligations pursuant to this Agreement;
- d) shall not amend, alter or otherwise modify or permit any amendment, alteration or modification of any material provision of or terminate any contract prior to the Closing Date without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed;
- e) shall not cause or, to the extent reasonably within its control, permit any Encumbrances to attach to the Vessel; and
- f) shall permit representatives of the Buyer to make, prior to the Closing Date, at the Buyer's risk and expense, such surveys, tests and inspections of the Vessel as the Buyer may deem desirable, so long as such surveys, tests or inspections do not damage the Vessel or interfere with the activities of the Seller or the Company thereon and so long as the Buyer shall have furnished the Seller with evidence that adequate liability insurance is in full force and effect.

10.2 Covenants of the Buyer Prior to the Closing

The Buyer hereby agrees and covenants that during the period of time after the Signing Date and prior to the Closing Date, the Buyer shall, in respect of the Dan Sabia Shares to be transferred on the Closing Date, take, or cause to be taken, all necessary company action, steps and proceedings to approve or authorize validly and effectively the purchase and sale of the Dan Sabia Shares and the execution and delivery of this Agreement and the other agreements and documents contemplated hereby.

11 TERMINATION

11.1 Termination

This Agreement may be terminated, and the transactions contemplated by this Agreement may be abandoned, at any time prior to the Closing Date:

- a) by either Party if a breach of any provision of this Agreement has been committed by the other Party, such breach has not been waived and such breach is material to the transactions contemplated hereby, the Business or the assets, financial condition or prospect of the Company;
- b) by the Buyer if satisfaction of any of the conditions in Clause 6.1 is or becomes impossible (other than through the failure of the Buyer to comply with its obligations under this Agreement) and the Buyer has not waived such condition;



- c) by the Seller if satisfaction of any of the conditions in Clause 6.2 is or becomes impossible (other than through the failure of the Seller to comply with its obligations under this Agreement) and the Seller has not waived such condition;
- d) by either Party if satisfaction of any of the conditions in Clause 6.3 is or becomes impossible and Buyer and Seller have not waived such condition;
- e) by the Buyer due to a change having occurred that has resulted or may result in a Material Adverse Effect;
- f) by mutual written consent of the Seller and the Buyer; or
- g) by either Party if the Live SPA is terminated.

11.2 Rights on termination

If this Agreement is terminated pursuant to Clause 11.1, all further obligations of the Parties pursuant to this Agreement shall terminate without further liability of a Party to the other, provided, however, that the obligations of the Parties contained in Clause 13 (Costs) and Clause 17 (Governing Law and Arbitration) shall survive such termination, and further provided, that if this Agreement is terminated by a Party because of the breach of this Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

12 INDEMNIFICATION

12.1 Indemnity by the Seller

Following the Closing, the Seller shall be liable for, and shall indemnify, defend and hold harmless the Buyer and its respective officers, directors, employees, agents and representatives (the "**Buyer Indemnitees**") from and against, any Losses, suffered or incurred by such Buyer Indemnitees:

- a) by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;
- b) subject to Clause 13 b), any fees, expenses or other payments incurred or owed by the Seller to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transaction contemplated by this Agreement;
- c) any Losses of the Company or the Vessel or any other vessel chartered or owned by the Company incurred prior to or on the Closing Date arising from any violation of any applicable law or regulation relating to protection of natural resources, health and safety and the environment;
- d) all federal, state, foreign and local income tax liabilities attributable to the Company or operation of the Vessel prior to the Closing Date; or



- e) any Losses suffered or incurred by such Buyer Indemnitees in connection with any claim for the repayment of hire or Losses in relation to the Vessel or any other vessel chartered or owned by the Company for periods prior to the Closing.

12.2 Indemnity by the Buyer

Following the Closing, the Buyer shall be liable for, and shall indemnify, defend and hold harmless the Seller and its respective officers, directors, employees, agents and representatives (the "**Seller Indemnitees**") from and against, any Losses, suffered or incurred by such Seller Indemnitees by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.

12.3 Indemnification procedures with respect to third-party claims

If the Seller or the Buyer, as the case may be (an "**Indemnified Party**"), shall receive notice of any claim by a third party that is or may be subject to indemnification or compensation from the other Party pursuant to this Agreement (a "**Third-Party Claim**"), the Indemnified Party shall give the other Party (the "**Indemnifying Party**") prompt written notice of such Third-Party Claim and the Indemnifying Party shall, at the Indemnifying Party's option, have the right to participate in the defence thereof by counsel at the Indemnifying Party's own cost and expense. If the Indemnifying Party acknowledges within 30 days from such written notice in writing its obligation to indemnify the Indemnified Party against all Losses that may result from such Third-Party Claim, the Indemnifying Party shall be entitled, at the Indemnifying Party's option, to assume and control the defence of such Third-Party Claim at the Indemnifying Party's cost and expense and through counsel of the Indemnifying Party's choice. No such Third-Party Claim may be settled by the Indemnifying Party without the written consent of the Indemnified Party, unless the settlement involves only the payment of money by the Indemnifying Party. No Third-Party Claim that is being defended in good faith by the Indemnifying Party shall be settled by the Indemnified Party without the written consent of the Indemnifying Party. The Indemnifying Party shall have no obligation to indemnify the Indemnified Party for any losses resulting from the settlement of Third-Party Claims in violation of the provisions of this Clause 12.3.

13 COSTS

- a) Subject to Clause 13b) and 13c), each party shall pay its own costs and expenses in connection with the preparation for and completion of the transactions contemplated by this Agreement, including but not limited to all fees and expenses of its own representatives, agents, brokers, legal and financial advisers and authorities and no such costs or expenses shall be charged to or paid by, neither directly or indirectly, the Company.
- b) The fees and expenses related to the fairness opinion of AMA Capital Partners LLC dated 26 February 2025 will be divided equally between the Buyer and the Seller.
- c) Legal fees to Norwegian legal counsel related to the transactions contemplated by this Agreement and the related financing arrangements will be divided equally between the Buyer and the Seller.



14 NOTICES

All notices, requests, demands, approvals, waivers and other communications required or permitted under this Agreement must be in writing in the English language and shall be deemed to have been received by a Party when:

- a) delivered by post, unless actually received earlier, on the third Business Day after posting, if posted within Norway, or the fifth Business Day, if posted to or from a place outside Norway;
- b) delivered by hand, on the day of delivery.

All such notices and communications shall be addressed as set forth below or to such other addresses as may be given by written notice in accordance with this Clause 14.

If to the Seller:
KNOT Shuttle Tankers AS
Attention: Chairman of the Board
Smedasundet 40, Postboks 2017, 5504 Haugesund, Norway



If to the Buyer:
Knutsen NYK Offshore Tankers AS
Attention: President & CEO
Smedasundet 40, Postboks 2017, 5504 Haugesund, Norway

15 ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the successors of the Parties, but shall not be assignable by any of the Parties without the prior written consent of the other Party. The benefit of this Agreement may, however, be assigned by either of the Parties to any group directly or indirectly controlling, controlled by or under common control of the assignor, provided that the assignor shall remain liable for its own debt and for all obligations under this Agreement.

16 MISCELLANEOUS

16.1 Further Assurances

From time to time after the Signing Date, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and shall do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and (c) more fully and effectively to carry out the purposes and intent of this Agreement.

16.2 Integration

This Agreement, the Appendices hereto and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to its subject matter hereof. This Agreement, the Appendices hereto and the instruments referenced herein contain the entire understanding of the Parties with respect to the subject matter hereof and thereof. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties hereto after the Signing Date.

16.3 No Broker's Fees

No one is entitled to receive any finder's fee, brokerage or other commission in connection with the purchase of the Dan Sabia Shares or the consummation of the transactions contemplated by this Agreement.

17 GOVERNING LAW AND ARBITRATION

This Agreement shall be governed by and construed in accordance with Norwegian law.

The Parties shall seek to solve through negotiations any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof. If the Parties fail to



solve such dispute, controversy or claim by a written agreement within 60 days after one of the Parties has requested such negotiations by notice to the other Party, such dispute, controversy or claim shall be finally settled by arbitration in Haugesund in the English language in accordance with the Norwegian Arbitration Act. The arbitration tribunal shall consist of three arbitrators, of which the Buyer shall appoint one arbitrator and the Seller shall appoint one arbitrator. The arbitrators so appointed shall appoint the third arbitrator, who shall be the chairman of the arbitration tribunal. In the event of failure by a Party to appoint its arbitrator within 30 days after the request for arbitration first is given, or the failure by the first two arbitrators to appoint the third arbitrator within 30 days after appointment of the last of the first two arbitrators to be appointed, such arbitrator or arbitrators shall be appointed by the district judge (No: "Sorenskriver") of Haugesund District Court. Any Party may seek judgement upon any award in any court having jurisdiction, or an application may be made to such court for the judicial acceptance of the award and for an order of enforcement.

Notwithstanding the above, either Party may bring an action in any court of competent jurisdiction (a) for provisional relief pending the outcome of arbitration, including, without limitation, provisional injunctive relief or pre-judgement attachment of assets, or (b) to compel arbitration or enforce any arbitral award. For purposes of any proceeding authorised by this Clause 17, each Party hereby consents to the non-exclusive jurisdiction of Haugesund, Norway.

* * *



This Agreement has been executed in two original copies, of which each Party has retained one copy.

Knutsen NYK Offshore Tankers AS

By: /s/ Trygve Seglem

Name: Trygve Seglem

Title: CEO

KNOT Shuttle Tankers AS

By: /s/ Øystein Emberland

Name: Øystein Emberland

Title: Attorney-in-Fact



Appendix 1

INSURANCES

Insurance Policies (all quoted values are USD)

Hull & Machinery

Hull	Insured Value: \$40,000,000
	Policy Renewal: 01.05.2024-31.10.2025
Hull Interest	Insured Value: \$10,000,000
	Policy Renewal: 01.05.2024-31.10.2025
Freight Interest	Insured Value: \$10,000,000
	Policy Renewal: 01.05.2024-31.10.2025

P&I Insurance

Gross Tonnage:	36303
Policy Renewal:	20.02.2025-20.02.2026

War Risk

Insured Value:	\$60,000,000
Policy Renewal:	01.01.2025-31.12.2025

Hull & Machinery



5,0%	Alandia Försäkring Abp
18,5%	Aon London Broking Center Allianz
	10,0% Allianz Global Corporate & Speciality SE, London
	5,0% Lloyds Syndicate 1036 COF
	3,5% Markel Insurance SE
4,0%	Aon London Broking Center Arch
	4% Arch Insurance Comp. (Europe) Ltd.
8,5%	Aon London Broking Center AxaXL
	8,5% Lloyds Syndicate 2003 AXL
3,0%	Aon London Broking Center BRT 2987
	3% Lloyds Syndicate 2987 BRT
5,0%	Aon London Broking Center CUL 3010
	5% Lloyds Syndicate 3010 CUL
3,5%	Aon London Broking Center SCOR
	3,5% SCOR UK Company Limited
2,5%	Assuranceforeningen Skuld (Gjensidig)
5,0%	Codan Forsikring NUF
5,0%	DUPI Underwriting Agencies B.V.
	0,325% Axeria IARD S.A.
	1,500% Hamilton Insurance DAC
	1,875% SiriusPoint Ltd.
	1,300% SMA S.A.
7,5%	Gard AS, as agents only for Gard M&E Ltd
7,5%	Norwegian Hull Club
25,0%	Tokio Marine & Nichido Fire Insurance Co., Ltd.
100,0%	Total



Appendix 2

ACCOUNTS

[Separate attachment]



**ADDENDUM
TO A SHARE PURCHASE AGREEMENT
DATED 27 FEBRUARY 2025**

This addendum (this “**Addendum**”) to a share purchase agreement dated 27 February 2025 is entered into the 28 February 2025 between:

- (3) **KNOT Shuttle Tankers AS**, company registration no. 998 942 829 (the “**Seller**”);
- (4) **Knutsen NYK Offshore Tankers AS**, company registration no. 995 221 713 (the “**Buyer**”);

The Seller and the Buyer are hereinafter individually referred to as a “**Party**” and jointly the “**Parties**”.

WHEREAS:

- a) The Parties have entered a share purchase agreement dated 27 February 2025 (the “**Agreement**”), pursuant to which the Seller has agreed to sell, and the Buyer has agreed to buy, all shares issued in KNOT Shuttle Tankers 21 AS, company registration no. 911 782 189 (the “**Company**”) being the sole owner of the vessel MT “Live Knutsen” having IMO No. 9513438 (the “**Vessel**”);w
- b) The Parties now enter into this Addendum to reflect that the closing date is postponed from 28 February to be 3 March 2025.

The following clause in the abovementioned Agreement is hereby amended as follows:

1 AMENDMENT CLAUSE 5.1 – TIME AND PLACE

Claus 5.1 Time and place

Subject to the satisfaction or waiver of the conditions set forth in Clause 6, the completion of the transactions contemplated by this Agreement (the “**Closing**”) shall take place at the offices of the Seller on 3 March, 2025 or such other time as the Parties agree.

18 CONTINUED FORCE AND EFFECT

Except as amended and supplemented by this Addendum, the Agreement shall continue in full force and effect and the postponement of the closing date to March 3, 2025 shall not affect the Dan Sabia Purchase Price and the Dan Sabia Purchase Price Adjustment. The Agreement and this Addendum shall be read and construed as one instrument.



This Addendum has been executed in two original copies, of which each Party has retained one copy.

Knutsen NYK Offshore Tankers AS

By: /s/ Trygve Seglem

Name: Trygve Seglem

Title: CEO

KNOT Shuttle Tankers AS

By: /s/ Øystein Emberland

Name: Øystein Emberland

Title: Attorney-in-Fact

2



Exhibit 4.31

SHARE PURCHASE AGREEMENT

Between

Knutsen NYK Offshore Tankers AS

(as Seller)

And

KNOT Shuttle Tankers AS

(as Buyer)

for the sale and purchase of the shares in

KNOT Shuttle Tankers 27 AS



SHARE PURCHASE AGREEMENT

This agreement (this "**Agreement**") is entered into on the 27 February 2025 between:

(1) **Knutsen NYK Offshore Tankers AS**, company registration no. 995 221 713

(the "**Seller**"), and

(2) **KNOT Shuttle Tankers AS**, company registration no. 998 942 829

(the "**Buyer**").

The Seller and the Buyer are hereinafter individually referred to as a "**Party**" and jointly the "**Parties**".

1 RECITALS

WHEREAS:

- a) KNOT Shuttle Tankers 27 AS, company registration no. 914 021 456, is a private limited liability company that has as its purpose to engage in shipowning activities, is duly incorporated under Norwegian law and has its registered place of business in Haugesund, Norway (the "**Company**");
- b) The Seller is the sole owner of the ownership interest in the Company, with a share capital of NOK 100,000;
- c) The Company is the owner of the MT "Live Knutsen", having IMO No. 9896892 (the "**Vessel**");
- d) The Seller and the Buyer have agreed that the Buyer shall acquire 100% of the shares in the Company (the "**Live Shares**") on the terms and conditions set forth in this Agreement and the Settlement Agreement dated 27 February 2025 between the Seller and the Buyer (the "**Settlement Agreement**").

2 DEFINITIONS

In this Agreement, the following definitions shall have the following meanings:

- a) **Accounting Principles** means the applicable Norwegian generally accepted accounting principles as defined by Norwegian law and regulations and accounting standards issued by the Norwegian Accounting Standards Board (Nw: *Norsk Regnskapsstiftelse/NRS*), applied on a consistent basis;



- b) **Accounts** means, in respect of the Company, its audited profit and loss and balance sheet statement as per the Accounts Date attached as [Appendix 2](#);
- c) **Accounts Date** means 31 December 2023;
- d) **Agreement** shall have the meaning ascribed to such term in the preamble to this Agreement;
- e) **Business** means the current business of the Company, being to own the Vessel, and charter the same under the Charter;
- f) **Business Day** means a day on which banks are open for general banking business in Norway;
- g) **Buyer** shall have the meaning ascribed to such term in the preamble to this Agreement;
- h) **Buyer Indemnitees** shall have the meaning ascribed to such term in Clause 13.1;
- i) **Capitalized Fees** means capitalized fees and transaction costs related to the financing of the Vessel as of 28 February, 2025, which are USD 349,443;
- j) **Charter** means the time charterparty dated 5 June 2020, as amended, entered into between the Company as owner and the Charterer as charterer in respect of the Vessel;
- k) **Charterer** means Galp Sinopec Brazil Services BV.;
- l) **Closing** shall have the meaning ascribed to such term in Clause 5.1;
- m) **Closing Date** means the date when the Closing actually takes place according to Clause 5.1;
- n) **Companies Act** means the Norwegian Limited Liability Companies Act of 1997;
- o) **Company** shall have the meaning ascribed to such term in Clause 1;
- p) **Dan Sabia SPA** means the Share Purchase Agreement, dated the date hereof, pursuant to which the Buyer has agreed to sell to the Seller all of the shares in KNOT Shuttle Tankers 21 AS, the owner of the vessel Dan Sabia;
- q) **Encumbrance** means any mortgage, charge, pledge, lien, option or other security interest or restriction of any kind;



- r) **Governmental Authority** means any domestic or foreign government, including federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing and any multinational or supranational organization;
- s) **Indemnified Party** shall have the meaning ascribed to such term in Clause 13.3;
- t) **Indemnifying Party** shall have the meaning ascribed to such term in Clause 13.3;
- u) **Live Facility** means the USD 89,560,000 Term Loan Facility in respect of the Vessel, dated 14 October 2021, and made between (i) the Company as borrower, (ii) the Seller as original guarantor (iii) the banks and financial institutions listed in Schedule 1 thereto as lenders, (iv) SMBC BANK EU AG, ESPERANCE LINE S.A and MUFG BANK (EUROPE) N.V as bookrunners and mandated lead arrangers, (v) SMBC BANK EU AG and MUFG BANK (EUROPE) N.V as swap providers and (vi) SMBC BANK INTERNATIONAL PLC. as agent and security agent;
- v) **Live Purchase Price** shall have the meaning ascribed to such term in Clause 4;
- w) **Live Purchase Price** Adjustments shall have the meaning ascribed to such term in Clause 5.4;
- x) **Live Shares** shall have the meaning ascribed to such term in Clause 1;
- y) **Losses** means any loss, liability, claim, damage, expense (including costs of investigation and defence and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim;
- z) **Material Adverse Effect** means a material adverse effect on the condition (financial, commercial, technical, legal or otherwise) of the Business, assets, results of operations or prospects of the Company;
- aa) **Material Agreement** shall have the meaning ascribed to such term in Clause 8.11;
- bb) **Party** shall have the meaning ascribed to such term in the preamble to this Agreement;
- cc) **Parties** shall have the meaning ascribed to such term in the preamble to this Agreement;
- dd) **Partnership** means KNOT Offshore Partners LP, a Marshall Islands limited partnership;
- ee) **Seller** shall have the meaning ascribed to such term in the preamble to this Agreement;



- ff) **Seller Indemnities** shall have the meaning ascribed to such term in Clause 13.2;
- gg) **Settlement Agreement** shall have the meaning ascribed to such term in Clause 1;
- hh) **Signing Date** means the date of this Agreement;
- ii) **Swap Agreements** means the 2002 ISDA master agreements entered into between the Company and SMBC BANK EU AG and the Schedule thereto, dated 20 October 2021 relating to the Live Facility;
- jj) **Swap Balance** means the balance under the Swap Agreements as determined according to a mark-to-market determination as of the Closing Date and applying the middle rate for USD/NOK as published by SMBC BANK EU on the Closing Date. As of 31 January, 2025 the Swap Balance (being the balance under swaps entered into with SMBC BANK EU was USD 251,010 ex accrued interest (favoring the Company));
- kk) **Taxes** means all taxes (including value-added tax and similar taxes), however denominated, including interest, penalties and other additions to tax that may become payable or imposed by any applicable statute, rule or regulation or any governmental agency, including all taxes, withholdings and other charges in respect of income, profits, gains, payroll, social security or other social benefit taxes, sales, use, excise, real or personal property, stamps, transfers and workers' compensation, which the Company is required to pay, withhold or collect;
- ll) **Third-Party Claim** shall have the meaning ascribed to such term in Clause 13.3; and
- mm) **Vessel** shall have the meaning ascribed to such term in Clause 1.

3 SALE AND PURCHASE

Subject to the terms and conditions set forth in this Agreement, the Seller agrees to sell, and the Buyer agrees to purchase, the Live Shares, together with all rights attached to them.

The Live Shares shall be transferred to the Buyer on the Closing Date, free and clear from any Encumbrances, other than pursuant to the Live Facility.

4 PURCHASE PRICE

The Seller agrees to sell and transfer to the Buyer, and the Buyer agrees to purchase from the Seller the Live Shares for USD 100,000,000, less USD 73,389,444 of outstanding principal under the Live Facility at Closing, plus the Capitalized Fees in the amount of USD 349,443 (the "Live Purchase Price"), plus the Live Purchase Price Adjustments, all in accordance with and subject to the terms



and conditions set forth in this Agreement. The Live Purchase Price shall be settled and paid in accordance with the Settlement Agreement, subject to the subsequent Live Purchase Price Adjustments in accordance with Clause 5.4.

The Live Purchase Price as calculated above is based on the assumption that Closing occurs within 28 February, 2025 at 23:59 CET. If Closing should occur at another time the Parties shall agree on an adjusted Live Purchase Price to be paid on Closing, to reflect accrued interest, currency fluctuations and paid instalments (as applicable) in respect of the Live Facility and the Capitalized Fees.

5 CLOSING

5.1 Time and place

Subject to the satisfaction or waiver of the conditions set forth in Clause 6, the completion of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of the Seller on 28 February, 2025 or such other time as the Parties agree.

5.2 The Seller’s Closing obligations

At the Closing, the Seller shall:

- a) deliver to the Buyer a copy of the minutes of the meeting of the board of directors of the Seller authorising the execution of, and the consummation of the transaction contemplated by, this Agreement; and
- b) in exchange for the payment of the Live Purchase Price in accordance with the Settlement Agreement, transfer the Live Shares to the Buyer and deliver to the Buyer the share register of the Company with the Buyer duly registered as the owner of the Live Shares, as well as the related notices according to Sections 4-7 and 4-10 of the Companies Act.

5.3 The Buyer’s Closing obligations

At the Closing, the Buyer shall

- a) settle the Live Purchase Price in accordance with Clause 4 and the Settlement Agreement.

5.4 Post-Closing Adjustment

- a) Within 60 days following the Closing Date, the Buyer and the Seller shall agree on the amount of the post-Closing adjustments to the Live Purchase Price based on:
 - (i) the Company’s working capital, including the amounts owed to KNOT Management AS pursuant to Clause 8.8b) of this Agreement as of 23:59 hours CET on 28 February, 2025; and
 - (ii) the Swap Balance;
(the “Live Purchase Price Adjustments”).



- b) Within 3 business days following the date on which the Live Purchase Price Adjustments have been agreed pursuant to Clause 5.4 a) above, the Buyer or the Seller (as the case may be) shall pay to the other Party an amount, in cash, equal to the net Live Purchase Price Adjustments. Any amounts other than those covered by the Live Purchase Price Adjustments varying in the period between the Signing Date and the Closing Date shall be for Seller's account.

6 CLOSING CONDITIONS

6.1 Conditions to the Buyer's Closing obligations

The obligations of the Buyer to purchase the Live Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Buyer) on or before the Closing Date:

- a) that the Vessel has been delivered to the Charterer and operated in accordance with the provisions of the Charter and that all costs and expenses related thereto have been settled by the Seller;
- b) there is no material breach of any of the representations and warranties of the Seller set forth in Clause 8 and Clause 9;
- c) the Buyer shall have obtained the funds necessary to consummate the purchase of the Live Shares in accordance with the terms of this Agreement and the Settlement Agreement, and to pay all related fees and expenses;
- d) in all respects material to the transactions contemplated hereby, the Seller shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Seller at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement; and
- e) the results of the searches, surveys, tests and inspections of the Vessel referred to in Clause 10.1 h) are reasonably satisfactory to the Buyer.

6.2 Conditions to the Seller's Closing obligations

The obligations of the Seller to sell the Live Shares and to take the other actions required to be taken by it at the Closing are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by the Seller) on or before the Closing Date:

- a) there is no material breach of any of the representations and warranties of the Buyer set forth in Clause 7;



- b) At Closing, the Buyer shall procure that the Partnership accede to the Live Facility as “Guarantor” by way of an “Accession Letter” set out therein, and that the Live Shares are pledged as contemplated by the Live Facility, and procure that relevant conditions precedent under the Live Facility relating to the Partnership and/or the Buyer have been satisfied. At Closing, the Seller shall be released from its guarantee obligations under the Live Facility; and
- c) in all respects material to the transactions contemplated hereby, the Buyer shall have performed or complied with all of its obligations pursuant to this Agreement to be performed or complied with by the Buyer at or prior to the Closing Date and shall have delivered each document or instrument to be delivered by it pursuant to this Agreement.

6.3 Conditions of the Parties.

The obligations of Seller to sell the Live Shares and the obligations of Buyer to purchase the Live Shares are subject to the satisfaction (or waiver by each of Seller and Buyer) on or prior to the Closing Date of the following conditions:

- a) The Seller shall have received any and all written consents, permits, approvals or authorizations of any Governmental Authority or any other Person (including, but not limited to, with respect to the Charter, the Live Facility and the Swap Agreements) and shall have made any and all notices or declarations to or filing with any Governmental Authority or any other Person, including those related to any environmental laws or regulations, required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereunder, including the transfer of the Live Shares;
- b) No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Live Shares; and
- c) The sale of the shares of KNOT Shuttle Tankers 21 AS by Buyer to Seller pursuant to the terms of the Dan Sabia SPA and the Settlement Agreement shall be consummated on the Closing Date.

7 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller that as of the Signing Date and on the Closing Date, unless otherwise expressly stated:



7.1 Corporate existence and power

The Buyer is duly incorporated, validly existing and in good standing under the laws of Norway.

The Buyer has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the business of the Buyer or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.

7.2 Corporate authorisation and non-contravention

This Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of the Buyer and constitutes or will, when executed, constitute valid and binding obligations of the Buyer enforceable in accordance with its respective terms.

The execution by the Buyer of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by the Buyer of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of the Buyer or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which the Buyer is bound.

The Buyer is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.

8 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

8.1 Corporate existence and power

Each of the Company and the Seller is duly incorporated, validly existing and in good standing under the laws of Norway.

Each of the Company and the Seller has not been declared insolvent; become the subject of a petition in bankruptcy; had a receiver appointed with respect to it or to the Business or part thereof; entered into any arrangement with, or made an assignment for the benefit of, its creditors; or ceased to function as a going concern.

The Company does not own, directly or indirectly, any equity or long-term debt securities of any corporation, partnership, limited liability company or other entity.

8.2 Corporate authorisation and non-contravention

This Agreement and each other document or instrument delivered or to be delivered in connection with this Agreement has been duly authorised by all necessary corporate action(s) of each of the Company and the Seller, as appropriate, and constitutes or will, when executed, constitute valid and binding obligations of each of the Company and the Seller, as appropriate, enforceable in accordance with its respective terms.



The execution by each of the Company and the Seller, as appropriate, of this Agreement and each other document or instrument delivered or to be delivered in connection with it, and the performance by each of the Company and the Seller, as appropriate, of its obligations under this Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of each of the Company and the Seller, as appropriate, or of any applicable law, order, judgment or decree of any court or Governmental Authority or of any agreement to which each of the Company and the Seller, as appropriate, is bound.

Each of the Company and the Seller, as appropriate, is not required to obtain any authorisations, consents, approvals or exemptions by any Governmental Authority in connection with the entering into or performance of its obligations under this Agreement.

8.3 Capitalisation and title

The Seller has full ownership to the Live Shares. The Live Shares are duly authorised, validly issued and fully paid and at Closing, will be free and clear from any Encumbrances, other than pursuant to the Live Facility.

There is no outstanding subscription, option or similar rights relating to the Live Shares.

8.4 Records

The Company's articles of association, shareholders' register and other organizational documents are true, accurate, up-to-date and complete.

8.5 Charter documents; validity of the Charter

The Seller has supplied to the Buyer true and correct copies of the Charter and any related documents, as amended to the Closing Date. The Charter is a valid and binding agreement of the Company enforceable against the Company in accordance with its terms and, to the knowledge of the Seller, the Charter is a valid and binding agreement of all other parties thereto enforceable against such parties in accordance with its terms.

8.6 Accounts

The Accounts have been prepared in accordance with the Accounting Principles and in accordance with the books and records of the Company. The Accounts give a true and accurate view of the financial position, solvency, assets, liabilities, liquidity, cash flow and the result of the operations of the Company as of the Accounts Date.

8.7 No undisclosed liabilities

Neither the Company nor the Vessel has any Encumbrances, or other liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due (including, without limitation, any liability for Taxes and interest, penalties and other charges payable with respect to any such liability or obligation), except for such liabilities or obligations arising under the Charter, the Live Facility, the Swap Agreements, the management agreement relating to the Vessel with KNOT Management AS, the inter-company balances described in Clause 8.8 b) and the Encumbrances appearing in the ship registry of the Vessel and arising under the Live Facility and the Swap Agreements.



8.8 Loans and other financial facilities

All loans and other financial facilities available to the Company have been made available for review by the Buyer.

- a) As of the Signing Date, the principal outstanding amount under the Live Facility in respect of the Vessel is USD 73,389,444.43 where the next instalments of USD 1,243,888.89 is due 27. April, 2025;
- b) As of 31 January 2025, the non-interest bearing inter-company balance between the Company (as borrower) and KNOT Management AS (as lender) was NOK 1,182,693.

No event has occurred which gives, or after notice or lapse of time, or both, would give any third party the right to call for repayment from the Company prior to normal maturity of any loan or other financial facility. The Company is not indebted, directly or indirectly, to any person who is an officer, director, stockholder or employee of the Seller or any spouse, child or other relative or any affiliate of any such person, nor is any such officer, director, stockholder, employee, relative or affiliate indebted to the Company.

8.9 Assets

At the Closing Date, the Company shall not be using assets in the Business that it neither owns nor has the right to use pursuant to written agreements with third parties. At the Closing Date, the assets of the Company will comprise all the assets necessary for carrying on the Business fully and effectively to the extent to which it is conducted at the Signing Date.

8.10 Absence of certain changes or events

Since the Accounts Date, there has not occurred or arisen:

- a) any change of accounting methods, principles or practices, accounting, invoicing and supplier practice or procedures for the Company;
- b) any acquisition or disposal of, or the entering into any agreement to acquire or dispose of, any asset, other than the sale of products in the ordinary course of business;
- c) the termination of any Material Agreement, other than the Commercial Management Agreement dated 1 July 2020 between the Company and KNOT Management AS pursuant to the Agreement on Termination of the Commercial Management Agreement dated 25 February 2025;
- d) any obligations, commitments or liabilities, contingent or otherwise, whether for Taxes or otherwise, except obligations,



commitments and liabilities arising in the ordinary course of business;

- e) any event or condition, whether covered by insurance or not, which has resulted in or may result in a Material Adverse Effect; or
- f) the entering into of any agreements or commitments other than on customary terms.

8.11 Agreements

Each Material Agreement is in full force and effect. No other Material Agreements will be entered into by the Company prior the Closing Date without the prior consent of the Buyer (such consent not to be unreasonably withheld). The Company has fulfilled all material obligations required pursuant to the Material Agreements to have been performed by it prior to the Signing Date and has not waived any material rights thereunder.

There has not occurred any material default on the part of the Company under any of the Material Agreements, or to the knowledge of the Seller, on the part of any other party thereto, nor has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of the Company under any of the Material Agreements nor, to the knowledge of the Seller, has any event occurred that with the giving of notice or the lapse of time, or both, would constitute any material default on the part of any other party to any of the Material Agreements.

The term “**Material Agreement**” means each agreement, contract or other undertaking by or of the Company (a) that is of material importance to the Business or (b) the value of which, in respect of total turnover during one year, is not less than USD 50,000, provided, however, that such term includes the Charter, the Live Facility and the Swap Agreements.

8.12 Insurance

The Company maintains insurance policies on fire, theft, loss, disruption, product and general liability and other forms of insurance with reputable insurers that would reasonably be judged to be sound and required for the Business.

The Company’s insurance policies do not contain any provisions regarding a change of control or ownership of the insured.

The Company is in compliance with all terms and conditions contained in the insurance policies, and nothing has been done or omitted to be done that would make any insurance policy or insurance void or voidable or that would result in a reduction of the coverage (*No: avkortning*).

8.13 Environmental matters

The Company is not and has not been in breach of any applicable laws (whether civil, criminal or administrative), statutes, regulations, directives, codes, judgments, orders or any other measures imposed by any governmental, statutory or regulatory body with regard to the pollution or the protection of the environment or to the protection of human health or human safety, or any other living organisms supported by the environment.



There is no current governmental investigation or disciplinary proceeding relating to any alleged breach of any law or permit by the Company, and none is pending, nor threatened.

The Company has not, other than as permitted under applicable permits or applicable laws or regulations held from time to time, disposed of, discharged, released, placed, dumped or emitted any hazardous substances, such as pollutants, contaminants, hazardous or toxic materials, wastes or chemicals. Neither the Seller nor the Company has received any formal or informal notice or other communication from which it appears that the Company may be or has been in violation of any laws or permits. There are no actual or contingent obligations on the Company to pay money or carry out any work in order to keep or be granted an extension or renewal of any existing permit. There are no facts or circumstances that could result in such an obligation. The properties used by the Company are not made of or do not contain any form of asbestos or any other toxic substance that may cause damage to the health of the persons working or visiting the premises.

8.14 Compliance with laws

The Company has at all times conducted the Business in accordance with and have complied with any applicable laws in Norway and in any other relevant countries relating to each of their operations and the Business.

All necessary licences, consents, permits and authorisations have been obtained by the Company enable the Company to carry on the Business in the places and in the manner in which such Business is now conducted and all such licences, consents, permits and authorisations are valid and subsisting and have been complied with in all respects.

8.15 Litigation

There are no claims, actions, lawsuits, administrative, governmental, arbitration or other legal proceedings (including but not limited to proceedings related to Taxes) pending or threatened against or involving the Company, the Business or properties or assets of the Company and which would result in a Material Adverse Effect if adversely determined.

8.16 Taxes

The Company has properly filed with the appropriate Tax authorities all Tax returns and reports required to be filed for all Tax periods ending prior to the Closing Date. Such filings are true, correct and complete. All information required for a correct assessment of Taxes has been provided.

The Tax returns of the Company have been assessed and approved by the Tax authorities through the Tax years up to and including the years for which such assessment and approval is required, and the Company is not subject to any dispute with any such authority.

All Taxes that have become due have been fully paid or fully provided for in the Accounts, and the Company shall not be liable for any additional Tax pertaining to the period before the Accounts Date. All Taxes for the period after the Accounts Date have been fully paid when due.

There are no Tax audits, Tax disputes or Tax litigation pending or threatened against or involving the Company. There is no basis for assessment of any deficiency in any Taxes against the Company that has not been provided for in the Accounts or that has not been paid.



The Company is not and has not been involved in any transaction that could be considered as Tax-evasive. All losses for Tax purposes incurred by of the Company are trading losses and are available to be carried forward and set off against income in succeeding periods without limitation and have been accepted by the relevant Tax authorities.

The Company is not and has not been subject to any Tax outside its respective country of fiscal residence.

8.17 Relationship with the Seller

Except as disclosed to the Buyer, there are no written or oral agreements or arrangements between the Company and the Seller, and no liabilities or obligations (contingent or otherwise) owed by the Company to the Seller.

No services provided by the Seller to the Company are necessary in the ordinary course of business.

No payments of any kind, including, but not limited to management charges, have been made by the Company to the Seller, save for payments under agreements or arrangements made on an arm's-length basis in accordance with applicable law and regulations.

8.18 Information

All documents provided to the Buyer by or on behalf of the Seller or the Company are true and correct, and no document provided to the Buyer by or on behalf of the Seller or the Company contains any untrue statement of a relevant fact or omits to state a relevant fact necessary to make the statements contained in the document not misleading.

There are no facts or circumstances known to the Seller, relating to the affairs of the Company, that have not been disclosed to the Buyer, which, if disclosed, reasonably could have been expected to influence the decision of the Buyer to purchase the Live Shares on the terms of this Agreement.

The Seller confirms that the Seller, prior to the Signing Date, has made, and until the Closing Date, shall continue to make, all investigations necessary in order to ensure that the statements in Clauses 8 and 9 are correct.

9 REPRESENTATIONS AND WARRANTIES OF THE SELLER REGARDING THE VESSEL

The Seller represents and warrants to the Buyer as of the Signing Date and on the Closing Date, unless otherwise expressly stated:

9.1 Flag and title

The Company is the registered owner of the Vessel and has good and marketable title to the Vessel, free and clear of any and all Encumbrances, other than those arising under the Live Facility and the Swap Agreements. The Vessel is properly registered in the name of the Seller under and pursuant to the flag and law of Norway, and all fees due and payable in connection with such registration have been paid.

9.2 Classification

The Vessel is entered with the DNV GL and has the highest classification rating. The Vessel is in class without any recommendations or notation as to class or other requirement of the relevant classification society, and if the Vessel is in a port, it is in such condition that it



cannot be detached by any port state authority or the flag state authority for any deficiency.

9.3 Maintenance

The Vessel has been maintained in a proper and efficient manner in accordance with internationally accepted standards for good ship maintenance, is in good operating order, condition and repair and is seaworthy, and all repairs made to the Vessel during the last two years and all known scheduled repairs due to be made and all known deficiencies have been disclosed to the Buyer.

9.4 Liens

The Vessel is not (a) under arrest or otherwise detained, (b) other than in the ordinary course of business, in the possession of any person (other than her master and crew) or (c) subject to a possessory lien.

9.5 Safety

The Vessel is supplied with valid and up-to-date safety, safety construction, safety equipment, radio, loadline, health, tonnage, trading and other certificates or documents as may for the time being be prescribed by the law of Norway or of any other pertinent jurisdiction, or that would otherwise be deemed necessary by a shipowner acting in accordance with internationally accepted standards for good ship management and operations.

9.6 No blacklisting or boycotts

No blacklisting or boycotting of any type has been applied or currently exists against or in respect of the Vessel.

9.7 No options

There are not outstanding any options or other rights to purchase the Vessel.

9.8 Insurance

The insurance policies relating to the Vessel are as set forth on [Appendix 2](#) hereto, each of which is in full force and effect and, to the Seller's knowledge, not subject to being voided or terminated for any reason.

10 COVENANTS PRIOR TO THE CLOSING

10.1 Covenants of the Seller Prior to the Closing

From the Signing Date to the Closing Date, the Seller shall cause the Company to conduct its business in the usual, regular and ordinary course in substantially the same manner as previously conducted. The Seller shall not permit the Company to enter into any contracts or other written or oral agreements prior to the Closing Date, other than such contracts and agreements as have been disclosed to the Buyer prior to the Signing Date, without the prior consent of the Buyer (such consent not to be unreasonably withheld). In addition, the Seller shall not permit the Company to take any action that would result in any of the conditions to the purchase and sale of the Live Shares set forth in Clause 6 not being satisfied. Furthermore, the Seller hereby agrees and covenants that it:



- a) shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective as promptly as possible the transactions contemplated by this Agreement and to co-operate with the Buyer and others in connection with the foregoing;
- b) shall use its best efforts to obtain the authorisations, consents, orders and approvals of regulatory bodies and officials that may be or become necessary for the performance of its obligations pursuant to this Agreement and the completion of the transactions contemplated by it;
- c) shall co-operate with the Buyer and promptly seek to obtain such authorisations, consents, orders and approvals as may be necessary for the performance of the Parties' respective obligations pursuant to this Agreement;
- d) shall not amend, alter or otherwise modify or permit any amendment, alteration or modification of any material provision of or terminate the Charter or any other contract prior to the Closing Date without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed;
- e) shall not exercise or permit any exercise of any rights or options contained in the Charter, without the prior written consent of the Buyer, not to be unreasonably withheld or delayed;
- f) shall observe and perform in a timely manner, all of its covenants and obligations under the Charter, the Live Facility and the Swap Agreements, if any, and in the case of a default by another party thereto, it shall forthwith advise the Buyer of such default and shall, if requested by the Buyer, enforce all of its rights under such Charter, the Live Facility or the Swap Agreements, as applicable, in respect of such default;
- g) shall not cause or, to the extent reasonably within its control, permit any Encumbrances to attach to the Vessel other than in connection with the Live Facility and the Swap Agreements; and
- h) shall permit representatives of the Buyer to make, prior to the Closing Date, at the Buyer's risk and expense, such surveys, tests and inspections of the Vessel as the Buyer may deem desirable, so long as such surveys, tests or inspections do not damage the Vessel or interfere with the activities of the Seller, the Company or the Charterer thereon and so long as the Buyer shall have furnished the Seller with evidence that adequate liability insurance is in full force and effect.



10.2 Covenants of the Buyer Prior to the Closing

The Buyer hereby agrees and covenants that during the period of time after the Signing Date and prior to the Closing Date, the Buyer shall, in respect of the Live Shares to be transferred on the Closing Date, take, or cause to be taken, all necessary company action, steps and proceedings to approve or authorize validly and effectively the purchase and sale of the Live Shares and the execution and delivery of this Agreement and the other agreements and documents contemplated hereby.

11 TERMINATION

11.1 Termination

This Agreement may be terminated, and the transactions contemplated by this Agreement may be abandoned, at any time prior to the Closing Date:

- a) by either Party if a breach of any provision of this Agreement has been committed by the other Party, such breach has not been waived and such breach is material to the transactions contemplated hereby, the Business or the assets, financial condition or prospect of the Company;
- b) by the Buyer if satisfaction of any of the conditions in Clause 6.1 is or becomes impossible (other than through the failure of the Buyer to comply with its obligations under this Agreement) and the Buyer has not waived such condition;
- c) by the Seller if satisfaction of any of the conditions in Clause 6.2 is or becomes impossible (other than through the failure of the Seller to comply with its obligations under this Agreement) and the Seller has not waived such condition;
- d) by either Party if satisfaction of any of the conditions in Clause 6.3 is or becomes impossible and Buyer and Seller have not waived such condition;
- e) by the Buyer due to a change having occurred that has resulted or may result in a Material Adverse Effect;
- f) by mutual written consent of the Seller and the Buyer; or
- g) by either Party if the Dan Sabia SPA is terminated.

11.2 Rights on termination

If this Agreement is terminated pursuant to Clause 11.1, all further obligations of the Parties pursuant to this Agreement shall terminate without further liability of a Party to the other, provided, however, that the obligations of the Parties contained in Clause 14 (Costs) and Clause 18 (Governing Law and Arbitration) shall survive such termination, and further provided, that if this Agreement is terminated by a Party because of the breach of this Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this



Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

12 GUARANTEE BY KNOT

12.1 Guarantee relating to the Live Knutsen

If at any time during the first option period set forth in Clause 4 of the Charter, the Live Knutsen is not receiving from any charterer a rate of hire that is equal to or greater than the rate of hire then in effect and payable under the Charter, then Seller shall pay, or cause to be paid, to the Company, the owner of the Live Knutsen, such rate of hire that would have been in effect and payable under the Charter; provided, however, that in the event that for any period during the first option period set forth in Clause 4 of the Charter the Live Knutsen is chartered under a charter other than the Charter and the rate of hire being paid under such charter is lower than the rate of hire that would have been in effect and payable under the Charter during any such period, then Seller shall pay, or cause to be paid, to the owner of the Live Knutsen, the difference between the rate of hire that would have been in effect and payable under the Charter during such period and the rate of hire that is then in effect and payable under such other charter. No amounts shall be payable pursuant to this Clause 12 during any period of technical offhire of the vessel.

12.2 Gross up

Any payment required to be made by Seller pursuant to this Clause 12 shall be increased as necessary such that the net payment after allowance for any applicable taxes equals the amount due under Clause 12.1

13 INDEMNIFICATION

13.1 Indemnity by the Seller

Following the Closing, the Seller shall be liable for, and shall indemnify, defend and hold harmless the Buyer and its respective officers, directors, employees, agents and representatives (the "**Buyer Indemnitees**") from and against, any Losses, suffered or incurred by such Buyer Indemnitees:

- a) by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Seller in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Seller;
- b) subject to Clause 14 b), any fees, expenses or other payments incurred or owed by the Seller to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the transaction contemplated by this Agreement;
- c) any Losses of the Company or the Vessel or any other vessel chartered or owned by the Company incurred prior to or on the Closing Date arising from any violation of any applicable law or



regulation relating to protection of natural resources, health and safety and the environment;

- d) all federal, state, foreign and local income tax liabilities attributable to the Company or operation of the Vessel prior to the Closing Date; or
- e) any Losses suffered or incurred by such Buyer Indemnitees in connection with any claim for the repayment of hire or Losses in relation to the Vessel or any other vessel chartered or owned by the Company for periods prior to the Closing.

13.2 Indemnity by the Buyer

Following the Closing, the Buyer shall be liable for, and shall indemnify, defend and hold harmless the Seller and its respective officers, directors, employees, agents and representatives (the "**Seller Indemnitees**") from and against, any Losses, suffered or incurred by such Seller Indemnitees by reason of, arising out of or otherwise in respect of any inaccuracy in, breach of any representation or warranty, or a failure to perform or observe fully any covenant, agreement or obligation of, the Buyer in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement by the Buyer.

13.3 Indemnification procedures with respect to third-party claims

If the Seller or the Buyer, as the case may be (an "**Indemnified Party**"), shall receive notice of any claim by a third party that is or may be subject to indemnification or compensation from the other Party pursuant to this Agreement (a "**Third-Party Claim**"), the Indemnified Party shall give the other Party (the "**Indemnifying Party**") prompt written notice of such Third-Party Claim and the Indemnifying Party shall, at the Indemnifying Party's option, have the right to participate in the defence thereof by counsel at the Indemnifying Party's own cost and expense. If the Indemnifying Party acknowledges within 30 days from such written notice in writing its obligation to indemnify the Indemnified Party against all Losses that may result from such Third-Party Claim, the Indemnifying Party shall be entitled, at the Indemnifying Party's option, to assume and control the defence of such Third-Party Claim at the Indemnifying Party's cost and expense and through counsel of the Indemnifying Party's choice. No such Third-Party Claim may be settled by the Indemnifying Party without the written consent of the Indemnified Party, unless the settlement involves only the payment of money by the Indemnifying Party. No Third-Party Claim that is being defended in good faith by the Indemnifying Party shall be settled by the Indemnified Party without the written consent of the Indemnifying Party. The Indemnifying Party shall have no obligation to indemnify the Indemnified Party for any losses resulting from the settlement of Third-Party Claims in violation of the provisions of this Clause 13.3.

14 COSTS

- a) Subject to Clause 14b) and 14c), each party shall pay its own costs and expenses in connection with the preparation for and completion of the transactions contemplated by this Agreement, including but not limited to all fees and expenses of its own representatives, agents, brokers, legal and financial advisers and authorities and no such costs or expenses shall be



charged to or paid by, neither directly or indirectly, the Company.

- b) The fees and expenses related to the fairness opinion of AMA Capital Partners LLC dated 26 February 2025 will be divided equally between the Buyer and the Seller.
- c) Legal fees to Norwegian legal counsel related to the transactions contemplated by this Agreement and the related financing arrangements will be divided equally between the Buyer and the Seller.

15 NOTICES

All notices, requests, demands, approvals, waivers and other communications required or permitted under this Agreement must be in writing in the English language and shall be deemed to have been received by a Party when:

- a) delivered by post, unless actually received earlier, on the third Business Day after posting, if posted within Norway, or the fifth Business Day, if posted to or from a place outside Norway;
- b) delivered by hand, on the day of delivery; or
- c) delivered by fax, on the day of dispatch if supported by a written confirmation from the sender's fax machine that the message has been properly transmitted.

All such notices and communications shall be addressed as set forth below or to such other addresses as may be given by written notice in accordance with this Clause 15.

If to the Seller:
Knutsen NYK Offshore Tankers AS
Attention: President & CEO
Smedasundet 40, Postboks 2017, 5504 Haugesund, Norway



If to the Buyer:
KNOT Shuttle Tankers AS
Attention: Chairman of the Board
Smedasundet 40, Postboks 2017, 5504 Haugesund, Norway

16 ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the successors of the Parties, but shall not be assignable by any of the Parties without the prior written consent of the other Party. The benefit of this Agreement may, however, be assigned by either of the Parties to any group directly or indirectly controlling, controlled by or under common control of the assignor, provided that the assignor shall remain liable for its own debt and for all obligations under this Agreement.

17 MISCELLANEOUS

17.1 Further Assurances

From time to time after the Signing Date, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and shall do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and (c) more fully and effectively to carry out the purposes and intent of this Agreement.

17.2 Integration

This Agreement, the Appendices hereto and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to its subject matter hereof. This Agreement, the Appendices hereto and the instruments referenced herein contain the entire understanding of the Parties with respect to the subject matter hereof and thereof. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties hereto after the Signing Date.

17.3 No Broker's Fees

No one is entitled to receive any finder's fee, brokerage or other commission in connection with the purchase of the Live Shares or the consummation of the transactions contemplated by this Agreement.

18 GOVERNING LAW AND ARBITRATION

This Agreement shall be governed by and construed in accordance with Norwegian law.

The Parties shall seek to solve through negotiations any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof. If the Parties fail to



solve such dispute, controversy or claim by a written agreement within 60 days after one of the Parties has requested such negotiations by notice to the other Party, such dispute, controversy or claim shall be finally settled by arbitration in Haugesund in the English language in accordance with the Norwegian Arbitration Act. The arbitration tribunal shall consist of three arbitrators, of which the Buyer shall appoint one arbitrator and the Seller shall appoint one arbitrator. The arbitrators so appointed shall appoint the third arbitrator, who shall be the chairman of the arbitration tribunal. In the event of failure by a Party to appoint its arbitrator within 30 days after the request for arbitration first is given, or the failure by the first two arbitrators to appoint the third arbitrator within 30 days after appointment of the last of the first two arbitrators to be appointed, such arbitrator or arbitrators shall be appointed by the district judge (No: "Sorenskriver") of Haugesund District Court. Any Party may seek judgement upon any award in any court having jurisdiction, or an application may be made to such court for the judicial acceptance of the award and for an order of enforcement.

Notwithstanding the above, either Party may bring an action in any court of competent jurisdiction (a) for provisional relief pending the outcome of arbitration, including, without limitation, provisional injunctive relief or pre-judgement attachment of assets, or (b) to compel arbitration or enforce any arbitral award. For purposes of any proceeding authorised by this Clause 18, each Party hereby consents to the non-exclusive jurisdiction of Haugesund, Norway.

* * *



This Agreement has been executed in two original copies, of which each Party has retained one copy.

Knutsen NYK Offshore Tankers AS

By: /s/ Trygve Seglem

Name: Trygve Seglem

Title: CEO

KNOT Shuttle Tankers AS

By: /s/ Øystein Emberland

Name: Øystein Emberland

Title: Attorney-in-Fact



INSURANCES

Insurance Policies (all quoted values are USD)

Hull & Machinery

Hull	Insured Value:	\$110,000,000
	Policy Renewal:	01.05.2024-31.10.2025
Hull Interest	Insured Value:	\$27,500,000
	Policy Renewal:	01.05.2024-31.10.2025
Freight Interest	Insured Value:	\$27,500,000
	Policy Renewal:	01.05.2024-31.10.2025

P&I Insurance

Gross Tonnage:	89800
Policy Renewal:	20.02.2025-20.02.2026

War Risk

Insured Value:	\$165,000,000
Policy Renewal:	01.01.2025-31.12.2025



5,0%	Alandia Försäkring Abp
18,5%	Aon London Broking Center Allianz
	10,0% Allianz Global Corporate & Speciality SE, London
	5,0% Lloyds Syndicate 1036 COF
	3,5% Markel Insurance SE
4,0%	Aon London Broking Center Arch
	4% Arch Insurance Comp. (Europe) Ltd.
8,5%	Aon London Broking Center AxaXL
	8,5% Lloyds Syndicate 2003 AXL
3,0%	Aon London Broking Center BRT 2987
	3% Lloyds Syndicate 2987 BRT
5,0%	Aon London Broking Center CUL 3010
	5% Lloyds Syndicate 3010 CUL
3,5%	Aon London Broking Center SCOR
	3,5% SCOR UK Company Limited
2,5%	Assuranceforeningen Skuld (Gjensidig)
5,0%	Codan Forsikring NUF
5,0%	DUPI Underwriting Agencies B.V.
	0,325% Axeria IARD S.A.
	1,500% Hamilton Insurance DAC
	1,875% SiriusPoint Ltd.
	1,300% SMA S.A.
7,5%	Gard AS, as agents only for Gard M&E Ltd
7,5%	Norwegian Hull Club
25,0%	Tokio Marine & Nichido Fire Insurance Co., Ltd.
100,0%	Total



Appendix 2

ACCOUNTS

[Separate attachment]



**ADDENDUM
TO A SHARE PURCHASE AGREEMENT
DATED 27 FEBRUARY 2025**

This addendum (this "Addendum") to a share purchase agreement dated 27 February 2025 is entered into the 28 February 2025 between:

- (3) **Knutsen NYK Offshore Tankers AS**, company registration no. 995 221 713 (the "Seller");
- (4) **KNOT Shuttle Tankers AS**, company registration no. 998 942 829 (the "Buyer").

The Seller and the Buyer are hereinafter individually referred to as a "Party" and jointly the "Parties".

WHEREAS:

- a) The Parties have entered a share purchase agreement dated 27 February 2025 (the "Agreement"), pursuant to which the Seller has agreed to sell, and the Buyer has agreed to buy, all shares issued in **KNOT Shuttle Tankers 27 AS**, company registration no. 914 021 456 (the "Company") being the sole owner of the vessel MT "Live Knutsen" having IMO No. 9896892 (the "Vessel");
- b) The Parties now enter into this Addendum to reflect that the closing date is postponed from 28 February to be 3 March 2025.

The following clause in the abovementioned Agreement is hereby amended as follows:

1 AMENDMENT CLAUSE 5.1 – TIME AND PLACE

Claus 5.1 Time and place

Subject to the satisfaction or waiver of the conditions set forth in Clause 6, the completion of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Seller on 3 March, 2025 or such other time as the Parties agree.

19 CONTINUED FORCE AND EFFECT

Except as amended and supplemented by this Addendum, the Agreement shall continue in full force and effect and the postponement of the closing date to March 3, 2025 shall not affect the Live Purchase Price and the Live Purchase Price Adjustment. The Agreement and this Addendum shall be read and construed as one instrument.



This Addendum has been executed in two original copies, of which each Party has retained one copy.

Knutsen NYK Offshore Tankers AS

By: /s/ Trygve Seglem

Name: Trygve Seglem

Title: CEO

KNOT Shuttle Tankers AS

By: /s/ Øystein Emberland

Name: Øystein Emberland

Title: Attorney-in-Fact

2



Exhibit 4.32

SETTLEMENT AGREEMENT

This settlement agreement (the “**Agreement**”) is entered into this 27 day of February 2025 by and between:

- (1) **Knutsen NYK Offshore Tankers AS**, company registration no. 995 221 713 (“**KNOT**”); and
- (2) **KNOT Shuttle Tankers AS**, company registration no. 998 942 829. (“**KST**”).

KNOT and KST are hereinafter collectively referred to as the “**Parties**” and each individually as a “**Party**”.

WHEREAS:

- A. KNOT has agreed to sell to KST all of the shares in KNOT Shuttle Tankers 27 AS, company registration no. 914 021 456, which is the owner of the vessel MT “Live Knutsen”, having IMO No. 9896892, pursuant to a share purchase agreement dated February 27, 2025 (the “**Live SPA**”).
- B. KST has agreed to sell to KNOT all of the shares in KNOT Shuttle Tankers 21 AS, company registration no. 911 782 189, which is the owner of the vessel MT “Dan Sabia”, having IMO No. 9513438, pursuant to a share purchase agreement dated February 27, 2025 (the “**Dan Sabia SPA**”).
- C. The Parties have agreed to enter into this Agreement in order to settle the Live Purchase Price payable under the Live SPA and the Dan Sabia Purchase Price payable under the Dan Sabia SPA partly by set-off and partly by payment of the net difference in cash as calculated and set out in the Live SPA and the Dan Sabia SPA.

NOW THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1 DEFINITIONS

Terms and definitions used in the Live SPA and the Dan Sabia SPA shall have same meanings when used in this Agreement unless the context otherwise requires.

2 SETTLEMENT AND PAYMENT

The Parties confirm and agree that the Live Purchase Price payable by KST under the Live SPA and the Dan Sabia Purchase Price payable by KNOT under the Dan Sabia SPA shall be settled partly by set – off and partly by payment of cash. The net difference between the Live Purchase Price and the Dan Sabia Purchase Price to KNOT (the “**Net Amount**”) shall be paid by KST on the Closing Date in cash to KNOT.

Calculation of the Live Purchase Price, the Dan Sabia Purchase Price, the Live Purchase Price Adjustments and the Dan Sabia Purchase Price Adjustments and other amounts due shall be done in accordance with the Live SPA and Dan Sabia SPA, respectively, and same shall apply to the closing and payment procedures agreed therein. The Parties agree that Net Amount to be paid in cash by KST to KNOT shall be USD 1,209,999, and the Parties agree and confirm that this represents the settlement of the Live Purchase Price and the Dan Sabia Purchase Price under the Live SPA and Dan Sabia SPA

1



3 FURTHER ASSURANCE

The Parties shall (at their own expense) promptly execute and deliver all such documents, and do all such things, or procure the execution of documents and doing of such things as are required to give full effect to its obligations under this Agreement and the transactions intended to be effected pursuant to it.

4 GOVERNING LAW AND ARBITRATION

Clause 18 (Governing law and arbitration) under the Live SPA and Clause 17 (Governing law and arbitration) under the Dan Sabia SPA shall apply mutatis mutandis to this Agreement.

Knutsen NYK Offshore Tankers AS

By: /s/ Trygve Seglem

Name: Trygve Seglem

Title: CEO

KNOT Shuttle Tankers AS

By: /s/ Øystein Emberland

Name: Øystein Emberland

Title: Attorney-in-Fact



Exhibit 8.1

SUBSIDIARIES OF KNOT OFFSHORE PARTNERS LP

Subsidiary	Jurisdiction of Formation
KNOT Offshore Partners UK LLC	Marshall Islands
KNOT Shuttle Tankers AS	Norway
KNOT Shuttle Tankers 17 AS	Norway
KNOT Shuttle Tankers 18 AS	Norway
KNOT Shuttle Tankers 24 AS	Norway
KNOT Shuttle Tankers 25 AS	Norway
KNOT Shuttle Tankers 26 AS	Norway
KNOT Shuttle Tankers 27 AS	Norway
KNOT Shuttle Tankers 30 AS	Norway
KNOT Shuttle Tankers 31 AS	Norway
KNOT Shuttle Tankers 32 AS	Norway
KNOT Shuttle Tankers 34 AS	Norway
KNOT Shuttle Tankers 35 AS	Norway
Knutsen NYK Shuttle Tankers 16 AS	Norway
Knutsen Shuttle Tankers 13 AS	Norway
Knutsen Shuttle Tankers 14 AS	Norway
Knutsen Shuttle Tankers 15 AS	Norway
Knutsen Shuttle Tankers 19 AS	Norway
Knutsen Shuttle Tankers XII AS	Norway



Exhibit 11.1



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

This Insider Trading Policy (this "**Policy**") provides guidelines to directors, officers, employees and consultants of KNOT Offshore Partners LP (the "**Partnership**") with respect to transactions in the Partnership's securities (such as common units, options to buy or sell common units, warrants and convertible securities) and derivative securities relating to the Partnership's common units, whether or not issued by the Partnership (such as exchange-traded options) for the purpose of promoting compliance with applicable securities laws.

This Policy applies to directors, officers, employees and consultants who receive or are aware of Material, Non-Public Information (as defined below) regarding (1) the Partnership and (2) any other company with publicly-traded securities, including the Partnership's customers, joint-venture or strategic partners, vendors and suppliers ("**business partners**"), obtained in the course of employment by or in association with the Partnership. This Policy also applies to any person who receives Material, Non-Public Information from an insider. The people to whom this Policy applies are referred to in this Policy as "**insiders**." All insiders must comply strictly with this Policy.

The Partnership reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different policies and procedures at any time. In the event of any conflict or inconsistency between this Policy and any other materials distributed by the Partnership, this Policy shall govern. If a law conflicts with this Policy, you must comply with the law.

You should read this Policy carefully, ask questions of the Partnership's Chief Executive Officer and Chief Financial Officer, and promptly sign and return the certification attached as [Annex A](#) acknowledging receipt of this Policy either to:

KNOT Offshore Partners LP
2 Queen's Cross
Aberdeen, AB15 4YB, United Kingdom
Attention: Chief Executive Officer and Chief Financial Officer

Or by email to:
dlo@knotoffshorepartners.com

The Partnership's Chief Executive Officer and Chief Financial Officer is responsible for ensuring that all of the Partnership's directors, officers and other employees promptly sign and return the attached certification acknowledging receipt of this Policy.

I. Definitions and Explanations

A. Material, Non-Public Information

What Information is "Material"?

It is not possible to define all categories of material information. However, information should be regarded as material if there is a substantial likelihood that it would be considered important to a reasonable investor in making a decision to buy, hold or sell the Partnership's securities. Information that is likely to affect the price of a company's securities (whether positive or



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

negative) is almost always material. It is also important to remember that either positive or negative information may be material.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material information. Common examples of information that would ordinarily be regarded as material include:

- Unpublished financial results (annual, quarterly or otherwise);
- Unpublished projections of future earnings or losses;
- News of a pending or proposed merger or joint venture;
- News of a significant acquisition (including the acquisition of a vessel) or a sale of significant assets;
- News of entry into a new time charter or bareboat charter;
- News of a vessel casualty, collision or grounding;
- Impending announcements of bankruptcy or financial liquidity problems;
- Gain or loss of a substantial customer or supplier;
- The establishment of a repurchase program for the Partnership's securities;
- Changes in the Partnership's distribution policy;
- Common unit splits;
- Changes in the Partnership's or its subsidiaries' credit ratings;
- New equity or debt offerings;
- A significant cybersecurity incident, such as a data breach, or any other significant disruption in the Partnership's operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure;
- Significant developments in litigation or regulatory proceedings; and
- Changes in management.

The above list is for illustration purposes only. If securities transactions become the subject of scrutiny, they will be viewed after-the-fact and with the benefit of hindsight. Therefore, before engaging in any securities transaction, you should consider carefully how the Securities and Exchange Commission ("*SEC*") and others might view your transaction in hindsight and with all of the facts disclosed.



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

What Information is “Non-Public”?

Information is “*non-public*” if it has not been previously disclosed to the general public and is otherwise not generally available to the investing public. In order for information to be considered “*public*,” it must be widely disseminated in a manner making it generally available to the investing public and the investing public must have had time to absorb the information fully. Generally, one should allow two full Trading Days following publication as a reasonable waiting period before information is deemed to be public.

B. Related Person

“*Related Person*” means, with respect to the Partnership’s insiders:

- Any family member living in the insider’s household (including a spouse, minor child, minor stepchild, parent, stepparent, grandparent, sibling, in-law) and anyone else living in the insider’s household;
- Family members who do not live in the insider’s household but whose transactions in Partnership securities are directed by the insider or subject to the insider’s influence or control;
- Partnerships in which the insider is a general partner;
- Trusts of which the insider is a trustee; and
- Estates of which the insider is an executor.

C. Trading Day

“*Trading Day*” means a day on which national stock exchanges or the Over-The-Counter Bulletin Board Quotation System are open for trading, and a “Trading Day” begins at the time trading begins.

II. General Policy

This Policy prohibits insiders from trading or “tipping” others who may trade in the Partnership’s securities while aware of Material, Non-Public Information about the Partnership. Insiders are also prohibited from trading or tipping others who may trade in the securities of another company if they learn Material, Non-Public Information about the other company in connection with their employment by or relationship with the Partnership. These illegal activities are commonly referred to as “*insider trading*.”

All insiders should treat Material, Non-Public Information about the Partnership’s business partners with the same care required with respect to Material, Non-Public Information related directly to the Partnership.

A. Trading on Material, Non-Public Information

Except as otherwise specified in this Policy, no insider or Related Person shall engage in any transaction involving a purchase or sale of the Partnership’s securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she is aware of Material, Non-Public Information concerning the Partnership, and ending at the beginning



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

of the third Trading Day following the date of public disclosure of the Material, Non-Public Information, or at the time that the information is no longer material.

B. *Tipping Others of Material, Non-Public Information*

No insider shall disclose or tip Material, Non-Public Information to any other person (including Related Persons) where the Material, Non-Public Information may be used by that person to his or her profit by trading in the securities of the company to which the Material, Non-Public Information relates, nor shall the insider or the Related Person make recommendations or express opinions on the basis of Material, Non-Public Information as to trading in the Partnership's securities. Insiders are not authorized to recommend the purchase or sale of the Partnership's securities to any other person regardless of whether the insider is aware of Material, Non-Public Information.

C. *Confidentiality of Material, Non-Public Information*

Material, Non-Public Information relating to the Partnership is the Partnership's property and the unauthorized disclosure of Material, Non-Public Information is prohibited. If an insider receives any inquiry from outside the Partnership (such as a securities analyst) for information (particularly financial results and/or projections) that may be Material, Non-Public Information, the inquiry should be referred to the Partnership's Chief Executive Officer and Chief Financial Officer, who is responsible for coordinating and overseeing the release of that information to the investing public, securities analysts and others in compliance with applicable laws and regulations.

D. *Special and Prohibited Transactions*

Because the Partnership believes it is improper and inappropriate for its insiders to engage in short-term or speculative transactions involving certain securities, it is the Partnership's policy that its insiders may not engage in any of transactions specified below.

Transactions in Partnership Debt Securities. The Partnership believes that it is inappropriate for its insiders to be creditors of the Partnership due to actual or perceived conflicts of interest that may arise in connection therewith. Therefore, transactions in Partnership debt securities, whether or not those securities are convertible into Partnership common units, are prohibited by this Policy.

Hedging Transactions and Other Transactions Involving Partnership Derivative Securities. Hedging or monetization transactions can permit an individual to hedge against a decline in common unit price, while at the same time eliminating much of the individual's economic interest in any rise in value of the hedged securities. Because hedging transactions can present the appearance of a bet against the Partnership, hedging or monetization transactions involving the Partnership's securities are completely prohibited, whether or not you are in possession of Material, Non-Public Information. A "short sale," or sale of securities that the seller does not own at the time of sale or, if owned, that will not be delivered within 20 days of the sale, is an example of a prohibited hedging transaction.

Purchases of Common Units on Margin. Any of the Partnership's common units purchased in the open market should be paid for in full at the time of purchase. Purchasing the Partnership's common units on margin (e.g., borrowing money from a brokerage firm or other third party to fund the common unit purchase) is strictly prohibited by this Policy.



KNOT OFFSHORE PARTNERS LP
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(As of December 4, 2024)

Margin Accounts and Pledges of Partnership Securities. Partnership common units pledged as collateral for a margin loan may be sold without your consent by the lender in foreclosure if you default on your loan. A foreclosure sale that occurs when you are aware of Material, Non-Public Information may, under some circumstances, result in unlawful insider trading. Because of this danger, pledging Partnership securities as collateral for a margin loan is strictly prohibited by this Policy.

Short Term Trading. Short-term trading of Partnership securities may be distracting and may unduly focus the person on the Partnership's short-term stock market performance instead of the Partnership's long-term business objectives. For these reasons, insiders who purchase Partnership securities in the open market may not sell any Partnership securities of the same class during the six months following the purchase (or vice versa).

Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, see Section IV below) should be used only for a very brief period of time. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when the insider is in possession of Material, Non-Public Information.

E. Transactions Not Involving a Purchase or Sale

Bona fide gifts are not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Partnership securities while the officer, employee or director is aware of Material, Non-Public Information, or the person making the gift is subject to the trading restrictions specified below under the heading "Additional Trading Guidelines and Requirements for Certain Insiders" and the sales by the recipient of the Partnership securities occur during a blackout period.

Transactions in mutual funds that are invested in Partnership securities are not transactions subject to this Policy.

F. Post-Termination Transactions

The guidelines set forth in this Section II continue to apply to transactions in the Partnership's securities even after the insider has terminated employment or other service relationship with the Partnership as follows: if the insider is aware of Material, Non-Public Information when his or her employment or service relationship terminates, the insider may not trade in the Partnership's securities until that information has become public or is no longer material.

G. No Hardship Waivers

The guidelines set forth in this Section II may not be waived.

III. Additional Trading Guidelines and Requirements for Certain Insiders

A. Blackout Period and Trading Window

The period beginning at the close of market on the [last Trading Day] prior to the end of each fiscal quarter or year and ending after two full Trading Days following the date of public disclosure of the financial results for that fiscal quarter ("**Blackout Period**") is a particularly sensitive period of time for transactions in the Partnership's securities from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that certain insiders identified by the Partnership will, during the Blackout Period, often be aware of



KNOT OFFSHORE PARTNERS LP
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(As of December 4, 2024)

Material, Non-Public Information about the expected financial results for the quarter. Certain insiders identified by the Partnership and who have been notified that they have been so identified (the “*Window Group*”) are prohibited from trading during the Blackout Period. The Partnership will endeavor to notify the Window Group when the Blackout Period begins. Insiders who have not been identified as being in the Window Group should adhere to the general prohibitions set forth in this Policy.

To ensure compliance with this Policy and applicable federal and state securities laws, the Partnership requires that the Window Group refrain from executing transactions involving the purchase or sale of the Partnership’s securities other than during the period commencing at the open of market after the expiration of two full Trading Days following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the close of market on the [last Trading Day] prior to the end of each fiscal quarter or year (“*Trading Window*”). The safest period for trading in the Partnership’s securities, assuming the absence of Material, Non-Public Information, is generally the first 10 days of the Trading Window.

From time to time, the Partnership may also prohibit the Window Group from trading the Partnership’s securities because of developments known to the Partnership and not yet disclosed to the public. In this event, the Window Group may not engage in any transaction involving the purchase or sale of the Partnership’s securities until the information has been known publicly for at least two full Trading Days and should not disclose to others the fact of the trading suspension.

It should be noted that even during the Trading Window, any person aware of Material, Non-Public Information concerning the Partnership should not engage in any transactions in the Partnership’s securities until the information has been known publicly for at least two full Trading Days, whether or not the Partnership has recommended a suspension of trading to that person. Trading in the Partnership’s securities during the Trading Window should not be considered a “safe harbor,” and all insiders should use good judgment at all times.

B. Pre-Clearance of Trades

The Partnership has determined that the Window Group must not trade in the Partnership’s securities, even during a Trading Window, without first complying with the Partnership’s “pre-clearance” process. Each member of the Window Group should contact the Partnership’s Chief Executive Officer and Chief Financial Officer prior to commencing any trade in the Partnership’s securities. The Chief Executive Officer and Chief Financial Officer will consult, as necessary, with other senior management before clearing any proposed trade.

Please note that clearance of a proposed trade by the Partnership’s Chief Executive Officer and Chief Financial Officer does not constitute legal advice and is not an acknowledgement that a member of the Window Group does not possess Material, Non-Public Information. Employees must ultimately make their own judgments, and are personally responsible for determining, whether they are in possession of Material, Non-Public Information.

C. Hardship Waivers

The guidelines specified in this Section III may be waived, at the discretion of the Partnership’s Chief Executive Officer and Chief Financial Officer, if compliance would create severe hardship or prevent an insider within the Window Group from complying with a court order,



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

as in the case of a divorce settlement. Any exception approved by the Partnership's Chief Executive Officer and Chief Financial Officer shall be reported immediately to the Audit Committee of the Partnership's Board of Directors.

IV. Potential Criminal and Civil Liability and/or Disciplinary Action

A. SEC Enforcement Action

The adverse consequences of insider trading violations can be staggering and currently include, without limitation, the following:

1. For individuals who trade on Material, Non-Public Information (or tip information to others):
 - A civil penalty of up to three times the profit gained or loss avoided resulting from the violation;
 - A criminal fine of up to \$5.0 million (no matter how small the profit); and/or
 - A jail term of up to 20 years.
2. For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:
 - A civil penalty of up to the greater of \$2.141 million or three times the profit gained or loss avoided as a result of the insider's violation;
 - A criminal penalty of up to \$25.0 million; and/or
 - The civil penalties may extend personal liability to the Partnership's directors, officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading.

B. Disciplinary Action by the Partnership

Persons who violate this Policy shall be subject to disciplinary action by the Partnership, which may include termination or other appropriate action.

V. Administration of the Policy

Derek Lowe, Chief Executive Officer and Chief Financial Officer of the Partnership, shall serve as the Compliance Officer for the purposes of this Policy, and in his absence, another employee designated by him shall be responsible for administration of this Policy. All determinations and interpretations by the Chief Executive Officer and Chief Financial Officer shall be final and not subject to further review.

* * * *

This document states a policy of KNOT Offshore Partners LP and is not intended to be regarded as the rendering of legal advice.



KNOT OFFSHORE PARTNERS LP
Insider Trading Policy
(As of December 4, 2024)

ANNEX A
Insider Trading Policy
CERTIFICATION

I have read and understand the Insider Trading Policy (the "*Policy*") of KNOT Offshore Partners LP (the "*Partnership*"). I agree that I will comply with the policies and procedures set forth in the Policy. I understand and agree that, if I am contracted to the Partnership or one of its subsidiaries or other affiliates, my failure to comply in all respects with the Partnership's policies, including the Policy, is a basis for termination for cause of my contract with the Partnership and any subsidiary or other affiliate to which my contract now relates or may in the future relate.

I am aware that this signed Certification will be filed with my personal records with the Partnership.

Signature

Type or Print Name

Date

Page 8 of 8





Exhibit 12.1

**CERTIFICATION PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Derek Lowe, certify that:

1. I have reviewed this annual report on Form 20-F of KNOT Offshore Partners LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2025

KNOT OFFSHORE PARTNERS LP

By: /s/ Derek Lowe

Name: Derek Lowe

Title: Principal Executive Officer and Principal Financial Officer



Exhibit 13.1

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350**

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of KNOT Offshore Partners LP, a Marshall Islands limited partnership (the "*Partnership*"), certifies, to such officer's knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2024 of the Partnership (the "*Report*") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: March 27, 2025

KNOT OFFSHORE PARTNERS LP

By: /s/ Derek Lowe

Name: Derek Lowe

Title: Principal Executive Officer and Principal Financial Officer



Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form F-3 No. 333-274460 and Form F-3 No. 333-227942) of KNOT Offshore Partners LP and in the related Prospectuses of our reports dated March 27, 2025, with respect to the consolidated financial statements of KNOT Offshore Partners LP, and the effectiveness of internal control over financial reporting of KNOT Offshore Partners LP, included in this Annual Report (Form 20-F) for the year ended December 31, 2024.

/s/ Ernst & Young AS

Oslo, Norway
March 27, 2025



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
www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in KNOT Shuttle Tankers AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of KNOT Shuttle Tankers AS (the Company), which comprise Balance Sheet as of 31 December 2024, 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.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as of 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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 (management) is 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. We have nothing to report in this regard.

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 that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A member firm of Ernst & Young Global Limited

Pennco Dokumentnøkkel: BE626-YFIPZ-504VU-VUNTL-BHAHP-X9304



**Shape the future
with confidence**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 7 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers AS 2024

A member firm of Ernst & Young Global Limited

Pennco Dokumentnøkkel: BE626-YFIPZ-504VU-VUNTL-BH4HP-X9304



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

Nordby, Johan Lid

Statsautorisert revisor

På vegne av: ERNST & YOUNG AS

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Name	Method	Signed at
Omoto, Junya	BANKID	2025-04-07 14:32 GMT+02
Seglem, Trygve	BANKID	2025-04-07 12:57 GMT+02



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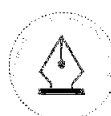


KNOT Shuttle Tankers AS

Annual Report 2024



KNOT
Offshore Partners LP



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KNOT SHUTTLE TANKERS AS
(the "Company")

DIRECTORS' REPORT 2024

KNOT Shuttle Tankers AS controls a modern fleet of specialised offshore loading dynamic positioning vessels. The Company is the holding company for several ship-owning subsidiaries and operates out of Haugesund, Norway. The Company is ultimately the subsidiary of KNOT Offshore Partners LP ("KNOP") controlling the Norwegian owned and tonnage taxed entities in the KNOP Group.

The Company's activities

The Company operates a modern fleet of specialised shuttle tankers where most of the fleet are on time charter contracts to first class charterers.

KNOT Management AS in Haugesund and KNOT Management Denmark A/S in Copenhagen is responsible for the operation of the vessels in accordance with separate management agreements with each of the ship owning companies. The ship owning companies have no direct employees. The crew onboard the vessels are employed by the manager's or their subcontractors.

Our vessels transport oil from several oil fields in the Northern Europe and Brazil. The vessels operate in a demanding trade with frequent offshore loadings and subsequent port calls, requiring high quality operations.

Profit for the year

KNOT Shuttle Tankers AS accounting principle for shares is to value them according to the cost method.

The Company does not have its own operation, and total operating income was NOK 0, and after operating expenses for the Company of NOK 2 095 831 (NOK 1 165 301 in 2023) this contributed to an operating result of minus NOK 2 095 831 (minus NOK 1 165 301 in 2023). Net financial gain summarizes to NOK 504 690 995 (NOK 743 915 460 in 2023). The financial gain includes NOK 595 992 453 in dividends from subsidiaries (NOK 862 927 589 in 2023). Ordinary result before tax amounted to NOK 502 595 164 (NOK 742 750 158 in 2023). Result of the year after tax amounted to NOK 495 635 395 (NOK 789 751 852 in 2023). The Company is tonnage taxed in Norway and net financial items with tax adjustments is taxable. The tax calculations are further explained in the notes to the accounts.

The Board of Directors proposes that the result for the year is transferred to other equity. The Company have during 2024 paid out extraordinary dividend with NOK 183 480 700 to the owner.



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The total liquidity position of the Company was NOK 106 397 388 as at 31.12.2024, NOK 97 897 675 as at 31.12.2023.

Total assets at year-end amounted to NOK 4 310 356 825, compared to NOK 4 256 722 660 in 2023. Equity-share as at 31.12.2024 was 81 % compared to 74 % as at 31.12.2023.

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 § 3-3.

Risk factors

The Group's result from the operational activities and vessels depends on the world-wide market for vessels within the shuttle tanker and crude oil tanker segments. Market conditions for shipping activities are typically volatile and, consequently, the result may vary considerably from year to year. The market in broad terms is dependent upon two factors: the supply of vessels and the overall growth in the world economy. The general supply of vessels is a combination of new buildings, demolition of older tonnage and legislation that limits the use of older vessels or new standards for vessels used in specific trades.

The company invest in new and modern vessels with long-term contract so secure earnings and reduce dependency to the oil price.

The Group has a combination of long and short terms fixed charter contracts where typically the larger investments have longer term employment significantly mitigating the earnings risk.

The Group has a high leverage as a result of the high financing capacity in the long-term contracts and such financing involves interest and currency risks. The board and management are aware of the exposure to such financial risks and employ strategies and financial instruments to reduce such risks. The fleet is leased out on time charter contracts and bare-boat contracts to oil- and energy companies, reducing the risk for market volatility and credit risk. Most of our income is denominated in USD whereas parts of the operating expenses are in European currencies resulting in some currency exposure. To reduce these risks, the Company from time to time employs hedging actively, commonly by forward contracts in relation to USD. The vessels are financed in USD which gives a natural hedge against freight income and second-hand market for vessels. The debt financing has variable interest rates, but a substantial part of the debt for the vessels on long-term charters are hedged with interest rates swaps.

Environment, safety, and quality control

The requirements for safety and operation of ships are increasing, and the company, the group and the manager KNOT Management AS are concerned with operational excellence. The company vessel consists of modern ships which are designed and engineered for safe, environmentally sound, and efficient operations. The ship is



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maintained and upgraded continuously to meet the demands and expectations from stakeholders. The company and the manager put significant resources into quality assurance and there are strict requirements for safety systems and the operation of the ship.

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the KNOT Offshore Partners Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2024.

The company has no employees and thus no working environment. The company aims to be a workplace where there is no discrimination related to gender, ethnicity, religion, or disability. The board of directors considers the working conditions satisfactory. The company aims to avoid gender discrimination regarding salary, promotion and recruiting. The members of the Board of Directors are all men. There have not been taken out any board of directors' liability insurance.

The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99) section 4. The due diligence assessments cover the operations in the company. The account for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that could be found here www.knutsenoas.com and the report is updated minimum one time per year.

Future developments

The Board of Directors has every reason to believe that Company and the subsidiaries will have a positive year in 2025. As of February 28, 2025, the Company has purchased the shares of KNOT Shuttle Tankers 27 AS from Knutsen NYK Offshore Tankers AS, as part of an asset swap with KNOT Shuttle Tankers 21 AS to Knutsen NYK Offshore Tankers AS.

Haugesund, April 7, 2025

Trygve Seglem
Chairman of the Board

Junya Omoto
Member of the Board



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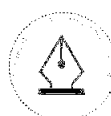
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KNOT Shuttle Tankers AS

Profit & Loss Account

	Note	2024	2023
<u>Operating Expenses</u>			
Other operating expenses		136 953	0
Administration	1	1 958 878	1 165 301
<i>Total Operating Expenses</i>		<u>2 095 831</u>	<u>1 165 301</u>
<i>Operating Result</i>		<u>-2 095 831</u>	<u>-1 165 301</u>
<u>Financial Income and Expenses</u>			
Financial income	2	676 757 065	910 780 402
Foreign exchange gain/loss		-86 077 103	-61 915 261
Financial expenses	2	-85 988 967	-104 949 681
<i>Net Financial Items</i>		<u>504 690 995</u>	<u>743 915 460</u>
<i>Result before taxes</i>		<u>502 595 164</u>	<u>742 750 158</u>
Taxes	3	-6 959 769	47 001 694
<i>Result for the year</i>		<u>495 635 395</u>	<u>789 751 852</u>



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KNOT Shuttle Tankers AS
Balance Sheet as of 31. December

<u>Assets</u>	Note	2024	2023
<u>Non Current Assets</u>			
Deferred tax assets	3	37 179 093	44 423 596
Investments in other group companies	4	4 106 620 895	4 078 424 114
<i>Total non Current Assets</i>		<u>4 143 799 988</u>	<u>4 122 847 710</u>
<u>Current Assets</u>			
Receivables	9	156 355	77 047
Current receivables group		60 003 093	35 900 227
Bank deposits	5	106 397 388	97 897 675
<i>Total Current Assets</i>		<u>166 556 837</u>	<u>133 874 950</u>
<i>TOTAL ASSETS</i>		<u>4 310 356 825</u>	<u>4 256 722 660</u>



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KNOT Shuttle Tankers AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	Note	2024	2023
<u>Equity</u>			
Share capital		606 000 000	606 000 000
Share premium		1 696 082 680	1 696 082 680
<i>Total capital paid-in</i>		<u>2 302 082 680</u>	<u>2 302 082 680</u>
Other equity		1 181 067 904	868 913 209
<i>Total Shareholders' Equity</i>	6, 7	<u>3 483 150 584</u>	<u>3 170 995 889</u>
<u>Long Term Debt</u>			
Deferred tax	3	911 147	1 138 934
Liabilities to financial institutions	8	300 459 649	510 124 999
Long-term debt group	8	466 449 434	456 765 925
<i>Total Long Term Debt</i>		<u>767 820 230</u>	<u>968 029 858</u>
<u>Current Liabilities</u>			
Accounts payable	9	753 545	374 511
Tax payable	3	227 787	284 734
Current liabilities group		56 479 377	115 021 685
Other current liabilities		1 925 301	2 015 983
<i>Total Current Liabilities</i>		<u>59 386 011</u>	<u>117 696 913</u>
<i>Total liabilities</i>		<u>827 206 241</u>	<u>1 085 726 771</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>4 310 356 825</u>	<u>4 256 722 660</u>

Haugesund, April 7, 2025,
The board of KNOT Shuttle Tankers AS

Trygve Seglem
chairman of the board

Junya Omoto
member of the board



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KNOT SHUTTLE TANKERS AS

CASHFLOW STATEMENT

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

	2024	2023
Result before tax	502 595 164	742 750 158
+ Paid tax	0	-6 757 980
-/+ Gain/loss sale of subsidiaries	-33 222 958	0
- Liquidation / dividend Knutsen Shuttle Tankers XII KS	0	-515 311 331
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	47 697 400	51 362 500
-/+ Profit/loss on foreign loan to group company	48 344 476	15 159 485
+ Financial expenses - liabilities to financial institutions	0	961 965
= Total generated from operations	565 414 083	288 164 797
+ Net received on current assets	-24 182 174	100 355 897
+ Net received on current liabilities	-58 253 955	76 028 851
Net cashflow from operations	482 977 954	464 549 545
<u>Cashflow from investments</u>		
Investment in group companies	-106 988 357	-286 134 916
Netcashflow from swap of integrated acquisition and sale of subsidiaries	-7 981 440	0
Dividends and repayment of equity from group companies	119 995 974	601 171 001
Net cashflow from investments	5 026 177	315 036 085
<u>Cashflow from financing</u>		
Loan from group companies	-38 660 967	-37 873 000
Proceeds from liabilities to financial institutions	0	103 952 000
Repayment of liabilities to financial institutions	-257 362 750	-685 382 500
Dividend paid-out	-183 480 700	-143 270 300
Net cashflow from financing	-479 504 417	-762 573 800
Net cashflow for the year	8 499 714	17 011 830
+ Bank deposits per 01.01.	97 897 675	80 885 845
= Bank deposits per 31.12.	106 397 388	97 897 675



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KNOT Shuttle Tankers AS

Notes to the Financial Statement 31.12.2024

Accounting Principles

The financial statement is prepared in accordance with the Norwegian Accounting Act and generally accepted accounting standards for small companies.

Transactions in Foreign Currency

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

Related party transactions

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

1 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement.

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

Auditors remuneration (excl. VAT):

	<u>2024</u>	<u>2023</u>
Audit	120 543	23 480
Other services besides audit	0	0
	<u>120 543</u>	<u>23 480</u>

2 Financial Income and -Expenses

Financial income:

	<u>2024</u>	<u>2023</u>
Dividend from subsidiaries	595 992 453	862 927 589
Gain from sale of subsidiaries	33 222 958	0
Other interest income	3 708 793	2 180 758
Guarantee income group	43 832 861	45 672 054
Total financial income	<u>676 757 065</u>	<u>910 780 402</u>

Financial expenses:

	<u>2024</u>	<u>2023</u>
Interest expenses	34 186 508	56 260 981
Other financial expenses	13 487	892 089
Interest expenses group	<u>51 788 972</u>	<u>47 796 611</u>
Total financial expenses	<u>85 988 967</u>	<u>104 949 681</u>



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3 Tax

The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

Entrance tax

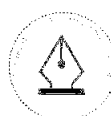
	<u>2024</u>	<u>2023</u>
Opening balance gain/loss account	5 176 979	6 471 224
Short-term tax payable basis (20%)	1 035 396	1 294 245
Long-term tax payable basis (80%)	4 141 583	5 176 979
Incoming balance long-term tax payable	1 138 934	1 423 668
Tax payable short-term in balance sheet	227 787	284 734
Tax payable long-term in balance sheet	911 147	1 138 934
Tax costs calculated	0	0

Specification on the temporary differences:

	<u>31.12.2024</u>	<u>Change</u>	<u>31.12.2023</u>
Loss carried forward	-168 995 884	32 929 558	-201 925 442
Temporary differences	-168 995 884	32 929 558	-201 925 442
Calculated deferred tax	-37 179 094	7 244 503	-44 423 597
Deferred tax	37 179 094	-7 244 503	44 423 597

Tax cost

	<u>2024</u>	<u>2023</u>
Financial Results	504 690 995	743 915 460
Received dividend	-595 992 453	-840 866 888
Gain sale shares	-33 222 958	0
Part of taxable income in the underlying KS	0	-76 371 783
Non-deductible interest / taxable interest	75 818 650	92 812 513
Foreign exchange gain/loss, not taxable	81 635 324	49 965 276
Tax base prior losses carried forward	32 929 558	-30 545 422
Loss carried forward from merger	0	-171 380 019
Wrongly booked deferred tax last year	0	-11 716 633
Changes in temporary differences	-32 929 558	213 642 074
Base for tax payable	0	0
Tax payable	0	0
Difference in tax paid and tax calculated last year	284 734	439
Change deferred tax	-7 244 503	47 001 255
Tax costs calculated	-6 959 768	47 001 694
Tonnage tax expenses under operating expenses	0	136 953



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4 Investments in subsidiaries

Interests in subsidiaries are presented by the cost method. As a result, the company's share of income is not included in the Profit and Loss Account.

Shares in subsidiaries

Investments	Year - purchased	Owner- and voting share	Equity 31.12 NOK.	Last years result NOK	Book value
Knutsen Shuttle Tankers XII AS	2013	100 %	787 760 933	68 599 231	772 080 958
KNOT Shuttle Tankers 17 AS	2013	100 %	282 111 022	28 437 964	368 338 866
Knutsen Shuttle Tankers 13 AS	2013	100 %	112 164 226	111 871 011	19 195 355
KNOT Shuttle Tankers 18 AS	2013	100 %	212 366 353	55 943 121	236 789 531
Knutsen Shuttle Tankers 14 AS	2014	100 %	104 098 821	-44 387 623	207 384 642
Knutsen Shuttle Tankers 15 AS	2014	100 %	185 342 081	54 757 481	133 136 971
KNOT Shuttle Tankers 21 AS	2015	100 %	297 990 225	-62 753 110	293 366 055
Knutsen NYK Shuttle Tankers 16 AS	2015	100 %	114 089 107	9 758 303	44 653 941
Knutsen Shuttle Tankers 19 AS	2016	100 %	84 976 707	83 053 238	38 230 067
KNOT Shuttle Tankers 24 AS	2017	100 %	322 545 096	65 431 330	279 176 626
KNOT Shuttle Tankers 25 AS	2017	100 %	304 510 728	33 268 390	261 848 755
KNOT Shuttle Tankers 26 AS	2017	100 %	351 751 774	59 061 273	287 047 869
KNOT Shuttle Tankers 32 AS	2017	100 %	239 645 886	124 574 212	179 232 493
KNOT Shuttle Tankers 30 AS	2018	100 %	261 386 323	54 107 252	230 400 246
KNOT Shuttle Tankers 34 AS	2020	100 %	118 275 363	57 435 948	172 856 789
KNOT Shuttle Tankers 35 AS	2022	100 %	129 066 378	48 182 001	246 961 705
KNOT Shuttle Tankers 31 AS	2024	100 %	232 982 477	24 576 585	335 920 027

Net book value subsidiaries in KNOT Shuttle Tankers AS

4 106 620 895

KNOT Shuttle Tankers AS has sold the shares of the KNOT Shuttle Tankers 20 AS to Knutsen NYK Offshore Tankers, and purchased the shares of the KNOT Shuttle Tankers 31 AS, as part of an asset-swap. The result of the asset-swap is a gain of 33.2 MNOK.

5 Bank deposits

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

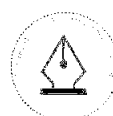
6 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other equity	Total equity
Equity 1.1	606 000 000	1 696 082 680	868 913 209	3 170 995 889
Result of the year	0	0	495 635 395	495 635 395
Paid-out dividend	0	0	-183 480 700	-183 480 700
Equity 31.12.	606 000 000	1 696 082 680	1 181 067 905	3 483 150 584

Share capital consist of 3 000 shares à NOK 202 000, all the shares is owned by KNOT Offshore Partners UK LLC.

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



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7 Shares Owned by Board Members and Affiliates

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

8 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	Exchange rate	Accounting balance	
		currency	31.12.	2024	2023
Mortgage debt	USD	26 500 000	11,3381	300 459 649	510 124 999
Liabilities to financial institutions				300 459 649	510 124 999

Amounts due within 12 months of the balance sheet date:

Mortgage debt	300 459 650	0
Liabilities to financial institutions	300 459 650	0

Repayment profile USD:

based on expected refinancing

0 - 12 months	26 500 000	0
13 - 24 months	0	50 000 000
25 - 36 months	0	0
37 - 48 months	0	0
49 - 60 months	0	0
After 60 months	0	0
	26 500 000	50 000 000

The exchange rate at the year-end	USDNOK	11,3381	10,2025
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9 Balances with related parties

		<u>2024</u>	<u>2023</u>
<u>Accounts payable</u>			
KNOT Management AS		434 057	374 511
Knutsen OAS Shipping AS		319 487	0
		<u>753 544</u>	<u>374 511</u>
		<u>2024</u>	<u>2023</u>
<u>Long-term debt group</u>			
Knutsen Shuttle Tankers 15 AS	USD	28 800 000	30 400 000
Knutsen Shuttle Tankers 19 AS	USD	12 340 000	14 370 000
		<u>41 140 000</u>	<u>44 770 000</u>

Knutsen Shuttle Tankers 19 AS has lent out USD 16.4 million of the proceeds from the sale-lease back transaction to the owner, KNOT Shuttle Tankers AS. Knutsen Shuttle Tankers 15 AS has lent out USD 32 million of the proceeds from the sale-lease back transaction to the owner, KNOT Shuttle Tankers AS. The intergroup loan shall be repaid with annual instalments of USD 1.600.000 and the outstanding amount will be payable as one instalment on the final maturity date, 1 December 2029. The rate of interest during its term shall be the rate per annum determined by the lender to be the aggregate of 12 month SOFR and margin of 5.5513 per cent for the Knutsen Shuttle Tankers 19 AS loan and 5.5513 per cent for the Knutsen Shuttle Tankers 15 AS loan. The loan is booked at the exchange rate at the balance sheet date.

10 Subsequent events

As of February 28, 2025, the Company has purchased the shares of KNOT Shuttle Tankers 27 AS from Knutsen NYK Offshore Tankers AS, as part of an asset swap with KNOT Shuttle Tankers 21 AS to Knutsen NYK Offshore Tankers AS.



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Skattedirektoratet

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

KNUTSEN OAS SHIPPING AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

Postadresse Postboks 9200 Grønland 0134 Oslo For elektronisk henvendelse se www.skatteetaten.no	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318	Sentralbord 800 80 000 Telefaks 22 17 08 60
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Skattedirektoratets vurdering

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

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

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at tilsvarende selskaper i konsernet er innvilget dispensasjon. Eierkretsen er begrenset. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland