



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

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: 27.02.2023

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 26.05.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Freight income	1	382 486 096	257 428 607
Gain sale vessel		28 334 355	1 776 998
Sum inntekter		410 820 452	259 205 605
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		165 778 136	75 067 326
Commissions		4 146 468	2 252 375
Crew-hire	2	60 175 137	73 856 555
Ordinary depreciation	3	75 500 192	126 328 398
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		16 818 899
Other expenses		37 498 647	42 744 640
Administration	2	20 218 576	24 094 852
Sum kostnader		363 317 157	361 163 045
Driftsresultat		47 503 295	-101 957 441
Finansinntekter og finanskostnader			
Financial income	4	1 072 234	3 882 958
Foreign exchange gain/loss		7 208 485	4 144 912
Sum finansinntekter		8 280 719	8 027 870
Financial expenses	4	13 808 674	12 580 688
Sum finanskostnader		13 808 674	12 580 688
Netto finans		-5 527 955	-4 552 818
Ordinært resultat før skattekostnad		41 975 339	-106 510 259
Taxes	5	9 245 913	-23 621 019
Ordinært resultat etter skattekostnad		32 729 426	-82 889 240
Årsresultat		32 729 426	-82 889 240
Årsresultat etter minoritetsinteresser		32 729 426	-82 889 240



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Totalresultat		32 729 426	-82 889 240



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	32 286 190	39 513 472
Sum immaterielle eiendeler		32 286 190	39 513 472
Varige driftsmidler			
Vessels	3, 6	212 803 643	303 039 214
Dry-docking	3, 6		
Sum varige driftsmidler		212 803 643	303 039 214
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	7	112 171	112 171
Sum finansielle anleggsmidler		112 171	112 171
Sum anleggsmidler		245 202 003	342 664 857
Omløpsmidler			
Varer			
Inventories	8	13 254 705	14 454 642
Sum varer		13 254 705	14 454 642
Fordringer			
Receivables		39 758 158	36 646 122
Other short-term receivables		9 544 432	9 331 736
Konsernfordringer		5 415 244	293 750 605
Krav på innbetaling av selskapskapital		2 350 369	243 418
Sum fordringer		57 068 203	339 971 881
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	9	64 709 635	19 008 452
Sum bankinnskudd, kontanter og lignende		64 709 635	19 008 452
Sum omløpsmidler		135 032 544	373 434 975
SUM EIENDELER		380 234 547	716 099 832



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	10	300 000	300 000
Overkurs		20 547 041	20 547 041
Annen innskutt egenkapital		142 483 551	138 637 998
Sum innskutt egenkapital		163 330 591	159 485 039
Opptjent egenkapital			
Other equity		25 572 460	
Sum opptjent egenkapital		25 572 460	
Sum egenkapital	10, 11	188 903 052	159 485 039
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6	141 997 692	219 041 377
Sum annen langsiktig gjeld		141 997 692	219 041 377
Sum langsiktig gjeld		141 997 692	219 041 377
Kortsiktig gjeld			
Sertifikatlån		12 768	595 884
Leverandørgjeld		2 470 704	8 834 122
Group contribution	11	9 175 597	300 000 000
Utbytte		29 432 669	22 769 400
Accrued interest		490 964	247 203
Other current liabilities		7 751 103	5 126 808
Sum kortsiktig gjeld		49 333 804	337 573 416
Sum gjeld		191 331 496	556 614 793
SUM EGENKAPITAL OG GJELD		380 234 547	716 099 832



Admincontrol

List of Signatures Page 1/1

23S3 Knutsen Shuttle Tankers 3 AS 2022.pdf

Name	Method	Signed at
Domyo, Takashi	BANKID	2023-02-24 12:44 GMT+01
Seglem, Trygve	BANKID	2023-02-24 11:52 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-02-24 11:29 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.
External reference: 9704D8D4E18347AD801CE89939A97718



KNOT

Knutsen
NYK Offshore
Tankers

Knutsen Shuttle Tankers 3 AS

Annual Report 2022



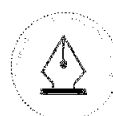
M/T “ Gijon Knutsen ”



M/T “ Siri Knutsen ”



Knutsen
Group



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

Document ID:
9704D8D4E18347AD801CE89939A97718

KNUTSEN SHUTTLE TANKERS 3 AS**REPORT OF THE BOARD OF DIRECTORS 2022**

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.

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 47 503 295 in 2022 compared to a loss of NOK 101 957 441 in 2021. After net financial expenses of NOK 5 527 955 in 2022, against net expenses of NOK 4 552 818 in 2021, the result for the year ended on NOK 32 729 426 in 2022 compared to a loss of NOK 82 889 240 in 2021.

The Board of Directors proposes to give the tax-deductible group contribution of NOK 9 175 597 to the owner with an equity effect of NOK 7 156 966 and transfer the rest of the result for the year to other equity.

Total cash flow from operational activities was NOK 249 942 431 in 2022, compared to NOK 89 460 294 in 2021. The liquidity position was NOK 64 709 635 as per 31.12.2022 compared to NOK 19 008 452 as per 31.12.2021.

The company's short-term debt was 26 % of total debt as of 31.12.2022 including the group contribution, compared to 61 % as of 31.12.21.

Total capital was by the end of the year NOK 380 234 547, compared to NOK 716 099 832 the year before. The equity-share as of 31.12.2022 was 50 %, compared to 22 % per. 31.12.2021.



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

Document ID:
9704D8D4E18347AD801CE89939A97718



The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most 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, 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 2022.

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 account for these due diligence assessments and other obligations pursuant to the Act's section 5 will be included in a report here www.knutsenoas.com within 30 June 2023.



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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 2023 will be a satisfactory year for the fleet of vessels and the company.

Haugesund, February 24, 2023

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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

Document ID:
9704D8D4E18347AD801CE89939A97718



Knutsen Shuttle Tankers 3 AS

Profit & Loss Account

	<u>Note</u>	2022	2021
<u>Operating Income</u>			
Freight income	1	382 486 096	257 428 607
Gain sale vessel		28 334 355	1 776 998
<i>Net Operating income</i>		<u>410 820 452</u>	<u>259 205 605</u>
<u>Operating Expenses</u>			
Commissions		4 146 468	2 252 375
Voyage related expenses		165 778 136	75 067 326
Crew-hire	2	60 175 137	73 856 555
Other expenses		37 498 647	42 744 640
Administration	2	20 218 576	24 094 852
<i>Total Operating Expenses</i>		<u>287 816 965</u>	<u>218 015 748</u>
Ordinary depreciation	3	75 500 192	126 328 398
Write down	3	0	16 818 899
<i>Operating Result</i>		<u>47 503 295</u>	<u>-101 957 441</u>
<u>Financial Income and Expenses</u>			
Financial income	4	1 072 234	3 882 958
Foreign exchange gain/loss		7 208 485	4 144 912
Financial expenses	4	-13 808 674	-12 580 688
<i>Net Financial Items</i>		<u>-5 527 955</u>	<u>-4 552 818</u>
<i>Result before taxes</i>		<u>41 975 339</u>	<u>-106 510 259</u>
Taxes	5	-9 245 913	23 621 019
Result for the year		32 729 426	-82 889 240



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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

<u>Assets</u>	<u>Note</u>	2022	2021
<u>Fixed Assets</u>			
Deferred tax assets	5	32 286 190	39 513 472
Vessels	3, 6	212 803 643	303 039 214
Investments in other group companies	7	112 171	112 171
<i>Total Fixed Assets</i>		<u>245 202 003</u>	<u>342 664 857</u>
<u>Current Assets</u>			
Inventories	8	13 254 705	14 454 642
Receivables		39 758 158	36 646 122
Other short-term receivables		9 544 432	9 331 736
Current receivables group		5 415 244	142 265 436
Group contribution		0	151 485 169
Receivables from related parties		2 350 369	243 418
Cash and cash equivalents	9	64 709 635	19 008 452
<i>Total Current Assets</i>		<u>135 032 544</u>	<u>373 434 975</u>
TOTAL ASSETS		<u>380 234 547</u>	<u>716 099 832</u>



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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

<u>Shareholders' Equity and Liabilities</u>	<u>Note</u>	2022	2021
<u>Equity</u>			
Share capital	10	300 000	300 000
Share premium		20 547 041	20 547 041
Other paid-up equity		142 483 551	138 637 998
<i>Total paid-up equity</i>		<u>163 330 591</u>	<u>159 485 039</u>
Other equity		25 572 460	0
<i>Total Shareholders' Equity</i>	10, 11	<u>188 903 052</u>	<u>159 485 039</u>
<u>Other non-current liabilities</u>			
Mortgage debt	6	141 997 692	219 041 377
<i>Total Long Term Liabilities</i>		<u>141 997 692</u>	<u>219 041 377</u>
<u>Current Liabilities</u>			
Payables to related parties		12 768	595 884
Accounts payable		2 470 704	8 834 122
Accrued interest		490 964	247 203
Group contribution	11	9 175 597	300 000 000
Current liabilities group		29 432 669	22 769 400
Other current liabilities		7 751 103	5 126 808
<i>Total Current Liabilities</i>		<u>49 333 804</u>	<u>337 573 416</u>
<i>Total liabilities</i>		<u>191 331 496</u>	<u>556 614 793</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>380 234 547</u>	<u>716 099 832</u>

Haugesund, February 24, 2023,

Trygve Seglem
chairman of the board

Karl Gerhard Bråstein Dahl
member of the board

Takashi Domyo
member of the board



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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.

	2022	2021
Result before tax	41 975 339	-106 510 259
-Gain sale vessel	-28 334 355	-1 776 998
+ Ordinary depreciation	75 500 192	126 328 398
+ Impairment	0	16 818 899
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	24 618 715	15 256 138
+ Financial expenses - liabilities to financial institutions	979 304	979 304
= Total generated from operations	114 739 195	51 095 482
+ Net received on current assets	132 618 445	-154 754 591
+ Net received on current liabilities	2 584 791	14 198 814
Net cashflow from operations	249 942 431	-89 460 294
<u>Cashflow from investments</u>		
Upgrading of vessel	-5 986 924	-33 861 367
Drydocking	-12 456 004	0
Sale of vessel	61 512 662	27 142 335
Investment in group companies	0	-112 171
Net cashflow from investments	43 069 734	-6 831 203
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-102 641 704	-93 310 251
Equity received - group contribution received	192 796 822	195 750 977
Group contribution paid-out	-300 000 000	0
Dividend paid-out	-37 466 100	0
Net cashflow from financing	-247 310 982	102 440 726
Net cashflow for the year	45 701 183	6 149 228
+ Bank deposits per 01.01.	19 008 452	12 859 223
= Bank deposits per 31.12.	64 709 635	19 008 452



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

Document ID:
9704D8D4E18347AD801CE89939A97718



KNUTSEN SHUTTLE TANKERS 3 AS

Notes to the Financial Statement 31.12.2022

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. 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.

	<u>2022</u>	<u>2021</u>
Grants crew expenses	-3 492 085	-6 880 810

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.

	<u>2022</u>	<u>2021</u>
Auditors remuneration (excl. VAT):	69 800	85 620
Audit		

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.



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

Document ID:
9704D8D4E18347AD801CE89939A97718



Vessel	2022	2021
Historical value 01.01.	929 707 989	1 152 807 500
Accumulated depreciation and impairment 01.01.	644 980 996	730 736 196
Book Value 01.01.	284 726 993	422 071 303
Additions	5 986 924	0
Disposals cost price	245 499 250	223 099 511
Annual depreciation	61 322 070	104 851 454
Impairment	0	16 818 899
Disposals depreciation and impairment	212 320 942	207 425 551
Book value 31.12.	196 213 540	284 726 990

Dry-Docking	2022	2021
Historical value 01.01.	49 002 687	79 807 362
Accumulated depreciation and impairment 01.01.	30 690 466	64 188 185
Capitalised dry-docking 01.01.	18 312 221	15 619 178
Additions - capitalised dry-docking	12 456 004	24 169 988
Disposals cost price	28 852 988	54 974 663
Annual depreciation	14 178 122	21 476 944
Disposals depreciation and impairment	28 852 988	54 974 663
Book value 31.12.	16 590 103	18 312 222

Total book value vessel 31.12. 212 803 643 303 039 214

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.

4 Financial Income and -Expenses

Financial Income	2022	2021
Interest income	911 851	38
Interest income from group companies	160 382	2 940 700
Dividend	0	942 220
Total financial income	1 072 234	3 882 958

Financial Expenses	2022	2021
Interest expenses to group companies	1 961	0
Other interest expenses	12 237 155	10 661 035
Guarantee fee to group companies	1 233 359	1 571 634
Other financial expenses	336 199	348 020
Total financial expenses	13 808 674	12 580 688

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.

	31.12.2022	Change	31.12.2021
Gain and loss account	-84 623 400	21 087 341	-63 536 059
Temporary difference vessel	-31 947 423	-53 363 478	-85 310 900
Temporary difference debt	2 417 405	979 304	3 396 709
Deductible interest carried forward	-32 601 995	-1 554 446	-34 156 441
Base for deferred tax calculation	-146 755 411	-32 851 279	-179 606 690
Deferred tax/(benefit) based on 22 %	32 286 190	-7 227 281	39 513 472

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

	2022	2021
Result before tax	41 975 339	-106 510 259
Non-deductible items	51 537	-858 007
Change in temporary differences	-31 296 833	39 075 815
Group contribution received	0	151 485 169
Group contribution given	-9 175 597	0
Loss carried forward	0	-83 192 718
Deductible interest carried forward	-1 554 446	0
Tax base	0	0

Calculation of tax expenses

Tax payable	0	0
Tax effect group contribution	2 018 631	-33 326 737
Change deferred tax/ (tax benefit)	7 227 281	9 705 719
Tax calculated	9 245 913	-23 621 019



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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	
				2022	2021
Mortgage debt	USD	19 724 527	7,3216	144 415 097	222 438 086
Debt issuance cost				-2 417 405	-3 396 709
Liabilities to financial institutions				141 997 692	219 041 377

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.

	2022	2021
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-50 987 902	-46 018 216

Amounts due within 12 months of the balance sheet date:

Mortgage debt	51 681 710	78 022 989
Debt issuance cost	-979 304	-998 085
Liabilities to financial institutions	50 702 406	77 024 904

Repayment profile:

0 - 12 months	7 058 800	10 656 549
13 - 24 months	7 054 165	7 058 800
25 - 36 months	2 806 000	7 054 165
37 - 48 months	2 805 562	2 806 000
49 - 60 months	0	2 805 562
After 60 months	0	0
	19 724 527	30 381 076

The exchange rate at the year-end	USD/NOK	9,9066	8,8363
-----------------------------------	---------	--------	--------

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 213 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 capital	Owner and voting share	Historic cost	Equity	
				31.12.2022	Result 2022
Knutsen Atlantic Chartering AS	1 176 000	10 %	112 171	174 981 199	-151 945

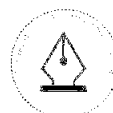
8 Inventories

Specification of inventories per 31.12.

	2022	2021
Lube oil	2 199 301	3 067 749
Bunker	11 055 404	11 386 893
Total inventory	13 254 705	14 454 642

9 Bank deposit

The company doesn't have restricted cash per 31.12.



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

Document ID:
9704D8D4E18347AD801CE89939A97718



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	138 637 998	0	159 485 039
Dividend given	0	0	-37 466 100	0	-37 466 100
Group contribution given	0	0	0	-7 156 966	-7 156 966
Group contribution received	0	0	41 311 653	0	41 311 653
Result of the year	0	0	0	32 729 426	32 729 426
Equity 31.12.	<u>300 000</u>	<u>20 547 041</u>	<u>142 483 551</u>	<u>25 572 460</u>	<u>188 903 052</u>

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.

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.



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

Document ID:
9704D8D4E18347AD801CE89939A97718



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of 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 2022, 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 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

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



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, 24 February 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus Hegertun Birkeland
State Authorised Public Accountant (Norway)

Independent auditor's report – Knutsen Shuttle Tankers 3 AS 2022

A member firm of Ernst & Young Global Limited

Penneo document key: 7QNJ4-MSM4E-NADBBH-YJKIX-TT1DH3-QJGCH



PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

Magnus Hegertun Birkeland

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5990-4-2796687

IP: 51.175.xxx.xxx

2023-02-24 17:22:13 UTC



Penneo document key: 7QNJ4-MSM4E-NADDBH-YJKX-TTDH3-QJGCH

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
11.03.2011

Vår dato
30.03.2011

Telefon
22077325

Deres referanse
Jørn Knutsen

Vår referanse
2011/327976

Ernst & Young AS
Postboks 6163, Postterminalen
5892 Bergen

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

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

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

Postadresse

Postboks 9200 Grønland
0134 Oslo

For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

22 17 08 60



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

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

Søknad:

Fra deres brev gjengis:

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

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

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

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

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

Skattedirektoratets vurdering og konklusjon

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



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

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

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

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


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

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

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Høelstad