

0001104659-24-1255296-K KNOT Offshore Partners LP 2024120420241204161724161724 0 0001104659-24-1255296-K 2 20241204 20241204 KNOT Offshore Partners LP 0001564180 4400 000000000 1T 1231 6-K 34 001-35866 241526410 2 QUEEN'S CROSS ABERDEEN X0 AB15 4YB 44 1224 618420 2 QUEEN'S CROSS ABERDEEN X0 AB15 4YB 6-K 1 tm2430183d1_6k.htm FORM 6-K Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSIONÂ Washington, D.C. 20549 Â Â Â FORMÂ 6-K Â Â Â REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934 Â For the month of DecemberÂ 2024 Â Commission File Number: 001-35866 Â Â Â KNOT Offshore Partners LPÂ (Translation of registrantâ€™s name into English) Â Â Â 2 Queenâ€™s Cross, Aberdeen, AB15 4YB United Kingdom (Address of principal executive office) Â Â Â Indicate by check mark whether the registrant files or will file annual reports under cover of FormÂ 20-F or FormÂ 40-F. Â FormÂ 20-F x Â Â Â Â FormÂ 40-F Â Â Â Â ITEM 1â€“INFORMATION CONTAINED IN THIS FORMÂ 6-K REPORT Â Attached as ExhibitÂ 99.1 is a copy of the press release of KNOT Offshore Partners LP dated DecemberÂ 4, 2024. Â ITEM 2â€“ EXHIBITS Â The following exhibits are filed as a part of this report: Â Exhibit Number Â ExhibitÂ Description 99.1 Â Press release dated DecemberÂ 4, 2024. Â 2 Â Â SIGNATURE Â Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Â Â KNOT OFFSHORE PARTNERS LP Â Â Date: DecemberÂ 4, 2024 By: /s/ Derek Lowe Â Â Name: Derek Lowe Â Â Title: Chief Executive Officer and Chief Financial Officer Â 3 Â EX-99.1 2 tm2430183d1_ex99-1.htm EXHIBIT 99.1 Â ExhibitÂ 99.1 Â KNOT OFFSHORE PARTNERS LP Â EARNINGS RELEASEâ€“INTERIM RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024 Â Financial Highlights Â For the three months ended SeptemberÂ 30, 2024 (â€“Q3 2024â€“), KNOT Offshore Partners LP (â€“KNOT Offshore Partnersâ€“ or the â€“Partnershipâ€“): Â Â Generated total revenues of \$76.3 million, operating income of \$17.2 million and net loss of \$3.8 million. Â Â Generated Adjusted EBITDA1 of \$45.1 million. Â Â Reported \$77.2 million in available liquidity at SeptemberÂ 30, 2024, which was comprised of cash and cash equivalents of \$67.2 million and undrawn revolving credit facility capacity of \$10 million. Â Other Partnership Highlights and Events Â Â Fleet operated with 98.8% utilization for scheduled operations in Q3 2024. Â Â On OctoberÂ 9, 2024, the Partnership declared a quarterly cash distribution of \$0.026 per common unit with respect to Q3 2024, which was paid on NovemberÂ 7, 2024, to all common unitholders of record on OctoberÂ 28, 2024. On the same day, the Partnership declared a quarterly cash distribution to holders of SeriesÂ A Convertible Preferred Units (â€“SeriesÂ A Preferred Unitsâ€“) with respect to Q3 2024 in an aggregate amount of \$1.7 million. Â Â On JulyÂ 10, 2024, the Partnership received the Dan Sabia back via redelivery, following expiry of its bareboat charter party to Transpetro. The Dan Sabia is being marketed for shuttle tanker operation and remains available also for charter (subject to negotiation and approvals) to Knutsen NYK Offshore Tankers AS (â€“Knutsen NYKâ€“) and conventional tanker operation. Short-term conventional tanker contracts for the Dan Sabia have been obtained since the end of Q3 2024. Â Â On AugustÂ 15, 2024, repair work on the Torill Knutsen was completed following the breakage of a generator rotor in JanuaryÂ 2024. The Torill Knutsen remained able to serve a limited range of client facilities, and the Partnership expects to be compensated by insurance for the extent to which, as a consequence of this breakage, the Torill Knutsenâ€™s earnings have fallen short of a contractual hire rate, commencing 14 days after the date of the breakage. The Partnership also expects that the repair cost will be covered by insurance, in excess of a deductible of \$150,000. Â Â On AugustÂ 22, 2024, the Partnership agreed with Shell to extend by 1 year the charters for the Tordis Knutsen and the Lena Knutsen and to provide Shell with options to extend each of these charters by up to 3 periods of 1 year each. Thus, the fixed charter period for each charter will extend until 2028 and the option periods will extend until 2031. Â Â 1 EBITDA and Adjusted EBITDA are non-GAAP financial measures used by management and external users of the Partnershipâ€™s financial statements. Please see Appendix A for definitions of EBITDA and Adjusted EBITDA and a reconciliation to net income, the most directly comparable GAAP financial measure. Â Â 1Â Â Â Â Â On SeptemberÂ 3, 2024, the Partnershipâ€™s wholly owned subsidiary, KNOT Shuttle Tankers AS (â€“KSTâ€“), acquired KNOT Shuttle Tankers 31 AS, the company that owns the shuttle tanker Tuva Knutsen, from Knutsen NYK (the â€“Tuva Knutsen Acquisitionâ€“). Simultaneously, KST sold KNOT Shuttle Tankers 20 AS, the company that owns the shuttle tanker Dan Cisne, to Knutsen NYK. This effected a swap of these two vessels, the terms of which were set out in the Earnings Release for Q2 2024, which was published on SeptemberÂ 3, 2024. Â Â On OctoberÂ 1, 2024 the Ingrid Knutsen began operating under a time charter with Eni for a fixed period of two years plus two chartererâ€™s options each of one year. Â Â On OctoberÂ 14, 2024 a time charter for the Hilda Knutsen was executed with an oil major, which is due to commence in MarchÂ 2025 for a fixed period of one year. Â Â On DecemberÂ 2, 2024 the Torill Knutsen began operating under a time charter with Eni for a fixed period of three years plus three chartererâ€™s options each of one year. Â Â On DecemberÂ 3, 2024, Repsol exercised their option to extend the time charter of Carmen Knutsen for one year commencing Q1 2025. Â Derek Lowe, Chief Executive Officer and Chief Financial Officer of KNOT Offshore Partners LP, stated, â€“We are pleased to report another strong performance in Q3 2024, marked by safe operation at 98.8% fleet utilization from scheduled operations, consistent revenue and operating income generation, and material progress in securing additional charter coverage for our fleet. Â Including those contracts signed since SeptemberÂ 30, 2024, we now have just under 96% of charter coverage for the whole of 2024. Having executed a number of new contracts this year, we have established good momentum in a strengthening market and remain focused on filling the remaining gaps in our charter portfolio. Â In Brazil, the main offshore oil market where we operate, the outlook is continuing to improve, with robust demand and increasing charter rates. Driven by Petrobrasâ€™ continued high production levels and FPSO start-ups in the pre-salt fields that rely upon shuttle tankers, we believe the worldâ€™s biggest shuttle tanker market is tightening materially. Our secondary geography, in the North Sea, is taking longer to re-balance, but we welcome the recent news of the long-anticipated Johan Castberg FPSO having arrived in the Barents Sea, where it is scheduled to begin production early next year. Â We continue to believe that growth of offshore oil production in shuttle tanker-serviced fields across both Brazil and the North Sea is on track to outpace shuttle tanker supply growth throughout the coming years, driven most notably by the aggressive expansion of Brazilian deepwater production capacity, particularly as increasing numbers of shuttle tankers reach or exceed typical retirement age. We are aware of eight newbuild orders placed earlier this year, including four by Knutsen NYK (to be chartered to Petrobras and Petrorio with delivery over 2026-2027) and by another operator (with delivery by early 2027). We anticipate that all these new orders are backed by charters to clients in Brazil, and see this as a sign of confidence in the medium-to-long term demand for the global shuttle tanker fleet. These new orders bring anticipated deliveries to a total of eleven, spread over the coming three years. Particularly when considered in the context of the increasing numbers of shuttle tankers reaching or exceeding typical retirement age, as well as yard capacity

constraints limiting material new orders into late 2027 or thereafter, we anticipate that newbuild capacity will be readily absorbed by the expanding market for shuttle tankers. As the largest owner and operator of shuttle tankers (together with our sponsor, Knutsen NYK), we believe we are well positioned to benefit from such an improving charter market. We remain focused on generating certainty and stability of cashflows from long-term employment with high quality counterparties, and are confident that continued operational performance and execution of our strategy can create unitholder value in the quarters and years ahead.

Financial Results Overview

Results for Q3 2024 (compared to those for the three months ended June 30, 2024 (âœQ2 2024âœ)) included:

- Revenues of \$76.3 million in Q3 2024 (\$74.4 million in Q2 2024), with the increase due to higher charter and bareboat revenues and an out-of-period adjustment of \$2.2 million, partly offset by a decrease in voyage revenues.
- Vessel operating expenses of \$29.5 million in Q3 2024 (\$27.0 million in Q2 2024), with the increase primarily due to costs arising following redelivery of the Dan Sabia.
- Depreciation of \$27.9 million in Q3 2024 (\$27.7 million in Q2 2024).
- There were no impairments in Q3 2024, while in Q2 2024 impairments of \$5.8 million and \$10.6 million were recognized in respect of the Dan Cisne and Dan Sabia, respectively. In accordance with US GAAP, the Partnershipâ€™s fleet is regularly assessed for impairment as events or changes in circumstances may indicate that a vesselâ€™s net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, and in such situation the carrying amount of the vessel is reduced to its estimated fair value. This exercise in Q2 2024 resulted in an impairment in respect of the vessels Dan Cisne and Dan Sabia owing to their lack of long-term charters in a context where their smaller size is not optimal for the Brazilian market and affects the outlook for future employment.
- General and administrative expenses of \$1.5 million in Q3 2024 (\$1.4 million in Q2 2024).
- Operating income consequently of \$17.2 million in Q3 2024 (\$1.3 million in Q2 2024). When adjusted to remove the impact of the impairments, operating income for Q2 2024 was \$17.7 million.
- Interest expense of \$16.9 million in Q3 2024 (\$16.9 million in Q2 2024).
- Realized and unrealized loss on derivative instruments of \$4.6 million in Q3 2024 (gain of \$1.8 million in Q2 2024), including unrealized loss (i.e. non-cash) elements of \$8.3 million in Q3 2024 (unrealized loss of \$2.2 million in Q2 2024).
- Net loss consequently of \$3.8 million in Q3 2024 (net loss of \$12.9 million in Q2 2024). When adjusted to remove the impact of the impairments, net income in Q2 2024 was \$3.5 million.

By comparison with the three months ended September 30, 2023 (âœQ3 2023âœ), results for Q3 2024 included:

- a decrease of \$3.4 million in operating income (to \$17.2 million in Q3 2024 from operating income of \$20.6 million in Q3 2023), driven primarily by higher vessel operating expenses partly offset by higher time charter and bareboat revenues.
- an increase of \$7.3 million in finance expense (to net finance expense of \$20.7 million in Q3 2024 from net finance expense of \$13.4 million in Q3 2023), due primarily to an unrealized loss on derivative instruments in Q3 2024 by comparison with an unrealized gain in Q3 2023.
- a reduction of \$16.1 million in net income (to a net loss of \$3.8 million in Q3 2024 from net income of \$12.6 million in Q3 2023).

Financing and Liquidity

As of September 30, 2024, the Partnership had \$77.2 million in available liquidity, which was comprised of cash and cash equivalents of \$67.2 million and \$10 million of capacity under its revolving credit facilities. The Partnershipâ€™s revolving credit facilities mature between August 2025 and November 2025. The Partnershipâ€™s total interest-bearing obligations outstanding as of September 30, 2024 were \$947.3 million (\$941.8 million net of debt issuance costs). The average margin paid on the Partnershipâ€™s outstanding debt during Q3 2024 was approximately 2.26% over SOFR. These obligations are repayable as follows:

Period	Repayment	Total
2025	\$24,139	\$24,139
2026	\$14,399	\$14,399
2027	\$76,257	\$76,257
2028	\$181,583	\$181,583
2029	\$272,239	\$272,239
2030	\$15,060	\$15,060
2031	\$64,272	\$64,272
2032	\$219,521	\$219,521
2033	\$298,853	\$298,853
2034	\$15,751	\$15,751
2035	\$31,525	\$31,525
2036	\$93,598	\$93,598
2037	\$140,874	\$140,874
2038	\$2028	\$2028
2039	\$16,520	\$16,520
2040	\$13,241	\$13,241
2041	\$78,824	\$78,824
2042	\$108,585	\$108,585
2043	\$2029	\$2029
2044	\$102,600	\$102,600
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into a new fifteen-year time charter contract with Petrobras for a vessel to be constructed and which will operate in Brazil where the charterer has an option to extend the charter by up to five further years. The vessel will be built in China and is expected to be delivered in late 2025. ¶ 6. In February 2024, Knutsen NYK entered into a new ten-year time charter contract with Petrobras for each of three vessels to be constructed and which will operate in Brazil, where the charterer has an option to extend each charter by up to five further years. The vessels will be built in China and are expected to be delivered over 2026 - 2027. ¶ 7. In August 2024, Knutsen NYK entered into a new seven-year time charter contract with Petrorio for a vessel to be constructed and which will operate in Brazil where the charterer has an option to extend the charter by up to eight further years. The vessel will be built in China and is expected to be delivered early in 2027. ¶ 8. In October 2024, Hedda Knutsen was delivered to Knutsen NYK from the yard in China and commenced in December 2024 on a ten-year time charter contract with Petrobras for operation in Brazil. Petrobras has the option to extend the charter by up to five further years. ¶ Outlook ¶ At September 30, 2024, the Partnershipâ€™s fleet of eighteen vessels had an average age of 9.9 years, and the Partnership had charters with an average remaining fixed duration of 2.8 years, with the charterers of the Partnershipâ€™s vessels having options to extend their charters by an additional 2.4 years on average. The Partnership had \$980 million of remaining contracted forward revenue at September 30, 2024, excluding charterersâ€™ options and excluding contracts agreed or signed after that date. ¶ The market for shuttle tankers in Brazil, where fourteen of our vessels operated during Q3 2024, has continued to tighten, driven by a significant pipeline of new production growth over the coming years, a limited newbuild order book, and typical long-term project viability requiring a Brent oil price of only \$35 per barrel. While the Dan Sabia stands out among the Partnershipâ€™s fleet as being of a smaller size than is optimal in todayâ€™s Brazilian market, we remain in discussions with our customers and continue to evaluate all our options for the Dan Sabia, including but not limited to redeployment in the tightening Brazilian market, deployment to the North Sea, charter to Knutsen NYK (subject to negotiation and approvals), short term conventional tanker work and sale. ¶ Shuttle tanker demand in the North Sea has remained subdued, driven by the impact of COVID-19-related project delays. We expect these conditions to persist for several more quarters until new oil production projects that are anticipated come on stream, most notably the long-anticipated Johan Castberg field in the Barents Sea, which is scheduled to come online early next year. ¶ Looking ahead, based on supply and demand factors with significant forward visibility and committed capital from industry participants, we believe that the overall medium and long-term outlook for the shuttle tanker market remains favourable. ¶ In the meantime, the Partnership intends to pursue long-term visibility from its charter contracts, build its liquidity, and position itself to benefit from its market-leading position in an improving shuttle tanker market. ¶ About KNOT Offshore Partners LP ¶ KNOT Offshore Partners LP owns, operates and acquires shuttle tankers primarily under long-term charters in the offshore oil production regions of Brazil and the North Sea. ¶ KNOT Offshore Partners LP is structured as a publicly traded master limited partnership but is classified as a corporation for U.S. federal income tax purposes, and thus issues a Form 1099 to its unitholders, rather than a Form K-1. KNOT Offshore Partners LPâ€™s common units trade on the New York Stock Exchange under the symbol â€œKNOPâ€. ¶ The Partnership plans to host a conference call on Thursday December 5, 2024 at 9:30 AM (Eastern Time) to discuss the results for Q3 2024. All unitholders and interested parties are invited to listen to the live conference call by choosing from the following options: ¶ · By dialing 1-833-470-1428 from the US, dialing 1-833-950-0062 from Canada or 1-404-975-4839 if outside North America â€“ please join the KNOT Offshore Partners LP call using access code 794660. ¶ · By accessing the webcast on the Partnershipâ€™s website:

using access code 751866. A PDF, assessing the website on the Partnership's website.
www.knotoffshorepartners.com. A December 4, 2024 KNOT Offshore Partners LP A Aberdeen, United Kingdom A Questions should be directed to: A Derek Lowe via email at ir@knotoffshorepartners.com A A 6 A A UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS A A Three A Months A Ended A A Nine Months A Ended A A September A 30, A June A 30, A September A 30, A September A 30, A September A 30, A (U.S. Dollars in thousands) A 2024 A 2024 A 2023 A 2024 A 2023 A Time charter and bareboat revenues A \$75,682 A \$73,437 A \$72,188 A \$222,481 A \$205,045 A Voyage revenues (1) A 124 A 351 A 10 A 3,190 A 8,849 A Loss of hire insurance recoveries A A A 78 A A A 78 A A 2,335 A Other income A 486 A 554 A 485 A 1,595 A 1,458 A Total revenues A 76,292 A 74,420 A 72,683 A 227,344 A 217,687 A Gain from disposal of vessel A 703 A Vessel operating expenses A 29,453 A 26,952 A 23,164 A 82,314 A 67,894 A Voyage expenses and commission (2) A 951 A 584 A 375 A 3,170 A 5,230 A Depreciation A 27,902 A 27,748 A 27,472 A 83,392 A 83,308 A Impairment (3) A A A 16,384 A A A 16,384 A 49,649 A General and administrative expenses A 1,475 A 1,426 A 1,083 A 4,538 A 4,571 A Total operating expenses A 59,781 A 73,094 A 52,094 A 189,798 A 210,652 A Operating income (loss) A 17,214 A 1,326 A 20,589 A 38,249 A 7,035 A Finance income (expense): A A A A A A A A A A A A Interest income A 857 A 897 A 932 A 2,582 A 2,476 A Interest expense A (16,857) A (16,863) A (18,493) A (51,185) A (53,969) Other finance income/(expense) A (179) A 177 A (228) A (271) A (413) Realized and unrealized gain (loss) on derivative instruments (4) A (4,561) A 1,797 A 4,361 A 2,238 A 10,175 A Net gain (loss) on foreign currency transactions A 28 A 28 A 14 A (170) A (13) Total finance income (expense) A (20,712) A (13,964) A (13,414) A (46,806) A (41,744) Income (loss) before income taxes A (3,498) A (12,638) A 7,175 A (8,557) A (34,709) Income tax benefit (expense) A (275) A (213) A 5,466 A (628) A 5,663 A Net income (loss) A \$(3,773) A \$(12,851) A \$12,641 A \$(9,185) A \$(29,046) Weighted average units outstanding (in thousands of units): A A A A A A A A A A A A Common units A 34,045 A 34,045 A 34,045 A 34,045 A 34,045 A Class A B units (5) A 252 A 252 A 252 A 252 A General Partner units A 640 A 640 A 640 A 640 A 640 A (1) Voyage revenues are revenues unique to spot voyages. (2) Voyage expenses and commission are expenses unique to spot voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, agency fees and commission. (3) The carrying value of each of the Dan Cisne and the Dan Sabia was written down to its estimated fair value as of June A 30, 2023 and 2024. (4) Realized gain (loss) on derivative instruments relates to amounts the Partnership actually received (paid) to settle derivative instruments, and the unrealized gain (loss) on derivative instruments relates to changes in the fair value of such derivative instruments, as detailed in the table below. (5) On September A 7, 2021, the Partnership entered into an exchange agreement with Knutsen NYK, and the Partnership's general partner whereby Knutsen NYK contributed to the Partnership all of Knutsen NYK's incentive distribution rights (a oeIDRs a e), in exchange for the issuance by the Partnership to Knutsen NYK of 673,080 common units and 673,080 Class A B Units, whereupon the IDRs were cancelled (the a oeIDR Exchange a e). As of September A 30, 2024, 420,675 of the Class A B Units had been

Â 63,921Â Â Â 47,579Â Cash and cash equivalents at the end of the periodÂ \$67,225Â Â \$53,189Â Â (1)Included in net income (loss) is interest paid amounting to \$49.7 million and \$51.6 million for the nine months ended SeptemberÂ 30, 2024 and 2023, respectively. Â Â 11Â Â APPENDIX Aâ€"RECONCILIATION OF NON-GAAP FINANCIAL MEASURES Â EBITDA and Adjusted EBITDA Â EBITDA is defined as earnings before interest, depreciation, impairments and taxes. Adjusted EBITDA is defined as earnings before interest, depreciation, impairments, taxes and other financial items (including other finance expenses, realized and unrealized gain (loss) on derivative instruments and net gain (loss) on foreign currency transactions). EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as the Partnershipâ€™s lenders, to assess its financial and operating performance and compliance with the financial covenants and restrictions contained in its financing agreements. Adjusted EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess the Partnershipâ€™s financial and operating performance. The Partnership believes that EBITDA and Adjusted EBITDA assist its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in its industry that provide EBITDA and Adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, taxes, impairments and depreciation, as applicable, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including EBITDA and Adjusted EBITDA as financial measures benefits investors in (a)Â selecting between investing in the Partnership and other investment alternatives and (b)Â monitoring the Partnershipâ€™s ongoing financial and operational strength in assessing whether to continue to hold common units. EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as alternatives to net income or any other indicator of Partnership performance calculated in accordance with GAAP. Â The table below reconciles EBITDA and Adjusted EBITDA to net income, the most directly comparable GAAP measure. Â Â ThreeÂ MonthsÂ Ended,Â Â NineÂ MonthsÂ Ended,Â Â SeptemberÂ 30,Â Â 2024Â Â 2023Â Â 2024Â Â 2023Â (U.S. Dollars in thousands)Â (unaudited)Â Â (unaudited)Â Â (unaudited)Â Â (unaudited)Â Net income (loss)Â \$(3,773)Â \$12,641Â Â \$(9,185)Â \$(29,046) Interest incomeÂ Â (857)Â Â (932)Â Â (2,582)Â Â (2,476) Interest expenseÂ Â 16,857Â Â 18,493Â Â 51,185Â Â 53,969Â DepreciationÂ Â 27,902Â Â 27,472Â Â 83,392Â Â 83,308Â ImpairmentÂ Â â€"Â Â 16,384Â Â 49,649Â Income tax expenseÂ Â 275Â Â (5,466)Â Â 628Â Â (5,663) EBITDAÂ Â 40,404Â Â 52,208Â Â 139,822Â Â 149,741Â Other financial items (a)Â Â 4,712Â Â (4,147)Â Â (1,797)Â (9,749) Adjusted EBITDAÂ \$45,116Â Â \$48,061Â Â \$138,025Â Â \$139,992Â Â (a)Other financial items consist of other finance income (expense), realized and unrealized gain (loss) on derivative instruments and net gain (loss) on foreign currency transactions. Â Â 12Â Â FORWARD-LOOKING STATEMENTS Â This press release contains certain forward-looking statements concerning future events and KNOT Offshore Partnersâ€™ operations, performance and financial condition. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words â€œbelieve,â€ â€œanticipate,â€ â€œexpect,â€ â€œestimate,â€ â€œproject,â€ â€œwill be,â€ â€œwill continue,â€ â€œwill likely result,â€ â€œplan,â€ â€œintendâ€ or words or phrases of similar meanings. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond KNOT Offshore Partnersâ€™ control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements include statements with respect to, among other things: Â Â market trends in the shuttle tanker or general tanker industries, including hire rates, factors affecting supply and demand, and opportunities for the profitable operations of shuttle tankers and conventional tankers; Â Â market trends in the production of oil in the North Sea, Brazil and elsewhere; Â Â Knutsen NYKâ€™s and KNOT Offshore Partnersâ€™ ability to build shuttle tankers and the timing of the delivery and acceptance of any such vessels by their respective charterers; Â Â KNOT Offshore Partnersâ€™ ability to purchase vessels from Knutsen NYK in the future; Â Â KNOT Offshore Partnersâ€™ ability to enter into long-term charters, which KNOT Offshore Partners defines as charters of five years or more, or shorter- term charters or voyage contracts; Â Â KNOT Offshore Partnersâ€™ ability to refinance its indebtedness on acceptable terms and on a timely basis and to make additional borrowings and to access debt and equity markets; Â Â KNOT Offshore Partnersâ€™ distribution policy, forecasts of KNOT Offshore Partnersâ€™ ability to make distributions on its common units, ClassÂ B Units and SeriesÂ A Preferred Units, the amount of any such distributions and any changes in such distributions; Â Â KNOT Offshore Partnersâ€™ ability to integrate and realize the expected benefits from acquisitions; Â Â impacts of supply chain disruptions and the resulting inflationary environment; Â Â KNOT Offshore Partnersâ€™ anticipated growth strategies; Â Â the effects of a worldwide or regional economic slowdown; Â Â turmoil in the global financial markets; Â Â fluctuations in currencies, inflation and interest rates; Â Â fluctuations in the price of oil; Â Â general market conditions, including fluctuations in hire rates and vessel values; Â Â changes in KNOT Offshore Partnersâ€™ operating expenses, including drydocking and insurance costs and bunker prices; Â Â recoveries under KNOT Offshore Partnersâ€™ insurance policies; Â Â the length and cost of drydocking; Â Â KNOT Offshore Partnersâ€™ future financial condition or results of operations and future revenues and expenses; Â Â the repayment of debt and settling of any interest rate swaps; Â Â 13Â Â Â planned capital expenditures and availability of capital resources to fund capital expenditures; Â Â KNOT Offshore Partnersâ€™ ability to maintain long-term relationships with major users of shuttle tonnage; Â Â KNOT Offshore Partnersâ€™ ability to leverage Knutsen NYKâ€™s relationships and reputation in the shipping industry; Â Â KNOT Offshore Partnersâ€™ ability to maximize the use of its vessels, including the re-deployment or disposition of vessels no longer under charter; Â Â the financial condition of KNOT Offshore Partnersâ€™ existing or future customers and their ability to fulfill their charter obligations; Â Â timely purchases and deliveries of newbuilds; Â Â future purchase prices of newbuilds and secondhand vessels; Â Â any impairment of the value of KNOT Offshore Partnersâ€™ vessels; Â Â KNOT Offshore Partnersâ€™ ability to compete successfully for future chartering and newbuild opportunities; Â Â acceptance of a vessel by its charterer; Â Â the impacts of the Russian war with Ukraine, the conflict between Israel and Hamas and the other conflicts in the Middle East; Â Â termination dates and extensions of charters; Â Â the expected cost of, and KNOT Offshore Partnersâ€™ ability to, comply with governmental regulations (including climate change regulations) and maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to KNOT Offshore Partnersâ€™ business; Â Â availability of skilled labor, vessel crews and management; Â Â the effects of outbreaks of pandemics or contagious diseases, including the impact on KNOT Offshore Partnersâ€™ business, cash flows and operations as well

as the business and operations of its customers, suppliers and lenders; KNOT Offshore Partners' general and administrative expenses and its fees and expenses payable under the technical management agreements, the management and administration agreements and the administrative services agreement; the anticipated taxation of KNOT Offshore Partners and distributions to its unitholders; estimated future capital expenditures; Marshall Islands economic substance requirements; KNOT Offshore Partners' ability to retain key employees; customers' increasing emphasis on climate, environmental and safety concerns; the impact of any cyberattack; potential liability from any pending or future litigation; potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists; future sales of KNOT Offshore Partners' securities in the public market; 14KNOT Offshore Partners' business strategy and other plans and objectives for future operations; and other factors listed from time to time in the reports and other documents that KNOT Offshore Partners files with the U.S. Securities and Exchange Commission, including its Annual Report on Form 20-F for the year ended December 31, 2023 and subsequent reports on Form 6-K. All forward-looking statements included in this release are made only as of the date of this release. New factors emerge from time to time, and it is not possible for KNOT Offshore Partners to predict all of these factors. Further, KNOT Offshore Partners cannot assess the impact of each such factor on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. KNOT Offshore Partners does not intend to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in KNOT Offshore Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based. 15