



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 021 251
Organisasjonsform: Aksjeselskap
Foretaksnavn: KNOT SHUTTLE TANKERS 26 AS
Forretningsadresse: Smedasundet 40
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

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: 07.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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	2024	2023
RESULTATREGNSKAP			
Inntekter			
Freight income	1	199 633 566	184 878 263
Other income		14 096	1 892
Sum inntekter		199 647 662	184 880 155
Kostnader			
Crew-hire	2	31 401 430	27 386 076
Ordinary depreciation	3	48 873 504	49 052 118
Other operating expenses		27 329 389	22 286 359
Administration	2	9 146 265	8 506 684
Sum kostnader		116 750 588	107 231 238
Driftsresultat		82 897 074	77 648 917
Finansinntekter og finanskostnader			
Financial income	4	2 554 485	2 009 876
Foreign exchange gain/loss		3 552 461	4 668 513
Sum finansinntekter		6 106 946	6 678 388
Financial expenses	4	34 753 388	38 841 304
Sum finanskostnader		34 753 388	38 841 304
Netto finans		-28 646 442	-32 162 916
Resultat før skattekostnad		54 250 631	45 486 002
Taxes	5		
Årsresultat		54 250 631	45 486 002
Årsresultat etter minoritetsinteresser		54 250 631	45 486 002
Totalresultat		54 250 631	45 486 002



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5		
Varige driftsmidler			
Vessel	3	776 923 066	825 796 570
Accrued income	1	26 343 908	
Sum varige driftsmidler		803 266 974	825 796 570
Sum anleggsmidler		803 266 974	825 796 570
Omløpsmidler			
Varer			
Inventories	6	2 024 750	2 292 445
Sum varer		2 024 750	2 292 445
Fordringer			
Receivables	11	2 570 642	5 197 849
Konsernfordringer		1 217 577	
Sum fordringer		3 788 219	5 197 849
Bankinnskudd, kontanter og lignende			
Bank deposits	7	52 390 922	32 151 994
Sum bankinnskudd, kontanter og lignende		52 390 922	32 151 994
Sum omløpsmidler		58 203 891	39 642 288
SUM EIENDELER		861 470 865	865 438 858
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		100 000	100 000

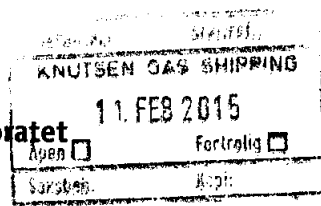


Balanse

Beløp i: NOK	Note	2024	2023
Overkurs		2 064	2 064
Annen innskutt egenkapital		228 621 510	228 621 510
Sum innskutt egenkapital		228 723 574	228 723 574
Opptjent egenkapital			
Other equity		118 217 559	83 418 940
Sum opptjent egenkapital		118 217 559	83 418 940
Sum egenkapital	8, 9	346 941 133	312 142 514
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	120 924	151 155
Sum avsetninger for forpliktelser		120 924	151 155
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	502 796 120	545 071 369
Sum annen langsiktig gjeld		502 796 120	545 071 369
Sum langsiktig gjeld		502 917 044	545 222 524
Kortsiktig gjeld			
Leverandørgjeld	11	4 731 707	3 709 894
Tax payable	5	30 231	37 789
Kortsiktig konserngjeld			1 771 489
Accrued interest			
Other current liabilities		6 850 750	2 554 649
Sum kortsiktig gjeld		11 612 688	8 073 820
Sum gjeld		514 529 732	553 296 344
SUM EGENKAPITAL OG GJELD		861 470 865	865 438 858



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

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Name	Method	Signed at
Omoto, Junya	BANKID	2025-04-07 14:36 GMT+02
Seglem, Trygve	BANKID	2025-04-07 13:50 GMT+02



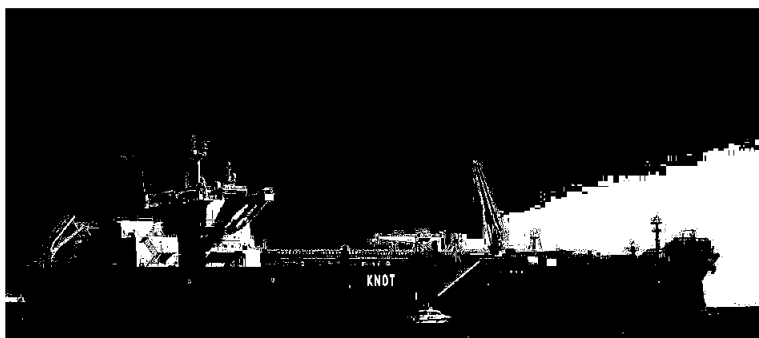
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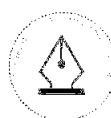
KNOT Shuttle Tankers 26 AS

Annual Report 2024



M/T "Lena Knutsen"

KNOT
Offshore Partners LP



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KNOT SHUTTLE TANKERS 26 AS

REPORT OF THE BOARD OF DIRECTORS 2024

KNOT Shuttle Tankers 26 AS owns one 158,000 DWT suez-max DP2 shuttle tanker, M/T Lena Knutsen, delivered from Hyundai Heavy Industries Co., Ltd. in South Korea in 2017.

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 vessel and the company in accordance with separate agreement.

The company's activity

M/T Lena Knutsen have been operating in Brazil for Brazil Shipping I Limited, a subsidiary of Shell, for a fixed period until September 2028 and charterer have three one-year options to extend the charterer thereafter.

Result for the year

The company's operating income during 2024 was NOK 199 647 662 (NOK 184 880 155 in 2023). The operating result for the year was NOK 82 897 074, compared to NOK 77 648 917 in 2023. The financial loss was NOK 28 646 442 in 2024 compared to NOK 32 162 916 in 2023. The result for the year was NOK 54 250 631, compared to NOK 45 486 002 the year before.

The Board of Directors suggests the result for the year are transferred to other equity. The equity ratio at year-end was 40 % (36 % the year before).

Total cash flow from operating activities in the company was NOK 95 479 846, compared to NOK 111 446 272 in 2023.

The liquidity balance was NOK 52 390 922 as at 31.12.2024 (NOK 32 151 994 at 31.12.23).

Total capital was by the end of the year NOK 861 470 865, NOK 865 438 858 at 31.12.23.

The company is exposed to fluctuations in foreign exchange rates, especially USD, as the company's income is denominated in USD. However, since most of the company's operating expenses and financial expenses are also denominated in USD, this limits the company's foreign exchange risk. The group has not entered into any forward contracts or other agreements to reduce the company's foreign exchange risk, hence the operating related market risk.



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The company is also exposed to changes in the interest rate level, as it has long-term debt carrying floating interest rate. The company has entered into USD 52 million in interest rate swaps to reduce the company's interest rate risk.

The financial accounts are settled on the assumption of a going concern. The board confirms the assumption of a going concern. The Board of Directors confirms that the Financial Statements give a true picture of the company's assets and liabilities, financial position and results.

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 KNOT Offshore Partners 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 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.



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Future prospects

The vessel is operated in Brazil on a time charter contract to Shell. Based on the operation of the vessel in 2024, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 26 AS expects 2025 to be a satisfactory year for the vessel and the company.

Haugesund, April 7, 2025

Trygve Seglem
Chairman of the Board

Junya Omoto
Member of the Board



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KNOT Shuttle Tankers 26 AS

Profit & Loss Account

	Note	2024	2023
<u>Operating Income</u>			
Freight income	1	199 633 566	184 878 263
Other income		14 096	1 892
<i>Total Operating income</i>		<u>199 647 662</u>	<u>184 880 155</u>
<u>Operating Expenses</u>			
Crew-hire	2	31 401 430	27 386 076
Other operating expenses		27 329 389	22 286 359
Administration	2	9 146 265	8 506 684
<i>Total Operating Expenses</i>		<u>67 877 084</u>	<u>58 179 120</u>
Ordinary depreciation	3	48 873 504	49 052 118
<i>Operating Result</i>		<u>82 897 074</u>	<u>77 648 917</u>
<u>Financial Income and Expenses</u>			
Financial income	4	2 554 485	2 009 876
Foreign exchange gain/loss		3 552 461	4 668 513
Financial expenses	4	-34 753 388	-38 841 304
<i>Net Financial Items</i>		<u>-28 646 442</u>	<u>-32 162 916</u>
<i>Result before taxes</i>		<u>54 250 631</u>	<u>45 486 002</u>
Taxes	5	0	0
<i>Result for the year</i>		<u>54 250 631</u>	<u>45 486 002</u>



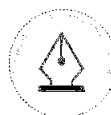
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KNOT Shuttle Tankers 26 AS
Balance Sheet as of 31. December

	Note	2024	2023
<u>Assets</u>			
<u>Fixed assets</u>			
Vessel	3	776 923 066	825 796 570
Accrued income	1	26 343 908	0
<i>Total Fixed Assets</i>		803 266 974	825 796 570
<u>Current Assets</u>			
Inventories	6	2 024 750	2 292 445
Receivables	11	2 570 642	5 197 849
Current receivables group		1 217 577	0
Bank deposits	7	52 390 922	32 151 994
<i>Total Current Assets</i>		58 203 891	39 642 288
TOTAL ASSETS		861 470 865	865 438 858



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KNOT Shuttle Tankers 26 AS
Balance Sheet as of 31. December

	Note	2024	2023
<u>Shareholders Equity and Liabilities</u>			
<u>Equity</u>			
Share capital		100 000	100 000
Share premium		2 064	2 064
Other paid-up equity		228 621 510	228 621 510
<i>Total capital paid-in</i>		228 723 574	228 723 574
Other equity		118 217 559	83 418 940
<i>Total Shareholders' Equity</i>	8, 9	346 941 133	312 142 514
<u>Long-Term Liabilities</u>			
Deferred tax	5	120 924	151 155
Liabilities to financial institutions	10	502 796 120	545 071 369
<i>Total Long-Term Liabilities</i>		502 917 044	545 222 524
<u>Current Liabilities</u>			
Accounts payable	11	4 731 707	3 709 894
Tax payable	5	30 231	37 789
Current liabilities group		0	1 771 489
Other current liabilities		6 850 750	2 554 649
<i>Total Current Liabilities</i>		11 612 688	8 073 820
<i>Total liabilities</i>		514 529 732	553 296 344
SHAREHOLDERS' EQUITY AND LIABILITIES		861 470 865	865 438 858

Haugesund, April 7, 2025,

Trygve Seglem
chairman of the board

Junya Omoto
member of the board



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KNOT Shuttle Tankers 26 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.

	2024	2023
Result before tax	54 250 631	45 486 002
+ Ordinary depreciation	48 873 504	49 052 118
+ Paid tax	-37 789	-47 236
+Accrued income	-26 343 908	0
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	12 099 058	12 133 136
+ Financial expenses - liabilities to financial institutions	1 414 599	1 496 913
= Total generated from operations	90 256 095	108 120 933
+ Net received on current assets	1 677 325	18 835 919
+ Net received on current liabilities	3 546 426	-15 510 580
Net cashflow from operations	95 479 846	111 446 272
<u>Cashflow from investments</u>		
Upgrading / disposals of vessel	0	2 116 605
Performed class renewal with drydocking	0	547 010
Net cashflow from investments	0	2 663 614
<u>Cashflow from financing</u>		
Repayment of liabilities to financial institutions	-55 788 906	-55 822 983
Dividend paid-out	-19 452 013	-31 972 800
Net cashflow from financing	-75 240 919	-87 795 783
Net cashflow for the year	20 238 927	26 314 103
+ Bank deposits per 01.01.	32 151 994	5 837 891
= Bank deposits per 31.12.	52 390 922	32 151 994



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KNOT SHUTTLE TANKERS 26 AS

Notes to the Financial Statement 31.12.2024

Accounting Principles

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

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 company vessel operate under a 5 year fixed and three one year options contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell. The fixed period ends in September 2028.

The income from charter party is in USD, and is recorded in profit and loss on a straight line basis over the lease term, net of hedging impact.

KNOT Management AS operates as manager on behalf of the company and the vessel in accordance with management agreements.

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 Knutsen OAS Shipping AS in accordance with a separate management agreement.

	<u>2024</u>	<u>2023</u>
Grants crew expenses	879 485	388 553

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.



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Auditors remuneration (excl. VAT):	2024	2023
Audit	68 480	21 284
Other services besides audit	0	0
	<u>68 480</u>	<u>21 284</u>

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.

Vessel	2024	2023
Historical value 01.01.	1 083 636 273	1 085 752 878
Accumulated depreciation 01.01.	278 396 129	235 278 897
Book value 01.01.	805 240 144	850 473 981
Additions/disposals	0	-2 116 605
Annual depreciation	43 000 236	43 117 232
Book value 31.12.	<u>762 239 908</u>	<u>805 240 144</u>

Dry-docking	2024	2023
Capitalised dry-docking	29 073 287	29 620 297
Accumulated depreciation dry-docking 01.01.	8 516 862	2 581 976
Capitalised dry-docking 01.01.	20 556 425	27 038 321
Additions/disposals	0	-547 010
Annual depreciation	5 873 268	5 934 886
Book value 31.12.	<u>14 683 157</u>	<u>20 556 425</u>

Total book value vessel 31.12.	<u>776 923 066</u>	<u>825 796 570</u>
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4 Financial Income and -Expenses

	<u>2024</u>	<u>2023</u>
Financial Income:		
Other interest income	2 554 485	2 009 876
Total financial income	<u>2 554 485</u>	<u>2 009 876</u>
Financial expenses:		
Interest expenses	31 208 980	35 065 034
Guarantee expenses group companies/related parties	3 262 579	3 457 278
Other financial expenses	281 829	318 992
Total financial expenses	<u>34 753 388</u>	<u>38 841 304</u>

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.

Entrance to the tonnage tax regime resulted in an entrance tax. Entrance tax is calculated as the difference between the market value and the tax value.

Entrance tax

	<u>2024</u>	<u>2023</u>
Gain and loss account 01.01.	687 069	858 836
Short-term tax payable basis (20%)	137 414	171 767
Long-term tax payable basis (80%)	549 655	687 069
Incoming balance long-term	151 155	188 944
Tax payable short-term	30 231	37 789
Tax payable long-term	120 924	151 155
Payable tax costs calculated	<u>0</u>	<u>0</u>

Specification on the temporary differences:

	<u>31.12.2024</u>	<u>Change</u>	<u>31.12.2023</u>
Gain and loss account	549 655	137 414	687 069
Loss carried forward	-7 353 922	-17 277 824	-24 631 746
Temporary differences	<u>-6 804 267</u>	<u>-17 140 410</u>	<u>-23 944 677</u>
Calculated deferred tax	-1 496 939	3 770 890	-5 267 829
Deferred tax in balance	<u>120 924</u>	<u>-30 231</u>	<u>151 155</u>

Deferred tax assets are only recognized to the extent that it is more probable than not that these will be utilized in the future.



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Tax cost	2024	2023
Financial Results	-28 646 442	-32 162 916
Non-deductible interest / taxable interest	49 987 444	54 233 839
Foreign exchange gain/loss, not taxable	-4 063 177	-4 904 409
Tax base prior losses carried forward	17 277 824	17 166 514
Change in tax losses carried forward	17 277 824	17 166 514
Base for tax payable	0	0
Tax payable	30 231	37 789
Change deferred tax	-30 231	-37 789
Tax costs calculated	0	0
Tonnage tax expenses under operating expenses	142 788	142 788

6 **Inventories**

Specification of inventories per 31.12.

	2024	2023
Lube oil	2 024 750	2 292 445
Total inventory	2 024 750	2 292 445

7 **Bank deposits**

The company doesn't have restricted bank funds per 31.12.

8 **Equity**

Specification of the equity per 31.12.

	Share capital	Share premium	Additional paid-in capital	Other equity	Total equity
Equity 01.01.	100 000	2 064	228 621 510	83 418 940	312 142 514
Result for the year	0	0	0	54 250 631	54 250 630
Extraordinary dividend paid-out	0	0	0	-19 452 013	-19 452 013
Equity 31.12.	100 000	2 064	228 621 510	118 217 558	346 941 131

Share capital consist of 100 shares à NOK 1,000, all held by KNOT Shuttle Tankers AS.

The company is controlled 100% by KNOT Offshore Partners LP. Accounting for the Group can be obtained from the website, <http://knotoffshorepartners.com/>.

9 **Shares Owned by Board Members and Affiliates**

Trygve Seglem controls TS Shipping Invest AS, which owns 50 % of the company Knutsen NYK Offshore Tankers AS, which controls 30,47% of KNOT Offshore Partners LP.



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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 uneffective 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	Hedge accounting rate	Accounting balance	
				2024	2023
Mortgage debt	USD	59 906 726	8,4295	504 982 013	548 671 861
Debt issuance cost				-2 185 893	-3 600 492
Liabilities to financial institutions				502 796 120	545 071 369

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.

	2024	2023
Foreign exchange gain/-loss not taken over profit and loss (i.e. off-balance):	-175 163 010	-115 405 946

Amounts due within 12 months of the balance sheet date:

Mortgage debt	43 689 847	43 689 847
Debt issuance cost	-1 321 997	-1 414 604
Liabilities to financial institutions	42 367 850	42 275 243

Repayment profile: based on expected refinancing

0 - 12 months	5 182 988	5 182 988
13 - 24 months	5 182 988	5 182 988
25 - 36 months	5 182 988	5 182 988
37 - 48 months	5 182 988	5 182 988
49 - 60 months	5 182 988	5 182 988
After 60 months	33 991 786	39 174 774
	59 906 726	65 089 714

The exchange rate at the year-end	USDNOK	11,3534	10,2025
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Security for the loan is made through a first priority mortgage in the vessels, assignment of earnings, assignment of insurances, bank accounts, factoring agreement, pledged shares in the company, guarantees from the owner, and undertakings from the manager.

Book value of mortgaged assets is NOK 861 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 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 an 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	2024	2023
Outstanding fixed interest rate swaps	USD	52 500 000	55 000 000
Mark to market valuation	USD	1 292 205	2 580 323

11 Related parties balances

Receivables	2024	2023
KNOT Management AS	0	31 464
	0	31 464

Accounts payable	2024	2023
Knutsen OAS Crewing AS	12 393	25 869
Knutsen Ballastwater AS	173 888	0
Knutsen OAS Management AS	0	7 752
KNOT Management AS	1 107 559	235 428
Knutsen OAS Shipping AS	1 685 342	1 993 311
Knutsen OAS Crewing Eastern Europe AS	72 636	0
	3 051 818	2 262 360



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Medlemmer av Den norske Revisorforening

To the General Meeting in KNOT Shuttle Tankers 26 AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of KNOT Shuttle Tankers 26 AS (the Company), which comprise Balance Sheet as of 31 December 2024, Profit & Loss Account and cash flow statement 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024 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)* (the 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

The Board of Directors (management) is responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view 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.

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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, 7 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

Independent auditor's report - KNOT Shuttle Tankers 26 AS 2024

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Nordby, Johan Lid

Statsautorisert revisor

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