



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 991 959 556
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN SHUTTLE TANKERS XII 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: Ja
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	227 265 391	
Sum inntekter		227 265 391	
Kostnader			
Vessel hire	1	63 947 698	
Crew-hire	2	43 000 556	
Ordinary depreciation	3	46 571 779	
Commissions		2 755 136	
Other operating expenses		29 774 173	23 222
Administration	2	3 669 714	97 449
Sum kostnader		189 719 055	120 671
Driftsresultat		37 546 336	-120 671
Finansinntekter og finanskostnader			
Financial income	4	74 025 490	7 537 981
Foreign exchange gain/loss		-25 709 217	70 865
Sum finansinntekter		48 316 272	7 608 846
Financial expenses	4	37 648 286	1 154
Sum finanskostnader		37 648 286	1 154
Netto finans		10 667 986	7 607 692
Ordinært resultat før skattekostnad		48 214 323	7 487 021
Taxes	5		
Ordinært resultat etter skattekostnad		48 214 323	7 487 021
Årsresultat		48 214 323	7 487 021
Årsresultat etter minoritetsinteresser		48 214 323	7 487 021
Totalresultat		48 214 323	7 487 021



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	3	1 437 147 609	
Sum varige driftsmidler		1 437 147 609	
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	12		13 037 320
Financial contracts	10	8 957 869	
Sum finansielle anleggsmidler		8 957 869	13 037 320
Sum anleggsmidler		1 446 105 478	13 037 320
Omløpsmidler			
Varer			
Inventories	6	1 708 929	
Sum varer		1 708 929	
Fordringer			
Receivables		7 829 037	5 634
Konsernfordringer		54 472 728	4 040
Sum fordringer		62 301 764	9 674
Bankinnskudd, kontanter og lignende			
Bank deposits	7	35 117 216	125 141
Sum bankinnskudd, kontanter og lignende		35 117 216	125 141
Sum omløpsmidler		99 127 910	134 815
SUM EIENDELER		1 545 233 388	13 172 135

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital		500 000	500 000
Overkurs		160 963	160 963
Annen innskutt egenkapital		775 564 354	
Sum innskutt egenkapital		776 225 317	660 963
Opptjent egenkapital			
Other equity		59 926 928	11 712 606
Sum opptjent egenkapital		59 926 928	11 712 606
Sum egenkapital	8, 9	836 152 245	12 373 569
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	687 150 520	
Sum annen langsiktig gjeld		687 150 520	
Sum langsiktig gjeld		687 150 520	0
Kortsiktig gjeld			
Leverandørgjeld	8	11 731 213	28 166
Kortsiktig konserngjeld			747 179
Other current liabilities		10 199 409	23 222
Sum kortsiktig gjeld		21 930 623	798 567
Sum gjeld		709 081 143	798 567
SUM EGENKAPITAL OG GJELD		1 545 233 388	13 172 135



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 386002

Enheten

Organisasjonsnummer: 991 959 556
Organisasjonsform: Aksjeselskap
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Forretningsadresse: Smedasundet 40
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Morselskap i konsern: Nei

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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

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2023: Årsregnskap 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, 27.05.2024



Organisasjonsnr: 991 959 556
KNUTSEN SHUTTLE TANKERS XII AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
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Financial income	4	74 025 490	7 537 981
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Totalresultat		48 214 323	7 487 021



Organisasjonsnr: 991 959 556
KNUTSEN SHUTTLE TANKERS XII AS

BALANSE

Beløp i: NOK **Note** **2023** **2022**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Varige driftsmidler

Vessel 3 1 437 147 609
Sum varige driftsmidler 1 437 147 609

Finansielle anleggsmidler

Investering i annet foretak i samme konsern 12 13 037 320
Financial contracts 10 8 957 869
Sum finansielle anleggsmidler 8 957 869 13 037 320

Sum anleggsmidler 1 446 105 478 13 037 320

Omløpsmidler

Varer

Inventories 6 1 708 929
Sum varer 1 708 929

Fordringer

Receivables 7 829 037 5 634
Konsernfordringer 54 472 728 4 040
Sum fordringer 62 301 764 9 674

Bankinnskudd, kontanter og lignende

Bank deposits 7 35 117 216 125 141
Sum bankinnskudd, kontanter og lignende 35 117 216 125 141

Sum omløpsmidler 99 127 910 134 815

SUM EIENDELER 1 545 233 388 13 172 135

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 500 000 500 000
Overkurs 160 963 160 963
Annen innskutt egenkapital 775 564 354
Sum innskutt egenkapital 776 225 317 660 963

Opptjent egenkapital



Other equity		59 926 928	11 712 606
Sum opptjent egenkapital		59 926 928	11 712 606
Sum egenkapital	8, 9	836 152 245	12 373 569
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	10	687 150 520	
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SUM EGENKAPITAL OG GJELD		1 545 233 388	13 172 135



Organisasjonsnr: 991 959 556
KNUTSEN SHUTTLE TANKERS XII AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



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
Dahl, Karl Gerhard B	BANKID	2024-03-13 17:06 GMT+01
Domyo, Takashi	BANKID	2024-03-13 16:40 GMT+01



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Knutsen Shuttle Tankers XII AS Annual Report 2023



M/T “Fortaleza Knutsen” M/T “Recife Knutsen”

KNOT
Offshore Partners LP



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KNUTSEN SHUTTLE TANKERS XII AS
REPORT OF THE BOARD OF DIRECTORS
2023

Knutsen Shuttle Tankers XII AS owns and charter out M/T Fortaleza Knutsen and M/T Recife Knutsen, two afra-max purpose-built offshore loading tankers delivered from yard in 2011. The company acquired the vessels from Knutsen Shuttle Tankers XII KS in August 2023. The Company participated as general partner with an ownership share of 10% in the partnership and the partnership was deleted in the registry in December 2023.

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 activities

The Company's two afra-max shuttle tankers, delivered from COSCO Nantong Shipyard in Shanghai in 2011, were chartered to Transpetro in Brazil on two 3-year time-charter contracts from March and August 2023. The vessels was chartered in on bareboat contracts from the partnership from Transpetro contract startup until takeover of the vessels in August 2023.

Profit for the year

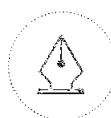
The company got a total operating income of NOK 227 265 391 in 2023 (NOK 0 in 2022). The operating result for Knutsen Shuttle Tankers XII AS was NOK 37 546 336 in 2023 compared to minus NOK 120 671 in 2022. After net financial income of NOK 10 667 986 in 2023, NOK 7 607 692 in 2022, the result of the year was NOK 48 214 323 in 2023 compared to NOK 7 487 021 in 2022.

The Board of Directors propose to transfer the result for the year to other equity. The equity ratio at year-end was 54 % compared to 94 % in 2022.

Total cash flow from operational activities was minus NOK 2 765 971 in 2023, compared to NOK 12 206 873 from operation in 2022. The liquidity position was NOK 35 117 216 as per 31.12.2023 compared to NOK 125 141 as per 31.12.2022. The company's ability to finance its investments is good. The company has secured long-term financing for the vessels and secure long-term stable cash flow for the company. The outstanding mortgage loan is at the end of 2023 USD 65 million.

Total capital was by the end of the year NOK 1 545 233 388, compared to NOK 13 172 135 the year before.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most the company's operating expenses and financial costs also are 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.



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The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. The company has one interest rate swap agreement in the amount of USD 25 million to reduce the company's interest rate risk.

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

The environment safety and quality control

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

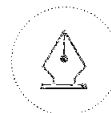
The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and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

Prospects

M/T Fortaleza Knutsen and M/T Recife Knutsen are on mid-term fixed charterparties with Transpetro. The charterer and trading area are well known for the manager and the Board of Directors. The Board of Directors expect that 2024 will be a stable profitable year for the company.



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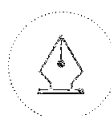


Haugesund, March 13, 2024

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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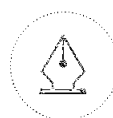
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Knutsen Shuttle Tankers XII AS

Profit & Loss Account

	Note	2023	2022
<u>Operating Income</u>			
Freight income	1	227 265 391	0
<i>Total Operating income</i>		<u>227 265 391</u>	<u>0</u>
<u>Operating Expenses</u>			
Vessel hire	1	63 947 698	0
Crew-hire	2	43 000 556	0
Commissions		2 755 136	0
Other operating expenses		29 774 173	23 222
Administration	2	3 669 714	97 449
<i>Total Operating Expenses</i>		<u>143 147 276</u>	<u>120 671</u>
Ordinary depreciation	3	46 571 779	0
<i>Operating Result</i>		<u>37 546 336</u>	<u>-120 671</u>
<u>Financial Income and Expenses</u>			
Financial income	4	74 025 490	7 537 981
Foreign exchange gain/loss		-25 709 217	70 865
Financial expenses	4	-37 648 286	-1 154
<i>Net Financial Items</i>		<u>10 667 986</u>	<u>7 607 692</u>
<i>Result before taxes</i>		<u>48 214 323</u>	<u>7 487 021</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>48 214 323</u>	<u>7 487 021</u>



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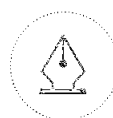
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Knutsen Shuttle Tankers XII AS

Balance Sheet as of 31. December

<u>Assets</u>	Note	2023	2022
<u>Non Current Assets</u>			
Vessel	3	1 437 147 609	0
Investments in other group companies	12	0	13 037 320
Financial contracts	10	8 957 869	0
<i>Total non Current Assets</i>		<u>1 446 105 478</u>	<u>13 037 320</u>
<u>Current Assets</u>			
Inventories	6	1 708 929	0
Receivables		7 829 037	5 634
Current receivables group		54 472 728	4 040
Bank deposits	7	35 117 216	125 141
<i>Total Current Assets</i>		<u>99 127 910</u>	<u>134 815</u>
TOTAL ASSETS		<u>1 545 233 388</u>	<u>13 172 135</u>



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Knutsen Shuttle Tankers XII AS

Balance Sheet as of 31. December

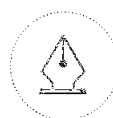
<u>Shareholders Equity and Liabilities</u>	Note	2023	2022
<u>Equity</u>			
Share capital		500 000	500 000
Share premium		160 963	160 963
Capital paid-in		775 564 354	0
<i>Total capital paid-in</i>		<u>776 225 317</u>	<u>660 963</u>
Other equity		59 926 928	11 712 606
<i>Total Shareholders' Equity</i>	8, 9	<u>836 152 245</u>	<u>12 373 569</u>
<u>Long Term Debt</u>			
Liabilities to financial institutions	10	687 150 520	0
<i>Total Long Term Debt</i>		<u>687 150 520</u>	<u>0</u>
<u>Current Liabilities</u>			
Accounts payable	8	11 731 213	28 166
Current liabilities group		0	747 179
Other current liabilities		10 199 409	23 222
<i>Total Current Liabilities</i>		<u>21 930 623</u>	<u>798 567</u>
<i>Total liabilities</i>		<u>709 081 143</u>	<u>798 567</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>1 545 233 388</u>	<u>13 172 135</u>

Haugesund, March 13, 2024,
The board of Knutsen Shuttle Tankers XII AS

Trygve Seglem
chairman of the board/General Manager

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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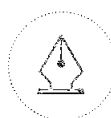


Knutsen Shuttle Tankers XII AS

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	48,214,323	7,487,021
+ Ordinary depreciation	46,571,779	0
+Amortized financial contracts	1,754,480	0
+/-Agio in connection with taken over operations for Knutsen Shuttle Tankers XII KS	23,945,450	0
- Deletion of Knutsen Shuttle Tankers XII KS	-73,118,980	0
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	134,402	0
+ Financial expenses - liabilities to financial institutions	684,824	0
= Total generated from operations	48,186,278	7,487,021
+ Net received on current assets	-64,001,020	4,260,769
+ Net received on current liabilities	22,498,128	459,083
Net cashflow from operations	6,683,385	12,206,873
<u>Cashflow from investments</u>		
Deletion of Knutsen Shuttle Tankers XII KS	54,362,225	0
Performed class renewal with drydocking	-35,424	0
Net cashflow from investments	54,326,801	0
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-26,018,111	0
Dividend paid-out	0	-12,356,075
Net cashflow from financing	-26,018,111	-12,356,075
Net cashflow for the year	34,992,075	-149,202
+ Bank deposits per 01.01.	125,141	274,343
= Bank deposits per 31.12.	35,117,216	125,141



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Knutsen Shuttle Tankers XII 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

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.

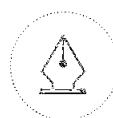
1 Contracts

The company has entered into three year fixed contracts with Transpetro, Fortaleza and Recife commenced on the time charter contracts in March 2023 and August 2023, respectively.

The income from charter party is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

Fortaleza Knutsen and Recife Knutsen was purchased from Knutsen Shuttle Tankers XII KS in August 2023 and the company took over the financing. The transactions are booked as an acquisition of assets. The company hired the vessels on bare-boat hire from Knutsen Shuttle Tankers XII KS from the end of March and the beginning of August, respectively.

KNOT Management AS operates as a manager on behalf of the company in accordance with management agreement.



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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	10,972	20,673
Other services besides audit	0	0
	<u>10,972</u>	<u>20,673</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.

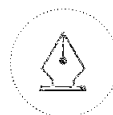
Vessel	2023
Purchase of vessels	1,441,464,325
Annual depreciation	41,458,412
Book value 31.12.	<u>1,400,005,913</u>

Dry-docking	2023
Purchase of vessels	42,255,063
Annual depreciation	5,113,367
Book value 31.12.	<u>37,141,696</u>

Total book value vessel 31.12.	<u>1,437,147,609</u>
--------------------------------	----------------------

4 Financial Income and -Expenses

	2023	2022
Financial Income:		
Income from investment in limited partnership	73,118,980	7,536,755
Other interest income	906,510	1,226
Total financial income	<u>74,025,490</u>	<u>7,537,981</u>



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**Financial expenses:**

Interest expenses	18,769,438	0
Interest expenses to group companies	17,465,041	0
Guarantee cost to group companies	1,156,088	0
Other financial expenses	257,719	1,154
Total financial expenses	<u>37,648,286</u>	<u>1,154</u>

5 Tax

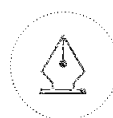
The company qualify for and have elected to be taxed based on the Norwegian tonnage tax regime.

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.

Below is a specification of the temporary differences at the end of the financial year.

	<u>31.12.2023</u>	<u>Change</u>	<u>31.12.2022</u>
Loss carried forward	-41,897,137	-10,276,215	-31,620,922
Basis for deferred tax (benefit)	-41,897,137	-10,276,215	-31,620,922
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.



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Taxable result tonnage tax scheme:

	2023	2022
Net financial Items	10,667,986	7,607,692
Investment in underlying KS, not taxable	-70,667,791	-7,182,698
Part of taxable income in the underlying KS	-8,485,754	-741,538
Non-taxable currency gain	23,828,588	-58,002
Non-deductible interest	34,380,756	0
Taxable income before loss carried forward	-10,276,215	-374,546
Loss carried forward	10,276,215	374,546
Taxable income	0	0
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	0	0
Tonnage tax expenses under operating expenses	92,559	23,222

6 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube oil	1,708,929	0
Total inventory	1,708,929	0

7 Bank deposits

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

8 Equity

Specification of the equity per 31.12.

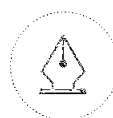
	Share capital	Share premium	Capital paid-in	Other equity	Total equity
Equity 01.01.	500,000	160,963	0	11,712,606	12,373,569
Group contribution	0	0	775,564,354	0	775,564,354
Result for the year	0	0	0	48,214,323	48,214,323
Equity 31.12.	500,000	160,963	775,564,354	59,926,928	836,152,245

Share capital consist of 100 shares à NOK 5,000, all held by KNOT Shuttle Tankers AS.

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

9 Shares Owned by Board Members and Affiliates

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



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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.

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

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

	Currency	Outstanding currency	Hedge accounting rate	Accounting balance	
				2023	2022
Mortgage debt	USD	65,371,528	10.6114	693,683,432	0
Debt issuance cost				-6,532,912	0
Liabilities to financial institutions				687,150,520	0

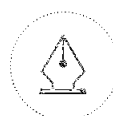
The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in foreign currency - cash flow hedge. Loans in foreign currencies are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together 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):	26,730,418	0

Amounts due within 12 months of the balance sheet date:

Mortgage debt	103,534,836	0
Debt issuance cost	-1,912,261	0
Liabilities to financial institutions	101,622,575	0



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<u>Repayment profile:</u>	<u>based on expected refinancing</u>		
0 - 12 months		9,756,944	0
13 - 24 months		9,756,944	0
25 - 36 months		9,756,944	0
37 - 48 months		9,756,944	0
49 - 60 months		9,756,944	0
After 60 months		16,586,808	0
		<u>65,371,528</u>	<u>0</u>

The exchange rate at the year-end USDNOK 10.2025 9.9066

Security for the loan is made through a first priority mortgage in the vessels, assignment of earnings, assignment of insurances, bank accounts, factoring agreement, pledged shares in the company, guarantees from the owner, and undertakings from the manager.

Book value of mortgaged assets is NOK 1 539 million.

The company has entered into interest rate swap contracts to reduce the effects of exchange rate fluctuations. Hedge accounting has been applied for revenue in interest rate swap contracts - cash flow hedge. Fixed rate interest rate swaps are used as hedging instrument. The profit and loss impact of the hedging instrument is presented together with the hedged risk. This implies that realized gains/-losses on the interest rate swaps are presented as an reduction/increase of Interest expenses.

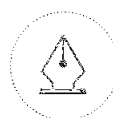
Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	<u>Currency</u>	<u>2023</u>
Outstanding fixed interest rate swaps	USD	25,000,000
Mark to market valuation	USD	639,214

<u>Aquired interest swaps</u>	<u>2023</u>
Additions	10,712,349
Amortization	<u>1,754,480</u>
Book value 31.12.	<u>8,957,869</u>

11 Balances with related parties

	<u>2023</u>	<u>2022</u>
<u>Accounts payable</u>		
Knutsen OAS Management AS	7,752	0
Knutsen OAS Crewing AS	191,126	0
KNOT Management AS	4,404,942	14,451
KNOT Management Denmark A/S	4,158	0
Knutsen OAS Shipping AS	<u>2,506,371</u>	<u>0</u>
	<u>7,114,350</u>	<u>14,451</u>



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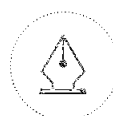
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12 Investments Knutsen Shuttle Tankers XII KS

The company owned 10 % of Knutsen Shuttle Tankers XII KS where the company was a general partner. The company was deleted in December 2023.

	<u>2023</u>	<u>2022</u>
Historical cost	0	13,037,320
Booked value	0	13,037,320



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Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knutsen Shuttle Tankers XII AS

Opinion

We have audited the financial statements of Knutsen Shuttle Tankers XII 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 Shuttle Tankers XII AS 2023

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Johan Lid Nordby

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
11.03.2011

Vår dato
30.03.2011

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2011/327976

Ernst & Young AS
Postboks 6163, Postterminalen
5892 Bergen

Dispensasjon fra kravet om utarbeidelse av årsregnskap og -beretning på norsk språk

Det vises til deres brev av 11. mars 2011 samt e-post av 30. mars 2011 med supplerende opplysninger i sakens anledning. Skattedirektoratet innvilget i vedtak 09/867030 av 2. juni 2010 TS Shipping Invest AS samt en rekke navngitte datterselskap, dispensasjon fra kravet om å utarbeide årsregnskap og – beretning på norsk språk. Da det er etablerte enkelte nye selskap i konsernet samt at er gjort endringer i konsernstruktur og eierskap for enkelte av de tidligere selskapene søkes det på nytt om dispensasjon for følgende selskap:

- Knutsen NYK Offshore Tankers AS org. nr: 995 221 713
- samt følgende datterselskap:
 - Knutsen Bøyelaster XI KS org. nr: 986 224 610
 - Knutsen Bøyelaster XI AS org. nr: 986 224 602
 - Knutsen Bøyelaster II KS * org. nr: 959 321 752
 - Knutsen Bøyelaster II AS org. nr: 959 321 663
 - Knutsen Bøyelaster III KS * org. nr: 959 505 349
 - Knutsen Bøyelaster III AS org. nr: 959 504 822
 - Knutsen Shuttle Tankers XII KS org. nr: 991 959 610
 - Knutsen Shuttle Tankers XII AS org. nr: 991 959 556
 - Knutsen Produkt Tanker IV KS * org. nr: 961 068 355
 - Knutsen Produkt Tanker IV AS org. nr: 961 068 177
 - Knutsen Bøyelaster VI KS org. nr: 971 585 579
 - Knutsen Bøyelaster VI AS org. nr: 993 011 681
 - Knutsen Bøyelaster VIII KS org. nr: 979 539 649
 - Knutsen Bøyelaster VIII AS org. nr: 993 010 596
 - Knutsen Bøyelaster IX KS org. nr: 979 685 521
 - Knutsen Bøyelaster IX AS org. nr: 879 685 362
 - Knutsen Terminal Tanker AS org. nr: 945 404 191
 - Knutsen Newfoundland Chartering AS org. nr: 990 356 963
 - Knutsen Shuttle Tankers 2 AS org. nr: 992 593 903
 - Knutsen Offshore KS org. nr: 893 435 832
 - Knutsen Offshore AS org. nr: 992 593 881

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



- Knutsen Produkt Tanker V AS org. nr: 979 976 445
- Knutsen Shuttle Tankers Pool AS org. nr: 982 302 536
- Knutsen Atlantic Chartering AS org. nr: 984 963 262
- Knutsen Canadian Chartering AS org. nr: 984 963 270
- Knutsen Offshore Tankers AS org. nr: 995 206 870
- Knutsen Offshore Tankers 2 AS org. nr: 995 206 862
- Knutsen Shuttle Tankers 3 AS org. nr: 995 146 584
- Knutsen NYK Management AS org. nr: 996 124 916
- Knutsen Shuttle Tanker 13 AS org. nr: 996 661 016
- Knutsen Tankers 2 AS org. nr: 992 593 792
- Knutsen Tankers 3 AS org. nr: 992 593 814

Alle datterselskapene er eid 100 % med unntak av selskapene merket med *. I de tre selskapene som også har andre eiere, utgjør disse andre eierne et lite antall og kan anses som etablerte investorer.

Søknad:

Fra deres brev gjengis:

"TS Shipping Invest AS etablerte det 100 % eide datterselskapet Knutsen Offshore Tankers ASA (KOT) i februar 2010. I april 2010 ble hele bøyelastervirksomheten i konsernet flyttet inn under KOT, hvor en rekke av de selskapene som var søkt avleggelse av regnskaper på engelsk fulgte med.

I desember 2010 solgte TS Shipping Invest AS seg ned til 50 % i KOT ved at det japanske rederiet NYK Line gikk inn på eiersiden og overtok 50 % av aksjene. Selskapet skiftet navn til Knutsen NYK Offshore Tankers AS (KNOT).

Alle selskapene i KNOT konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper. Som tidligere beskrevet er brukerne av regnskapene hovedsakelig aksjonærer, banker samt interessegrupper tilknyttet driften (ansatte, kunder, leverandører etc.). Nytt fra tidligere er at den andre eieren NYK Line er engelskspråklig. Aksjonærstrukturen er begrenset til 2 hovedeiere.

Selskapets virksomhet er finansiert av en rekke norske og internasjonale banker. Ettersom finansieringen i all hovedsak gjøres via syndikerte banklån er det et krav fra bankene at regnskapene oversettes til i engelsk språkdrakt.

Også de aller fleste av selskapenes kunder og leverandører og andre brukerne har engelsk som sitt naturlige språk/forretningspråk..."

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk.



Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

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

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

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


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

I forhold til tidligere gitte dispensasjon, har det kommet inn japanske interessenter i tillegg på eiersiden. For øvrig anses øvrige sentrale faktorer som fortsatt til stede. Dette gjelder også de nyetablerte selskapene.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene 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.

Med hilsen


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