



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 997 404 009
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN NYK SHUTTLE TANKERS 16 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

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

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 27.04.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	183 721 379	161 425 526
Sum inntekter		183 721 379	161 425 526
Kostnader			
Crew-hire	2	28 446 834	29 335 023
Ordinary depreciation	3	29 950 623	31 091 598
Voyage related costs	1	16 127 186	
Commissions		3 359 409	
Other operating expenses		27 025 090	14 724 578
Administration	2	8 422 045	7 331 216
Sum kostnader		113 331 188	82 482 415
Driftsresultat		70 390 192	78 943 112
Finansinntekter og finanskostnader			
Financial income	4	2 588 718	519 660
Foreign exchange gain/loss		515 234	1 382 956
Sum finansinntekter		3 103 952	1 902 616
Financial expenses	4	36 545 901	17 947 343
Sum finanskostnader		36 545 901	17 947 343
Netto finans		-33 441 949	-16 044 727
Ordinært resultat før skattekostnad		36 948 243	62 898 385
Taxes	5		
Ordinært resultat etter skattekostnad		36 948 243	62 898 385
Årsresultat		36 948 243	62 898 385
Årsresultat etter minoritetsinteresser		36 948 243	62 898 385
Totalresultat		36 948 243	62 898 385



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Varige driftsmidler			
Vessel	3	429 218 994	419 797 941
Dry-docking	3		
Sum varige driftsmidler		429 218 994	419 797 941
Sum anleggsmidler		429 218 994	419 797 941
Omløpsmidler			
Varer			
Inventories	6	1 834 920	2 500 961
Sum varer		1 834 920	2 500 961
Fordringer			
Receivables	11	2 125 084	18 731 670
Konsernfordringer		21 732 920	4 156 687
Sum fordringer		23 858 004	22 888 358
Bankinnskudd, kontanter og lignende			
Bank deposits	7	47 609 942	27 111 021
Sum bankinnskudd, kontanter og lignende		47 609 942	27 111 021
Sum omløpsmidler		73 302 866	52 500 340
SUM EIENDELER		502 521 861	472 298 280
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		100 000	100 000



Balanse

Beløp i: NOK	Note	2023	2022
Annen innskutt egenkapital		90 351 107	147 375 369
Sum innskutt egenkapital		90 451 107	147 475 369
Opptjent egenkapital			
Other equity		36 948 243	105 770 689
Sum opptjent egenkapital		36 948 243	105 770 689
Sum egenkapital	8	127 399 350	253 246 057
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	319 228 083	215 458 366
Mortgage debt related parties	10		
Sum annen langsiktig gjeld		319 228 083	215 458 366
Sum langsiktig gjeld		319 228 083	215 458 366
Kortsiktig gjeld			
Leverandørgjeld	11	22 395 458	2 522 536
Tax payable	5		
Kortsiktig konserngjeld		8 671	2 170
Accrued interest		3 049 300	746 678
Other current liabilities	11	30 440 998	322 473
Sum kortsiktig gjeld		55 894 427	3 593 857
Sum gjeld		375 122 511	219 052 223
SUM EGENKAPITAL OG GJELD		502 521 861	472 298 280



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	17.11.2011	08.12.2011
Telefon	Deres referanse	Vår referanse
22078139	Jørn Knutsen	2009/867030

ERNST & YOUNG AS
Postboks 20 Oslo Atrium
0051 OSLO

Dispensasjon fra kravet om å utarbeidelse av årsregnskap og årsberetning på norsk språk

Det vises til deres brev av 17. november 2011 og telefonsamtale i sakens anledning. Det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

Knutsen NYK Shuttle Tankers 8 AS	org. nr. 997 091 051
Knutsen NYK Offshore Tankers 1 AS	org. nr. 897 099 152
Knutsen Shuttle Tankers 13 AS	org. nr. 996 661 016
Knutsen Shuttle Tankers 14 AS	org. nr. 996 821 374
Knutsen Shuttle Tankers 15 AS	org. nr. 997 006 968
Knutsen NYK Shuttle Tankers 16 AS	org. nr. 997 404 009

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

De overnevnte selskapene er eid 50 % av TS Shipping Invest AS og 50 % av NYK Logistics Holding (Europe) B.V. som er hjemmehørende i Nederland. TS Shipping Invest AS fikk i vedtak (2010/867030) av 2. juni 2010 dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk. Selskapene driver virksomhet innen shippingbransjen som er en global bransje hvor engelsk primært benyttes ved kommunikasjon med omverden. Selskapene benytter også engelsk som arbeidsspråk internt. Brukerne av regnskapene er hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften. Styrene i selskapene har medlemmer som ikke er norskspråklige. De norske versjonene av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

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.”

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



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

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er 50 % eid av et selskap som er innvilget dispensasjon og 50 % av et nederlandsk selskap. Selskapene opererer i en global bransje hvor engelsk primært benyttes. Arbeidsspråk er også engelsk. Videre er det vektlagt at styrene i selskapene har medlemmer som ikke er norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



Admincontrol

List of Signatures Page 1/1

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Name	Method	Signed at
Seglem, Trygve	BANKID	2024-03-13 18:29 GMT+01
Domyo, Takashi	BANKID	2024-03-13 16:00 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-03-13 15:02 GMT+01



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Knutsen NYK Shuttle Tankers 16 AS Annual Report 2023



M/T "Ingrid Knutsen"

KNOT
Offshore Partners LP



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KNUTSEN NYK SHUTTLE TANKERS 16 AS

REPORT OF THE BOARD OF DIRECTORS 2023

Knutsen NYK Shuttle Tankers 16 AS owns one 111,634 dwt suez-max DP2 shuttle tanker, M/T Ingrid Knutsen, delivered from Hyundai Heavy Industries (HHI) Shipyard in South Korea in 2013.

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

M/T Ingrid Knutsen was redelivered from the long-term time-charter contract to Eni Energi Marine AS, subsidiary to Vår Energi, in January 2023. The Company operated the vessel in the spot and short-term time charter market after the redelivery and in March 2023 delivered the vessel on a time charter contract to Altera Shuttle Loading AS for a period up to March 2024. The Company has secured a new 3-year fixed time-charter contract with 3 twelve-month options to Eni Trade & Biofuels S.p.A. with delivery in March 2024.

Result for the year

The operating result for Knutsen NYK Shuttle Tankers 16 AS was NOK 70 390 192 in 2023 compared to NOK 78 943 112 in 2022. The vessel has in 2023 been in drydock for 10-year class renewal. After net financial loss of NOK 33 441 949 in 2023, against a loss of NOK 16 044 727 in 2022, the result for the year were NOK 36 948 243 in 2023 compared to NOK 62 898 385 in 2022.

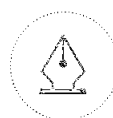
The Board of Directors suggests the result for the year transferred to other equity. The company refinanced the vessel in 2023 together with several other group companies. The company has during the year paid out extraordinary dividends of NOK 162 794 950, partly from the proceeds from refinance of the vessel.

Total cash flow from operating activities in the company was NOK 134 331 156, NOK 90 833 506 in 2022. The liquidity position was NOK 47 609 942 as per 31.12.2023 compared to NOK 27 111 021 as per 31.12.2022. The company's ability to finance its investments is good. The outstanding mortgage loan is at the end of 2023 USD 44 857 090, USD 35 901 088 at the end of 2022.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most of the company's operating expenses and financial costs 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 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 a floating interest rate. The company has not entered into any interest rate swap agreement.

Total capital was by the end of the year NOK 502 521 861, NOK 472 298 280 at the end of 2022. The equity-share as of 31.12.2023 was 25 %, compared to 54 % as of 31.12.2022.



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

The environment safety and quality control

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

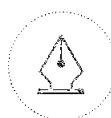
The operation of the vessel can affect the external environment through emissions to air and water and the company and the manager therefore has a high focus on health environment and safety work. The company and manager are concerned with environmental considerations when implementing projects, and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

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

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

Prospects

The Company has secured a mid-term charterparty with Altera from March 2023 and a long term charterparty with Eni from March 2024 and have secured long term refinancing of the vessel financing. The vessel has been taken through 10-year class renewal and drydocking in 2023. The charterers and trading area are well known for the manager and the Board of Directors. The Board of Directors expect that operation of the vessel in 2024 will be a stable profitable result for the company.



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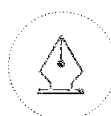


Haugesund, March 13, 2024

Trygve Seglem
Chairman of the Board/CEO

Karl Gerhard Bråstein Dahl
Member of the Board

Takashi Domyo
Member of the Board



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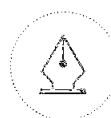
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Knutsen NYK Shuttle Tankers 16 AS

Profit & Loss Account

	<u>Note</u>	2023	2022
<u>Operating Income</u>			
Freight income	1	183 721 379	161 425 526
<i>Total Operating income</i>		<u>183 721 379</u>	<u>161 425 526</u>
<u>Operating Expenses</u>			
Voyage related costs	1	16 127 186	0
Crew-hire	2	28 446 834	29 335 023
Commissions		3 359 409	0
Other operating expenses		27 025 090	14 724 578
Administration	2	8 422 045	7 331 216
<i>Total Operating Expenses</i>		<u>83 380 565</u>	<u>51 390 817</u>
Ordinary depreciation	3	29 950 623	31 091 598
<i>Operating Result</i>		<u>70 390 192</u>	<u>78 943 112</u>
<u>Financial Income and Expenses</u>			
Financial income	4	2 588 718	519 660
Foreign exchange gain/loss		515 234	1 382 956
Financial expenses	4	-36 545 901	-17 947 343
<i>Net Financial Items</i>		<u>-33 441 949</u>	<u>-16 044 727</u>
<i>Result before taxes</i>		<u>36 948 243</u>	<u>62 898 385</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>36 948 243</u>	<u>62 898 385</u>



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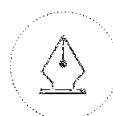
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Knutsen NYK Shuttle Tankers 16 AS

Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2023	2022
<u>Fixed assets</u>			
Vessel	3	429 218 994	419 797 941
<i>Total Fixed Assets</i>		<u>429 218 994</u>	<u>419 797 941</u>
<u>Current Assets</u>			
Inventories	6	1 834 920	2 500 961
Receivables	11	2 125 084	18 731 670
Current receivables group		21 732 920	4 156 687
Bank deposits	7	47 609 942	27 111 021
<i>Total Current Assets</i>		<u>73 302 866</u>	<u>52 500 340</u>
<i>TOTAL ASSETS</i>		<u>502 521 861</u>	<u>472 298 280</u>



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Knutsen NYK Shuttle Tankers 16 AS

Balance Sheet as of 31. December

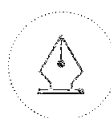
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
<u>Equity</u>			
Share capital		100 000	100 000
Other paid-in capital		90 351 107	147 375 369
<i>Total capital paid-in</i>		90 451 107	147 475 369
Other equity		36 948 243	105 770 689
<i>Total Shareholders' Equity</i>	8	127 399 350	253 246 057
<u>Long Term Debt</u>			
Mortgage debt	10	319 228 083	215 458 366
<i>Total Long Term Liabilities</i>		319 228 083	215 458 366
<u>Current Liabilities</u>			
Accounts payable	11	22 395 458	2 522 536
Accrued interest		3 049 300	746 678
Current liabilities group		8 671	2 170
Other current liabilities	11	30 440 998	322 473
<i>Total Current Liabilities</i>		55 894 427	3 593 857
<i>Total liabilities</i>		375 122 511	219 052 223
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		502 521 861	472 298 280

Haugesund, March 13, 2024,

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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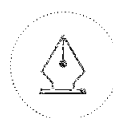


KNUTSEN NYK SHUTTLE TANKERS 16 AS

CASHFLOW STATEMENT

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

	2023	2022
Result before tax	36,948,243	62,898,385
+ Ordinary depreciation	29,950,623	31,091,598
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	14,188,620	16,608,291
+ Financial expenses - liabilities to financial institutions	1,246,706	937,858
= Total generated from operations	82,334,192	111,536,132
+ Net received on current assets	-303,606	-20,499,406
+ Net received on current liabilities	52,300,570	-203,219
Net cashflow from operations	134,331,156	90,833,507
<u>Cashflow from investments</u>		
Performed class renewal with drydocking	-39,371,677	0
Net cashflow from investments	-39,371,677	0
<u>Cashflow from financing</u>		
Proceeds from liabilities to financial institutions	498,205,062	0
Paid debt issuance costs	-5,086,324	0
Repayment of liabilities to financial institutions	-404,784,346	-43,824,388
Dividend paid-out	-162,794,950	-30,567,820
Net cashflow from financing	-74,460,558	-74,392,208
Net cashflow for the year	20,498,921	16,441,298
+ Bank deposits per 01.01.	27,111,021	10,669,722
= Bank deposits per 31.12.	47,609,942	27,111,021



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KNUTSEN NYK SHUTTLE TANKERS 16 AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

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

Transactions in Foreign Currency

The income received in USD is recorded at the rate of exchange on the day the transaction is carried out.

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

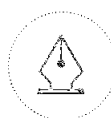
M/T Ingrid Knutsen was redelivered from the long-term time-charter contract to Eni Energi Marine AS, subsidiary to Vår Energi, in January 2023. The Company operated the vessel in the spot and short-term time charter market after the redelivery and in March 2023 delivered the vessel on a time charter contract to Altera Shuttle Loading AS for a period up to March 2024. The Company has secured a new 3-year fixed time-charter contract with 3 twelve-month options to Eni Trade & Biofuels S.p.A. with delivery in March 2024.

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 operates as a manager on behalf of the company and the vessel in accordance with man agreements.

Voyage related costs

Specification:	2023	2022
Port Charges	5,280,517	0
Bunkers	10,846,669	0
Total	16,127,186	0



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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.

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

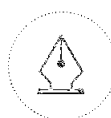
3 Fixed Assets

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

Dry-docking 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>	2023	2022
Historical value 1.1.	651,118,141	651,118,141
Accumulated depreciation 1.1.	236,124,292	210,273,520
Book value 1.1.	414,993,849	440,844,621
Annual depreciation	24,823,637	25,850,772
Book value 31.12.	<u>390,170,212</u>	<u>414,993,849</u>

<u>Dry-docking</u>	2023	2022
Capitalised dry-docking	26,354,113	26,354,113
Accumulated depreciation dry-docking 1.1.	21,550,022	16,309,196
Capitalised dry-docking 1.1.	4,804,091	10,044,916
Additions/Disposals	39,371,677	0
Annual depreciation	5,126,986	5,240,826
Book value 31.12.	<u>39,048,783</u>	<u>4,804,091</u>
Total vessel	<u>429,218,994</u>	<u>419,797,941</u>



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4 Financial Income and -Expenses

	<u>2023</u>	<u>2022</u>
Financial Income:		
Other interest income	2,588,718	519,660
Total financial income	<u>2,588,718</u>	<u>519,660</u>
Financial expenses:		
Interest expenses	34,235,089	15,962,635
Guarantee expenses group	2,102,775	1,786,863
Other financial expenses	208,037	197,845
Total financial expenses	<u>36,545,901</u>	<u>17,947,343</u>

5 Tax

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

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

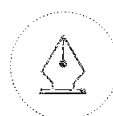
Specification on the temporary differences:

	<u>31.12.2023</u>	<u>Change</u>	<u>31.12.2022</u>
Deductibel interest carried forward	-5,228,046	0	-5,228,046
Loss carried forward	-57,355,229	-14,818,139	-42,537,090
Basis for deferred tax (benefit)	<u>-62,583,275</u>	<u>-14,818,139</u>	<u>-47,765,136</u>
Deferred tax (benefit)	<u>0</u>	<u>0</u>	<u>0</u>

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

Taxable result tonnage tax scheme:

	<u>2023</u>	<u>2022</u>
Net financial result	-33,441,949	-16,044,727
Non-taxable currency gain	-11,031,614	-1,761,353
Non-deductable interest cost	29,655,424	15,108,360
Taxable income before loss carried forward	-14,818,139	-2,697,719
Change in loss carried forward	14,818,139	2,697,719
Taxable income	<u>0</u>	<u>0</u>
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	<u>0</u>	<u>0</u>
Tonnage tax expenses under operating expenses	<u>112,867</u>	<u>112,867</u>



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6 Inventories

Specification of inventories per 31.12.

	<u>2023</u>	<u>2022</u>
Lube oil	1,834,920	2,500,961
Total inventory	1,834,920	2,500,961

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

	<u>Share capital</u>	<u>Other paid-in equity</u>	<u>Other equity</u>	<u>Total equity</u>
Equity 01.01.	100,000	147,375,369	105,770,689	253,246,057
Extraordinary dividend paid out	0	-57,024,261	-105,770,689	-162,794,950
Result for the year	0	0	36,948,243	36,948,243
Equity 31.12.	100,000	90,351,107	36,948,243	127,399,350

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

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

9 Shares Owned by Board Members and Affiliates

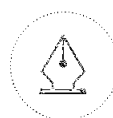
Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company Knutsen NYK Offshore Tankers AS, which controls 30,47% of KNOT Offshore Partners LP.

10 Mortgage Debt and Financial Instruments

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

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

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



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

	Currency	Outstanding currency	Hedge accounting	Accounting balance	
				2023	2022
Mortgage debt	USD	44,857,090	7.2153	323,658,493	216,049,157
Debt issuance cost				-4,430,410	-590,792
Liabilities to financial institutions				319,228,083	215,458,366

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.

	2023	2022
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-133,995,967	-139,608,561

Amounts due within 12 months of the balance sheet date:

Mortgage debt	37,202,073	216,049,157
Debt issuance cost	-1,171,353	-590,792
Liabilities to financial institutions	36,030,719	215,458,366

Repayment profile:

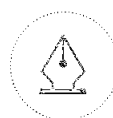
based on expected refinancing

0 - 12 months	5,155,980	4,523,000
13 - 24 months	5,155,980	4,523,000
25 - 36 months	5,155,980	4,523,000
37 - 48 months	5,155,980	4,523,000
49 - 60 months	5,155,980	4,523,000
After 60 months	19,077,190	13,286,088
	44,857,090	35,901,088

The exchange rate at the year-end	USDNOK	10.2025	9.9066
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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 503 million.



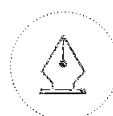
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11 Balances with related parties

	<u>2023</u>	<u>2022</u>
<u>Accounts payable</u>		
Knutsen OAS Management AS	0	26,468
Knutsen OAS Crewing AS	8,554	0
KNOT Management AS	148,773	221,491
KNOT Shuttle Tankers 37 AS	0	1,349
Knutsen OAS Shipping AS	1,134,734	754,690
	<u>1,292,061</u>	<u>1,003,998</u>
<u>Receivables</u>		
Knutsen OAS Shipping AS	0	234,276
Knutsen OAS Crewing AS	0	415,277
	<u>0</u>	<u>649,553</u>



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen NYK Shuttle Tankers 16 AS

Opinion

We have audited the financial statements of Knutsen NYK Shuttle Tankers 16 AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Other information

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

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

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

Responsibilities of management for the financial statements

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

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



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Oslo, 13 March 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen NYK Shuttle Tankers 16 AS 2023

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Johan Lid Nordby

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