



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 750 326
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 31 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, 27.04.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Freight income	1	173 272 362	157 300 124
Sum inntekter		173 272 362	157 300 124
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		2 376 606	2 090 998
Crew-hire	2	29 241 291	25 205 393
Ordinary depreciation	3	41 250 527	39 702 642
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		
Other operating expenses		22 955 506	15 852 848
Administration	2	8 540 429	7 155 058
Sum kostnader		104 364 359	90 006 939
Driftsresultat		68 908 003	67 293 184
Finansinntekter og finanskostnader			
Financial income	4	4 224 379	827 506
Foreign exchange gain/loss		3 693 496	-440 665
Sum finansinntekter		7 917 875	386 841
Financial expenses	4	51 238 929	37 720 352
Sum finanskostnader		51 238 929	37 720 352
Netto finans		-43 321 054	-37 333 511
Ordinært resultat før skattekostnad		25 586 950	29 959 673
Taxes	5		
Ordinært resultat etter skattekostnad		25 586 950	29 959 673
Årsresultat		25 586 950	29 959 673
Årsresultat etter minoritetsinteresser		25 586 950	29 959 673
Totalresultat		25 586 950	29 959 673



Resultatregnskap

Beløp i: NOK	Note	2023	2022
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Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessel	1, 3	833 043 323	874 691 272
Vessel under construction	3		
Sum varige driftsmidler		833 043 323	874 691 272
Sum anleggsmidler		833 043 323	874 691 272
Omløpsmidler			
Varer			
Inventories	6	2 761 480	2 862 463
Sum varer		2 761 480	2 862 463
Fordringer			
Receivables		1 568 606	963 838
Other short-term receivables		43 521 659	42 833 881
Konsernfordringer		45 769 021	2 666 963
Krav på innbetaling av selskapskapital		2 811 421	48 961
Sum fordringer		93 670 707	46 513 643
Bankinnskudd, kontanter og lignende			
Bank deposits	7	26 255 869	52 903 893
Sum bankinnskudd, kontanter og lignende		26 255 869	52 903 893
Sum omløpsmidler		122 688 056	102 279 998
SUM EIENDELER		955 731 380	976 971 270

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

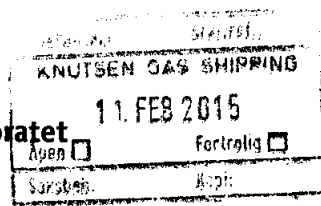


Balanse

Beløp i: NOK	Note	2023	2022
Share capital	8	100 000	100 000
Annen innskutt egenkapital		149 393 031	149 393 031
Sum innskutt egenkapital		149 493 031	149 493 031
Opptjent egenkapital			
Other equity		58 912 861	33 325 911
Sum opptjent egenkapital		58 912 861	33 325 911
Sum egenkapital	8, 9	208 405 892	182 818 942
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	630 955 053	677 798 657
Other non-current liabilities	11	76 387 931	72 648 166
Sum annen langsiktig gjeld		707 342 984	750 446 823
Sum langsiktig gjeld		707 342 984	750 446 823
Kortsiktig gjeld			
Leverandørgjeld		1 197 953	1 229 475
Tax payable	5		
Kortsiktig konserngjeld		1 561 537	1 617 626
Accrued interest		6 415 736	6 689 805
Payables to related parties		930 013	980 355
Other current liabilities		29 877 264	33 188 243
Sum kortsiktig gjeld		39 982 504	43 705 505
Sum gjeld		747 325 488	794 152 328
SUM EGENKAPITAL OG GJELD		955 731 380	976 971 270



Skattedirektoratet



Saksbehandler
Torstein Kinden Helleland

Deres dato
30.01.2015

Vår dato
09.02.2015

Telefon
22078139

Deres referanse
Geir Tore Henriksen

Vår referanse
2015/87104

KNUTSEN OAS SHIPPING AS
Postboks 2017
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

KNOT Shuttle Tankers 30 AS	org. nr. 914 716 527
KNOT Shuttle Tankers 31 AS	org. nr. 914 750 326
Knutsen Technology AS	org. nr. 991 517 553
KNOT Shuttle Tankers 23 AS	org. nr. 913 154 576
KNOT Shuttle Tankers 28 GP AS	org. nr. 914 450 160
KNOT Shuttle Tankers 28 LP AS	org. nr. 914 450 063
KNOT Shuttle Tankers 27 AS	org. nr. 914 021 456
KNOT Shuttle Tankers 29 AS	org. nr. 914 450 055
KNOT FSO 2 AS	org. nr. 814 450 112
KNOT Shuttle Tankers 24 AS	org. nr. 914 012 902
KNOT Shuttle Tankers 25 AS	org. nr. 914 006 600
KNOT Shuttle Tankers 26 AS	org. nr. 914 021 251

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskap dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

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. Konsernet ønsker nå å søke om samme dispensasjon for ytterligere et antall selskap som inngår i konsernet. Alle selskapene inngår i konsernregnskapet til TS Shipping Invest AS. Selskapene det søkes om dispensasjon for er enten eid 100 % av TS Shipping Invest AS, eller 50 % av TS Shipping Invest AS og 50 % av det nederlandske selskapet NYK Logistics Holding (Europe) B.V. Alle selskapene i konsernet er norske selskaper som driver virksomhet innen internasjonal shipping. Selskapene og konsernet har engelsk som arbeidsspråk inklusive datterselskaper.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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.

De samme fakta og argument for dispensasjon foreligger i denne søknaden som ble vurdert ved innvilgelse av dispensasjon for konsernspissen og enkelte søsterselskap. Selskapenes aktivitet er knyttet til en internasjonal bransje hvor engelsk språk benyttes både internt i selskapene samt mot aksjonærer, og i kommunikasjon med eksterne forretningspartnere. Videre er eierkretsen begrenset.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Admincontrol

List of Signatures Page 1/1

01S1 KNOT Shuttle Tankers 31 AS 2023.pdf

Name	Method	Signed at
Domyo, Takashi	BANKID	2024-02-23 13:11 GMT+01
Seglem, Trygve	BANKID	2024-02-23 08:15 GMT+01
Dahl, Karl Gerhard B	BANKID	2024-02-23 08:11 GMT+01



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KNOT Knutsen
NYK Offshore
Tankers

KNOT Shuttle Tankers 31 AS

Annual Report 2023



M/T “Tuva Knutsen”



Knutsen
Group



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KNOT SHUTTLE TANKERS 31 AS

REPORT OF THE BOARD OF DIRECTORS 2023

KNOT Shuttle Tankers 31 AS owns M/T Tuva Knutsen, one 152,000 DWT suez-max DP2 shuttle tanker constructed and delivered from COSCO (Zhoushan) Shipyard Co., Ltd. in China in 2021.

The company operates out of Haugesund, Norway and has no employees and working environment. KNOT Management AS in Haugesund manages the daily operations of the company in accordance with a separate agreement.

The company's activity

M/T Tuva Knutsen is chartered to Total Shipping Brazil B.V. from 16 February 2021 on a five year with one optional period of three years plus three additional optional period of two years plus one additional optional period of one year in charters option. The vessel is operated on Total's Brazilian offshore oil field.

Result for the year

The company got a total operating income of NOK 173 272 362 in 2023 (NOK 157 300 124 in 2022). The operating result for KNOT Shuttle Tankers 31 AS was NOK 68 908 003 in 2023 compared to NOK 67 293 184 in 2022. After net-financial expenses of NOK 43 321 054 in 2023, against a net financial expense of NOK 37 333 511 in 2022, the result for the year was NOK 25 586 950 in 2023 compared to NOK 29 959 673 in 2022.

The Board of Directors proposes transferring the profit to other equity. The equity-share as of 31.12.2023 was 22 %, compared to 19 % per 31.12.2022.

Total cash flow from operational activities was NOK 30 764 048 in 2023, compared to NOK 83 121 578 from operation in 2022. The liquidity position was NOK 26 255 869 as per 31.12.2023 compared to NOK 52 903 893 as per 31.12.2022. The company's ability to finance its investments is good. The company has secured long-term financing for the vessel and secure long-term stable cash flow for the company. The outstanding mortgage loan is at the end of 2023 USD 72 919 510 in addition to the seller's credit of with book value of USD 7 487 178.

The company's short-term debts per 31.12.2023 were 5.4 % of total debt (5.5 % in 2022).

Total capital was by the end of the year NOK 955 731 380, compared to NOK 976 971 270 the year before.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. Since most of the company's operating expenses and financial costs are also denominated in USD, this limits the company's foreign exchange risk. The company has not entered into forward contracts in order to reduce the company's foreign exchange risk, and thereby operating related market risk.

The company is also exposed to changes in the interest rate level, as its long-term debt carrying floating interest rate. The company has two interest rate swap agreements in the amount of USD 38 million to reduce the company's interest rate risk.



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

The environment safety and quality control

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

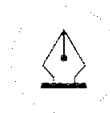
The operation of the vessel can affect the external environment through emissions of air and water and the company, and the manager therefore has a high focus on health, environment, and safety work. The company and manager are concerned with environmental considerations when implementing projects, and environmental considerations are included in all stages from planning and implementation from operation, maintenance, sorting and recycling. The manager and the crew focus on minimizing energy consumption and reducing the pollution from energy generation on the vessel from the daily operation. The requirements for environment and safety in the operations of vessels are increasing, and both the company, the manager and the 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 of the company. The accounts for these due diligence assessments and other obligations pursuant to the Act's section 5 are included in a report that can be found here www.knutsenoas.com and the report is updated minimum one time per year.

Future prospects

The vessel is operated on a long-term charter with Total Shipping Brazil B.V. with charterers option to extend the contract. Based on the operation of the vessel in 2023, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 31 AS expects 2024 to be a satisfactory year for the vessel and the company.



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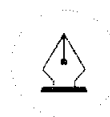


Haugesund, February 23, 2024

Trygve Seglem
Chairman of the Board

Takashi Domyo
Member of the Board

Karl Gerhard Bråstein Dahl
Member of the Board



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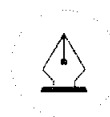
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KNOT Shuttle Tankers 31 AS

Profit & Loss Account

	<u>Note</u>	2023	2022
<u>Operating Income</u>			
Freight income	1	173 272 362	157 300 124
<i>Total Operating income</i>		<u>173 272 362</u>	<u>157 300 124</u>
<u>Operating Expenses</u>			
Commissions		2 376 606	2 090 998
Crew-hire	2	29 241 291	25 205 393
Other operating expenses		22 955 506	15 852 848
Administration	2	8 540 429	7 155 058
<i>Total Operating Expenses</i>		<u>63 113 832</u>	<u>50 304 297</u>
Ordinary depreciation	3	41 250 527	39 702 642
<i>Operating Result</i>		<u>68 908 003</u>	<u>67 293 184</u>
<u>Financial Income and Expenses</u>			
Financial income	4	4 224 379	827 506
Foreign exchange gain/loss		3 693 496	-440 665
Financial expenses	4	-51 238 929	-37 720 352
<i>Net Financial Items</i>		<u>-43 321 054</u>	<u>-37 333 511</u>
<i>Result before taxes</i>		<u>25 586 950</u>	<u>29 959 673</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>25 586 950</u>	<u>29 959 673</u>



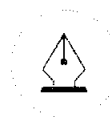
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KNOT Shuttle Tankers 31 AS
Balance Sheet as of 31. December

<u>Assets</u>	<u>Note</u>	2023	2022
<u>Fixed assets</u>			
Vessel	1, 3	833 043 323	874 691 272
<i>Total Fixed Assets</i>		<u>833 043 323</u>	<u>874 691 272</u>
<u>Current Assets</u>			
Inventories	6	2 761 480	2 862 463
Receivables		1 568 606	963 838
Other short-term receivables		43 521 659	42 833 881
Current receivables group		45 769 021	2 666 963
Receivables from related parties		2 811 421	48 961
Bank deposits	7	26 255 869	52 903 893
<i>Total Current Assets</i>		<u>122 688 056</u>	<u>102 279 998</u>
TOTAL ASSETS		<u>955 731 380</u>	<u>976 971 270</u>



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KNOT Shuttle Tankers 31 AS
Balance Sheet as of 31. December

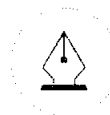
<u>Shareholders Equity and Liabilities</u>	<u>Note</u>	2023	2022
<u>Equity</u>			
Share capital	8	100 000	100 000
Other paid-in equity		149 393 031	149 393 031
<i>Total capital paid-in</i>		<u>149 493 031</u>	<u>149 493 031</u>
Other equity		58 912 861	33 325 911
<i>Total Shareholders' Equity</i>	8, 9	<u>208 405 892</u>	<u>182 818 942</u>
Liabilities to financial institutions	10	630 955 053	677 798 657
Other non-current liabilities	11	76 387 931	72 648 166
<i>Total Long Term Liabilities</i>		<u>707 342 984</u>	<u>750 446 823</u>
<u>Current Liabilities</u>			
Accounts payable		1 197 953	1 229 475
Accrued interest		6 415 736	6 689 805
Current liabilities group		1 561 537	1 617 626
Payables to related parties		930 013	980 355
Other current liabilities		29 877 264	33 188 243
<i>Total Current Liabilities</i>		<u>39 982 504</u>	<u>43 705 505</u>
<i>Total liabilities</i>		<u>747 325 488</u>	<u>794 152 328</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		<u>955 731 380</u>	<u>976 971 270</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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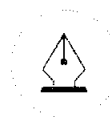


KNOT Shuttle Tankers 31 AS

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	25 586 950	29 959 673
+ Ordinary depreciation	41 250 527	39 702 642
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	9 225 702	4 521 495
-/+ Profit/loss on foreign exchange seller's credit	2 122 704	7 701 559
+ Financial expenses - liabilities to financial institutions	1 740 187	1 670 523
+ Interests other non-current liabilities	1 617 060	1 506 906
= Total generated from operations	81 543 131	85 062 798
+ Net received on current assets	-47 056 082	-7 348 739
+ Net received on current liabilities	-3 723 001	5 407 519
Net cashflow from operations	30 764 048	83 121 578
<u>Cashflow from investments</u>		
Payments for vessel under construction and conversion	0	-3 046 024
Adjustment vessel/equipment	397 422	0
Net cashflow from investments	397 422	-3 046 024
<u>Cashflow from financing</u>		
Paid debt issuance costs	-3 512 736	48 981
Repayment of liabilities to financial institutions	-54 296 758	-49 592 550
Net cashflow from financing	-57 809 494	-49 543 569
Net cashflow for the year	-26 648 024	30 531 985
+ Bank deposits per 01.01.	52 903 893	22 371 908
= Bank deposits per 31.12.	26 255 869	52 903 893



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KNOT Shuttle Tankers 31 AS

Notes to the Financial Statement 31.12.2023

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

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

The vessel operates on a 5 year fix time charter contract with charters option to extend the contract with up to 10 years to Total Shipping Brazil B.V. with expected area of operation offshore Brazil. The time-charter contract started on 16 February 2021.

The income from the time charter contract 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). KNOT Management AS manages the Company in accordance with a separate management agreement. The company hires the crew from related crewing companies in accordance with separate crewing agreements.

	2023	2022
Grants crew expenses	210 669	303 726

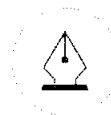
The company have not paid salary or any other remuneration, nor given any loan or guarantees to any leading person or board members during the year.

Auditors remuneration (excl. VAT):

	2023	2022
Audit	63 000	74 000
Other services besides audit	0	0
	63 000	74 000

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.



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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.

<u>Vessel</u>	<u>2023</u>	<u>2022</u>
Historical value 01.01.	923 567 164	920 521 140
Accumulated depreciation and impairment 01.01.	66 254 076	32 187 606
Book value 01.01.	857 313 088	888 333 534
Additions	0	3 046 024
Adjustment cost price	397 422	0
Annual depreciation	35 614 356	34 066 470
Book value 31.12.	821 301 310	857 313 089

The company changed in third quarter 2021 the useful life estimate for MT Live Knutsen 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 23 years to estimated net sales price at end of the new estimated end of life.

<u>Dry-docking</u>	<u>2023</u>	<u>2022</u>
Capitalised dry-docking	28 077 513	28 077 513
Accumulated depreciation dry-docking 1.1.	10 699 329	5 063 157
Capitalised dry-docking 1.1.	17 378 184	23 014 356
Annual depreciation	5 636 171	5 636 172
Book value 31.12.	11 742 013	17 378 184
Total book value vessel 31.12.	833 043 323	874 691 272

4 Financial Income and -Expenses

<u>Financial Income:</u>	<u>2023</u>	<u>2022</u>
Interest income from group companies	1 159 434	0
Other interest income	3 064 945	827 506
Total financial income	4 224 379	827 506

<u>Financial Expenses:</u>	<u>2023</u>	<u>2022</u>
Interest expenses to group companies	38 599	55 103
Interest expenses	46 415 189	32 914 718
Other financial expenses	451 997	493 981
Guarantee fee to group companies	4 333 145	4 256 551
Total financial expenses	51 238 929	37 720 352

5 Tax

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

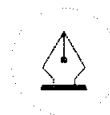
In the tonnage tax regime, the company pay no tax on qualifying operational result and part of the net financial related to the ownership of the vessel, but pay an annual tax set annually by the parliament related to the tonnage owned by the company. The limited part of the profit that is taxable are taxed under the standard Norwegian company tax that for the accounting period is 22%. Tonnage taxed companies will also have to pay a calculated tax on the equity if the equity exceed 70% of total capital.

We classify the tonnage tax as an operating expense.

Specification on the temporary differences:

	<u>31.12.2023</u>	<u>Change</u>	<u>31.12.2022</u>
Loss carried forward	-18 919 236	-6 767 399	-25 686 635
Temporary differences	-18 919 236	-6 767 399	-25 686 635
Calculated deferred tax	4 162 232	-9 813 292	-5 651 060
Deferred tax in balance	0	0	0

Deferred tax assets related to losses carried forward are only recognized to the extent that there is convincing evidence that these will be utilized in the future.



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Tax cost

	2023	2022
Net financial items	-43 321 054	-37 333 511
Non-taxable currency gain	-4 080 443	666 198
Non-deductible interest	54 168 898	31 267 405
Deductible financial items	0	48 981
Taxable income before loss carried forward	6 767 399	-5 350 927
Loss carried forward	6 767 399	-5 350 927
Taxable income	0	0
Tax payable	0	0
Change deferred tax/(tax benefit)	0	0
Tax calculated	0	0
Tonnage tax expenses under operating expenses	139 284	143 577

6 Inventories

Specification of inventories per 31.12.

	2023	2022
Lube oil	2 761 480	2 862 463

7 Bank deposits

According to the loan agreement the company is restricted to keep a cash balance of at least USD 500 000. Which equals NOK 5 101 250 as of 31.12.2023.

8 Equity

Specification of the equity per 31.12.

	Share capital	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100 000	149 393 031	33 325 911	182 818 942
Result for the year	0	0	25 586 950	25 586 950
Equity 31.12.	100 000	149 393 031	58 912 861	208 405 892

Share capital consist of 1.000 shares à NOK 100.

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.

9 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.

10 Mortgage Debt and Financial Instruments

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recorded in the profit and loss over the period of the interest-bearing liabilities. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

We use hedge accounting for long term debt in foreign currencies. The expected net future nominal cash-flow in the same currency from chartering out vessel is the hedging object. The realized foreign exchange gain and -losses are booked together with the hedging object under the 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	72 919 510	8,7077	634 961 217	680 032 272	
Debt issuance cost				-4 006 164	-2 233 615	
Liabilities to financial institutions				630 955 053	677 798 657	



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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):	-109 000 084	-93 628 707

Amounts due within 12 months of the balance sheet date:

Mortgage debt	45 071 055	45 071 055
Debt issuance cost	-1 926 548	-1 684 441
Liabilities to financial institutions	43 144 507	43 386 614

Repayment profile:

0 - 12 months	5 176 000	5 176 000
13 - 24 months	5 176 000	5 176 000
25 - 36 months	5 176 000	5 176 000
37 - 48 months	5 176 000	5 176 000
49 - 60 months	5 176 000	5 176 000
After 60 months	47 039 510	52 215 510
	72 919 510	78 095 510

The exchange rate at the year-end	USD/NOK	10,2025	9,9066
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Security for the loan is made through a first priority mortgage in the vessel, transportation of income and guarantees from Knutsen NYK Offshore Tankers AS.

Book value of mortgaged assets is NOK 833 million.

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

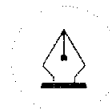
Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates.

	Currency	2023	2022
Outstanding fixed interest rate swaps	USD	37 720 588	40 367 647
Mark to market valuation	USD	2 207 274	3 091 669

11 Seller Credit

The last instalment on the vessel construction contract with COSCO (Zhoushan) Shipyard Co., Ltd. in China is payable three years after the delivery of the vessel with USD 7.5 million. The instalment is booked as a seller's credit with the net present value on the delivery of the vessel and the investment on the vessel. The interest is expensed over the profit and loss statement during the term of the credit.

	Currency	Outstanding currency amount	Accounting balance	
		2023	2022	
Seller Credit Yard	USD	7 487 178	76 387 931	72 648 166



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of KNOT Shuttle Tankers 31 AS

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 31 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 – KNOT Shuttle Tankers 31 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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