



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 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: 17.03.2023

### 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, 29.05.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Freight income	1	145 321 913	182 165 151
Other income		3 877	9 597
<b>Sum inntekter</b>		<b>145 325 790</b>	<b>182 174 748</b>
<b>Kostnader</b>			
Crew-hire	2	26 566 078	23 093 157
Ordinary depreciation	3	45 482 783	46 806 688
Other operating expenses		38 184 568	17 001 774
Administration	2	7 432 745	6 268 931
<b>Sum kostnader</b>		<b>117 666 175</b>	<b>93 170 550</b>
<b>Driftsresultat</b>		<b>27 659 615</b>	<b>89 004 198</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	4	396 947	96 164
Foreign exchange gain/loss		5 776 344	509 756
<b>Sum finansinntekter</b>		<b>6 173 291</b>	<b>605 921</b>
Financial expenses	4	31 668 090	28 681 212
<b>Sum finanskostnader</b>		<b>31 668 090</b>	<b>28 681 212</b>
<b>Netto finans</b>		<b>-25 494 799</b>	<b>-28 075 291</b>
<b>Ordinært resultat før skattekostnad</b>		<b>2 164 817</b>	<b>60 928 907</b>
Taxes	5	15	
<b>Ordinært resultat etter skattekostnad</b>		<b>2 164 802</b>	<b>60 928 907</b>
<b>Årsresultat</b>		<b>2 164 802</b>	<b>60 928 907</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>2 164 802</b>	<b>60 928 907</b>
<b>Totalresultat</b>		<b>2 164 802</b>	<b>60 928 907</b>



## Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5		
<b>Varige driftsmidler</b>			
Vessel	3	877 512 302	893 376 895
<b>Sum varige driftsmidler</b>		<b>877 512 302</b>	<b>893 376 895</b>
<b>Sum anleggsmidler</b>		<b>877 512 302</b>	<b>893 376 895</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	6	2 787 102	1 817 424
<b>Sum varer</b>		<b>2 787 102</b>	<b>1 817 424</b>
<b>Fordringer</b>			
Receivables	11	22 899 285	8 243 470
Konsernfordringer		639 826	220 827
<b>Sum fordringer</b>		<b>23 539 111</b>	<b>8 464 297</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	7	5 837 891	30 625 492
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>5 837 891</b>	<b>30 625 492</b>
<b>Sum omløpsmidler</b>		<b>32 164 104</b>	<b>40 907 212</b>
<b>SUM EIENDELER</b>		<b>909 676 406</b>	<b>934 284 108</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		100 000	100 000
Overkurs		2 064	2 064

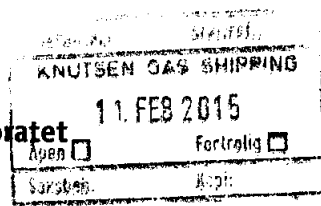


## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Annen innskutt egenkapital		228 621 510	226 480 130
<b>Sum innskutt egenkapital</b>		<b>228 723 574</b>	<b>226 582 194</b>
<b>Opptjent egenkapital</b>			
Other equity		69 905 738	67 740 937
<b>Sum opptjent egenkapital</b>		<b>69 905 738</b>	<b>67 740 937</b>
<b>Sum egenkapital</b>	8, 9	<b>298 629 312</b>	<b>294 323 131</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5	188 944	236 165
<b>Sum avsetninger for forpliktelser</b>		<b>188 944</b>	<b>236 165</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	587 264 303	629 372 943
<b>Sum annen langsiktig gjeld</b>		<b>587 264 303</b>	<b>629 372 943</b>
<b>Sum langsiktig gjeld</b>		<b>587 453 247</b>	<b>629 609 108</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	11	3 433 564	3 009 139
Tax payable	5	47 236	59 045
Kortsiktig konserngjeld		17 595 225	1 204 223
Accrued interest		429 174	2 548 818
Other current liabilities		2 088 648	3 530 644
<b>Sum kortsiktig gjeld</b>		<b>23 593 847</b>	<b>10 351 869</b>
<b>Sum gjeld</b>		<b>611 047 094</b>	<b>639 960 977</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>909 676 406</b>	<b>934 284 108</b>



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](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto: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

### 82S6 - KNOT Shuttle Tankers 26 AS.pdf

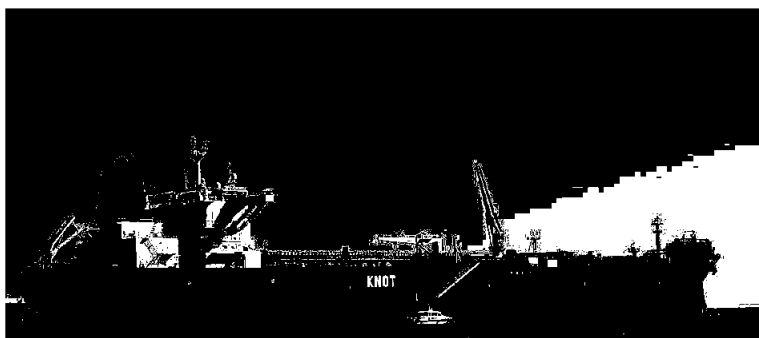
Name	Method	Signed at
Domyo, Takashi	BANKID	2023-03-13 10:45 GMT+01
Seglem, Trygve	BANKID	2023-03-13 09:40 GMT+01
Dahl, Karl Gerhard B	BANKID	2023-03-13 08:16 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.  
External reference: C8C84B9E4A5C4BD9A64B7043F9460BB2

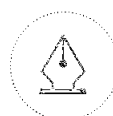


## KNOT Shuttle Tankers 26 AS Annual Report 2022



M/T "Lena Knutsen"

**KNOT**  
Offshore Partners LP



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



## KNOT SHUTTLE TANKERS 26 AS

### REPORT OF THE BOARD OF DIRECTORS 2022

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

The company vessel was redelivered from the long-term fixed contract with Brazil Shipping I Limited before the 5-year drydocking and class renewal. The vessel was delivered to Chartering and Shipping Services SA of Genova, a subsidiary of Total, for a fixed period of six months with the option to extend for six months in August 2022. The option has been declared. The company has entered into a new three-year fixed contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell, schedule to commence in direct continuation of the Total charterparty.

#### Result for the year

The company's operating income during 2022 was NOK 145 325 790 (NOK 182 174 748 in 2021). The operating result for the year was NOK 27 659 615, compared to NOK 89 004 198 in 2021. The financial loss was NOK 25 494 799 in 2022 compared to NOK 28 075 291 in 2021. The result for the year was NOK 2 164 802, compared to NOK 60 928 907 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 33 % (32 % the year before).

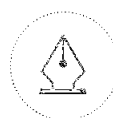
Total cash flow from operating activities in the company was NOK 52 378 645, compared to NOK 110 463 305 in 2021.

The company has refinanced the vessel in 2021 for a new long term together with several group companies.

The liquidity balance was NOK 5 837 891 as at 31.12.2022 (NOK 30 625 492 at 31.12.21).

Total capital was by the end of the year NOK 909 676 406, NOK 934 284 108 at 31.12.21.

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.



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



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 57.5 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.

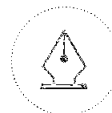
### **The environment safety and quality control**

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 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](http://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:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



## Future prospects

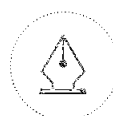
The vessel is operated in Brazil on a time charter contract to Total that will be followed by a long-term charter with Shell. Based on the operation of the vessel in 2022, the long-term financing and the long-term employment of the vessel the Board of Directors of KNOT Shuttle Tankers 26 AS expects 2023 to be a satisfactory year for the vessel and the company.

Haugesund, March 13, 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.

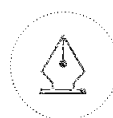
Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



**KNOT Shuttle Tankers 26 AS**

**Profit & Loss Account**

	Note	2022	2021
<b><u>Operating Income</u></b>			
Freight income	1	145 321 913	182 165 151
Other income		3 877	9 597
<i>Total Operating income</i>		<u>145 325 790</u>	<u>182 174 748</u>
<b><u>Operating Expenses</u></b>			
Crew-hire	2	26 566 078	23 093 157
Other operating expenses		38 184 568	17 001 774
Administration	2	7 432 745	6 268 931
<i>Total Operating Expenses</i>		<u>72 183 391</u>	<u>46 363 862</u>
Ordinary depreciation	3	45 482 783	46 806 688
<i>Operating Result</i>		<u>27 659 615</u>	<u>89 004 198</u>
<b><u>Financial Income and Expenses</u></b>			
Financial income	4	396 947	96 164
Foreign exchange gain/loss		5 776 344	509 756
Financial expenses	4	-31 668 090	-28 681 212
<i>Net Financial Items</i>		<u>-25 494 799</u>	<u>-28 075 291</u>
<i>Result before taxes</i>		<u>2 164 817</u>	<u>60 928 907</u>
Taxes	5	15	0
<i>Result for the year</i>		<u>2 164 802</u>	<u>60 928 907</u>



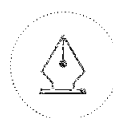
This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



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

	Note	2022	2021
<b><u>Assets</u></b>			
<b><u>Fixed assets</u></b>			
Vessel	3	877 512 302	893 376 895
<i>Total Fixed Assets</i>		<b>877 512 302</b>	<b>893 376 895</b>
<b><u>Current Assets</u></b>			
Inventories	6	2 787 102	1 817 424
Receivables	11	22 899 285	8 243 470
Current receivables group		639 826	220 827
Bank deposits	7	5 837 891	30 625 492
<i>Total Current Assets</i>		<b>32 164 104</b>	<b>40 907 212</b>
<b>TOTAL ASSETS</b>		<b>909 676 406</b>	<b>934 284 108</b>



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



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

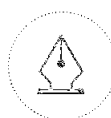
	Note	2022	2021
<b><u>Shareholders Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Share capital		100 000	100 000
Share premium		2 064	2 064
Other paid-up equity		228 621 510	226 480 130
<i>Total capital paid-in</i>		<b>228 723 574</b>	<b>226 582 194</b>
Other equity		69 905 738	67 740 937
<i>Total Shareholders' Equity</i>	8, 9	<b>298 629 312</b>	<b>294 323 131</b>
<b><u>Long-Term Liabilities</u></b>			
Deferred tax	5	188 944	236 165
Liabilities to financial institutions	10	587 264 303	629 372 943
<i>Total Long-Term Liabilities</i>		<b>587 453 247</b>	<b>629 609 108</b>
<b><u>Current Liabilities</u></b>			
Accounts payable	11	3 433 564	3 009 139
Accrued interest		429 174	2 548 818
Tax payable	5	47 236	59 045
Current liabilities group		17 595 225	1 204 223
Other current liabilities		2 088 648	3 530 644
<i>Total Current Liabilities</i>		<b>23 593 847</b>	<b>10 351 869</b>
<i>Total liabilities</i>		<b>611 047 094</b>	<b>639 960 977</b>
<i>SHAREHOLDERS' EQUITY AND LIABILITIES</i>		<b>909 676 406</b>	<b>934 284 108</b>

Haugesund, March 13, 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:  
C8C84B9E4A5C4BD9A64B7043F9460BB2

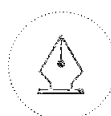


## KNOT Shuttle Tankers 26 AS

### 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.

	2022	2021
Result before tax	2,164,817	60,928,907
+ Ordinary depreciation	45,482,783	46,806,688
+ Paid tax	-59,045	-73,821
-/+ Profit/loss on foreign exchange liabilities to fin. institutions	5,999,588	567,577
+ Financial expenses - liabilities to financial institutions	1,581,207	2,717,828
= Total generated from operations	55,169,351	110,947,179
+ Net received on current assets	-16,044,493	-4,234,954
+ Net received on current liabilities	13,253,787	3,751,080
<b>Net cashflow from operations</b>	<b>52,378,645</b>	<b>110,463,305</b>
<u>Cashflow from investments</u>		
Performed class renewal with drydocking	-29,618,190	-2,107
<b>Net cashflow from investments</b>	<b>-29,618,190</b>	<b>-2,107</b>
<u>Cashflow from financing</u>		
Proceeds from liabilities to financial institutions	0	646,974,017
Paid debt issuance costs	0	-7,179,717
Repayment of liabilities to financial institutions	-49,689,435	-650,821,949
Equity received - group contribution received	2,141,380	0
Dividend paid-out	0	-85,283,600
<b>Net cashflow from financing</b>	<b>-47,548,055</b>	<b>-96,311,249</b>
<b>Net cashflow for the year</b>	<b>-24,787,601</b>	<b>14,149,949</b>
+ Bank deposits per 01.01.	30,625,492	16,475,543
<b>= Bank deposits per 31.12.</b>	<b>5,837,891</b>	<b>30,625,492</b>



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



**KNOT SHUTTLE TANKERS 26 AS**

**Notes to the Financial Statement 31.12.2022**

**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 6 + 6 months fixed contract with Chartering and Shipping Services SA of Geneva, a subsidiary of Total, the fixed period started August 2023. The company has entered into a new three year fixed contract with Brazil Shipping I Limited, a subsidiary of Royal Dutch Shell, the contract are schedule to commence after the Total charterparty.

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.

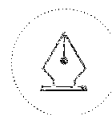
KNOT Management AS operates as manager on behalf of the company and the vessel in accordance with management agreements.

**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>2022</u>	<u>2021</u>
Grants crew expenses	-1,015,168	-2,040,628

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.



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



Auditors remuneration (excl. VAT):	<b>2022</b>	<b>2021</b>
Audit	40,103	18,819
Other services besides audit	0	0
	<b>40,103</b>	<b>18,819</b>

### 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.

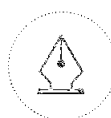
<b>Vessel</b>	<b>2022</b>	<b>2021</b>
Historical value 01.01.	1,085,752,878	1,085,752,878
Accumulated depreciation 01.01.	194,819,373	152,895,249
Book value 01.01.	890,933,505	932,857,629
Annual depreciation	40,459,524	41,924,124
Book value 31.12.	850,473,981	890,933,505

<b>Dry-docking</b>	<b>2022</b>	<b>2021</b>
Capitalised dry-docking	24,379,988	24,377,881
Accumulated depreciation dry-docking 01.01.	21,936,597	17,054,033
Capitalised dry-docking 01.01.	2,443,390	7,323,847
Additions/disposals	29,618,190	2,107
Annual depreciation	5,023,259	4,882,564
Book value 31.12.	27,038,321	2,443,390

Total book value vessel 31.12.	877,512,302	893,376,895
--------------------------------	-------------	-------------

### 4 **Financial Income and -Expenses**

	<b>2022</b>	<b>2021</b>
<b>Financial Income:</b>		
Dividend	0	92,262
Other interest income	396,947	3,902
Total financial income	396,947	96,164



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2

**Financial expenses:**

Interest expenses	27,994,853	25,329,006
Guarantee expenses group companies/related parties	3,390,602	3,140,709
Other financial expenses	282,635	211,497
<b>Total financial expenses</b>	<b>31,668,090</b>	<b>28,681,212</b>

**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.

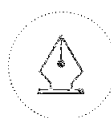
**Entrance tax**

	2022	2021
Gain and loss account 01.01.	1,073,545	1,341,932
Short-term tax payable basis (20%)	214,709	268,386
Long-term tax payable basis (80%)	858,836	1,073,545
Incoming balance long-term	236,180	295,225
Tax payable short-term	47,236	59,045
Tax payable long-term	188,944	236,180
<b>Payable tax costs calculated</b>	<b>0</b>	<b>0</b>

**Specification on the temporary differences:**

	2022/12/31	Change	2021/12/31
Gain and loss account	858,836	214,709	1,073,545
Loss carried forward	-41,798,268	3,416,876	-38,381,392
Temporary differences	-40,939,432	3,631,585	-37,307,625
Calculated deferred tax	-9,006,675	-798,998	-8,207,677
Deferred tax in balance	188,944	-47,221	236,165

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



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



<b>Tax cost</b>	<b>2022</b>	<b>2021</b>
Financial Results	-25,494,799	-28,075,291
Non-deductible interest / taxable interest	27,818,403	16,319,899
Foreign exchange gain/loss, not taxable	-5,740,480	-1,147,591
<b>Tax base prior losses carried forward</b>	<b>-3,416,876</b>	<b>-12,902,984</b>
Change in tax losses carried forward	-3,416,876	-12,902,984
<b>Base for tax payable</b>	<b>0</b>	<b>0</b>
Tax payable	47,236	59,045
Change deferred tax	-47,221	-59,045
<b>Tax costs calculated</b>	<b>15</b>	<b>0</b>
Tonnage tax expenses under operating expenses	144,475	155,712

## 6 **Inventories**

Specification of inventories per 31.12.

	<b>2022</b>	<b>2021</b>
Lube oil	2,787,102	1,817,424
Total inventory	2,787,102	1,817,424

## 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	226,480,130	67,740,937	294,323,131
Group contribution, net	0	0	2,141,380	0	2,141,380
Result for the year	0	0		2,164,802	2,164,802
Equity 31.12.	100,000	2,064	228,621,510	69,905,738	298,629,312

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 webside, <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.



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



## 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 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	
				2022	2021
Mortgage debt	USD	70,272,702	8.4295	592,361,708	636,051,555
Debt issuance cost				-5,097,405	-6,678,612
Liabilities to financial institutions				587,264,303	629,372,943

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):	-103,801,842	-30,697,559

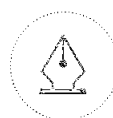
### Amounts due within 12 months of the balance sheet date:

Mortgage debt	43,689,847	43,689,847
Debt issuance cost	-1,496,912	-1,581,203
Liabilities to financial institutions	42,192,935	42,108,644

### 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	44,357,762	49,540,750
	70,272,702	75,455,690



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



The exchange rate at the year-end                      USDNOK    9.9066                      8.8363

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 910 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.

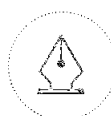
Future interest payments on the floating rate liabilities to financial institutions exceed the interest rate swaps notional amounts at the balance sheet date. Therefore it is not recognized mark to market gains/losses on fixed interest rate swaps on the basis of the year-end market interest rates. Inefficient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

	Currency	2022	2021
Outstanding fixed interest rate swaps	USD	57,500,000	60,000,000
Mark to market valuation	USD	3,813,038	-1,023,173

## 11 Related parties balances

	2022	2021
<u>Receivables</u>		
KNOT Management AS	2,375,385	4,151,007
KNOT Management Denmark A/S	2,323	0
KNOT Shuttle Tankers 27 AS	0	356
KNOT Shuttle Tankers 37 AS	196	0
KNOT Shuttle Tankers 41 AS	75,978	0
KNOT Shuttle Tankers 42 AS	5,500	0
Knutsen OAS Shipping AS	0	63,720
	<u>2,459,382</u>	<u>4,215,083</u>

	2022	2021
<u>Accounts payable</u>		
Knutsen OAS Crewing AS	109,333	186,381
Knutsen OAS Management AS	34,831	9,400
KNOT Management AS	307,561	175,231
Knutsen OAS Shipping AS	1,780,790	1,407,379
	<u>2,232,515</u>	<u>1,778,391</u>



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

Document ID:  
C8C84B9E4A5C4BD9A64B7043F9460BB2



Building a better  
working world

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 KNOT Shuttle Tankers 26 AS

### Opinion

We have audited the financial statements of KNOT Shuttle Tankers 26 AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement 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



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, 13 March 2023  
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 2022

A member firm of Ernst & Young Global Limited

Pennco document key: ZEUXE-BQILZ-JYN2H-DTAEV-ENFGY-EV1Y



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Johan Nordby

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5997-4-729076

IP: 161.12.xxx.xxx

2023-03-13 15:40:08 UTC



Penneo Dokumentnøkkel: 7EUXE-BQ1LZ-JYN2H-DTAEV-ENFGY-EV1Y

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>