



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 914 012 902  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 24 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
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	1	188 323 182	144 822 848
Other income		2 366	
<b>Sum inntekter</b>		<b>188 325 548</b>	<b>144 822 848</b>
<b>Kostnader</b>			
Crew-hire	2	36 357 230	29 904 670
Ordinary depreciation	3	49 309 502	46 253 187
Commissions			1 200 643
Other operating expenses		23 422 246	27 039 878
Administration	2	8 293 337	7 526 433
<b>Sum kostnader</b>		<b>117 382 315</b>	<b>111 924 811</b>
<b>Driftsresultat</b>		<b>70 943 233</b>	<b>32 898 037</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	1 780 987	13 986 202
Foreign exchange gain/loss		1 765 831	3 229 161
<b>Sum finansinntekter</b>		<b>3 546 818</b>	<b>17 215 363</b>
Financial expenses	4	38 072 468	34 167 868
<b>Sum finanskostnader</b>		<b>38 072 468</b>	<b>34 167 868</b>
<b>Netto finans</b>		<b>-34 525 650</b>	<b>-16 952 505</b>
<b>Ordinært resultat før skattekostnad</b>		<b>36 417 583</b>	<b>15 945 532</b>
Taxes	5		
<b>Ordinært resultat etter skattekostnad</b>		<b>36 417 583</b>	<b>15 945 532</b>
<b>Årsresultat</b>		<b>36 417 583</b>	<b>15 945 532</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>36 417 583</b>	<b>15 945 532</b>
<b>Totalresultat</b>		<b>36 417 583</b>	<b>15 945 532</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel	3	805 335 372	856 291 066
<b>Sum varige driftsmidler</b>		<b>805 335 372</b>	<b>856 291 066</b>
<b>Finansielle anleggsmidler</b>			
Financial contracts	10	777 992	1 432 299
<b>Sum finansielle anleggsmidler</b>		<b>777 992</b>	<b>1 432 299</b>
<b>Sum anleggsmidler</b>		<b>806 113 364</b>	<b>857 723 365</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	1 683 912	2 200 761
<b>Sum varer</b>		<b>1 683 912</b>	<b>2 200 761</b>
<b>Fordringer</b>			
Receivables	11	6 641 700	21 344 709
Konsernfordringer		6 570 908	326 602
<b>Sum fordringer</b>		<b>13 212 608</b>	<b>21 671 311</b>
<b>Investeringer</b>			
Financial instruments	10		7 015 190
<b>Sum investeringer</b>			<b>7 015 190</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	19 389 396	5 348 584
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>19 389 396</b>	<b>5 348 584</b>
<b>Sum omløpsmidler</b>		<b>34 285 916</b>	<b>36 235 846</b>
<b>SUM EIENDELER</b>		<b>840 399 280</b>	<b>893 959 210</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		100 000	100 000
Annen innskutt egenkapital		223 337 540	223 337 540
<b>Sum innskutt egenkapital</b>		<b>223 437 540</b>	<b>223 437 540</b>
<b>Opptjent egenkapital</b>			
Other equity		71 312 991	75 701 808
<b>Sum opptjent egenkapital</b>		<b>71 312 991</b>	<b>75 701 808</b>
<b>Sum egenkapital</b>	8, 9	<b>294 750 531</b>	<b>299 139 348</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	10		
Gjeld til kredittinstitusjoner	10	536 013 822	579 524 462
Other non-current liabilities	10		
<b>Sum annen langsiktig gjeld</b>		<b>536 013 822</b>	<b>579 524 462</b>
<b>Sum langsiktig gjeld</b>		<b>536 013 822</b>	<b>579 524 462</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	6 977 763	3 529 410
Kortsiktig konserngjeld			8 990 879
Accrued interest		713 193	1 177 412
Other current liabilities		1 943 971	1 597 698
<b>Sum kortsiktig gjeld</b>		<b>9 634 927</b>	<b>15 295 400</b>
<b>Sum gjeld</b>		<b>545 648 749</b>	<b>594 819 862</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>840 399 280</b>	<b>893 959 210</b>



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## List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2024-03-13 18:29 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-03-13 17:06 GMT+01
Domyo, Takashi	BANKID	2024-03-13 16:25 GMT+01



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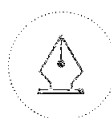


## KNOT Shuttle Tankers 24 AS Annual Report 2023



M/T "Tordis Knutsen"

**KNOT**  
Offshore Partners LP



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## KNOT SHUTTLE TANKERS 24 AS

### REPORT OF THE BOARD OF DIRECTORS 2023

KNOT Shuttle Tankers 24 AS owns one 158 000 dwt suez-max DP2 shuttle tanker, M/T Tordis Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyards in South Korea in 2016.

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

#### The company's activity

The vessel has been operated on a charter contract with Chartering and Shipping Service SA, a Total group company. The vessel started on a four-year fixed contract with Brazil Shipping I Limited, an entity in Shell, July 1<sup>st</sup> 2023.

#### Result for the year

The operating result for KNOT Shuttle Tankers 24 AS was NOK 70 943 233 in 2023 compared to NOK 32 898 037 in 2022. After net financial loss of NOK 34 525 650 in 2022, against a loss of NOK 16 952 505 in 2022, the profit for the year was NOK 36 417 583 in 2023 compared to NOK 15 945 532 in 2022.

The Board of Directors suggests the result for the year transferred to other equity.

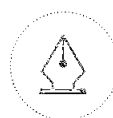
Total cash flow from operating activities in the company was NOK 110 552 801, NOK 47 838 346 in 2022. The liquidity position was NOK 19 389 396 as per 31.12.2023 compared to NOK 5 348 584 as per 31.12.2022. The company's ability to finance its investments is good. The company refinanced the vessel in 2022 together with several group companies in a fleet financing for a new five-year period and outstanding mortgage loan is at the end of 2023 USD 63 854 816, USD 69 179 748 in mortgage debt at the end of 2022.

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

The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. The company has three interest rate swaps agreements in the amount of USD 77.0 million to reduce the company's interest rate risk.

Total capital was by the end of the year NOK 840 399 280, NOK 893 959 210 at the end of 2022. The equity-share as of 31.12.2023 was 36 %, compared to 33 % as of 31.12.2022.

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.



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## The environment safety and quality control

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

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

## Prospects

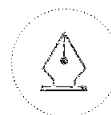
M/T Tordis Knutsen is operated on a mid-term charter with Shell. The charterers and trading area is well known for the manager and the Board of Directors. The Board of Directors expect that 2024 will be a stable profitable year for the company and that the company.

Haugesund, March 13, 2024

Trygve Seglem  
*Chairman of the Board/CEO*

Karl Gerhard Bråstein Dahl  
*Member of the Board*

Takashi Domyo  
*Member of the Board*



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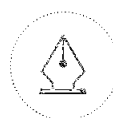
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**KNOT Shuttle Tankers 24 AS**

**Profit & Loss Account**

	Note	2023	2022
<b><u>Operating Income</u></b>			
Freight income	1	188 323 182	144 822 848
Other income		2 366	0
<i>Total Operating income</i>		<b><u>188 325 548</u></b>	<b><u>144 822 848</u></b>
<b><u>Operating Expenses</u></b>			
Crew-hire	2	36 357 230	29 904 670
Commissions		0	1 200 643
Other operating expenses		23 422 246	27 039 878
Administration	2	8 293 337	7 526 433
<i>Total Operating Expenses</i>		<b><u>68 072 813</u></b>	<b><u>65 671 624</u></b>
Ordinary depreciation	3	49 309 502	46 253 187
<i>Operating Result</i>		<b><u>70 943 233</u></b>	<b><u>32 898 037</u></b>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	1 780 987	13 986 202
Foreign exchange gain/loss		1 765 831	3 229 161
Financial expenses	4	-38 072 468	-34 167 868
<i>Net Financial Items</i>		<b><u>-34 525 650</u></b>	<b><u>-16 952 505</u></b>
<i>Result before taxes</i>		<b><u>36 417 583</u></b>	<b><u>15 945 532</u></b>
Taxes	5	0	0
<i>Result for the year</i>		<b><u>36 417 583</u></b>	<b><u>15 945 532</u></b>



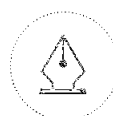
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**KNOT Shuttle Tankers 24 AS**  
**Balance Sheet as of 31. December**

	Note	2023	2022
<b>Assets</b>			
<b>Fixed assets</b>			
Vessel	3	805 335 372	856 291 066
Financial contracts	10	777 992	1 432 299
<i>Total Fixed Assets</i>		<b>806 113 364</b>	<b>857 723 365</b>
<b>Current Assets</b>			
Inventories	6	1 683 912	2 200 761
Receivables	11	6 641 700	21 344 709
Current receivables group		6 570 908	326 602
Financial instruments	10	0	7 015 190
Bank deposits	7	19 389 396	5 348 584
<i>Total Current Assets</i>		<b>34 285 916</b>	<b>36 235 846</b>
<b>TOTAL ASSETS</b>		<b>840 399 280</b>	<b>893 959 210</b>



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**KNOT Shuttle Tankers 24 AS**  
**Balance Sheet as of 31. December**

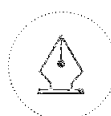
	Note	2023	2022
<b><u>Shareholders Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Share capital		100 000	100 000
Other paid-up equity		223 337 540	223 337 540
<i>Total capital paid-in</i>		<b>223 437 540</b>	<b>223 437 540</b>
Other equity		71 312 991	75 701 808
<i>Total Shareholders' Equity</i>	8, 9	<b>294 750 531</b>	<b>299 139 348</b>
<b><u>Long Term Liabilities</u></b>			
Liabilities to financial institutions	10	536 013 822	579 524 462
<i>Total Long Term Liabilities</i>		<b>536 013 822</b>	<b>579 524 462</b>
<b><u>Current Liabilities</u></b>			
Accounts payable	11	6 977 763	3 529 410
Accrued interest		713 193	1 177 412
Current liabilities group		0	8 990 879
Other current liabilities		1 943 971	1 597 698
<i>Total Current Liabilities</i>		<b>9 634 927</b>	<b>15 295 400</b>
<i>Total liabilities</i>		<b>545 648 749</b>	<b>594 819 862</b>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<b>840 399 280</b>	<b>893 959 210</b>

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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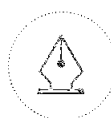


## KNOT Shuttle Tankers 24 AS

### 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	36,417,583	15,945,532
+ Ordinary depreciation	49,309,502	46,253,187
+Unrealized profit/loss on foreign exchange rate contracts	7,015,190	-13,713,439
+Amortized financial contracts	654,307	654,307
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	12,357,664	6,056,140
+ Financial expenses - liabilities to financial institutions	1,483,476	1,572,336
= Total generated from operations	107,237,722	56,768,063
+ Net received on current assets	8,975,552	-9,064,542
+ Net received on current liabilities	-5,660,473	134,825
<b>Net cashflow from operations</b>	<b>110,552,801</b>	<b>47,838,346</b>
<u>Cashflow from investments</u>		
Upgrading of vessel	1,370,274	-290,511
Performed class renewal with drydocking	275,918	-20,520,071
<b>Net cashflow from investments</b>	<b>1,646,191</b>	<b>-20,810,582</b>
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-57,351,780	-51,050,257
Dividend paid-out	-40,806,400	-28,987,200
<b>Net cashflow from financing</b>	<b>-98,158,180</b>	<b>-80,037,457</b>
<b>Net cashflow for the year</b>	<b>14,040,812</b>	<b>-53,009,693</b>
+ Bank deposits per 01.01.	5,348,584	58,358,276
<b>= Bank deposits per 31.12.</b>	<b>19,389,396</b>	<b>5,348,584</b>



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## KNOT SHUTTLE TANKERS 24 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

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

#### Related party transactions

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

### 1 Contracts

The company has entered into a new three year fixed contract with Brazil Shipping I Limited, a subsidiary of Shell. The contract is fixed until July 2027 +60 /-30 days.

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	403,340	1,115,412

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>2023</u>	<u>2022</u>
Audit	21,284	40,103
Other services besides audit	0	0
	<u>21,284</u>	<u>40,103</u>



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### 3 Fixed Assets

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

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

<b>Vessel</b>	<b>2023</b>	<b>2022</b>
Historical value 1.1.	1,095,865,741	1,095,575,230
Accumulated depreciation 1.1.	262,116,476	221,258,800
Book value 1.1.	833,749,265	874,316,430
Additions/Disposals	-1,370,274	290,511
Annual depreciation	43,620,127	40,857,676
Book value 31.12.	788,758,865	833,749,265

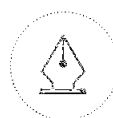
<b>Dry-docking</b>	<b>2023</b>	<b>2022</b>
Capitalised dry-docking	27,937,312	31,429,241
Accumulated depreciation dry-docking 1.1.	5,395,511	24,012,000
Capitalised dry-docking 1.1.	22,541,801	7,417,241
Additions/Disposals	-275,918	20,520,071
Annual depreciation	5,689,375	5,395,511
Book value 31.12.	16,576,508	22,541,801

Total book value vessel 31.12.	805,335,372	856,291,066
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### 4 Financial Income and -Expenses

	<b>2023</b>	<b>2022</b>
<b>Financial Income:</b>		
Inefficient part of interest rate swap	0	13,713,439
Other interest income	1,780,987	272,763
Total financial income	1,780,987	13,986,202

<b>Financial expenses:</b>		
Inefficient part of interest rate swap	7,015,190	0
Interest expenses	27,344,242	30,546,957
Guarantee cost from related parties	3,398,560	3,343,519
Other financial expenses	314,475	277,391
Total financial expenses	38,072,468	34,167,868



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## 5 **Tax**

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

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

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

	<u>31.12.2023</u>	<u>Change</u>	<u>31.12.2022</u>
Interest rate swaps	0	-7,015,190	7,015,190
Deductibel interest carried forward	-6,333,146	0	-6,333,146
Loss carried forward	<u>-42,325,928</u>	<u>23,557,170</u>	<u>-65,883,098</u>
Basis for deferred tax (benefit)	<u>-48,659,074</u>	<u>16,541,980</u>	<u>-65,201,054</u>
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	-34,525,650	-16,952,505
Non-taxable currency gain	-2,142,067	-3,325,131
Non-deductable interest	53,210,429	26,926,109
Non-taxable interest	-732	0
Unrealized interest rate swaps	<u>7,015,190</u>	<u>-13,713,439</u>
Taxable income before loss carried forward	23,557,170	-7,064,966
Loss carried forward	<u>23,557,170</u>	<u>-7,064,966</u>
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>142,788</u>	<u>144,475</u>

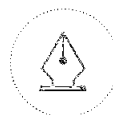
## 6 **Inventories**

Specification of inventories per 31.12.

	<u>2023</u>	<u>2022</u>
Lube oil	1,683,912	2,200,761
Total inventory	<u>1,683,912</u>	<u>2,200,761</u>

## 7 **Bank deposits**

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



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## 8 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100,000	223,337,540	75,701,808	299,139,348
Extraordinary dividend paid-out	0	0	-40,806,400	-40,806,400
Result for the year	0	0	36,417,583	36,417,583
Equity 31.12.	100,000	223,337,540	71,312,991	294,750,531

Share capital consist of 100 shares à NOK 1,000, all held 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.

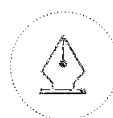
We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the the freight income. We book realized- and unrealized foreign exchange gain/-loss for any uneffective 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 rate	Accounting balance 2023	Accounting balance 2022
Mortgage debt	USD	63,854,816	8.4497	539,554,502	584,548,618
Debt issuance cost				-3,540,680	-5,024,156
Liabilities to financial institutions				536,013,822	579,524,462

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.



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	<u>2023</u>	<u>2022</u>
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-111,924,258	-100,787,474
<u>Amounts due within 12 months of the balance sheet date:</u>		
Mortgage debt	44,994,117	44,994,117
Debt issuance cost	-1,396,447	-1,483,479
Liabilities to financial institutions	<u>43,597,670</u>	<u>43,510,638</u>
<u>Repayment profile:</u> based on expected refinancing		
0 - 12 months	5,324,932	5,324,932
13 - 24 months	5,324,932	5,324,932
25 - 36 months	5,324,932	5,324,932
37 - 48 months	5,324,932	5,324,932
49 - 60 months	5,324,932	5,324,932
After 60 months	<u>37,230,156</u>	<u>42,555,088</u>
	63,854,816	69,179,748
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 vessels, assignment of earnings, assignment of insurances, bank accounts, factoring agreement, pledged shares in the company, guarantees from the owner, and undertakings from the manager.

Book value of mortgaged assets is NOK 842 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

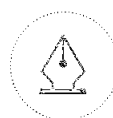
	Currency	<u>2023</u>	<u>2022</u>
Outstanding fixed interest rate swaps	USD	76,973,684	79,605,263
Mark to market valuation	USD	3,976,408	5,407,034
Inefficient part booked in the balance	NOK	0	7,015,190
Inefficient part not booked in the balance	NOK	6,914,354	0

#### Acquired interest swaps

	<u>2023</u>	<u>2022</u>
Book value 01.01.	1,432,299	2,086,606
Amortization	654,307	654,307
Book value 31.12.	<u>777,992</u>	<u>1,432,299</u>

## 11 Balances with related parties

	<u>2023</u>	<u>2022</u>
<u>Receivables</u>		
KNOT Management AS	15,887	2,345,237
KNOT Management Denmark A/S	0	14,515
	<u>15,887</u>	<u>2,359,752</u>



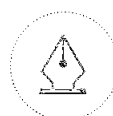
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Accounts payable

Knutsen OAS Shipping AS	1,864,339	1,958,420
Knutsen OAS Crewing AS	37,305	133,714
KNOT Management AS	3,500,698	158,962
Knutsen OAS Management AS	0	30,914
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	5,402,342	2,282,010



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Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 24 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 24 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 - **KNOT Shuttle Tankers 24 AS** 2023

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## Johan Lid Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

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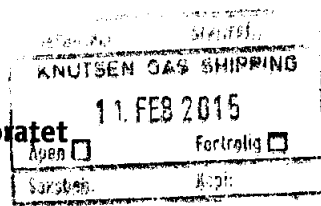
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Skattedirektoratet



Saksbehandler  
Torstein Kinden Helleland

Deres dato  
30.01.2015

Vår dato  
09.02.2015

Telefon  
22078139

Deres referanse  
Geir Tore Henriksen

Vår referanse  
2015/87104

KNUTSEN OAS SHIPPING AS  
Postboks 2017  
5504 HAUGESUND

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 30 AS	org. nr. 914 716 527
KNOT Shuttle Tankers 31 AS	org. nr. 914 750 326
Knutsen Technology AS	org. nr. 991 517 553
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 28 GP AS	org. nr. 914 450 160
KNOT Shuttle Tankers 28 LP AS	org. nr. 914 450 063
KNOT Shuttle Tankers 27 AS	org. nr. 914 021 456
KNOT Shuttle Tankers 29 AS	org. nr. 914 450 055
KNOT FSO 2 AS	org. nr. 814 450 112
KNOT Shuttle Tankers 24 AS	org. nr. 914 012 902
KNOT Shuttle Tankers 25 AS	org. nr. 914 006 600
KNOT Shuttle Tankers 26 AS	org. nr. 914 021 251

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010, TS Shipping Invest AS samt en rekke navngitte datterselskap dispensasjon fra kravet om å utarbeide årsregnskap og -beretning på norsk språk. Konsernet ønsker nå å søke om samme dispensasjon for ytterligere et antall selskap som inngår i konsernet. Alle selskapene inngår i konsernregnskapet til TS Shipping Invest AS. Selskapene det søkes om dispensasjon for er enten eid 100 % av TS Shipping Invest AS, eller 50 % av TS Shipping Invest AS og 50 % av det nederlandske selskapet NYK Logistics Holding (Europe) B.V. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



**Skattedirektoratets vurdering og konklusjon**

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

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

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

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

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

De samme fakta og argument for dispensasjon foreligger i denne søknaden som ble vurdert ved innvilgelse av dispensasjon for konsernspissen og enkelte søsterselskap. Selskapenes aktivitet er knyttet til en internasjonal bransje hvor engelsk språk benyttes både internt i selskapene samt mot aksjonærer, og i kommunikasjon med eksterne forretningspartnere. Videre er eierkretsen begrenset.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

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