



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 821 065 852
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 35 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
RESULTATREGNSKAP			
Inntekter			
Operating income	1		
Freight income	1	204 475 755	188 198 215
Other income		10 779	9 663 991
Sum inntekter		204 486 534	197 862 206
Kostnader			
Crew-hire	2	32 010 247	28 483 355
Ordinary depreciation	3	43 692 028	43 725 858
Voyage related costs	1		
Other operating expenses		22 830 702	22 604 398
Administration	2	9 035 284	8 716 333
Sum kostnader		107 568 261	103 529 944
Driftsresultat		96 918 273	94 332 263
Finansinntekter og finanskostnader			
Financial income	4	1 787 098	1 654 834
Foreign exchange gain/loss		4 269 211	-1 194
Sum finansinntekter		6 056 309	1 653 640
Financial expenses	4	54 792 581	53 339 359
Sum finanskostnader		54 792 581	53 339 359
Netto finans		-48 736 272	-51 685 720
Resultat før skattekostnad		48 182 001	42 646 543
Taxes	5		
Årsresultat		48 182 001	42 646 543
Årsresultat etter minoritetsinteresser		48 182 001	42 646 543
Totalresultat		48 182 001	42 646 543



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	808 519 009	851 578 087
Vessel under construction	3		
Sum varige driftsmidler		808 519 009	851 578 087
Finansielle anleggsmidler			
Investering i datterselskap	8		
Sum anleggsmidler		808 519 009	851 578 087
Omløpsmidler			
Varer			
Inventories	6	2 610 879	2 828 970
Sum varer		2 610 879	2 828 970
Fordringer			
Receivables	11	4 207 386	3 804 350
Konsernfordringer		835 320	
Sum fordringer		5 042 706	3 804 350
Bankinnskudd, kontanter og lignende			
Bank deposits	7	40 630 404	36 071 708
Sum bankinnskudd, kontanter og lignende		40 630 404	36 071 708
Sum omløpsmidler		48 283 989	42 705 027
SUM EIENDELER		856 802 998	894 283 114

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2024	2023
Innskutt egenkapital			
Share capital		30 000	30 000
Overkurs		9 930	9 930
Annen innskutt egenkapital		80 844 446	97 342 839
Sum innskutt egenkapital		80 884 376	97 382 769
Opptjent egenkapital			
Other equity		48 182 001	42 646 543
Sum opptjent egenkapital		48 182 001	42 646 543
Sum egenkapital	8, 9	129 066 378	140 029 312
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		5 406
Sum avsetninger for forpliktelser			5 406
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	694 225 251	736 156 786
Langsiktig konserngjeld	11		
Sum annen langsiktig gjeld		694 225 251	736 156 786
Sum langsiktig gjeld		694 225 251	736 162 192
Kortsiktig gjeld			
Leverandørgjeld	11	2 412 148	3 466 881
Tax payable	5	5 406	1 352
Kortsiktig konserngjeld	11		2 367 140
Accrued interest		10 337 098	10 456 211
Other current liabilities		20 756 718	1 800 026
Sum kortsiktig gjeld		33 511 370	18 091 610
Sum gjeld		727 736 620	754 253 802
SUM EGENKAPITAL OG GJELD		856 802 998	894 283 114



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

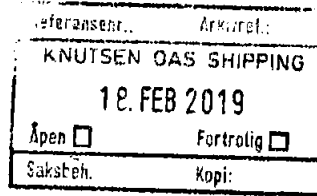
Din/Deres referanse
Petter M Opsal

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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 Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2025-04-07 12:04 GMT+02
Omoto, Junya	BANKID	2025-04-07 11:33 GMT+02



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KNOT Shuttle Tankers 35 AS Annual Report 2024



M/T "Synnøve Knutsen"

KNOT
Offshore Partners LP



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KNOT SHUTTLE TANKERS 35 AS

REPORT OF THE BOARD OF DIRECTORS 2024

KNOT Shuttle Tankers 35 AS owns one 153,000 DWT suez-max DP2 shuttle tanker, M/T Synnøve Knutsen, delivered from Hyundai Heavy Industries Co., Ltd. in South Korea in 2020.

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

MT Synnøve Knutsen has been chartered to Equinor Shipping Inc., a Equinor ASA company, from February 2022 on a five-year time charter agreement with three options of two years and 9 options of one year in charters option.

Result for the year

The operating result was NOK 96 918 273 in 2024 compared to NOK 94 332 263 in 2023. After net financial loss of NOK 48 736 272 in 2024, a loss of NOK 51 685 720 in 2023, the result for the year was NOK 48 182 001 in 2024 compared to NOK 42 646 543 in 2023.

The Board of Directors propose to transfer the result for the year to other equity.

Total cash flow for operational activities was NOK 115 767 286, NOK 93 567 645 in 2023. The liquidity position was NOK 40 630 404 as per 31.12.2024 compared to NOK 36 071 708 as per 31.12.2023. The company's ability to finance its investments is good.

Total capital was by the end of the year NOK 856 693 843, NOK 894 283 114 at the end of 2023. The equity-share as of 31.12.2024 was 15 % compared to 16 % the year before.

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 not entered into any forward contracts or other agreements in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

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.

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



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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 accounts for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that can be found here www.knutsenoas.com and the report is updated minimum one time per year.

Future prospects

M/T Synnøve Knutsen is operated on a long-term charter with Equinor Shipping Inc. with a fixed period until the 1st quarter of 2027. The charterer and trading area is well known for the manager and the Board of Directors. Based on the operation of the vessel in 2024, the financing of the vessel and the long-term charter-party of the vessel, the Board of Directors of KNOT Shuttle Tankers 35 AS expects 2025 to be a satisfactory year for the vessel and 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 35 AS

Profit & Loss Account

	<u>Note</u>	2024	2023
<u>Operating Income</u>			
Freight income	1	204 475 755	188 198 215
Other income		10 779	9 663 991
<i>Total Operating income</i>		<u>204 486 534</u>	<u>197 862 206</u>
<u>Operating Expenses</u>			
Crew-hire	2	32 010 247	28 483 355
Other operating expenses		22 830 702	22 604 398
Administration	2	9 035 284	8 716 333
<i>Total Operating Expenses</i>		<u>63 876 233</u>	<u>59 804 086</u>
<i>Operating result before depreciation</i>		<u>140 610 301</u>	<u>138 058 121</u>
Ordinary depreciation	3	43 692 028	43 725 858
<i>Operating Result</i>		<u>96 918 273</u>	<u>94 332 263</u>
<u>Financial Income and Expenses</u>			
Financial income	4	1 787 098	1 654 834
Foreign exchange gain/loss		4 269 211	-1 194
Financial expenses	4	-54 792 581	-53 339 359
<i>Net Financial Items</i>		<u>-48 736 272</u>	<u>-51 685 720</u>
<i>Result before taxes</i>		<u>48 182 001</u>	<u>42 646 543</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>48 182 001</u>	<u>42 646 543</u>



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KNOT Shuttle Tankers 35 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	808 519 009	851 578 087
<i>Total Fixed Assets</i>		<u>808 519 009</u>	<u>851 578 087</u>
<u>Current Assets</u>			
Inventories	6	2 610 879	2 828 970
Receivables	11	4 207 386	3 804 350
Intercompany receivables		835 320	0
Bank deposits	7	40 630 404	36 071 708
<i>Total Current Assets</i>		<u>48 283 989</u>	<u>42 705 027</u>
<i>TOTAL ASSETS</i>		<u>856 802 998</u>	<u>894 283 114</u>



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KNOT Shuttle Tankers 35 AS
Balance Sheet as of 31. December

<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	<u>2024</u>	<u>2023</u>
<u>Equity</u>			
Share capital		30 000	30 000
Share premium		9 930	9 930
Other paid-in capital		80 844 446	97 342 839
<i>Total capital paid-in</i>		<u>80 884 376</u>	<u>97 382 769</u>
Other equity		48 182 001	42 646 543
<i>Total Shareholders' Equity</i>	8, 9	<u>129 066 378</u>	<u>140 029 312</u>
<u>Long Term Debt</u>			
Deferred tax	5	0	5 406
Mortgage debt	10	694 225 251	736 156 786
<i>Total Long Term Debt</i>		<u>694 225 251</u>	<u>736 162 192</u>
<u>Current Liabilities</u>			
Account payables	11	2 412 148	3 466 881
Accrued interest		10 337 098	10 456 211
Tax payable	5	5 406	1 352
Intercompany liabilities	11	0	2 367 140
Other current liabilities		20 756 718	1 800 026
<i>Total Current Liabilities</i>		<u>33 511 370</u>	<u>18 091 610</u>
<i>Total liabilities</i>		<u>727 736 620</u>	<u>754 253 802</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>856 802 998</u>	<u>894 283 114</u>

Haugesund, April 7, 2025,

Trygve Seglem
chairman of the board

Junya Omoto
member of the board



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KNOT SHUTTLE TANKERS 35 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	48 182 001	42 646 543
+ Ordinary depreciation	43 692 028	43 725 858
+ Paid tax	-1 352	-1 690
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	7 966 181	5 887 313
+ Financial expenses - liabilities to financial institutions	1 532 988	1 559 772
= Total generated from operations	101 371 846	93 817 796
+ Net received on current assets	-1 020 265	1 728 365
+ Net received on current liabilities	15 415 705	-1 978 516
Net cashflow from operations	115 767 286	93 567 645
<u>Cashflow from investments</u>		
Upgrading / disposals of vessel	-632 950	656 537
Net cashflow from investments	-632 950	656 537
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-51 430 704	-49 351 837
Dividend paid-out	-59 144 936	-21 315 200
Net cashflow from financing	-110 575 640	-70 667 037
Net cashflow for the year	4 558 696	23 557 145
+ Bank deposits per 01.01.	36 071 708	12 514 563
= Bank deposits per 31.12.	40 630 404	36 071 708



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KNUTSEN SHUTTLE TANKERS 35 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 company has secured employment of the vessel M/T Synnøve Knutsen, with a 5 year fix time charter contract with charterers option to extend the contract with 3 x 2 + 9 x 1 year options to Equinor Shipping Inc. from February 2022.

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.



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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>2024</u>	<u>2023</u>
Grants crew expenses	794 393	201 835

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

Auditors remuneration (excl. VAT):	<u>2024</u>	<u>2023</u>
Audit	68 480	21 284
Other services besides audit	0	0
	<u>68 480</u>	<u>21 284</u>

3 Fixed Assets

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

Dry-docking 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.	959 532 263	960 188 800
Accumulated depreciation 1.1.	118 624 187	80 718 335
Book value 1.1.	840 908 076	879 470 465
Additions/Disposals	-14 395	-656 537
Annual depreciation	37 872 024	37 905 852
Book value 31.12.	<u>803 021 657</u>	<u>840 908 076</u>

<u>Dry-docking</u>	<u>2024</u>	<u>2023</u>
Capitalised dry-docking	29 100 028	29 100 028
Accumulated depreciation dry-docking 1.1.	18 430 017	12 610 011
Capitalised dry-docking 1.1.	10 670 012	16 490 018
Additions	647 345	0
Annual depreciation	5 820 004	5 820 006
Book value 31.12.	<u>5 497 353</u>	<u>10 670 012</u>

Total vessel	<u>808 519 009</u>	<u>851 578 087</u>
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4 Financial Income and -Expenses

	2024	2023
Financial Income:		
Other interest income	1 787 098	1 654 834
Total financial income	1 787 098	1 654 834
Financial expenses:		
Interest expenses	50 433 023	48 677 868
Guarantee expenses group companies/related parties	4 043 576	4 198 826
Other financial expenses	315 982	462 665
Total financial expenses	54 792 581	53 339 359

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:

	31.12.2024	Change	31.12.2023
Gain & loss account entrance tax	0	-24 575	24 575
Loss carried forward	-110 236 526	8 740 956	-118 977 482
Basis for deferred tax (benefit)	-110 236 526	8 716 381	-106 025 880
Deferred tax (benefit)	0	-5 406	5 406

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

scheme:

	2024	2023
Net financial result	-48 736 272	-51 685 720
Non deductable currency loss	-4 449 826	-188 294
Interest deduction	61 927 055	61 430 726
Taxable income before loss carried forward	8 740 956	9 556 712
Change in loss carried forward	-8 740 956	-9 556 712
Taxable income	0	0
Tax payable	-5 406	-1 352
Change in deferred tax	5 406	1 352
Tax expense	0	0
Tonnage tax expenses under operating expenses	144 540	144 540



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6 Inventories

Specification of inventories per 31.12.

	<u>2024</u>	<u>2023</u>
Lube oil	2 610 879	2 828 970

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	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	30 000	9 930	97 342 839	42 646 543	140 029 312
Dividend	0	0	-16 498 393	-42 646 543	-59 144 936
Result for the year	0	0	0	48 182 001	48 182 001
Equity 31.12.	30 000	9 930	80 844 446	48 182 001	129 066 378

Share capital consist of 1 000 shares à NOK 30, all the shares is owned by KNOT Shuttle Tankers AS.

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

9 Shares Owned by Board Members and Affiliates

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

10 Mortgage Debt and Financial Instruments

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. The loan is due to be fully repaid in the fourth quarter of 2025. The management are currently in the process of refinancing the loan.

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.



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	Currency	Outstanding currency amount	Hedge accounting	Accounting balance 2024	Accounting balance 2023
Mortgage debt	USD	75 814 916	9,1728	695 432 402	738 896 925
Debt issuance cost				-1 207 151	-2 740 139
Liabilities to financial institutions				694 225 251	736 156 786

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):	-165 324 663	-82 948 606
<u>Amounts due within 12 months of the balance sheet date:</u>		
Mortgage debt	43 464 523	43 464 523
Debt issuance cost	-1 207 155	-1 532 993
Liabilities to financial institutions	42 257 367	41 931 530

Repayment profile:

0 - 12 months	4 738 432	4 738 432
13 - 24 months	4 738 432	4 738 432
25 - 36 months	4 738 432	4 738 432
37 - 48 months	4 738 432	4 738 432
49 - 60 months	4 738 432	4 738 432
After 60 months	52 122 756	56 861 188
	75 814 916	80 553 348

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

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

Book value of mortgaged assets is NOK 857 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	39 375 000	41 875 000
Mark to market valuation	USD	650 811	1 448 817

11 Related party balances

	2024	2023
<u>Current receivables</u>		
Knutsen OAS Shipping AS	1 517 196	0
Knutsen OAS Crewing AS	106 986	0
KNOT Management AS	0	24 984
Knutsen OAS Crewing Eastern Europe AS	148 584	0
	<u>1 772 766</u>	<u>24 984</u>
<u>Accounts payable</u>		
Knutsen O.A.S. Shipping AS	729 699	1 156 857
Knutsen OAS Management AS	0	7 752
Knutsen OAS Crewing AS	0	23 919
KNOT Management AS	493 403	1 191 572
Knutsen NYK Offshore Tankers AS	0	799
	<u>1 223 103</u>	<u>2 380 898</u>



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Medlemmer av Den norske Revisorforening

To the General Meeting in KNOT Shuttle Tankers 35 AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 35 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 35 AS 2024

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Nordby, Johan Lid

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