Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	911 778 165
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KNOT FSO 1 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, 22.04.2026

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Operating Income	1	586 764 425	582 112 486
Other income		1 853 751	3 874 838
Sum inntekter		**588 618 176**	**585 987 324**
Kostnader			
Crew-hire	2	105 325 349	90 892 595
Ordinary depreciation	3	279 494 071	273 164 557
Commisions		7 334 555	7 276 406
Other operating expenses		55 186 720	59 701 753
Administration	2	9 405 698	8 688 919
Sum kostnader		**456 746 392**	**439 724 229**
Driftsresultat		**131 871 784**	**146 263 094**
Finansinntekter og finanskostnader			
Financial income	4	11 582 508	5 040 946
Foreign exchange gain/loss		-14 785 797	-8 763 240
Sum finansinntekter		**-3 203 290**	**-3 722 294**
Financial expenses	4	34 794 766	47 381 294
Sum finanskostnader		**34 794 766**	**47 381 294**
Netto finans		**-37 998 056**	**-51 103 588**
Resultat før skattekostnad		**93 873 728**	**95 159 506**
Taxes	5	20 665 937	20 949 310
Årsresultat		**73 207 791**	**74 210 196**
Årsresultat etter minoritetsinteresser		**73 207 791**	**74 210 196**
Totalresultat		**73 207 791**	**74 210 196**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	217 902 668	238 568 605
Sum immaterielle eiendeler		**217 902 668**	**238 568 605**
Varige driftsmidler			
Vessel	3	1 146 535 075	1 406 064 825
Sum varige driftsmidler		**1 146 535 075**	**1 406 064 825**
Sum anleggsmidler		**1 364 437 743**	**1 644 633 430**
Omløpsmidler			
Varer			
Inventories	6	2 390 374	2 257 640
Sum varer		**2 390 374**	**2 257 640**
Fordringer			
Receivables		49 984 648	49 940 010
Other short-term receivables		56 623 085	1 387 103
Konsernfordringer		97 781 319	
Krav på innbetaling av selskapskapital			1 173 738
Sum fordringer		**204 389 052**	**52 500 851**
Bankinnskudd, kontanter og lignende			
Bank deposits	7	151 440 127	229 717 026
Sum bankinnskudd, kontanter og lignende		**151 440 127**	**229 717 026**
Sum omløpsmidler		**358 219 554**	**284 475 517**
SUM EIENDELER		**1 722 657 297**	**1 929 108 947**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			

Balanse

Beløp i: NOK	Note	2024	2023
Innskutt egenkapital			
Share capital	8	100 000	100 000
Annen innskutt egenkapital		1 147 739 818	1 147 739 818
Sum innskutt egenkapital		**1 147 839 818**	**1 147 839 818**
Opptjent egenkapital			
Other equity		133 738 850	120 531 059
Sum opptjent egenkapital		**133 738 850**	**120 531 059**
Sum egenkapital	8, 9	**1 281 578 668**	**1 268 370 877**
Gjeld			
Langsiktig gjeld			
Deferred income		2 795 125	4 319 738
Sum avsetninger for forpliktelser		**2 795 125**	**4 319 738**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5, 10	369 524 293	629 131 430
Sum annen langsiktig gjeld		**369 524 293**	**629 131 430**
Sum langsiktig gjeld		**372 319 418**	**633 451 168**
Kortsiktig gjeld			
Leverandørgjeld		13 032 315	5 785 901
Kortsiktig konserngjeld		23 867 541	4 420 303
Accrued interest		1 621 709	2 231 532
Payables to related parties		13 801 626	7 989 275
Other current liabilities		16 436 020	6 859 891
Sum kortsiktig gjeld		**68 759 211**	**27 286 902**
Sum gjeld		**441 078 628**	**660 738 070**
SUM EGENKAPITAL OG GJELD		**1 722 657 297**	**1 929 108 947**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	28.06.2013	05.08.2013
Telefon	Deres referanse	Vår referanse
22078139	Geir Tore Henriksen	2009/867030

TS SHIPPING INVEST AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsregnskap på engelsk språk

Det vises til deres brev av 28. juni 2013 der det søkes om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk på vegne av;

KNOT Shuttle Tankers 12 AS	**org. nr. 999 328 024**
KNOT FSO AS	**org. nr. 911 772 531**
KNOT FSO 1 AS	**org. nr. 911 778 165**
KNOT FSO 2 AS	**org. nr. 911 782 189**

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 opplysningene som vedtaket baserer seg på 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 med en rekke datterselskaper har i tidligere vedtak fått 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.*"
I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om

Postadresse
Postboks 9200 Grønland
0134 Oslo
For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60

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 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 saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Shape the future with confidence

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in KNOT FSO 1 AS

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KNOT FSO 1 AS (the Company), which comprise the balance sheet as at 31 December 2024, the profit & loss account and the cashflow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Penneo Dokumentnøkkel: 44XJ-MN737-RBNAM-3PSMD-OJXKU-QANKS

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Responsibilities of management for the financial statements

Management (the board of directors) 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.

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Oslo, April 8, 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

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

Birkeland, Magnus Hegertun
Statsautorisert revisor
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List of Signatures

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Name	Method	Signed at
Seglem, Trygve	BANKID	2025-04-07 14:46 GMT+02
Omoto, Junya	BANKID	2025-04-07 14:40 GMT+02

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KNOT Knutsen NYK Offshore Tankers

KNOT FSO 1 AS

Annual Report 2024

M/T " Hanne Knutsen "

Knutsen Group

MARTIN LINGE

NYK GROUP

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KNOT FSO 1 AS

REPORT OF THE BOARD OF DIRECTORS 2024

KNOT FSO 1 AS (the Company) charter M/T Hanne Knutsen on a lease, operation and maintenance agreement as a FSO to Equinor Energy AS ("Equinor" or the "Charterer") for the Martin Linge oil and gas field. There are no employees in the Company, and the daily operations are managed by KNOT Management AS in Haugesund in accordance with separate agreements.

The Company's activities

The Company's FSO M/T Hanne Knutsen started on a 95 months charter with further four 12-months options in Charterer's option 16 November 2018.

KNOT Management AS is manager for the Company and the FSO.

Result for the year

The total operating income ended on NOK 588 618 176 for the year, up from NOK 585 987 324 in 2023. The operating result for KNOT FSO 1 AS was NOK 131 871 784, compared to NOK 146 263 094 last year. The company`s net financial expenses was NOK 37 998 056, compared to net expenses of NOK 51 103 588 the year before. The result for the year shows a profit of NOK 73 207 791, compared to NOK 74 210 196 in 2023.

Total cash flow from operational activities in the Company was NOK 279 768 134. The liquidity position was NOK 151 440 127 as per 31.12.2024 where of NOK 35 005 306 is deposited on escrow accounts as security for the senior facility agreement and certain guarantees.

The Company's short-term debt per 31.12.2024 was 16 % of total debt. Equity was by the end of the year NOK 1 281 578 668, the equity-share as of 31.12.2024 was 74 %.

The Company's income is denominated in NOK, although the Company is partly naturally hedged through the NOK 251 875 000 tranche of the credit facility the Company is exposed to foreign exchange risks as part of the operation expenses are denominated in USD, EUR and GBP and in addition to the USD tranche of the credit facility.

The Company is exposed to changes in interest rates levels as it has long term debt carrying floating interest rate. The Company manages its interest rate exposure through interest rates swap agreements covering parts of the Company's interest rate exposure.

The financial accounts are made on the assumption of a going concern and the Board of Directors confirms the assumption of going concern. The Board of Directors is of

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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.

Environment, safety and quality control

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

The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the Knutsen NYK Offshore Tankers Group emphasize operational quality. There have been no accidents linked to operations that have had serious consequences for crew, the environment, or assets in 2024.

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

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

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Future prospects

KNOT FSO 1 AS has agreed contract for lease, operation and maintenance of a FSO with Equinor for the Martin Linge field. The Board of Directors is confident with the operation of the FSO in 2024. Based on the operation in 2024 and the long-term contract with Equinor the Board of Directors of KNOT FSO 1 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 FSO 1 AS

Profit & Loss Account

	Note	2024	2023
Operating Income			
Operating Income	1	586 764 425	582 112 486
Other income		1 853 751	3 874 838
Total Operating income		**588 618 176**	**585 987 324**
Operating Expenses			
Commisions		7 334 555	7 276 406
Crew-hire	2	105 325 349	90 892 595
Other operating expenses		55 186 720	59 701 753
Administration	2	9 405 698	8 688 919
Total Operating Expenses		**177 252 321**	**166 559 672**
Operating result before depreciation		**411 365 855**	**419 427 651**
Ordinary depreciation	3	279 494 071	273 164 557
Total depreciation		**279 494 071**	**273 164 557**
Operating Result		**131 871 784**	**146 263 094**
Financial Income and Expenses			
Financial income	4	11 582 508	5 040 946
Foreign exchange gain/loss		-14 785 797	-8 763 240
Financial expenses	4	-34 794 766	-47 381 294
Net Financial Items		**-37 998 056**	**-51 103 588**
Result before taxes		**93 873 728**	**95 159 506**
Taxes	5	20 665 937	20 949 310
Result for the year		**73 207 791**	**74 210 196**

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KNOT FSO 1 AS

Balance Sheet as of 31. December

Assets	Note	2024	2023
Fixed assets			
Deferred tax assets	5	217 902 668	238 568 605
Vessel	3	1 146 535 075	1 406 064 825
Total Fixed Assets		**1 364 437 743**	**1 644 633 430**
Current Assets			
Inventories	6	2 390 374	2 257 640
Receivables		49 984 648	49 940 010
Other short-term receivables		56 623 085	1 387 103
Intercompany receivables		97 781 319	0
Receivables from related parties		0	1 173 738
Bank deposits	7	151 440 127	229 717 026
Total Current Assets		**358 219 554**	**284 475 517**
TOTAL ASSETS		**1 722 657 297**	**1 929 108 947**

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KNOT FSO 1 AS

Balance Sheet as of 31. December

Shareholders Equity and Liabilities	Note	2024	2023
Equity			
Share capital	8	100 000	100 000
Other paid-in capital		1 147 739 818	1 147 739 818
Total capital paid-in		**1 147 839 818**	**1 147 839 818**
Other equity		133 738 850	120 531 059
Total Shareholders' Equity	*8, 9*	**1 281 578 668**	**1 268 370 877**
Long Term Liabilities			
Deferred income		2 795 125	4 319 738
Mortgage debt	5, 10	369 524 293	629 131 430
Total Long Term Liabilities		**372 319 418**	**633 451 168**
Current Liabilities			
Accounts payable		13 032 315	5 785 901
Accrued interest		1 621 709	2 231 532
Intercompany liabilities		23 867 541	4 420 303
Payables to related parties		13 801 626	7 989 275
Other current liabilities		16 436 020	6 859 891
Total Current Liabilities		**68 759 211**	**27 286 902**
Total liabilities		**441 078 628**	**660 738 070**
SHAREHOLDERS' EQUITY AND LIABILITIES		**1 722 657 297**	**1 929 108 947**

Haugesund, April 7, 2025

Trygve Seglem
chairman of the board

Junya Omoto
member of the board

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KNOT FSO 1 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	93 873 728	95 159 506
+ Ordinary depreciation	279 494 071	273 164 557
+Deferred income	-1 524 614	-2 321 052
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	15 907 844	10 084 616
+ Financial expenses - liabilities to financial institutions	2 978 965	2 970 081
= Total generated from operations	390 729 994	379 057 709
+ Net received on current assets	-152 020 936	6 748 530
+ Net received on current liabilities	41 472 309	4 891 762
Net cashflow from operations	**280 181 367**	**390 698 001**
Cashflow from investments		
Additions to drydock	-19 964 321	-16 947 186
Received NOX support	0	3 908 609
Net cashflow from investments	**-19 964 321**	**-13 038 577**
Cashflow from financing		
Repayment of liabilities to financial institutions	-278 493 945	-278 540 789
Dividend paid-out	-60 000 000	0
Net cashflow from financing	**-338 493 945**	**-278 540 789**
Net cashflow for the year	**-78 276 899**	**99 118 634**
+ Bank deposits per 01.01.	229 717 026	130 598 391
= Bank deposits per 31.12.	**151 440 127**	**229 717 026**
As of locked-up bank funds	35 005 306	165 080 849

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KNOT FSO 1 AS

Notes to the Financial Statement 31.12.2024

Accounting Principles

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

Going concern

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

Transactions in Foreign Currency

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

Related party transactions

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

1 **Contracts**

M/T Hanne Knutsen has after completed conversion to FSO started up mid November 2018 on a 95 months fixed plus four 12 months options in charterer's choice as FSO at the Martin Linge field for Equinor Energy AS as operator for the license.
The income from the time charter contract is received in norske kroner, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

KNOT Management AS is appointed as manager for the company and the vessel.

2 **Employees and remuneration**

The company has no employees and thereby no pension liabilities (under the new OTP regulation). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from related crewing companies in accordance with separate crewing agreements.

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	95 865	92 400

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 a FSO is estimated to 26 years from delivery as newbuilding. We use extended life or reduced life if there are commercial or technical indications that the 26 year profile for that specific entity is not correct, i.e. fixed charter contracts above 26 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.

Expenses in connection with main class and special survey and intermediate survey are capitalised and expensed over the period till the next class and survey to take into account that the vessel is classified to operate for an additional period. Main class is carried out every 5th year. Intermediate survey is carried out 30-36 months after special survey. In the case of a newbuilding or second hand aquisition, we estimate a portion of the total cost of the vessel to be allocated to the class cost and to be capitalised seperately. Other expenses to repair and maintenance of the vessel are expensed when the work is executed.

Vessel	2024	2023
Historical value 01.01.	4 663 077 740	4 666 986 349
Accumulated depreciation and impairment 01.01.	3 289 962 014	3 025 793 278
Book value 01.01.	1 373 115 725	1 641 193 070
Received NOX support	0	3 908 609
Annual depreciation	264 078 463	264 168 736
Book value 31.12.	1 109 037 262	1 373 115 725

Dry docking	2024	2024
Historical value 01.01.	68 849 541	51 902 354
Accumulated depreciation and impairment 01.01.	35 900 441	26 904 620
Capitalised dry-docking 01.01.	32 949 100	24 997 734
Additions	19 964 321	16 947 186
Annual depreciation	15 415 608	8 995 821
Book value 31.12.	37 497 813	32 949 100
Total book value vessel 31.12.	1 146 535 075	1 406 064 825

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4 Financial Income and -Expenses

Financial Income:	2024	2023
Interest income from group companies	4 004 661	49 096
Other interest income	7 577 847	4 991 849
Total financial income	11 582 508	5 040 946
Financial Expenses:		
Interest expenses	33 295 216	45 806 490
Interest expenses to group companies/related parties	275 455	18 465
Guarantee fee to group companies	759 826	1 057 442
Other financial expenses	464 269	498 897
Total financial expenses	34 794 766	47 381 294

5 Tax

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial

Temporary differences	31.12.2024	Change	31.12.2023
Temporary difference vessel	-383 168 653	10 508 213	-372 660 440
Temporary difference debt	4 922 266	2 978 965	7 901 231
Sum temporary differences	-378 246 387	13 487 178	-364 759 209
Deficit carried forward	-612 220 285	-107 423 255	-719 643 540
Base for deferred tax calculation	-990 466 672	-93 936 077	-1 084 402 749
Deferred tax/(benefit) based on 22 % tax rate	-217 902 668	20 665 937	-238 568 605

In the following a specification of the differences between the result before tax, and the basis for tax calculation is given.

	2024	2023
Result before taxes	93 873 728	95 159 506
Change in temporary differences	13 487 178	-26 463 867
Non-deductible items	62 349	64 632
Deficit carried forward	-107 423 255	-68 760 272
Tax base	0	0
Calculation of tax expenses		
Tax effect of group contribution	0	0
Change deferred tax/(tax benefit) 22 % tax rate	-20 665 937	-20 949 310
Tax calculated	-20 665 937	-20 949 310

6 Inventories

Specification of inventories per 31.12.

	2024	2023
Lube oil	2 390 374	2 257 640

7 Bank deposits

As of 31.12.2024 the Company had deposited NOK 14 on a debt service reserve account, NOK 20 347 658 and USD 287 830 on pledged retention accounts as security for the "senior secured financing agreement". 1

8 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other Equity	Total equity
Equity 01.01	100 000	1 147 739 818	120 531 059	1 268 370 877
Dividend given	0	0	60 000 000	60 000 000
Result for the year	0	0	73 207 791	73 207 791
Equity 31.12.	100 000	1 147 739 818	133 738 850	1 281 578 668

Share capital consist of 100 shares à NOK 1 000

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

9 Shares Owned by Board Members and Affiliates

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

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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.

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

	Currency	Outstanding currency amount	Accounting balance 2024	Accounting balance 2023
Senior facility NOK-tranche			251 875 000	464 375 000
Senior facility USD-tranche	USD	10 769 226	122 571 561	172 657 662
Debt issuance cost			-4 922 265	-7 901 230
Liabilities to financial institutions			369 524 293	629 131 430

The company has aimed to reduce the market risk by entering financial contracts. The company has entered long term freight contracts in NOK, with the intention of having income, vessel investment and loans in the same currency in order to minimize the effects of exchange rate fluctuations. The company has also entered into interest rate swap contracts to reduce the effects of exchange rate fluctations. The company has entered agreements on fixed rates on NOK 50 million and USD 6,2 million. Mark to market gain on interest swaps have not been taken into account with NOK 4,8 million (NOK 8,5 million last year).

Amounts due within 12 months of the balance sheet date:			
Mortgage debt		282 540 944	275 284 634
Debt issuance cost		-2 970 082	-2 978 219
Liabilities to financial institutions		279 570 862	272 306 415
Repayment profile USD loan			
0 - 12 months		6 153 848	6 153 848
13 - 24 months		4 615 379	6 153 848
25 - 36 months		0	4 615 379
37 - 48 months		0	0
49 - 60 months		0	0
After 60 months		0	0
		10 769 227	16 923 075
Repayment profile NOK loans			
0 - 12 months		212 500 000	212 500 000
13 - 24 months		39 375 000	212 500 000
25 - 36 months		0	39 375 000
37 - 48 months		0	0
49 - 60 months		0	0
After 60 months		0	0
		251 875 000	464 375 000
The exchange rate at the year-end	USDNOK	11,38165	10,2025

Security for the loans is through a first priority mortgage in the vessel, a sharepledge in owners share in the company, assignment in earnings and insurances, accounts pledges and factoring agreement.

Book value of mortgaged assets is NOK 1298 million.

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