



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 146 584
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNUTSEN SHUTTLE TANKERS 3 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: 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: 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, 01.05.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	287 488 503	382 486 096
Gain sale vessel		177 895 802	28 334 355
Sum inntekter		465 384 305	410 820 452
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		118 183 974	165 778 136
Commissions		3 396 838	4 146 468
Crew-hire	2	56 367 895	60 175 137
Ordinary depreciation	3	64 855 753	75 500 192
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		
Other expenses		31 562 604	37 498 647
Administration	2	15 808 871	20 218 576
Sum kostnader		290 175 935	363 317 157
Driftsresultat		175 208 371	47 503 295
Finansinntekter og finanskostnader			
Financial income	4	9 665 935	1 072 234
Foreign exchange gain/loss		17 124 167	7 208 485
Sum finansinntekter		26 790 103	8 280 719
Financial expenses	4	18 130 592	13 808 674
Sum finanskostnader		18 130 592	13 808 674
Netto finans		8 659 511	-5 527 955
Ordinært resultat før skattekostnad		183 867 882	41 975 339
Taxes	5	40 459 304	9 245 913
Ordinært resultat etter skattekostnad		143 408 578	32 729 426
Årsresultat		143 408 578	32 729 426
Årsresultat etter minoritetsinteresser		143 408 578	32 729 426



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Totalresultat		143 408 578	32 729 426



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		32 286 190
Sum immaterielle eiendeler			32 286 190
Varige driftsmidler			
Vessels	3, 6	147 947 890	212 803 643
Dry-docking	3, 6		
Sum varige driftsmidler		147 947 890	212 803 643
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	7	657 841	112 171
Sum finansielle anleggsmidler		657 841	112 171
Sum anleggsmidler		148 605 731	245 202 003
Omløpsmidler			
Varer			
Inventories	8	9 739 187	13 254 705
Sum varer		9 739 187	13 254 705
Fordringer			
Receivables		17 967 914	39 758 158
Other short-term receivables		22 586 164	9 544 432
Konsernfordringer		85 255 035	5 415 244
Krav på innbetaling av selskapskapital			2 350 369
Sum fordringer		125 809 113	57 068 203
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	9	21 529 157	64 709 635
Sum bankinnskudd, kontanter og lignende		21 529 157	64 709 635
Sum omløpsmidler		157 077 457	135 032 544
SUM EIENDELER		305 683 188	380 234 547



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10	300 000	300 000
Overkurs		20 547 041	20 547 041
Annen innskutt egenkapital		13 410 866	142 483 551
Sum innskutt egenkapital		34 257 907	163 330 591
Opptjent egenkapital			
Other equity		67 787 217	25 572 460
Sum opptjent egenkapital		67 787 217	25 572 460
Sum egenkapital	10, 11	102 045 124	188 903 052
Gjeld			
Langsiktig gjeld			
Utsatt skatt		864 656	
Sum avsetninger for forpliktelser		864 656	
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6	91 295 286	141 997 692
Sum annen langsiktig gjeld		91 295 286	141 997 692
Sum langsiktig gjeld		92 159 942	141 997 692
Kortsiktig gjeld			
Sertifikatlån		713 409	12 768
Leverandørgjeld		1 274 252	2 470 704
Group contribution	11	96 950 463	9 175 597
Utbytte		4 635 032	29 432 669
Accrued interest		360 599	490 964
Other current liabilities		7 544 366	7 751 103
Sum kortsiktig gjeld		111 478 122	49 333 804
Sum gjeld		203 638 063	191 331 496



Balanse

Beløp i: NOK	Note	2023	2022
SUM EGENKAPITAL OG GJELD		305 683 188	380 234 547



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Name	Method	Signed at
Seglem, Trygve	BANKID	2024-02-23 13:21 GMT+01
Domyo, Takashi	BANKID	2024-02-23 13:15 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-02-23 13:14 GMT+01



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KNOT

Knutsen
NYK Offshore
Tankers

Knutsen Shuttle Tankers 3 AS

Annual Report 2023



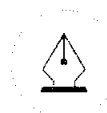
M/T “ Gijon Knutsen ”



M/T “ Siri Knutsen ”



Knutsen
Group



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KNUTSEN SHUTTLE TANKERS 3 AS

REPORT OF THE BOARD OF DIRECTORS 2023

Knutsen Shuttle Tankers 3 AS owns and operates the Knutsen NYK Offshore Tankers Groups fleet of 35 000 dwt shuttle tankers, the two sister vessels MT Siri Knutsen and MT Gijon Knutsen delivered from the yards in 2004 and 2006. The 2002 delivered sister vessel, MT Anneleen Knutsen, was sold in September 2022 for further trade. The group company KNOT Shuttle Tankers 23 AS was merged into the company with accounting and tax effect from 1 January 2023. The vessel, MT Grena Knutsen, owned by KNOT Shuttle Tankers 23 AS was sold 2 February 2023.

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 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 2 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 both 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 NOK 175 208 371 in 2023 compared to NOK 47 503 295 in 2022. After net financial income of NOK 8 659 511 in 2023, against net expenses of NOK 5 527 955 in 2022, the result for the year ended on NOK 143 408 578 in 2023 compared to NOK 32 729 426 in 2022.

The Board of Directors proposes to give the tax-deductible group contribution of NOK 96 950 463 to the owner with an equity effect of NOK 75 621 361 and transfer the rest of the result for the year to other equity.

Total cash flow from operational activities was NOK 158 838 082 in 2023, compared to NOK 249 942 431 in 2022. The liquidity position was NOK 21 529 157 as per 31.12.2023 compared to NOK 64 709 635 as per 31.12.2022.

The company's short-term debt was 54 % of total debt as of 31.12.2023 including the group contribution, compared to 26 % as of 31.12.22.

Total capital was by the end of the year NOK 305 683 188, compared to NOK 380 234 547 the year before. The equity-share as of 31.12.2023 was 34 %, compared to 50 % per. 31.12.2022.



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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

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

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



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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

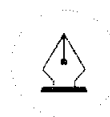
The Board of Directors is continually seeking new business opportunities for the vessels operated by the company and has a close cooperation with Knutsen Shuttle Tankers Pool AS which operates the large shuttle tankers operating in the North Sea CoA market owned by the Knutsen NYK Offshore Tankers Group. 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 2024 will be a satisfactory year for the fleet of vessels and the company.

Haugesund, February 23, 2024

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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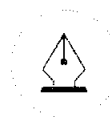
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Knutsen Shuttle Tankers 3 AS

Profit & Loss Account

	<u>Note</u>	2023	2022
<u>Operating Income</u>			
Freight income	1	287 488 503	382 486 096
Gain sale vessel		177 895 802	28 334 355
<i>Net Operating income</i>		<u>465 384 305</u>	<u>410 820 452</u>
<u>Operating Expenses</u>			
Commissions		3 396 838	4 146 468
Voyage related expenses		118 183 974	165 778 136
Crew-hire	2	56 367 895	60 175 137
Other expenses		31 562 604	37 498 647
Administration	2	15 808 871	20 218 576
<i>Total Operating Expenses</i>		<u>225 320 182</u>	<u>287 816 965</u>
Ordinary depreciation	3	64 855 753	75 500 192
<i>Operating Result</i>		<u>175 208 371</u>	<u>47 503 295</u>
<u>Financial Income and Expenses</u>			
Financial income	4	9 665 935	1 072 234
Foreign exchange gain/loss		17 124 167	7 208 485
Financial expenses	4	-18 130 592	-13 808 674
<i>Net Financial Items</i>		<u>8 659 511</u>	<u>-5 527 955</u>
<i>Result before taxes</i>		<u>183 867 882</u>	<u>41 975 339</u>
Taxes	5	-40 459 304	-9 245 913
Result for the year		143 408 578	32 729 426



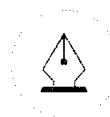
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Knutsen Shuttle Tankers 3 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2023	2022
<u>Fixed Assets</u>			
Deferred tax assets	5	0	32 286 190
Vessels	3, 6	147 947 890	212 803 643
Investments in other group companies	7	657 841	112 171
<i>Total Fixed Assets</i>		<u>148 605 731</u>	<u>245 202 003</u>
<u>Current Assets</u>			
Inventories	8	9 739 187	13 254 705
Receivables		17 967 914	39 758 158
Other short-term receivables		22 586 164	9 544 432
Current receivables group		85 255 035	5 415 244
Receivables from related parties		0	2 350 369
Cash and cash equivalents	9	21 529 157	64 709 635
<i>Total Current Assets</i>		<u>157 077 457</u>	<u>135 032 544</u>
TOTAL ASSETS		<u>305 683 188</u>	<u>380 234 547</u>



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Knutsen Shuttle Tankers 3 AS

Balance Sheet as of 31. December

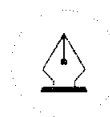
<u>Shareholders' Equity and Liabilities</u>	<u>Note</u>	2023	2022
<u>Equity</u>			
Share capital	10	300 000	300 000
Share premium		20 547 041	20 547 041
Other paid-up equity		13 410 866	142 483 551
<i>Total paid-up equity</i>		<u>34 257 907</u>	<u>163 330 591</u>
Other equity		67 787 217	25 572 460
<i>Total Shareholders' Equity</i>	10, 11	<u>102 045 124</u>	<u>188 903 052</u>
<u>Other non-current liabilities</u>			
Deferred tax		864 656	0
Mortgage debt	6	91 295 286	141 997 692
<i>Total Long Term Liabilities</i>		<u>92 159 942</u>	<u>141 997 692</u>
<u>Current Liabilities</u>			
Payables to related parties		713 409	12 768
Accounts payable		1 274 252	2 470 704
Accrued interest		360 599	490 964
Group contribution	11	96 950 463	9 175 597
Current liabilities group		4 635 032	29 432 669
Other current liabilities		7 544 366	7 751 103
<i>Total Current Liabilities</i>		<u>111 478 122</u>	<u>49 333 804</u>
<i>Total liabilities</i>		<u>203 638 063</u>	<u>191 331 496</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>305 683 188</u>	<u>380 234 547</u>

Haugesund, February 23, 2024

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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KNUTSEN SHUTTLE TANKERS 3 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	183 867 882	41 975 339
-Gain sale vessel	-177 895 802	-28 334 355
+ Ordinary depreciation	64 855 753	75 500 192
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	70 797 664	24 618 715
+ Financial expenses - liabilities to financial institutions	979 304	979 304
= Total generated from operations	142 604 801	114 739 195
+ Net received on current assets	53 522 391	132 618 445
+ Net received on current liabilities	-37 289 110	2 584 791
Net cashflow from operations	158 838 082	249 942 431
<u>Cashflow from investments</u>		
Upgrading of vessel	0	-5 986 924
Drydocking	0	-12 456 004
Sale of vessel	267 948 139	61 512 662
Net cashflow from investments	267 948 139	43 069 734
<u>Cashflow from financing</u>		
Merger	34 915 535	0
Repayment of vessel financing	-282 326 037	-102 641 704
Equity received - group contribution received	0	192 796 822
Group contribution paid-out	-67 811 053	-300 000 000
Dividend paid-out	-154 745 144	-37 466 100
Net cashflow from financing	-469 966 699	-247 310 982
Net cashflow for the year	-43 180 479	45 701 183
+ Bank deposits per 01.01.	64 709 635	19 008 452
= Bank deposits per 31.12.	21 529 157	64 709 635



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KNUTSEN SHUTTLE TANKERS 3 AS

Notes to the Financial Statement 31.12.2023

KNOT Shuttle Tankers 23 AS was merged into the company in 2023. The merger is booked with effect from 1 January 2023 and based on continuity for accounts and tax values. The profit loss numbers for 2022 have not been corrected to reflect the merged business.

Accounting Principles

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

Going concern

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

Transactions in Foreign Currency

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

Related party transactions

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

1 Contracts

Knutsen Shuttle Tankers 3 AS currently operate two 35 000 dwt shuttle tankers. The vessel named Anneleen Knutsen was sold 6 September 2022, and the vessel named Grenu Knutsen was sold 2 February 2023. 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.

The income from the time charter contract and CoA agreement is received in united states dollars, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

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

2 Employees and remuneration

The company has no employees and thereby no pension liabilities (under the new OTP regulation). The company hires the crew from related crewing companies in accordance with separate crewing agreements.

	2023	2022
Grants crew expenses	-2 479 341	-3 492 085

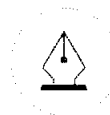
The company have not paid salary or any other remuneration, nor given any loan or guarantees to any leading person or board members during the year.

Auditors remuneration (excl. VAT):	2023	2022
Audit	133 350	69 800

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.



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<u>Vessel</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	690 195 663	929 707 989
Accumulated depreciation and impairment 01.01.	493 982 124	644 980 996
Book Value 01.01.	196 213 540	284 726 993
Additions	0	5 986 924
Addition at historical cost - merger	272 097 935	0
Addition at historical cost - merger acc. Depreciation	188 589 748	0
Disposals cost price	272 097 935	245 499 250
Annual depreciation	51 647 704	61 322 070
Disposals depreciation and impairment	188 589 748	212 320 942
Book value 31.12.	144 565 836	196 213 540

<u>Dry-Docking</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	32 605 703	49 002 687
Accumulated depreciation and impairment 01.01.	16 015 600	30 690 466
Capitalised dry-docking 01.01.	16 590 103	18 312 221
Addition at historical cost - merger	15 072 549	0
Addition at historical cost - merger acc. Depreciation	8 528 399	0
Additions - capitalised dry-docking	0	12 456 004
Disposals cost price	15 072 549	28 852 988
Annual depreciation	13 208 049	14 178 122
Disposals depreciation and impairment	8 528 399	28 852 988
Book value 31.12.	3 382 054	16 590 103

Total book value vessel 31.12. 147 947 890 212 803 643

4 Financial Income and -Expenses

<u>Financial Income</u>	<u>2023</u>	<u>2022</u>
Interest income	3 761 146	911 851
Interest income from group companies	5 904 790	160 382
Total financial income	9 665 935	1 072 234

<u>Financial Expenses</u>	<u>2023</u>	<u>2022</u>
Interest expenses to group companies	1 003 468	1 961
Other interest expenses	15 815 257	12 237 155
Guarantee fee to group companies	933 266	1 233 359
Other financial expenses	378 601	336 199
Total financial expenses	18 130 592	13 808 674

5 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.

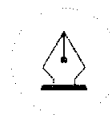
	<u>31.12.2023</u>	<u>Change</u>	<u>Merged 01.01.2023</u>
Gain and loss account	94 611 988	-179 235 388	-84 623 400
Temporary difference vessel	-62 538 026	46 308 402	-16 229 625
Temporary difference debt	1 438 102	48 991 707	50 429 808
Deductible interest carried forward	-29 581 802	-3 020 193	-32 601 995
Base for deferred tax calculation	3 930 261	-86 955 472	-83 025 212
Deferred tax (benefit) based on 22 %	-864 656	-19 130 202	18 265 547

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

	<u>2023</u>	<u>2022</u>
Result before tax	183 867 882	41 975 339
Non-deductible items	38 052	51 537
Change in temporary differences	-83 935 279	-31 296 833
Group contribution received	0	0
Group contribution given	-96 950 463	-9 175 597
Deductible interest carried forward	-3 020 193	-1 554 446
Tax base	0	0

Calculation of tax expenses

Tax payable	0	0
Tax effect group contribution	21 329 102	2 018 631
Change deferred tax: (tax benefit)	19 130 202	7 227 281
Tax calculated	40 459 304	9 245 913



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6 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 ineffective 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 amount	Hedge accounting rate 31.12.	Accounting balance	
				2023	2022
Mortgage debt	USD	12 665 727	7.3216	92 733 387	144 415 097
Debt issuance cost				-1 438 101	-2 417 405
Liabilities to financial institutions				91 295 286	141 997 692

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):	-36 488 693	-50 987 902

Amounts due within 12 months of the balance sheet date:

Mortgage debt	51 647 774	51 681 710
Debt issuance cost	-981 987	-979 304
Liabilities to financial institutions	50 665 787	50 702 406

Repayment profile:

0 - 12 months	7 054 165	7 058 800
13 - 24 months	2 806 000	7 054 165
25 - 36 months	2 805 562	2 806 000
37 - 48 months	0	2 805 562
49 - 60 months	0	0
After 60 months	0	0
	12 665 727	19 724 527

The exchange rate at the year-end	USD/NOK	10,2025	9,9066
-----------------------------------	---------	---------	--------

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 148 million.

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.

7 Investments in other group companies

Company:	Company's share	Owner and voting share	Historic cost	Equity 31.12.2023	Result 2023
Knutsen Atlantic Chartering AS	1 176 000	10 %	112 171	174 527 852	-453 346
Knutsen Newfoundland Chartering AS	200 000	10 %	545 670	6 113 323	236 894

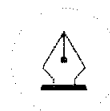
8 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube oil	2 157 834	2 199 301
Bunker	7 581 353	11 055 404
Total inventory	9 739 187	13 254 705

9 Bank deposit

According to the loan agreement the company is restricted to keep a cash balance of at least USD 1 000 000. Which equals NOK 10 202 500 as of 31.12.2023.



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10 Equity

Specification of the equity per 31.12.

	Share capital	Share premium	Other paid-in capital	Other equity	Total equity
Equity 1.1	300 000	20 547 041	142 483 551	25 572 460	188 903 052
Dividend given	0	0	-129 172 684	-25 572 460	-154 745 144
Merger	0	0	100 000	0	100 000
Result of the year	0	0	0	143 408 578	143 408 578
Group contribution given	0	0	0	-75 621 361	-75 621 361
Equity 31.12.	300 000	20 547 041	13 410 866	67 787 217	102 045 124

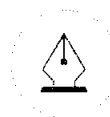
Share capital consist of 100 shares à NOK 3,000.

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

Knutsen Shuttle Tankers 3 AS have been merged with KNOT Shuttle Tankers 23 AS where Knutsen Shuttle Tankers 3 AS is the surviving company. The merge has been effectuated in 2023 and is registered in financial- and tax accounts on continuity basis with effect from 1 January 2023.

11 Shares Owned by Board Members and Affiliates

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



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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 2023, the profit and loss account 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 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 and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 23 February 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorized Public Accountant (Norway)

Independent auditor's report – Knutsen Shuttle Tankers 3 AS 2023

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"By my signature I confirm all dates and content in this document."

Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

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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

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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/forretningsspråk..."

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