



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 918 447 954  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNOT SHUTTLE TANKERS 32 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: 07.04.2025

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 27.04.2025



### Resultatregnskap

Beløp i: NOK	Note	2024	2023
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	1	256 862 430	155 709 864
Other income		1 441 793	
<b>Sum inntekter</b>		<b>258 304 223</b>	<b>155 709 864</b>
<b>Kostnader</b>			
Crew-hire	2	32 840 851	26 839 384
Ordinary depreciation	3	46 652 276	42 836 096
Commissions		3 159 475	288 906
Other operating expenses		23 786 133	39 977 758
Administration	3	9 053 373	8 391 974
<b>Sum kostnader</b>		<b>115 492 108</b>	<b>118 334 118</b>
<b>Driftsresultat</b>		<b>142 812 115</b>	<b>37 375 745</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	2 041 406	1 626 006
Foreign exchange gain/loss		1 026 169	4 261 567
<b>Sum finansinntekter</b>		<b>3 067 575</b>	<b>5 887 573</b>
Financial expenses	4	21 305 477	21 460 262
<b>Sum finanskostnader</b>		<b>21 305 477</b>	<b>21 460 262</b>
<b>Netto finans</b>		<b>-18 237 903</b>	<b>-15 572 689</b>
<b>Resultat før skattekostnad</b>		<b>124 574 212</b>	<b>21 803 056</b>
Taxes	5		
<b>Årsresultat</b>		<b>124 574 212</b>	<b>21 803 056</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>124 574 212</b>	<b>21 803 056</b>
<b>Totalresultat</b>		<b>124 574 212</b>	<b>21 803 056</b>



## Balanse

Beløp i: NOK	Note	2024	2023
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessel	3	524 968 310	571 607 137
Accrued income	1	690 672	
<b>Sum varige driftsmidler</b>		<b>525 658 982</b>	<b>571 607 137</b>
Financial instruments	10		
<b>Sum anleggsmidler</b>		<b>525 658 982</b>	<b>571 607 137</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	2 673 476	1 932 139
<b>Sum varer</b>		<b>2 673 476</b>	<b>1 932 139</b>
<b>Fordringer</b>			
Receivables	11	5 355 097	12 453 357
Konsernfordringer		1 287 472	
<b>Sum fordringer</b>		<b>6 642 569</b>	<b>12 453 357</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	30 250 199	6 074 249
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>30 250 199</b>	<b>6 074 249</b>
<b>Sum omløpsmidler</b>		<b>39 566 245</b>	<b>20 459 745</b>
<b>SUM EIENDELER</b>		<b>565 225 226</b>	<b>592 066 882</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		100 000	100 000



## Balanse

Beløp i: NOK	Note	2024	2023
Overkurs		14 430	14 430
Annen innskutt egenkapital		109 216 388	109 216 388
<b>Sum innskutt egenkapital</b>		<b>109 330 818</b>	<b>109 330 818</b>
<b>Opptjent egenkapital</b>			
Other equity		130 315 068	96 087 105
<b>Sum opptjent egenkapital</b>		<b>130 315 068</b>	<b>96 087 105</b>
<b>Sum egenkapital</b>	8, 9	<b>239 645 886</b>	<b>205 417 923</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	314 621 381	355 823 311
<b>Sum annen langsiktig gjeld</b>		<b>314 621 381</b>	<b>355 823 311</b>
<b>Sum langsiktig gjeld</b>		<b>314 621 381</b>	<b>355 823 311</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	6 751 376	3 244 805
Kortsiktig konserngjeld			25 467 041
Accrued interest		963 350	
Other current liabilities		3 243 234	2 113 802
<b>Sum kortsiktig gjeld</b>		<b>10 957 960</b>	<b>30 825 648</b>
<b>Sum gjeld</b>		<b>325 579 341</b>	<b>386 648 959</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>565 225 226</b>	<b>592 066 882</b>



Statsautoriserte revisorer  
Ernst & Young AS  
Stororvet 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 32 AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 32 AS (the Company), which comprise Balance Sheet as of 31 December 2024, Profit & Loss Account and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

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

### Other information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

### Responsibilities of management for the financial statements

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

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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, 7 April 2025  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Johan Lid Nordby  
State Authorised Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers 32 AS 2024

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

## Nordby, Johan Lid

Statsautorisert revisor

På vegne av: ERNST & YOUNG AS

Serienummer: no\_bankid:9578-5997-4-729076

IP: 147.161.xxx.xxx

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Name	Method	Signed at
Seglem, Trygve	BANKID	2025-04-07 12:07 GMT+02
Omoto, Junya	BANKID	2025-04-07 11:30 GMT+02



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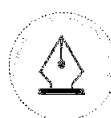


## KNOT Shuttle Tankers 32 AS Annual Report 2024



M/T "Brasil Knutsen"

**KNOT**  
Offshore Partners LP



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## KNOT SHUTTLE TANKERS 32 AS

### REPORT OF THE BOARD OF DIRECTORS 2024

KNOT Shuttle Tankers 32 AS owns one 154,000 DWT Suez-max shuttle tanker, M/T Brasil Knutsen, delivered from Samsung Heavy Industries in South Korea in 2013.

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

#### The company's activity

M/T Brasil Knutsen have been chartered to Petrorio Luxembourg Holding S.A.R.L., for international trade with offshore loading in Brazil from 24<sup>th</sup> November 2023. The time charter has a fixed period until May 1, 2025 with charterers options to extend two times for 30 days. The company have further secured a new time charter contract with Equinor Shipping Inc. for a period of 24 months with two 12 months options for offshore loading in Brazil.

#### Result for the year

The operating result for KNOT Shuttle Tankers 32 AS was NOK 142 812 115 in 2024 compared to NOK 37 375 745 in 2023. After net financial loss of NOK 18 237 903 in 2024, against a loss of NOK 15 572 689 in 2023, the result for the year were NOK 124 574 212 in 2024 compared to NOK 21 803 056 in 2023.

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 168 663 133, NOK 89 488 565 in 2023. The liquidity position was NOK 30 250 199 as per 31.12.2024 compared to NOK 6 074 249 as per 31.12.2023. The company's ability to finance its investments is good. Outstanding mortgage loan at the end of 2024 USD 37 672 855, USD 42 701 491 at the end of 2023.

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 are also denominated in USD, this limits the company's foreign exchange risk. The company has entered into forward exchange rate contracts in order 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 carries floating interest rate. The company has entered into two interest rate swap agreement in the total amount of USD 25 million.

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



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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 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](http://www.knutsenoas.com) and the report is updated minimum one time per year.

### Future prospects

M/T Brasil Knutsen is operated on a charter with Petrorio Luxembourg Holding S.A.R.L. The charterer and trading area are well known for the manager and the Board of Directors. The Board of Directors expect that 2025 will be a stable profitable year for the company.

Haugesund, April 7, 2025

Trygve Seglem  
*Chairman of the Board*

Junya Omoto  
*Member of the Board*



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## KNOT Shuttle Tankers 32 AS

### Profit & Loss Account

	Note	2024	2023
<b><u>Operating Income</u></b>			
Freight income	1	256 862 430	155 709 864
Other income		1 441 793	0
<i>Total Operating income</i>		<u>258 304 223</u>	<u>155 709 864</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	2	32 840 851	26 839 384
Commissions		3 159 475	288 906
Other operating expenses		23 786 133	39 977 758
Administration	3	9 053 373	8 391 974
<i>Total Operating Expenses</i>		<u>68 839 832</u>	<u>75 498 022</u>
Ordinary depreciation	3	46 652 276	42 836 096
<i>Operating Result</i>		<u>142 812 115</u>	<u>37 375 745</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	2 041 406	1 626 006
Foreign exchange gain/loss		1 026 169	4 261 567
Financial expenses	4	-21 305 477	-21 460 262
<i>Net Financial Items</i>		<u>-18 237 903</u>	<u>-15 572 689</u>
<i>Result before taxes</i>		<u>124 574 212</u>	<u>21 803 056</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>124 574 212</u>	<u>21 803 056</u>



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**KNOT Shuttle Tankers 32 AS**  
**Balance Sheet as of 31. December**

	Note	2024	2023
<b><u>Assets</u></b>			
<b><u>Fixed assets</u></b>			
Vessel	3	524 968 310	571 607 137
Accrued income	1	690 672	0
<i>Total Fixed Assets</i>		<u>525 658 982</u>	<u>571 607 137</u>
<b><u>Current Assets</u></b>			
Inventories	6	2 673 476	1 932 139
Receivables	11	5 355 097	12 453 357
Current receivables group		1 287 472	0
Bank deposits	7	30 250 199	6 074 249
<i>Total Current Assets</i>		<u>39 566 245</u>	<u>20 459 745</u>
<b>TOTAL ASSETS</b>		<u>565 225 226</u>	<u>592 066 882</u>



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**KNOT Shuttle Tankers 32 AS**  
**Balance Sheet as of 31. December**

	Note	2024	2023
<b><u>Shareholders Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Share capital		100 000	100 000
Share premium		14 430	14 430
Other paid-in equity		109 216 388	109 216 388
<i>Total capital paid-in</i>		<b>109 330 818</b>	<b>109 330 818</b>
Other equity		130 315 068	96 087 105
<i>Total Shareholders' Equity</i>	8, 9	<b>239 645 886</b>	<b>205 417 923</b>
<b><u>Long-Term Liabilities</u></b>			
Liabilities to financial institutions	10	314 621 381	355 823 311
<i>Total Long-Term Liabilities</i>		<b>314 621 381</b>	<b>355 823 311</b>
<b><u>Current Liabilities</u></b>			
Accounts payable	11	6 751 376	3 244 805
Accrued interest		963 350	0
Current liabilities group		0	25 467 041
Other current liabilities		3 243 234	2 113 802
<i>Total Current Liabilities</i>		<b>10 957 960</b>	<b>30 825 648</b>
<i>Total liabilities</i>		<b>325 579 341</b>	<b>386 648 959</b>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<b>565 225 226</b>	<b>592 066 882</b>

Haugesund, April 7, 2025,

Trygve Seglem  
chairman of the board

Junya Omoto  
member of the board



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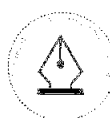


## KNOT Shuttle Tankers 32 AS

### 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	124 574 212	21 803 056
+ Ordinary depreciation	46 652 276	42 836 096
+Accrued income	-690 672	0
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	11 941 445	11 974 509
+ Financial expenses - liabilities to financial institutions	984 108	1 083 216
= Total generated from operations	183 461 370	77 696 877
+ Net received on current assets	5 069 451	-10 632 177
+ Net received on current liabilities	-19 867 688	22 423 865
<b>Net cashflow from operations</b>	<b>168 663 133</b>	<b>89 488 565</b>
<u>Cashflow from investments</u>		
Upgrading of vessel	0	-13 611 489
Performed class renewal with drydocking	-13 449	-53 366 225
<b>Net cashflow from investments</b>	<b>-13 449</b>	<b>-66 977 714</b>
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-54 127 483	-54 160 547
Dividend paid-out	-90 346 250	0
<b>Net cashflow from financing</b>	<b>-144 473 733</b>	<b>-54 160 547</b>
<b>Net cashflow for the year</b>	<b>24 175 950</b>	<b>-31 649 696</b>
+ Bank deposits per 01.01.	6 074 249	37 723 945
<b>= Bank deposits per 31.12.</b>	<b>30 250 199</b>	<b>6 074 249</b>



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## KNOT SHUTTLE TANKERS 32 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.

#### 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 vessel have commenced on a time charter with PetroRio Luxembourg Holding S.A.R.L from 24th of November 2023 until 1st May 2025 with 2 x 30 days options.

The company have further secured a new timecharter contract thereafter with Equinor Shipping Inc. For a period of 24-months, plus two 12 months options. 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.

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

Auditors remuneration (excl. VAT):

	2024	2023
Audit	68 480	21 284
Other services besides audit	0	0
	68 480	21 284



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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.

<u>Vessel</u>	<u>2024</u>	<u>2023</u>
Historical value 1.1.	745 952 848	732 341 359
Accumulated depreciation 1.1.	221 988 548	186 546 133
Book value 1.1.	523 964 300	545 795 226
Additions/Disposals	0	13 611 489
Annual depreciation	35 875 908	35 442 415
Book value 31.12.	488 088 392	523 964 300

<u>Dry-docking</u>	<u>2024</u>	<u>2023</u>
Capitalised dry-docking	53 366 225	21 259 527
Accumulated depreciation dry-docking 1.1.	5 723 388	19 589 234
Capitalised dry-docking 1.1.	47 642 837	1 670 293
Additions/Disposals	13 449	53 366 225
Annual depreciation	10 776 368	7 393 681
Book value 31.12.	36 879 918	47 642 837

Total book value vessel 31.12.	524 968 310	571 607 137
--------------------------------	-------------	-------------

### 4 Financial Income and -Expenses

	<u>2024</u>	<u>2023</u>
<b>Financial Income:</b>		
Other interest income	2 041 406	1 626 006
Total financial income	2 041 406	1 626 006

<b>Financial expenses:</b>		
Interest expenses	19 002 576	18 077 817
Realized loss currency swaps	0	842 500
Guarantee cost to related parties	2 103 284	2 314 703
Other financial expenses	199 618	225 242
Total financial expenses	21 305 477	21 460 262



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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.

### Specification on the temporary differences:

	<u>31.12.2024</u>	<u>Change</u>	<u>31.12.2023</u>
Loss carried forward	-3 458 677	13 287 967	-16 746 644
Basis for deferred tax (benefit)	-3 458 677	13 287 967	-16 746 644
Deferred tax (benefit)	0	0	0

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>2024</u>	<u>2023</u>
Net financial Items	-18 237 903	-15 572 689
Non-taxable currency gain	-1 489 628	-4 574 701
Non-deductible interest	33 015 533	35 957 146
Foreign exchange rate contracts	0	817 225
Deductable financial items	-35	-128
Taxable income before loss carried forward	13 287 967	16 626 854
Loss carried forward	13 287 967	16 626 854
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax expenses under operating expenses	144 540	144 540

## 6 Inventories

Specification of inventories per 31.12.

	<u>2024</u>	<u>2023</u>
Lube oil	2 673 476	1 932 139
Total inventory	2 673 476	1 932 139

## 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	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100 000	14 430	109 216 388	96 087 105	205 417 923
Extraordinary dividend paid-out	0	0	0	-90 346 250	-90 346 250
Result for the year	0	0	0	124 574 212	124 574 212
Equity 31.12.	100 000	14 430	109 216 388	130 315 068	239 645 886

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



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	Currency	Outstanding currency	Hedge accounting rate	Accounting balance	
				2024	2023
Mortgage debt	USD	37 672 855	8,3892	316 043 655	358 229 693
Debt issuance cost				-1 422 274	-2 406 382
Liabilities to financial institutions				314 621 381	355 823 311

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):	-111 671 337	-77 432 269

Amounts due within 12 months of the balance sheet date:

Mortgage debt	42 186 038	42 186 038
Debt issuance cost	-876 667	-984 101
Liabilities to financial institutions	41 309 371	41 201 937

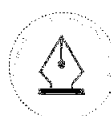
Repayment profile: based on expected refinancing

0 - 12 months	5 028 636	5 028 636
13 - 24 months	5 028 636	5 028 636
25 - 36 months	5 028 636	5 028 636
37 - 48 months	5 028 636	5 028 636
49 - 60 months	5 028 636	5 028 636
After 60 months	12 529 675	17 558 311
	37 672 855	42 701 491

The exchange rate at the year-end	USDNOK	11,3534	10,2025
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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 565 million.



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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	25 000 000	50 000 000
Mark to market valuation	USD	149 462	1 572 822

## 11 Balances with related parties

	2024	2023
<u>Receivables</u>		
KNOT Management AS	0	24 629
Knutsen OAS Crewing AS	376 964	0
	<u>376 964</u>	<u>24 629</u>
<u>Accounts payable</u>		
Knutsen OAS Shipping AS	2 170 410	522 568
Knutsen OAS Management AS	0	7 752
Knutsen OAS Crewing Eastern Europe AS	4 764	0
Knutsen OAS Crewing AS	0	13 002
KNOT Management AS	1 639 811	289 166
	<u>3 814 985</u>	<u>832 488</u>



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Skattedirektoratet

Referanse	Kont
KNUTSEN DALS SHIPPING	
22. FEB 2018	
Åpen <input type="checkbox"/>	Fertrlig <input type="checkbox"/>
Saksbeh	Kopi.

Saksbehandler  
Torstein Kinden Helleland  
Telefon  
22078139

Deres dato  
30.01.2018  
Deres referanse  
Peter Myklebust Opsal  
Vår dato  
20.02.2018  
Vår referanse  
2018/336915

TS SHIPPING INVEST 2 AS  
Postboks 2017  
5504 HAUGESUND

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

Det vises til deres brev av 30. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 32 AS      org.nr. 918 447 954  
Norspan LNG XIII AS            org.nr. 919 981 245

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 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

Skattedirektoratet innvilget dispensasjon fra kravet om å utarbeide årsregnskap og -beretning på norsk språk til TS Shipping Invest AS med datterselskaper. 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.

### 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:

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:                      Sentralbord  
Se [www.skatteetaten.no](http://www.skatteetaten.no)                      800 80 000  
Org.nr: 996250318                      Telefaks  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)                      22 17 08 60



*”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

Jeanette Munkvold Skovholt  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*