



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 995 146 584  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: KNUITSEN SHUTTLE TANKERS 3 AS  
Forretningsadresse: Smedasundet 40  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Karl Gerhard Bråstein Dahl  
Dato for fastsettelse av årsregnskapet: 25.02.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	2	257 428 607	384 658 909
Voyage expenses		-77 319 701	-81 606 193
Gain sale vessel		1 776 998	
<b>Sum inntekter</b>		<b>181 885 904</b>	<b>303 052 716</b>
<b>Kostnader</b>			
Crew-hire	10	73 856 555	77 063 001
Ordinary depreciation	5	126 328 398	109 703 711
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5	16 818 899	
Other expenses		43 130 224	54 521 443
Administration	6	23 709 268	24 716 992
<b>Sum kostnader</b>		<b>283 843 344</b>	<b>266 005 146</b>
<b>Driftsresultat</b>		<b>-101 957 441</b>	<b>37 047 570</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	8	3 882 958	4 171 830
Foreign exchange gain/loss		4 144 912	-44 026 816
<b>Sum finansinntekter</b>		<b>8 027 870</b>	<b>-39 854 986</b>
Financial expenses	8	12 580 688	21 623 060
<b>Sum finanskostnader</b>		<b>12 580 688</b>	<b>21 623 060</b>
<b>Netto finans</b>		<b>-4 552 818</b>	<b>-61 478 047</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-106 510 259</b>	<b>-24 430 477</b>
Taxes	14	-23 621 019	-5 362 420
<b>Ordinært resultat etter skattekostnad</b>		<b>-82 889 240</b>	<b>-19 068 057</b>
<b>Årsresultat</b>		<b>-82 889 240</b>	<b>-19 068 057</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-82 889 240</b>	<b>-19 068 057</b>
<b>Totalresultat</b>		<b>-82 889 240</b>	<b>-19 068 057</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
---------------------	-------------	-------------	-------------

---



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	14	39 513 472	49 219 190
<b>Sum immaterielle eiendeler</b>		<b>39 513 472</b>	<b>49 219 190</b>
<b>Varige driftsmidler</b>			
Vessels	5, 7	303 039 214	437 690 481
Dry-docking	5, 7		
<b>Sum varige driftsmidler</b>		<b>303 039 214</b>	<b>437 690 481</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	15	112 171	
<b>Sum finansielle anleggsmidler</b>		<b>112 171</b>	
<b>Sum anleggsmidler</b>		<b>342 664 857</b>	<b>486 909 671</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	4	14 454 642	11 667 424
<b>Sum varer</b>		<b>14 454 642</b>	<b>11 667 424</b>
<b>Fordringer</b>			
Receivables	9	46 221 276	34 814 093
Konsernfordringer		293 750 605	197 456 223
<b>Sum fordringer</b>		<b>339 971 881</b>	<b>232 270 316</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	3	19 008 452	12 859 223
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>19 008 452</b>	<b>12 859 223</b>
<b>Sum omløpsmidler</b>		<b>373 434 975</b>	<b>256 796 963</b>
<b>SUM EIENDELER</b>		<b>716 099 832</b>	<b>743 706 634</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	12, 13	300 000	300 000
Overkurs		20 547 041	20 547 041
Annen innskutt egenkapital		138 637 998	403 368 806
<b>Sum innskutt egenkapital</b>		<b>159 485 039</b>	<b>424 215 847</b>
<b>Sum egenkapital</b>	11	<b>159 485 039</b>	<b>424 215 847</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Konvertible lån	7		
Gjeld til kredittinstitusjoner	7	219 041 377	296 116 186
<b>Sum annen langsiktig gjeld</b>		<b>219 041 377</b>	<b>296 116 186</b>
<b>Sum langsiktig gjeld</b>		<b>219 041 377</b>	<b>296 116 186</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	9	9 428 742	8 426 547
Group contribution	11	300 000 000	
Utbytte		22 769 400	8 225 615
Accrued interest		247 203	295 756
Other current liabilities	9	5 128 072	6 426 684
<b>Sum kortsiktig gjeld</b>		<b>337 573 416</b>	<b>23 374 602</b>
<b>Sum gjeld</b>		<b>556 614 793</b>	<b>319 490 787</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>716 099 832</b>	<b>743 706 634</b>



## 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](http://www.skatteetaten.no)

Besøksadresse

Se [www.skatteetaten.no](http://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

  
Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Jan Høelstad



**KNOT** Knutsen  
NYK Offshore  
Tankers

## Knutsen Shuttle Tankers 3 AS

### Annual Report 2021



M/T “ Gijon Knutsen ”



M/T “ Siri Knutsen ”



M/T “ Anneleen Knutsen ”



M/T “ Betty Knutsen ”



Knutsen  
Group



NYK GROUP



## **KNUTSEN SHUTTLE TANKERS 3 AS**

### **REPORT OF THE BOARD OF DIRECTORS 2021**

Knutsen Shuttle Tankers 3 AS owns and operates the Knutsen NYK Offshore Tankers Groups fleet of 35 000 dwt shuttle tankers, the three sister vessels MT Anneleen Knutsen, MT Siri Knutsen and MT Gijon Knutsen delivered from the yards in the period 2002 to 2006. The 1999 delivered sister vessel, MT Betty Knutsen, was sold medio 2021 for recycling in Turkey.

Knutsen Shuttle Tankers 3 AS operates out of Haugesund, Norway and has no employees and working environment. The company hires the crew from KNOT Management Denmark A/S and other related companies. KNOT Management AS is the manager for M/ Anneleen Knutsen and MT Siri Knutsen and KNOT Management Denmark A/S, a subsidiary of KNOT Management AS, is manager of MT Gijon Knutsen.

#### **The company's activities**

Knutsen Shuttle Tankers 3 AS operates 3 shuttle tankers in the CoA and short-term time-charter shuttle tanker trade in the North Sea and special offshore charters. The vessels were originally constructed as product tankers and all of them have been converted to DP2 shuttle tankers. The spot market for ordinary tankers is used to optimize the utilization and profitability of the fleet.

#### **Result for the year**

The operating result for Knutsen Shuttle Tankers 3 AS was minus NOK 101 957 441 in 2021 compared to a profit of NOK 37 047 570 in 2020. After net financial expenses of NOK 4 552 818 in 2021, against net expenses of NOK 61 478 047 in 2020, the result for the year ended in a loss of NOK 82 889 240 in 2021 compared to a loss of NOK 19 068 057 in 2020.

The Board of Directors proposes result for the year covered by other paid-in equity and propose to pay NOK 300 000 000 in non tax deductible group contribution to the owner.

Total cash flow from operational activities was minus NOK 87 683 296 in 2021, compared to positive cash-flow of NOK 92 225 141 in 2020. The liquidity position was NOK 19 008 452 as per 31.12.2021 compared to NOK 12 859 223 as per 31.12.2020.

The company's short-term debt was 61 % of total debt as of 31.12.2021 including the group contribution, compared to 7 % as of 31.12.20.

Total capital was by the end of the year NOK 716 099 832, compared to NOK 743 706 634 the year before. The equity-share as of 31.12.2021 was 22 %, compared to 57 % per. 31.12.2020.

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 is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate.

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 the 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**

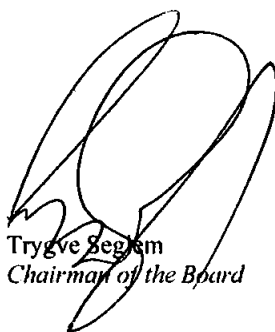
Shipping is being subjected to ever-stricter environment and safety requirements, and the company, the group and KNOT Management AS and KNOT Management Denmark A/S, as managers, have joint objectives concerning high quality of the operation of the vessels.

The company is not aware of any significant pollution to the external environment, and the Board of Directors considers the working conditions onboard the ships as satisfactory. All the vessels are certified in accordance with both ISM code and the ISPS code.

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.

### **Prospects**

The Board of Directors is continually seeking new business opportunities for the vessels operated by the company and has a close cooperation with Knutsen Shuttle Tankers Pool AS which operates the large shuttle tankers operating in the North Sea CoA market owned by the Knutsen NYK Offshore Tankers Group. The demand for new contracts in the markets and the reduction in the numbers of shuttle tankers operated in the North-Sea CoA business give the board all reason to believe that 2022 will be a satisfactory year for the fleet of vessels and the company.




Trygve Segtem  
Chairman of the Board

Haugesund, February 25, 2022



Takashi Domyo  
Member of the Board



Karl Gerhard Bråstein Dahl  
Member of the Board



## Knutsen Shuttle Tankers 3 AS

### Profit & Loss Account

	<u>Note</u>	2021	2020
<b><u>Operating Income</u></b>			
Freight income	2	257 428 607	384 658 909
Voyage expenses		-77 319 701	-81 606 193
Gain sale vessel		1 776 998	0
<i>Net Operating income</i>		<u>181 885 904</u>	<u>303 052 716</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	10	73 856 555	77 063 001
Other expenses		43 130 224	54 521 443
Administration	6	23 709 268	24 716 992
<i>Total Operating Expenses</i>		<u>140 696 048</u>	<u>156 301 435</u>
Ordinary depreciation	5	126 328 398	109 703 711
Write down	5	16 818 899	0
<i>Operating Result</i>		<u>-101 957 441</u>	<u>37 047 570</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	8	3 882 958	4 171 830
Foreign exchange gain/loss		4 144 912	-44 026 816
Financial expenses	8	-12 580 688	-21 623 060
<i>Net Financial Items</i>		<u>-4 552 818</u>	<u>-61 478 047</u>
<i>Result before taxes</i>		<u>-106 510 259</u>	<u>-24 430 477</u>
Taxes	14	23 621 019	5 362 420
Result for the year		-82 889 240	-19 068 057



**Knutsen Shuttle Tankers 3 AS**

Balance Sheet as of 31. December


<u>Assets</u>	<u>Note</u>	2021	2020
<b><u>Fixed Assets</u></b>			
Deferred tax assets	14	39 513 472	49 219 190
Vessels	5, 7	303 039 214	437 690 481
Investments in other group companies	15	112 171	0
<i>Total Fixed Assets</i>		<u>342 664 857</u>	<u>486 909 671</u>
<b><u>Current Assets</u></b>			
Inventories	4	14 454 642	11 667 424
Receivables	9	46 221 276	34 814 093
Current receivables group		142 265 436	1 705 246
Group contribution		151 485 169	195 750 977
Cash and cash equivalents	3	19 008 452	12 859 223
<i>Total Current Assets</i>		<u>373 434 975</u>	<u>256 796 963</u>
<i>TOTAL ASSETS</i>		<u>716 099 832</u>	<u>743 706 634</u>

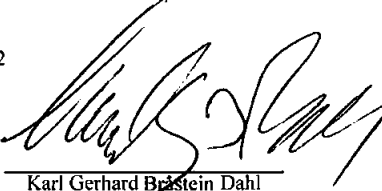


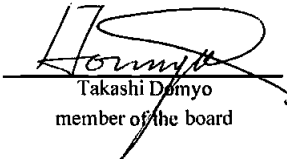
**Knutsen Shuttle Tankers 3 AS**  
Balance Sheet as of 31. December

<b><u>Shareholders' Equity and Liabilities</u></b>	<b><u>Note</u></b>	<b>2021</b>	<b>2020</b>
<b><u>Equity</u></b>			
Share capital	12, 13	300 000	300 000
Share premium		20 547 041	20 547 041
Other paid-up equity		138 637 998	403 368 806
<i>Total paid-up equity</i>		<u>159 485 039</u>	<u>424 215 847</u>
<i>Total Shareholders' Equity</i>	11	<u>159 485 039</u>	<u>424 215 847</u>
<b><u>Other non-current liabilities</u></b>			
Mortgage debt	7	<u>219 041 377</u>	<u>296 116 186</u>
<i>Total Long Term Liabilities</i>		<u>219 041 377</u>	<u>296 116 186</u>
<b><u>Current Liabilities</u></b>			
Accounts payable	9	9 428 742	8 426 547
Accrued interest		247 203	295 756
Group contribution	11	300 000 000	0
Current liabilities group		22 769 400	8 225 615
Other current liabilities	9	<u>5 128 072</u>	<u>6 426 684</u>
<i>Total Current Liabilities</i>		<u>337 573 416</u>	<u>23 374 602</u>
<i>Total liabilities</i>		<u>556 614 793</u>	<u>319 490 787</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u>716 099 832</u>	<u>743 706 634</u>

Haugesund, February 25, 2022

  
Trygve Seglem  
chairman of the board

  
Karl Gerhard Bråstein Dahl  
member of the board

  
Takashi Domyo  
member of the board



## KNUTSEN SHUTTLE TANKERS 3 AS

### CASH FLOW

	2021	2020
Total generated from operations 1)	52 872 480	108 798 244
Change in working capital	<u>-140 555 776</u>	<u>-16 573 103</u>
Net cashflow from operations	<u>-87 683 296</u>	<u>92 225 141</u>
Investment in vessel	-33 861 367	-797 467
Investment in group companies	-112 171	0
Sale vessel	<u>25 365 337</u>	<u>0</u>
Net cashflow from investments	<u>-8 608 201</u>	<u>-797 467</u>
Group contribution received	195 750 977	247 329 532
Dividends paid	0	-244 254 505
Proceeds from long-term debt	0	440 768 483
Repayment of long-term debt	-93 310 251	-540 223 886
Payment of debt issuance cost	<u>0</u>	<u>-4 899 203</u>
Net cashflow from financing	<u>102 440 726</u>	<u>-101 279 579</u>
Net cashflow for the year	6 149 229	-9 851 905
+ Cash balance per 1.1	<u>12 859 223</u>	<u>22 711 128</u>
= Cash Balance per 31.12.	<u>19 008 452</u>	<u>12 859 223</u>

#### 1) Generated from operations:

Result for the year before taxes	-106 510 259	-24 430 477
+ Ordinary depreciation vessel	126 328 398	109 703 711
+ Write Down	16 818 899	0
+ Amortized debt issuance cost	979 304	2 123 721
+/- Realized currency gain/loss mortgage de	<u>15 256 138</u>	<u>21 401 289</u>
= Total generated from operations	<u>52 872 480</u>	<u>108 798 244</u>



## KNUTSEN SHUTTLE TANKERS 3 AS

### Notes to financial statements 31.12.2021

#### **1 Accounting Principles**

The financial statement is prepared in accordance with Norwegian Accounting Act and generally accepted accounting standards.

##### **Income**

Income from the spot, CoA and time charter contracts is normally denominated in USD and is recorded with the exchange rate at the invoicing time, at maximum monthly, net of hedging impact. The Company recognises revenue from rendering of the service/contract over time, because the customer simultaneously receives and consumes the transportation services and can transport their products from loading- to discharging destination. The recognition of the spot-, CoA or time charter contract start at the time the Company deliver the delivery statement to the customer prior to loading until the redelivery statement after discharging have been issued. Income related expenses in the period between two customer contracts is expensed as incurred. The Company recognises revenue over time by measuring the progress towards complete satisfaction of the services, using the time period between the delivery statement and the redelivery statement.

##### **Inventory**

Inventories are valued according to the net realisable value principle.

##### **Fixed Assets and Dry-Docking**

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 and FSO's 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 are capitalised and depreciated over the period till the next 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 Profit & Loss statement the portion of the dry-docking expenses is presented under the heading "Depreciation". Actual expenses related to repair and maintenance of the vessel are expensed when the work is executed.



## **Transactions in Foreign Currency**

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

All current assets and current liabilities in foreign currency are registered at the rate of exchange as per 31.12. Realised foreign exchange gain and foreign exchange loss are registered as financial items.

The debt is valued at the historical rate, to the extent that future net nominal income flow in the same currency exceed the borrowed amount. To the extent that long-term debt exceeds the net nominal income flow, the unrealised foreign exchange loss on the exceeding amount is recorded.

Realised and unrealised foreign exchange loss are recorded under financial items. Foreign exchange gain is recorded as a financial income when actually realised.

## **Financial Instruments**

The treatment of foreign exchange and interest rate instruments in the accounts depends on the intention behind the agreement.

If the intention of the contracts is to hedge the company's exposure against fluctuations in interest rates and foreign exchange rates, then the income and expenses related to the hedging and the corresponding items in the balance sheet are classified in the same manner.

The company will from time to time step into/take over interest rate contracts from other group or related companies. The transfer of interest rate swaps between companies will be done with the financial counterpart's participation and will be sold/transferred to the new party at market value. The seller will take the value as a financial gain or loss into the profit and loss statement and the purchasing company will capitalize the value and amortize the value linearly to zero over the contract period.

## **Cash flow statement**

The cash flow statement is presented using the indirect method in accordance with NRS. Cash and cash equivalents includes cash, bank deposits and other short term and highly liquid investments.

## **Tax**

Taxable profit/loss is calculated based on the accounting profit/loss and the permanent and temporary differences that exist between accounting values and tax values at the end of the year.

Deferred tax is estimated on basis of the temporary differences in which exists between accounting related value and tax related value with the principal.

## **Related party transactions**

The Company has undertaken several agreements and transactions with related parties in the Knutsen NYK Offshore Tankers Group. The level of fees are based on market terms and are in accordance with the arm's length principle. KNOT Management AS delivers ship management services for two of the Company's vessel(s) and KNOT Management Denmark A/S mange M/T Gijon Knutsen. Ship management fee includes services like technical management, crewing management, IT and energy management.



## 2 Contracts

Knutsen Shuttle Tankers 3 AS operate three 35 000 dwt shuttle tankers. The vessels operate in CoA, short-term T/C and the spot market in North Sea/Northern Europe, and is mainly used for offshore- and shuttle mission on UK, Danish, Dutch and Norwegian sector in the North Sea. When not used in this context the ships operates spot as conventional product tankers. KNOT Management AS are responsible for the commercial operation and ship management under separate management agreements.

## 3 Bank deposit

The company doesn't have restricted cash per 31.12.

## 4 Inventories

Inventories refer to lube oil, stores and bunkers per 31.12.

## 5 Fixed Assets and Dry-Docking

	<u>2021</u>	<u>2020</u>
<b><u>Vessel</u></b>		
Historical value	1 152 807 500	1 152 740 837
Accumulated depreciation 1.1.	730 736 196	639 890 790
Book Value 1.1	422 071 303	512 850 046
Additions/Disposal	-15 673 958	66 664
Write-down vessel	16 818 899	0
Ordinary annual depreciation	104 851 454	90 845 406
Book value 31.12.	284 726 991	422 071 304

The economic life of the vessel is estimated to 23 years, and the vessel is depreciated accordingly.

### **Dry-Docking**

Capitalised dry-docking	79 807 362	79 076 559
Accumulated depreciation 1.1.	64 188 185	45 329 880
Capitalised dry-docking 1.1	15 619 178	33 746 680
Additions	24 169 988	730 803
Ordinary annual depreciation	21 476 944	18 858 305
Capitalised 31.12.	18 312 222	15 619 178
Total book value vessel 31.12.	303 039 214	437 690 481

The company changed in third quarter 2021 the useful life estimate for the vessels from 25 years to 23 years due to prevailing longer-term market trends. The company updated at the same time the estimated net sales price at the end of estimated life from NOK 0 at 25 years to estimated net sales price at end of the new estimated end of life.



## 6 Remuneration

No remuneration is paid to the Board members during the year.

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.

Auditor's remuneration (not including VAT):	2021	2020
Audit	85 620	66 625
Tax advice	0	0
	<u>85 620</u>	<u>66 625</u>

## 7 Mortgage debt and financial instruments

	<u>31-12-21</u>	USD	Historical rate	Rate as at 31.12	NOK
USD-loan		30 381 076	7,3216	7,3216	222 438 086
Deferred debt issuance costs					<u>-3 396 709</u>
					<u>219 041 377</u>
Current portion		10 656 549	7,3216	7,3216	78 022 989
Deferred debt issuance costs					<u>-998 085</u>
					<u>77 024 904</u>

	<u>31-12-20</u>	USD	Historical rate	Rate as at 31.12	NOK
USD-loan		41 041 876	7,3216	7,3216	300 492 199
Deferred debt issuance costs					<u>-4 376 013</u>
					<u>296 116 186</u>
Current portion		10 660 800	7,3216	7,3216	78 054 113
Deferred debt issuance costs					<u>-998 085</u>
					<u>77 056 028</u>

The NOK/USD exchange rate at the year-end was 8,8363 (8,5375 as per 31.12.2020)

The company has aimed to reduce the market risk by entering financial contracts. Hedge accounting has been applied for revenue in USD (cash flow hedge). Loans in USD are used as hedging instrument. The profit and loss impact of the hedging instrument (loan in USD) 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 contracts in USD exceed debt in USD. Therefore it is not recognized foreign exchange gains/losses on USD debt on the basis of the year-end exchange rate. Per 31.12.2021 the not recorded foreign exchange loss (i.e. off-balance) is NOK 46 million compared to a loss of NOK 50 million as per 31.12.2020.



The company is exposed to fluctuations in foreign exchange, especially USD, as the company's income is denominated in USD. Though, since the majority of the company's operating expenses and financial costs also are denominated in USD, this limits the company's foreign exchange risk. The company is also exposed to changes in the interest rate level, the company has none interest rate swaps at year end.

Security for the loan is made through a first priority mortgage in the vessel and transportation of income.

Book value of mortgaged assets is NOK 303 million, compared to NOK 438 million in 2020.

Outstanding debt with more than five years to maturity is estimated to USD 0 millions.

## 8 Financial Income and -Expenses

	<u>2021</u>	<u>2020</u>
<b>Financial Income</b>		
Interest income	38	81 709
Interest from group companies/related parties	2 940 700	4 090 121
Dividend	942 220	0
Total financial income	<u>3 882 958</u>	<u>4 171 830</u>
<b>Financial Expenses</b>		
Interest to group companies/related parties	0	251 279
Other interest expenses	10 661 035	17 872 379
Guarantee expenses to related parties	1 571 634	2 155 836
Other financial expenses	348 020	212 766
Financial expenses related	0	1 130 800
Total financial expenses	<u>12 580 688</u>	<u>21 623 060</u>

## 9 Balances with related parties

	<u>2021</u>	<u>2020</u>
<b><u>Accounts payable</u></b>		
Knutsen OAS Crewing AS	5 410	9 629
Knutsen VOC KS	533 289	0
Knutsen OAS Management AS	39 082	0
Knutsen OAS Shipping AS	15 405	112 500
Knutsen OAS Offshore AS	1 435	0
	<u>594 620</u>	<u>122 129</u>
<b><u>Other short term liabilities</u></b>		
Knutsen Shuttle Tankers 13 AS	1 264	0
KNOT Shuttle Tankers 32 AS	0	1 264
<b><u>Receivables</u></b>		
Knutsen OAS Crewing AS	5 410	0
Knutsen Shuttle Tankers 15 AS	196 521	0
KNOT Shuttle Tankers 17 AS	46 896	0
Knutsen OAS Shipping AS	650 733	713 181
	<u>899 561</u>	<u>713 181</u>



## 10 Crew Hire

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.

<u>Specifications</u>	<u>2021</u>	<u>2020</u>
Government grant crew expenses	-6 880 810	-8 227 057

## 11 Equity

Specification of the equity per 31.12.

	<u>Share capital</u>	<u>Share premium</u>	<u>Other paid-in capital</u>	<u>Other equity</u>	<u>Total Total equity</u>
Equity 1.1	300 000	20 547 041	403 368 806	0	424 215 847
Group contribution given	0	0	-300 000 000	0	-300 000 000
Group contribution received	0	0	118 158 432	0	118 158 432
Result of the year	0	0	-82 889 240	0	-82 889 240
Equity 31.12.	300 000	20 547 041	138 637 998	0	159 485 039

## 12 Share capital

Share capital consists of

	<u>Number of shares</u>	<u>Face value (NOK)</u>	<u>Balance post</u>
Ordinary shares	100	3 000	300 000
	<u>Ordinary shares</u>	<u>Ownership %</u>	<u>Voting share</u>
Knutsen NYK Offshore Tankers AS	100	100%	100%

Consolidated financial statements for Knutsen NYK Offshore Tankers Group can be obtained at the company office, Smedasundet 40, 5529 Haugesund.

## 13 Shares Owned by Board Members and Affiliates

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



## 14 Tax

Deferred tax/ -benefits are calculated based on the temporary differences existing at the year-end between financial and taxable values, and the taxable deficit carried forward. Below a specification of the temporary differences and taxable deficit carried forward are given, as well as a calculation of the deferred tax at the year-end.

	<u>2021</u>	<u>Change</u>	<u>2020</u>
Gain and loss account	-63 536 059	63 536 059	0
Temporary difference vessel	-85 310 900	-25 439 549	-110 750 449
Temporary difference debt	3 396 709	979 305	4 376 014
Loss carried forward	0	-83 192 718	-83 192 718
Deductible interest carried forward	-34 156 441	0	-34 156 441
Base for deferred tax calculation	<u>-179 606 692</u>	<u>-44 116 903</u>	<u>-223 723 595</u>
Deferred tax / (benefit)	<u>-39 513 472</u>	<u>9 705 719</u>	<u>-49 219 190</u>

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

	<u>2021</u>	<u>2020</u>
Result before tax	-106 510 259	-24 430 477
Permanent differences	-858 007	55 836
Change in temporary differences	39 075 815	16 916 343
Group contribution received	151 485 169	195 750 977
Loss carried forward	<u>-83 192 718</u>	<u>-188 292 680</u>
Tax base	<u>0</u>	<u>0</u>

### Calculation of tax expenses

Tax payable	0	0
Tax effect group contribution	-33 326 737	-43 065 215
Change deferred tax/ (tax benefit)	9 705 719	37 702 794
<b>Tax calculated</b>	<b><u>-23 621 019</u></b>	<b><u>-5 362 420</u></b>

## 15 Investments in other group companies

<u>Company:</u>	<u>share capital</u>	<u>Owner and voting share</u>	<u>Historic cost</u>	<u>Equity 31.12.2021</u>	<u>Result 2021</u>
Knutsen Atlantic Chartering AS	1 176 000	10%	112 171	1 176 000	244 065



Statsautoriserte revisorer  
Ernst & Young AS

Dronning Eufemias gate 6A, NO-0191 Oslo  
Postboks 1156 Sentrum, NO-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 Knutsen Shuttle Tankers 3 AS

### Opinion

We have audited the financial statements of Knutsen Shuttle Tankers 3 AS (the Company), which comprise the balance sheet as at 31 December 2021, the profit & loss accounts 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 2021 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 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, 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



Building a better  
working world

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, 25 February 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)

Independent auditor's report - Knutsen Shuttle Tankers 3 AS 2021

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: 1TMEK-47PXG-C4TDH-2F2EU-C1DWW-B5WXE



# 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."

## Magnus Hegertun Birkeland

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5990-4-2796687

IP: 213.52.xxx.xxx

2022-02-25 11:45:36 UTC



Penneo Dokumentnøkkel: 1TMEK-47PXG-C4TDH-2F2EU-C1DWW-B5WXE

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/validate>