



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 999 274 323
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 19 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karl Gerhard Bråstein Dahl
Dato for fastsettelse av årsregnskapet: 20.03.2024

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 27.04.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	186 408 388	172 382 542
Other income		3 134	8 791
Sum inntekter		186 411 522	172 391 333
Kostnader			
Lønnskostnader og andre sosiale kostnader	2		
Crew-hire	2	28 902 957	28 243 105
Ordinary depreciation	3	35 325 382	32 036 904
Commissions		958 481	860 667
Other operating expenses		23 787 966	21 201 699
Administration	2	8 527 683	7 183 947
Sum kostnader		97 502 469	89 526 322
Driftsresultat		88 909 053	82 865 011
Finansinntekter og finanskostnader			
Financial income	4	16 884 121	8 722 703
Foreign exchange gain/loss		8 219 177	16 898 547
Sum finansinntekter		25 103 298	25 621 250
Financial expenses	4	41 974 125	40 926 031
Sum finanskostnader		41 974 125	40 926 031
Netto finans		-16 870 827	-15 304 781
Ordinært resultat før skattekostnad		72 038 226	67 560 230
Taxes	5		
Ordinært resultat etter skattekostnad		72 038 226	67 560 230
Årsresultat		72 038 226	67 560 230
Årsresultat etter minoritetsinteresser		72 038 226	67 560 230
Totalresultat		72 038 226	67 560 230



Resultatregnskap

Beløp i: NOK	Note	2023	2022
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Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	516 467 229	551 559 023
Sum varige driftsmidler		516 467 229	551 559 023
Finansielle anleggsmidler			
Lån til foretak i samme konsern	11	146 609 925	162 468 240
Sum finansielle anleggsmidler		146 609 925	162 468 240
Sum anleggsmidler		663 077 154	714 027 263
Omløpsmidler			
Varer			
Inventories	6	2 903 964	2 947 180
Sum varer		2 903 964	2 947 180
Fordringer			
Receivables	11	2 824 913	2 219 642
Other short-term receivables	11		
Konsernfordringer		14 324 088	12 753 350
Sum fordringer		17 149 001	14 972 992
Bankinnskudd, kontanter og lignende			
Bank deposits	7	32 980 581	18 773 279
Sum bankinnskudd, kontanter og lignende		32 980 581	18 773 279
Sum omløpsmidler		53 033 546	36 693 451
SUM EIENDELER		716 110 699	750 720 714

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital		100 000	100 000
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Other equity		74 725 979	69 720 913
Sum opptjent egenkapital		74 725 979	69 720 913
Sum egenkapital		74 825 979	69 820 913
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	633 640 481	674 222 745
Sum annen langsiktig gjeld		633 640 481	674 222 745
Sum langsiktig gjeld		633 640 481	674 222 745
Kortsiktig gjeld			
Leverandørgjeld	11	5 082 301	4 237 826
Kortsiktig konserngjeld		2 324	8 346
Accrued interest		946 242	978 951
Other current liabilities		1 613 372	1 451 934
Sum kortsiktig gjeld		7 644 239	6 677 056
Sum gjeld		641 284 720	680 899 802
SUM EGENKAPITAL OG GJELD		716 110 699	750 720 714



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



Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2024-03-13 18:29 GMT+01
Domyo, Takashi	BANKID	2024-03-13 16:04 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-03-13 15:02 GMT+01



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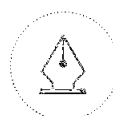


Knutsen Shuttle Tankers 19 AS Annual Report 2023



M/T "Raquel Knutsen"

KNOT
Offshore Partners LP



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KNUTSEN SHUTTLE TANKERS 19 AS

REPORT OF THE BOARD OF DIRECTORS 2023

Knutsen Shuttle Tankers 19 AS owns one 152,000 DWT suez-max DP2 shuttle tanker, M/T Raquel Knutsen, delivered from COSCO (Zhoushan) Shipyard Co., Ltd. in China in 2015.

The company operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS in Haugesund manages the daily operations of the vessel and the company in accordance with a separate agreement.

The company's activity

The vessel operates on a ten-year time charter agreement until end of June 2025 with five optional years in charters, Repsol Sinopec Brasil BV's, option.

Result for the year

The company's operating income during 2023 was NOK 186 411 522 (NOK 172 391 333 in 2022). The operating result for the year was NOK 88 909 053, compared to NOK 82 865 011 in 2022. The financial loss was NOK 16 870 827 in 2023 compared to a loss of NOK 15 304 781 in 2022. The result for the year was NOK 72 038 226, compared to NOK 67 560 230 the year before.

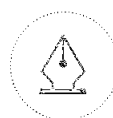
The Board of Directors suggests the result for the year transferred to other equity. The company has during 2023 paid NOK 67 033 160 in extraordinary dividends to KNOT Shuttle Tankers AS. The equity ratio at year-end was 10 % compared to 9.3 % in 2022.

Total cash flow from operating activities in the company was NOK 122 023 111, compared to NOK 86 466 906 in 2022.

The liquidity balance was NOK 32 980 581 as at 31.12.2023 (NOK 18 773 279 31.12.22).

Total capital was by the end of the year NOK 716 110 699, NOK 750 720 714 at 31.12.22.

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



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The company is also exposed to changes in the interest rate level, as it has long-term debt carrying a floating interest rate.

The company closed a Sales & Leaseback transaction in January 2021. The company's vessel was sold to an Asian based lessor and leased back for a period of 10 years, with an obligation to repurchase the vessel at agreed price on maturity. The company used the net proceeds to repay existing debt on the vessel and paid out dividends to the owner.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern. The Board of Directors confirms that the Financial Statements give a true picture of the company's assets and liabilities, financial position, and results.

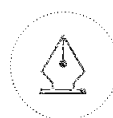
The environment safety and quality control

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

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the KNOT Offshore Partners Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2023.

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

The company and the other companies in the Norwegian part of the group regularly carries out risk-based due diligence assessments in accordance with the obligations pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (LOV-2021-06-18-99) section 4. The due diligence assessments cover the operations in the company. The accounts for these due diligence assessments and other obligations pursuant to the Act's section 5



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are included in a report that can be found here www.knutsenoas.com and the report is updated minimum one time per year.

Future prospects

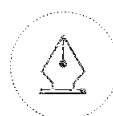
The vessel is operated on a long-term charter with Repsol Sinopec Brasil BV with charterers option to extend the contract. Based on the operation of the vessel in 2023, the long-term financing and the long-term employment of the vessel the Board of Directors of Knutsen Shuttle Tankers 19 AS expects 2024 to be a satisfactory year for the vessel and the company.

Haugesund, March 13, 2024

Trygve Seglem
Chairman of the Board

Karl Gerhard Bråstein Dahl
Member of the Board

Takashi Domyo
Member of the Board



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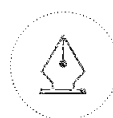
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Knutsen Shuttle Tankers 19 AS

Profit & Loss Account

	<u>Note</u>	2023	2022
<u>Operating Income</u>			
Freight income	1	186 408 388	172 382 542
Other income		3 134	8 791
<i>Total Operating income</i>		<u>186 411 522</u>	<u>172 391 333</u>
<u>Operating Expenses</u>			
Crew-hire	2	28 902 957	28 243 105
Commissions		958 481	860 667
Other operating expenses		23 787 966	21 201 699
Administration	2	8 527 683	7 183 947
<i>Total Operating Expenses</i>		<u>62 177 087</u>	<u>57 489 418</u>
Ordinary depreciation	3	35 325 382	32 036 904
<i>Operating Result</i>		<u>88 909 053</u>	<u>82 865 011</u>
<u>Financial Income and Expenses</u>			
Financial income	4	16 884 121	8 722 703
Foreign exchange gain/loss		8 219 177	16 898 547
Financial expenses	4	-41 974 125	-40 926 031
<i>Net Financial Items</i>		<u>-16 870 827</u>	<u>-15 304 781</u>
<i>Result before taxes</i>		<u>72 038 226</u>	<u>67 560 230</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>72 038 226</u>	<u>67 560 230</u>



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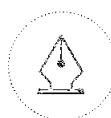
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Knutsen Shuttle Tankers 19 AS

Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2023	2022
<u>Fixed assets</u>			
Vessel	3	516 467 229	551 559 023
Loan to group companies	11	146 609 925	162 468 240
<i>Total Fixed Assets</i>		<u>663 077 154</u>	<u>714 027 263</u>
<u>Current Assets</u>			
Inventories	6	2 903 964	2 947 180
Receivables	11	2 824 913	2 219 642
Current receivables group		14 324 088	12 753 350
Bank deposits	7	32 980 581	18 773 279
<i>Total Current Assets</i>		<u>53 033 546</u>	<u>36 693 451</u>
TOTAL ASSETS		<u>716 110 699</u>	<u>750 720 714</u>



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Knutsen Shuttle Tankers 19 AS
Balance Sheet as of 31. December

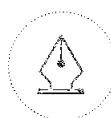
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
<u>Equity</u>			
Share capital		100 000	100 000
<i>Total capital paid-in</i>		100 000	100 000
Other equity		74 725 979	69 720 913
<i>Total Shareholders' Equity</i>		74 825 979	69 820 913
<u>Long-Term Debt</u>			
Long term-debt	10	633 640 481	674 222 745
<i>Total Long Term Liabilities</i>		633 640 481	674 222 745
<u>Current Liabilities</u>			
Accounts payable	11	5 082 301	4 237 826
Accrued interest		946 242	978 951
Current liabilities group		2 324	8 346
Other current liabilities		1 613 372	1 451 934
<i>Total Current Liabilities</i>		7 644 239	6 677 056
<i>Total liabilities</i>		641 284 720	680 899 802
SHAREHOLDERS' EQUITY AND LIABILITIES		716 110 699	750 720 714

Haugesund, March 13, 2024,

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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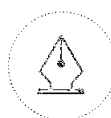


KNUTSEN SHUTTLE TANKERS 19 AS

CASHFLOW STATEMENT

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

	2023	2022
Result before tax	72,038,226	67,560,230
+ Ordinary depreciation	35,325,382	32,036,904
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	12,655,215	7,668,660
-/+ Profit/loss on foreign loan to group company	1,746,934	-12,494,740
+ Financial expenses - liabilities to financial institutions	1,422,963	1,469,166
= Total generated from operations	123,188,720	96,240,220
+ Net received on current assets	-2,132,793	-5,984,177
+ Net received on current liabilities	967,184	-3,789,137
Net cashflow from operations	122,023,111	86,466,906
<u>Cashflow from investments</u>		
Loan to group company	14,111,381	-17,429,000
Performed class renewal with drydocking	-233,588	0
Net cashflow from investments	13,877,793	-17,429,000
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-54,660,442	-47,914,422
Dividend paid-out	-67,033,160	-32,897,550
Net cashflow from financing	-121,693,602	-80,811,972
Net cashflow for the year	14,207,302	-11,774,066
+ Bank deposits per 01.01.	18,773,279	30,547,344
= Bank deposits per 31.12.	32,980,581	18,773,279



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KNUTSEN SHUTTLE TANKERS 19 AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

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

Transactions in Foreign Currency

Income and expenditure in foreign currency are converted with the exchange rate at the time of the transaction.

We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging instruments. The realized foreign exchange gain and -losses are booked together with the hedging instrument. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the debt in foreign currencies over financial items.

Related party transactions

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

1 Contracts

The company has secured employment of the vessels with a 10 year fix time charter contract with 3+2 years options to Repsol Sinopec Brasil BV from delivery in 2015.

The income from charter party is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

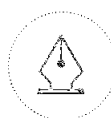
KNOT Management AS operates as manager on behalf of the company and the vessel in accordance with management agreements.

2 Employees and remuneration

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

	<u>2023</u>	<u>2022</u>
Grants crew expenses	-176,002	-217,335

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



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Auditors remuneration (excl. VAT):	2023	2022
Audit	21,284	40,103
Other services besides audit	0	0
	<u>21,284</u>	<u>40,103</u>

3 Fixed Assets

The total cost of the vessel is capitalised at delivery and depreciated linearly to estimated net sales price at the end of estimated economic life. Normal economic life of shuttle tankers is estimated to 23 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 23 year profile for that specific entity is not correct, i.e. fixed charter contracts above 23 year age, commercial restrictions or technical conditions or -requirements. Equipment or part of the vessels with a material cost or specific use that have another estimated life is evaluated separately.

Dry-docking expnses, in connection with certificate renewal and class of the vessel, are capitalised and expensed over the period till the next class renewal with dry-docking. This is in line with the depreciation plan of the vessel, and takes into account that the vessel is classified to operate for an additional period. Dry-docking is carried out every 5th year for vessels less than 15 years, and every 2.5 year for vessels more than 15 years. In the case of a newbuilding, a portion of the total cost of the vessel equal to the dry-docking cost is capitalised. Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.

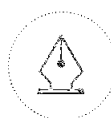
Vessel	2023	2022
Historical value 1.1.	772,119,448	772,119,448
Accumulated depreciation 1.1.	232,475,688	205,734,456
Book value 1.1.	539,643,761	566,384,993
Annual depreciation	29,918,508	26,741,232
Book value 31.12.	<u>509,725,253</u>	<u>539,643,761</u>

Dry-docking	2023	2022
Capitalised dry-docking	27,351,590	27,351,590
Accumulated depreciation dry-docking 1.1.	15,436,328	10,140,656
Capitalised dry-docking 1.1.	11,915,262	17,210,934
Additions/Disposals	233,588	0
Annual depreciation	5,406,874	5,295,672
Book value 31.12.	<u>6,741,976</u>	<u>11,915,262</u>
Total book value vessel 31.12.	<u>516,467,229</u>	<u>551,559,023</u>

The vessel is sold and leased back and the transaction is booked as a financial lease.

4 Financial Income and -Expenses

	2023	2022
Financial Income:		
Interest income from group	14,789,827	8,250,129
Other interest income	2,094,294	472,574
Total financial income	<u>16,884,121</u>	<u>8,722,703</u>



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	<u>2023</u>	<u>2022</u>
Financial expenses:		
Interest expense	38,442,015	37,474,280
Guarantee cost from group companies	3,414,480	3,358,478
Other financial expenses	117,629	93,274
Total financial expenses	<u>41,974,125</u>	<u>40,926,031</u>

5 Tax

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

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

Specification on the temporary differences:

	<u>2023</u>	<u>Change</u>	<u>2022</u>
Loss carried forward	-94,514,455	6,267,949	-88,246,506
Basis for deferred tax (benefit)	-94,514,455	6,267,949	-88,246,506
Deferred tax (benefit)	<u>0</u>	<u>0</u>	<u>0</u>

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

Taxable result tonnage tax scheme:

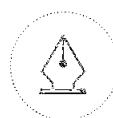
	<u>2023</u>	<u>2022</u>
Net financial Items	-16,870,827	-15,304,781
Non-taxable currency gain	-17,993,657	-34,510,812
Non-deductable interest	28,596,534	28,693,669
Taxable income before loss carried forward	-6,267,949	-21,121,924
Loss carried forward	-6,267,949	-21,121,924
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	<u>0</u>	<u>0</u>
Tonnage tax expenses under operating expenses	<u>139,284</u>	<u>152,342</u>

6 Inventories

Specification of inventories per 31.12.

	<u>2023</u>	<u>2022</u>
Lube oil	2,903,964	2,947,180

7 Bank deposits



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

8 Equity

Specification of the equity per 31.12.

	Share capital	Other equity	Total equity
Equity 01.01.	100,000	69,720,913	69,820,913
Result for the year	0	72,038,226	72,038,226
Extraordinary dividend paid-out	0	-67,033,160	-67,033,160
Equity 31.12.	100,000	74,725,979	74,825,979

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

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

9 Shares Owned by Board Members and Affiliates

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

10 Mortgage Debt and Financial Instruments

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recorded in the profit and loss over the period of the interest-bearing liabilities. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any ineffective part of the hedging over financial items.

Gains and losses are recognized in the net profit and loss statement when the liabilities are devalued or depreciated, as well as through the amortization process.

	Currency	Outstanding currency	Hedge accounting	Accounting balance	
				2023	2022
Mortgage debt	USD	79,070,881	8.1152	641,672,780	683,678,007
Debt issuance cost				-8,032,299	-9,455,262
Liabilities to financial institutions				633,640,481	674,222,745



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The vessel, M/T Raquel Knutsen, was sold and leased back for a period of 10 years in January 2021. The company have declared a purchase option to buy back the vessel at the end of the bare-boat charterparty and the charterparty performance of the company have been guaranteed by KNOT Offshore Partners LP. The formal ownership of the vessel has been transferred to the new owner. The sale-leaseback transaction is booked as a refinancing and the vessel is kept in the balance sheet.

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized currency gain/losses on the loans are presented as an increase/reduction of operating income.

Future income flows from anticipated fixed revenue contracts in the same currency as the financing exceed the debt at the balance sheet date. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate.

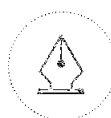
	<u>2023</u>	<u>2022</u>
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-165,047,884	-150,923,670
<u>Amounts due within 12 months of the balance sheet date:</u>		
Mortgage debt	43,967,932	42,012,179
Debt issuance cost	-1,373,291	-1,422,960
Liabilities to financial institutions	<u>42,594,641</u>	<u>40,589,219</u>
<u>Repayment profile: USD based on expected refinancing</u>		
0 - 12 months	5,418,000	5,177,000
13 - 24 months	5,640,000	5,418,000
25 - 36 months	5,887,000	5,640,000
37 - 48 months	6,144,000	5,887,000
49 - 60 months	6,430,000	6,143,881
After 60 months	<u>49,551,881</u>	<u>55,981,154</u>
	79,070,881	84,247,035
The exchange rate at the year-end	USDNOK	10.2025
		9.9066

Security for the loan is made through a first priority mortgage in the vessel, transportation of income, pledged bank deposit, factoring agreement, pledged shares in the company and guarantees from the owner.

Book value of mortgaged assets is NOK 516 million.

11 Balances with related parties

	<u>2023</u>	<u>2022</u>
<u>Short-term receivables</u>		
Norspan LNG 19 AS	59	0
KNOT Management AS	53,375	952
	<u>53,434</u>	<u>952</u>
<u>Accounts payable</u>		
Knutsen OAS Crewing AS	7,172	72,225
KNOT Management AS	1,118,839	573,266
Knutsen OAS Shipping AS	2,097,100	1,311,819
Knutsen OAS Management AS	0	28,152
	<u>3,223,111</u>	<u>1,985,463</u>



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<u>Loan to group companies</u>		<u>2023</u>	<u>2022</u>
KNOT Shuttle Tankers AS	USD	14,370,000	16,400,000

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. The intergroup loan shall be repaid with annual instalments of USD 2.030.000 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. The loan is booked at the exchange rate at the balance sheet date.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen Shuttle Tankers 19 AS

Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 19 AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 13 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen Shuttle Tankers 19 AS 2023

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Johan Lid Nordby

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