



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 999 328 024
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 12 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: 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: 17.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 28.03.2023



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Administration	1	306 451	330 792
Sum kostnader		306 451	330 792
Driftsresultat		-306 451	-330 792
Finansinntekter og finanskostnader			
Financial income	2	67 839 397	118 783 611
Foreign exchange gain/loss		319 173	4 538
Sum finansinntekter		68 158 570	118 788 149
Financial expenses	2	8 781	7 882
Sum finanskostnader		8 781	7 882
Netto finans		68 149 789	118 780 267
Ordinært resultat før skattekostnad		67 843 337	118 449 475
Taxes	3		
Ordinært resultat etter skattekostnad		67 843 337	118 449 475
Årsresultat		67 843 337	118 449 475
Årsresultat etter minoritetsinteresser		67 843 337	118 449 475
Totalresultat		67 843 337	118 449 475



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	3		
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	4	117 335 883	117 335 883
Sum finansielle anleggsmidler		117 335 883	117 335 883
Sum anleggsmidler		117 335 883	117 335 883
Omløpsmidler			
Varer			
Fordringer			
Receivables	8	5 633	7 573
Konsernfordringer		6 344	38 386 404
Sum fordringer		11 977	38 393 977
Bankinnskudd, kontanter og lignende			
Bank deposits	5	464 189	548 407
Sum bankinnskudd, kontanter og lignende		464 189	548 407
Sum omløpsmidler		476 166	38 942 384
SUM EIENDELER		117 812 049	156 278 267
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		132 000	132 000
Overkurs		31 734	31 734
Sum innskutt egenkapital		163 734	163 734



Balanse

Beløp i: NOK	Note	2022	2021
Opptjent egenkapital			
Other equity		114 935 219	118 449 475
Sum opptjent egenkapital		114 935 219	118 449 475
Sum egenkapital	6, 7	115 098 953	118 613 208
Gjeld			
Langsiktig gjeld			
Tax payable	3	1 423 668	1 779 585
Sum avsetninger for forpliktelser		1 423 668	1 779 585
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 423 668	1 779 585
Kortsiktig gjeld			
Leverandørgjeld	8	28 738	20 222
Tax payable	3	355 917	444 897
Utbytte			34 817 600
Kortsiktig konserngjeld		695 771	376 830
Other current liabilities		209 002	225 925
Sum kortsiktig gjeld		1 289 428	35 885 474
Sum gjeld		2 713 096	37 665 059
SUM EGENKAPITAL OG GJELD		117 812 049	156 278 267



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 28.06.2013	Var dato 05.08.2013
Telefon 22078139	Deres referanse Geir Tore Henriksen	Var referanse 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



 Admincontrol

List of Signatures Page 1/1

05HO - KNOT Shuttle Tankers 12 AS.pdf

Name	Method	Signed at
Seglem, Trygve	BANKID	2023-03-13 09:40 GMT+01
Domyo, Takashi	BANKID	2023-03-13 09:35 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-03-13 07:51 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.
External reference: 9B2371E90CF946E395EBEDEF5499158



KNOT Shuttle Tankers 12 AS Annual Report 2022



M/T "Fortaleza Knutsen"

M/T "Recife Knutsen"

KNOT
Offshore Partners LP



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF05499158



KNOT SHUTTLE TANKERS 12 AS
REPORT OF THE BOARD OF DIRECTORS
2022

KNOT Shuttle Tankers 12 AS is the limited partner of Knutsen Shuttle Tankers XII KS and has no other business activities. The limited partnership owns and charter out M/T Fortaleza Knutsen and M/T Recife Knutsen; two afra-max purpose-built offshore loading tankers, which was delivered in 2011. The limited partnership has a total partnership capital of NOK 44.5 million all called and paid in. The limited partner participates with a capital of NOK 40.1 million, equivalent to 90% of the total partnership capital.

The company operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS in Haugesund manage the company on a daily basis in accordance with a separate management agreement.

The limited partnership's activities

The limited partnerships two afra-max shuttle tankers, delivered from COSCO Nantong Shipyard in Shanghai in 2011, were chartered to Transpetro in Brazil on 12-year bareboat CP agreements from delivery at yard.

KNOT Management AS is operating the vessels on behalf of the charterer.

Profit for the year

The operating loss for KNOT Shuttle Tankers 12 AS was NOK 306 451 in 2022, against a loss of NOK 330 792 the previous year. After net financial profit of NOK 68 149 789 (NOK 118 780 267 in 2021), and a tax expense of NOK 0 (NOK 0 in 2021), the result for the year was NOK 67 843 337 compared to NOK 118 449 475 the previous year.

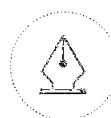
The investment in the limited partnership is presented by the cost method. The company have received NOK 106 217 199 in dividend in 2022, as of NOK 67 830 795 is included in the profit and loss in 2022.

The Board of Directors suggests transferring the result for the year to other equity.

The company's ability to finance its investments is good.

The company's short-term debt on 31.12.2022 was 48 % of total debt (38 % in 2021) including the tax payable. The financial position is strong.

Total capital was by the end of the year NOK 117 812 049, compared to NOK 156 278 267 the year before. The equity-share as of 31.12.2022 was 98 %, as the equity



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



share was 76 % per 31.12.2021. The company have paid-out dividends during the year which amounted to NOK 106 175 193 (NOK 79 458 135 in 2021).

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.

Environment, safety, and quality control

There are no indications that the company pollutes the external environment significantly, and the Board of Directors considers the working conditions as satisfactory.

The company have no employees and thus no working environment. The company aims to be workplace where there is no discrimination related to gender, ethnicity, religion, or disability. 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.

Future prospects

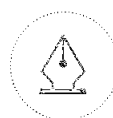
The limited partnerships vessels are on bare-boat contracts to Transpetro. The limited partnership expects to have the refinancing and new charter contracts in place during first half of 2023. The Board has every reason to believe that 2023 will be a satisfactory year for the company and the limited partnership.

Haugesund, March 13, 2023

Trygve Seglem
Chairman of the Board

Karl Gerhard Bråstein Dahl
Member of the Board

Takashi Domyo
Member of the Board



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

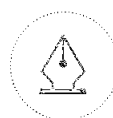
Document ID:
9B2371E90CF946E395EBEDEF5499158



KNOT Shuttle Tankers 12 AS

Profit & Loss Account

	Note	2022	2021
<u>Operating Expenses</u>			
Administration	1	306 451	330 792
<i>Total Operating Expenses</i>		<u>306 451</u>	<u>330 792</u>
<i>Operating Result</i>		<u>-306 451</u>	<u>-330 792</u>
<u>Financial Income and Expenses</u>			
Financial income	2	67 839 397	118 783 611
Foreign exchange gain/loss		319 173	4 538
Financial expenses	2	-8 781	-7 882
<i>Net Financial Items</i>		<u>68 149 789</u>	<u>118 780 267</u>
<i>Result before taxes</i>		<u>67 843 337</u>	<u>118 449 475</u>
Taxes	3	0	0
<i>Result for the year</i>		<u>67 843 337</u>	<u>118 449 475</u>



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



KNOT Shuttle Tankers 12 AS
Balance Sheet as of 31. December

<u>Assets</u>	Note	2022	2021
<u>Fixed assets</u>			
Investments in other group companies	4	117 335 883	117 335 883
<i>Total Fixed Assets</i>		<u>117 335 883</u>	<u>117 335 883</u>
<u>Current Assets</u>			
Receivables	8	5 633	7 573
Current receivables group		6 344	38 386 404
Bank deposits	5	464 189	548 407
<i>Total Current Assets</i>		<u>476 166</u>	<u>38 942 384</u>
<i>TOTAL ASSETS</i>		<u>117 812 049</u>	<u>156 278 267</u>



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



KNOT Shuttle Tankers 12 AS
Balance Sheet as of 31. December

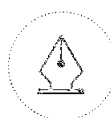
<u>Shareholders Equity and Liabilities</u>	Note	2022	2021
<u>Equity</u>			
Share capital		132 000	132 000
Share premium		31 734	31 734
<i>Total capital paid-in</i>		163 734	163 734
Other equity		114 935 219	118 449 475
<i>Total Shareholders' Equity</i>	6, 7	115 098 953	118 613 208
<u>Non Current Liabilities</u>			
Tax payable	3	1 423 668	1 779 585
<i>Total Long Term Debt</i>		1 423 668	1 779 585
<u>Current Liabilities</u>			
Accounts payable	8	28 738	20 222
Tax payable	3	355 917	444 897
Current liabilities group		695 771	376 830
Dividends		0	34 817 600
Other current liabilities		209 002	225 925
<i>Total Current Liabilities</i>		1 289 428	35 885 474
<i>Total liabilities</i>		2 713 096	37 665 059
SHAREHOLDERS' EQUITY AND LIABILITIES		117 812 049	156 278 267

Haugesund, March 13, 2023,

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158

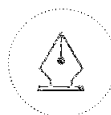


KNOT SHUTTLE TANKERS 12 AS

CASH FLOW 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.

	2022	2021
<u>Cashflow from operations</u>		
Total generated from operations 1)	67,843,337	118,449,475
Change in working capital	38,692,536	-38,185,897
Paid entrance tax	<u>-444,897</u>	<u>-556,121</u>
Net cashflow from operations	<u>106,090,976</u>	<u>79,707,457</u>
<u>Cashflow from investments</u>		
Net cashflow from investments	<u>0</u>	<u>0</u>
<u>Cashflow from financing</u>		
Paid-out dividend/group contribution	<u>-106,175,193</u>	<u>-79,458,135</u>
Net cashflow from financing	<u>-106,175,193</u>	<u>-79,458,135</u>
Net change in cashflow for the period	-84,217	249,322
+ Cash balance per 01.01.	<u>548,407</u>	<u>299,086</u>
= Cash Balance per 31.12.	<u>464,189</u>	<u>548,407</u>
1) Generated from operations:		
The result for the period before taxes	<u>67,843,337</u>	<u>118,449,475</u>
= Total generated from operations	<u>67,843,337</u>	<u>118,449,475</u>



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



KNOT Shuttle Tankers 12 AS Notes to the Financial Statement 31.12.2022

Accounting Principles

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

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.

1 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation).

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 (not including

Auditor's fee

Auditing

Other consultancy

	2022	2021
	20,673	19,402
	0	0
	20,673	18,818

2 Financial Income and -Expenses

Financial Income:

Other interest income

Dividend from Knutsen Shuttle Tankers XII KS

Total financial expenses

	2022	2021
	8,602	0
	67,830,795	118,783,611
	67,839,397	118,783,611

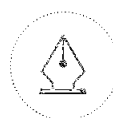
Financial expenses:

Other financial expenses

Other interests

Total financial expenses

	2022	2021
	8,781	7,711
	0	171
	8,781	7,882



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF05499158



3 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.

Purchase of the 90% part of Knutsen Shuttle Tankers XII KS in 2013 resulted in an entrance tax. 20% of the company was within the normal tax regime at the time of aquisition from related parties. This part is the basis for the entrance tax which is calculated as the difference between the market value and the tax value.

Entrance tax

	<u>2022</u>	<u>2021</u>
Opening balance gain/loss account	8,089,030	10,111,288
Short-term tax payable basis (20%)	1,617,806	2,022,258
Long-term tax payable basis (80%)	6,471,224	8,089,030
Incoming balance long-term tax payable	1,779,585	2,224,482
Tax payable short-term in balance sheet	355,917	444,897
Tax payable long-term in balance sheet	1,423,668	1,779,585
Tax costs calculated	0	0

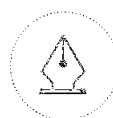
Specification on the temporary differences:

	<u>2022/12/31</u>	<u>Change</u>	<u>2021/12/31</u>
Loss carried forward	-171,380,023	-3,432,143	-167,947,880
Temporary differences	-171,380,023	-3,432,143	-167,947,880
Calculated deferred tax	-37,703,605	-755,071	-36,948,534
Deferred tax in balance	0	0	0

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

Tax cost

	<u>2022</u>	<u>2021</u>
Financial Results	68,149,789	118,780,267
Dividend from underlying KS, not taxable	-64,644,279	-116,371,695
Part of taxable income in the underlying KS	-6,673,846	-9,779,208
Non-deductible interest / taxable interest	0	171
Foreign exchange gain/loss, not taxable	-263,806	-3,701
Tax base prior losses carried forward	-3,432,143	-7,374,168
Change in tax losses carried forward	3,432,143	7,374,168
Base for tax payable	0	0
Tax payable	0	0
Change deferred tax	0	0
Tax costs calculated	0	0



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



4 Investments Knutsen Shuttle Tankers XII KS

The company owns 90 % of Knutsen Shuttle Tankers XII KS. This is the company's only activity.

Investments	Owner- and voting share	Equity 31.12 NOK.	Result NOK 2022
Knutsen Shuttle Tankers XII KS	90%	203,121,653	114,830,619

Interests in limited partnerships are presented by the cost method. As a result, the company's share of income is not included in the Profit and Loss Account.

	2022	2021
Historical cost	117,335,883	117,335,883
Booked value	117,335,883	117,335,883

5 Bank deposits

The company doesn't have restricted cash per 31.12.

6 Equity

Specification of the equity per 31.12

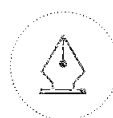
	Share capital	Share premium	Other equity	Total equity
Equity 1.1	132,000	31,734	118,449,475	118,613,208
Result of the year	0	0	67,843,337	67,843,337
Extraordinary dividend paid-out	0	0	-71,357,593	-71,357,593
Equity 31.12.	132,000	31,734	114,935,219	115,098,953

Share capital consists of 2400 shares NOK 55 each, all held by KNOT Shuttle Tankers AS.

7 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.

KNOT Shuttle Tankers 12 AS is a 100% owned subsidiary of the sub-group KNOT Shuttle Tankers AS which is controlled 100% by KNOT Offshore Partners LP. Accounting for the Group can be obtained from the website, <http://knotoffshorepartners.com/>.



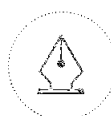
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
9B2371E90CF946E395EBEDEF5499158



8 **Balances with related parties**

	<u>2022</u>	<u>2021</u>
<u>Accounts payable</u>		
KNOT Management AS	15,023	20,222



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
9B2371E90CF946E395EBEDEF05499158



Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 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

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 12 AS

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 12 AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and 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 2022 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 and fair presentation of the financial statements 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 2023
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 12 AS 2022

A member firm of Ernst & Young Global Limited

Penneo document key: NEZCE-BW5E5-E0BSM-E4E08-EW8KU-NG6PM



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

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

Johan Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5997-4-729076

IP: 161.12.xxx.xxx

2023-03-13 15:40:08 UTC



Penneo Dokumentnøkkel: NEZCE-BW5E5-E0BSM-E4EQ8-EM8KU-NG6PM

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>