



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 657 633
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 37 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

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: 12.03.2025

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, 04.05.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Freight income	1	171 369 205	168 740 955
Sum inntekter		171 369 205	168 740 955
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		2 209 153	2 183 820
Crew-hire	2	27 741 195	30 301 712
Ordinary depreciation	3	41 974 009	41 996 939
Other operating expenses		26 801 266	22 156 043
Administration	2	9 459 113	8 597 557
Sum kostnader		108 184 737	105 236 071
Driftsresultat		63 184 469	63 504 884
Finansinntekter og finanskostnader			
Financial income	4	3 239 748	3 107 251
Foreign exchange gain/loss		2 008 531	3 950 093
Sum finansinntekter		5 248 278	7 057 343
Financial expenses	4	60 744 080	62 527 379
Sum finanskostnader		60 744 080	62 527 379
Netto finans		-55 495 802	-55 470 036
Resultat før skattekostnad		7 688 667	8 034 849
Taxes	5		
Årsresultat		7 688 667	8 034 849
Årsresultat etter minoritetsinteresser		7 688 667	8 034 849
Totalresultat		7 688 667	8 034 849



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	832 243 349	876 045 489
Vessel under construction	3		
Sum varige driftsmidler		832 243 349	876 045 489
Sum anleggsmidler		832 243 349	876 045 489
Omløpsmidler			
Varer			
Inventories	6	3 626 558	3 017 650
Sum varer		3 626 558	3 017 650
Fordringer			
Other short-term receivables		3 526 575	1 650 506
Konsernfordringer		25 234 096	16 631 199
Krav på innbetaling av selskapskapital		1 379 775	
Sum fordringer		30 140 446	18 281 705
Bankinnskudd, kontanter og lignende			
Bank deposits	7	15 085 821	17 484 889
Sum bankinnskudd, kontanter og lignende		15 085 821	17 484 889
Sum omløpsmidler		48 852 825	38 784 244
SUM EIENDELER		881 096 174	914 829 733
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	30 000	30 000



Balanse

Beløp i: NOK	Note	2024	2023
Overkurs		9 930	9 930
Annen innskutt egenkapital		146 781 079	146 781 079
Sum innskutt egenkapital		146 821 009	146 821 009
Opptjent egenkapital			
Other equity		15 798 518	8 034 849
Sum opptjent egenkapital		15 798 518	8 034 849
Sum egenkapital	8, 9	162 619 527	154 855 858
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	707 565 210	752 384 129
Sum annen langsiktig gjeld		707 565 210	752 384 129
Sum langsiktig gjeld		707 565 210	752 384 129
Kortsiktig gjeld			
Leverandørgjeld		3 903 500	1 973 612
Kortsiktig konserngjeld		1 406 691	299 119
Accrued interest		2 749 722	2 659 716
Payables to related parties		543 371	1 281 057
Other current liabilities		2 308 153	1 376 242
Sum kortsiktig gjeld		10 911 437	7 589 747
Sum gjeld		718 476 647	759 973 875
SUM EGENKAPITAL OG GJELD		881 096 174	914 829 733



Skatteetaten

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Vår dato
13.02.2019

Din/Deres dato
11.01.2019

Saksbehandler
Henning Stokke

800 80 000
Skatteetaten.no

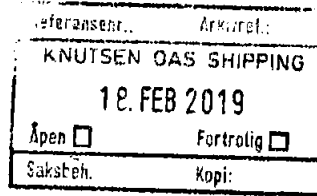
Din/Deres referanse
Petter M Opsal

Telefon
800 80 000

Org.nr
974761076

Vår referanse
2019/5238778

Postadresse
Postboks 9200 Grønland
0134 OSLO



Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 11. januar 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- KNOT Shuttle Tankers 36 AS 921 657 595
- KNOT Shuttle Tankers 33 AS 920 610 455
- KNOT Shuttle Tankers 37 AS 921 657 633
- KNOT Shuttle Tankers 35 AS 821 065 852
- KNOT Shuttle Tankers 38 AS 921 684 789
- KNOT Shuttle Tankers 39 AS 921 684 762
- KNOT Shuttle Tankers 34 AS 921 065 698
- Knutsen OAS ML AS 920 992 153
- Norspan LNG 14 AS 921 118 546
- Norspan LNG 15 AS 921 968 450

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Fra søknaden gjengis:

TS Shipping Invest AS ønsker å omfatte flere av selskapene i konsernet til å kunne utarbeide regnskaper og årsberetning på engelsk fra og med regnskapsåret 2018. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Aksjonærstrukturen er begrenset. Noen av selskapene eies 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. De aller fleste av selskapenes kunder og leverandører og andre brukere har engelsk som sitt naturlige språk / forretningspråk. Dette gjelder også konsernets långivere.



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 er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes eierkrets er begrenset. I tillegg opererer selskapene i en internasjonal bransje, og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Statsautoriserte revisorer
Ernst & Young AS
Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
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Medlemmer av Den norske Revisorforening

To the General Meeting in KNOT Shuttle Tankers 37 AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 37 AS (the Company), which comprise the balance sheet as at 31 December 2024, the profit & loss account and the cashflow 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 at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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

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 that fact 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

The Board of Directors (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.

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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, 12 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers 37 AS 2024

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

Birkeland, Magnus Hegertun

Statsautorisert revisor

På vegne av: Ernst & Young AS

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List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2025-03-12 10:43 GMT+01
Omoto, Junya	BANKID	2025-03-12 10:08 GMT+01



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KNOT Knutsen
NYK Offshore
Tankers

KNOT Shuttle Tankers 37 AS

Annual Report 2024



M/T “Daqing Knutsen”



Knutsen
Group



NYK GROUP



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KNOT SHUTTLE TANKERS 37 AS

REPORT OF THE BOARD OF DIRECTORS 2024

KNOT Shuttle Tankers 37 AS took delivery of M/T Daqing Knutsen, one 154,000 DWT suez-max DP2 shuttle tanker from COSCO (Zhoushan) Shipyard Co., Ltd. in China June 2022.

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 in accordance with a separate agreement.

The company's activity

M/T Daqing Knutsen is chartered to PetroChina International (America) Inc. from 2022, on a five-year time charter agreement with options up to five years. The vessel operates in Brazil.

Result for the year

The operating result for KNOT Shuttle Tankers 37 AS was NOK 63 184 469 in 2024 compared to NOK 63 504 884 in 2023. After net financial loss of NOK 55 495 802 in 2024, against a loss of NOK 55 470 036 in 2023, the result for the year was NOK 7 688 667, compared to a profit of NOK 8 034 849 in 2023.

The Board of Directors proposes transferring the profit to other equity.

The liquidity position was NOK 15 085 821 as per 31.12.2024 compared to NOK 17 484 889 as per 31.12.2023.

The company's short-term debts per 31.12.2024 was 1,5 % of total debt (1.0 % in 2023).

Total capital was by the end of the year NOK 881 096 174, compared to NOK 914 829 733 the year before. The equity-share as of 31.12.2024 was 18 %, compared to 17 % per 31.12.2023.

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

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

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



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

The vessel is operated on a long-term charter with PetroChina International (America) Inc. with the charterer's option to extend the contract. Based on the operation of the vessel in 2024, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 37 AS expects 2025 to be a satisfactory year for the vessel and the company.

Haugesund, March 12, 2025

Trygve Seglem
Chairman of the Board

Junya Omoto
Member of the Board



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KNOT Shuttle Tankers 37 AS

Profit & Loss Account

	<u>Note</u>	2024	2023
<u>Operating Income</u>			
Freight income	1	171 369 205	168 740 955
<i>Total Operating income</i>		<u>171 369 205</u>	<u>168 740 955</u>
<u>Operating Expenses</u>			
Commissions		2 209 153	2 183 820
Crew-hire	2	27 741 195	30 301 712
Other operating expenses		26 801 266	22 156 043
Administration	2	9 459 113	8 597 557
<i>Total Operating Expenses</i>		<u>66 210 728</u>	<u>63 239 132</u>
Ordinary depreciation	3	41 974 009	41 996 939
<i>Operating Result</i>		<u>63 184 469</u>	<u>63 504 884</u>
<u>Financial Income and Expenses</u>			
Financial income	4	3 239 748	3 107 251
Foreign exchange gain/loss		2 008 531	3 950 093
Financial expenses	4	-60 744 080	-62 527 379
<i>Net Financial Items</i>		<u>-55 495 802</u>	<u>-55 470 036</u>
<i>Result before taxes</i>		<u>7 688 667</u>	<u>8 034 849</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>7 688 667</u>	<u>8 034 849</u>



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KNOT Shuttle Tankers 37 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	<u>2024</u>	<u>2023</u>
<u>Fixed assets</u>			
Vessel	3	832 243 349	876 045 489
<i>Total Fixed Assets</i>		<u>832 243 349</u>	<u>876 045 489</u>
<u>Current Assets</u>			
Inventories	6	3 626 558	3 017 650
Other short-term receivables		3 526 575	1 650 506
Intercompany receivables		25 234 096	16 631 199
Receivables from related parties		1 379 775	0
Bank deposits	7	15 085 821	17 484 889
<i>Total Current Assets</i>		<u>48 852 825</u>	<u>38 784 244</u>
TOTAL ASSETS		<u>881 096 174</u>	<u>914 829 733</u>



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KNOT Shuttle Tankers 37 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2024	2023
<u>Equity</u>			
Share capital	8	30 000	30 000
Share premium		9 930	9 930
Other paid-in capital		146 781 079	146 781 079
<i>Total capital paid-in</i>		146 821 009	146 821 009
Other equity		15 798 518	8 034 849
<i>Total Shareholders' Equity</i>	8, 9	162 619 527	154 855 858
<u>Long Term Debt</u>			
Liabilities to financial institutions	10	707 565 210	752 384 129
<i>Total Long Term Debt</i>		707 565 210	752 384 129
<u>Current Liabilities</u>			
Accounts payable		3 903 500	1 973 612
Accrued interest		2 749 722	2 659 716
Intercompany liabilities		1 406 691	299 119
Payables to related parties		543 371	1 281 057
Other current liabilities		2 308 153	1 376 242
<i>Total Current Liabilities</i>		10 911 437	7 589 747
<i>Total liabilities</i>		718 476 647	759 973 875
SHAREHOLDERS' EQUITY AND LIABILITIES		881 096 174	914 829 733

Haugesund, March 12, 2025

Trygve Seglem
chairman of the board

Junya Omoto
member of the board



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KNOT Shuttle Tankers 37 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	7 688 667	8 034 849
+ Ordinary depreciation	41 974 009	41 996 939
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	4 424 154	4 244 843
+ Financial expenses - liabilities to financial institutions	1 197 869	814 997
= Total generated from operations	55 284 698	55 091 628
+ Net received on current assets	-12 467 649	9 256 098
+ Net received on current liabilities	3 321 690	-4 984 605
Net cashflow from operations	46 138 739	59 363 121
<u>Cashflow from investments</u>		
Upgrading of vessel	0	-365 435
Disposal of vessel equipment	1 903 131	0
Net cashflow from investments	1 903 131	-365 435
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-50 440 941	-50 261 630
Dividend paid-out	0	-29 125 534
Net cashflow from financing	-50 440 941	-79 387 164
Net cashflow for the year	-2 399 071	-20 389 477
+ Bank deposits per 01.01.	17 484 889	37 874 368
= Bank deposits per 31.12.	15 085 821	17 484 889



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KNOT Shuttle Tankers 37 AS

Notes to the Financial Statement 31.12.2024

Accounting Principles

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

Going concern

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

Transactions in Foreign Currency

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

Related party transactions

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

1 Contracts

The vessel, MT Daqing Knutsen was delivered from the yard in 2022. The vessel commenced operations in 2022 on a five-year time charter agreement with charters option to extend the contract with five years. Charterer is PetroChina, and the vessel operates in Brazil.

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

KNOT Management AS is appointed as manager for the company and the vessel. The company have agreed an agreement regulating building supervision and management of the construction of the vessel with the related party Knutsen OAS Shipping AS.

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 related crewing companies in accordance with separate crewing agreements.

	2024	2023
Grants crew expenses	603 092	9 786

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.

	2024	2023
Auditors remuneration (excl. VAT): Audit	46 200	57 750

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.



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	2024	2023
Vessel		
Historical value 01.01.	907 683 135	907 317 700
Accumulated depreciation and impairment 01.01.	53 056 603	17 179 366
Book value 01.01.	854 626 532	890 138 334
Additions	0	365 435
Disposals cost price	1 828 131	0
Annual depreciation	35 854 307	35 877 237
Book value 31.12.	816 944 094	854 626 532
Dry-docking		
Historical value 01.01.	30 772 347	30 772 347
Accumulated depreciation and impairment 01.01.	9 353 390	3 233 688
Capitalised dry-docking 01.01.	21 418 957	27 538 659
Annual depreciation	6 119 702	6 119 702
Book value 31.12.	15 299 255	21 418 957
Total book value vessel 31.12.	832 243 349	876 045 489

4 Financial Income and Expenses

	2024	2023
Financial Income:		
Interest income from group companies	1 989 040	1 169 111
Other interest income	1 250 708	1 938 140
Total financial income	3 239 748	3 107 251
Financial Expenses:		
Interest expenses	56 529 640	58 205 015
Guarantee fee to group companies	4 087 779	4 193 276
Other financial expenses	126 661	129 087
Total financial expenses	60 744 080	62 527 379

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.

We classify the tonnage tax as an operating expense.

	31.12.2024	Change	31.12.2023
Loss carried forward	-13 510 534	-344 833	-13 855 367
Temporary differences	-13 510 534	-344 833	-13 855 363
Calculated deferred tax	2 972 318	-75 862	3 048 180
Deferred tax in balance	0	0	0

Deferred tax assets related to losses carried forward are only recognized to the extent that there is convincing evidence that these will be utilized in the future.

Tax cost

	2024	2023
Net financial items	-55 495 802	-55 470 036
Non-taxable currency gain	-2 117 471	-3 965 632
Non-deductible interest	57 958 105	58 336 304
Deductible financial items	0	0
Taxable income before loss carried forward	344 833	-1 099 361
Loss carried forward	344 833	-1 099 361
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses	141 830	141 830



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6 Inventories

Specification of inventories per 31.12.

	2024	2023
Lube oil	3 626 558	3 017 650

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 01.01	30 000	9 930	146 781 079	8 034 849	154 855 858
Correction of last year's result	0	0	0	75 002	75 002
Result for the year	0	0	0	7 688 667	7 688 667
Equity 31.12.	30 000	9 930	146 781 079	15 798 518	162 619 527

Share capital consist of 1 000 shares à NOK 30.

The company is a wholly owned subsidiary of Knutsen NYK Offshore Tankers AS. Financial statements for the group can be obtained at company's registered office, Smedasundet 40, 5529 Haugesund.

9 Shares Owned by Board Members and Affiliates

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

10 Mortgage Debt and Financial Instruments

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

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

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 amount	Hedge accounting rate 31.12.	Accounting balance 2024	2023
Mortgage debt	USD	72 828 472	9,7937	713 260 206	759 276 993
Debt issuance cost				-5 694 998	-6 892 864
Liabilities to financial institutions				707 565 210	752 384 129

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.

	2024	2023
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-115 647 972	-31 693 072

Amounts due within 12 months of the balance sheet date:

Mortgage debt	46 016 788	46 016 788
Debt issuance cost	-2 325 139	-817 230
Liabilities to financial institutions	43 691 649	45 199 558

Repayment profile:

0 - 12 months	4 698 611	4 698 611
13 - 24 months	4 698 611	4 698 611
25 - 36 months	4 698 611	4 698 611
37 - 48 months	4 698 611	4 698 611
49 - 60 months	4 698 611	4 698 611
After 60 months	49 335 416	54 034 027
	72 828 472	77 527 083

The exchange rate at the year-end	USDNOK	11,38165	10,2025
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Security for the loan is made through a first priority mortgage in the vessel, transportation of income, factoring agreement, pledge in the shares of the company and guarantees from Kruisen.NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 877 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	2024	2023
Outstanding fixed interest rate swaps	USD	22 900 000	24 100 000
Mark to market valuation	USD	190 193	49 776



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