



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 977 047 420
Organisasjonsform: Aksjeselskap
Foretaksnavn: ODFJELL CHEMICAL TANKERS AS
Forretningsadresse: Conrad Mohrs veg 29
5072 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: Fredrik Østervold
Dato for fastsettelse av årsregnskapet: 26.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 06.05.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Time charter earnings	2	263 304 181	211 618 445
Gain (loss) on sale of fixed assets		-3 104 934	3 597 811
Sum inntekter		260 199 247	215 216 256
Kostnader			
Time charter expenses	3	43 355 809	33 652 408
Depreciation	9	62 368 808	57 566 005
Operating expenses	4	97 842 008	89 815 076
General and administration expenses	5	10 998 628	9 901 220
Sum kostnader		214 565 253	190 934 709
Driftsresultat		45 633 994	24 281 547
Finansinntekter og finanskostnader			
Annen renteinntekt	6	12 610	19 008
Currency gains(losses)	6	95 268	-12 807
Sum finansinntekter		107 878	6 201
Rentekostnad til foretak i samme konsern	6	0	14 068
Annen rentekostnad	6	30 784 362	31 292 786
Other financial items	6	9 175 199	5 957 970
Sum finanskostnader		39 959 561	37 264 824
Netto finans		-39 851 683	-37 258 623
Ordinært resultat før skattekostnad		5 782 311	-12 977 076
Ordinært resultat etter skattekostnad		5 782 311	-12 977 076
Årsresultat		5 782 311	-12 977 076
Overføringer og disponeringer			
Allocated to other equity		5 782 312	-12 977 076
Sum overføringer og disponeringer		5 782 312	-12 977 076



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Ships	9	1 079 072 140	886 269 942
Newbuilding contracts	9	0	75 114 497
Sum varige driftsmidler		1 079 072 140	961 384 439
Finansielle anleggsmidler			
Non-current receivables		1 314 000	7 462 121
Sum finansielle anleggsmidler		1 314 000	7 462 121
Sum anleggsmidler		1 080 386 140	968 846 560
Omløpsmidler			
Varer			
Fordringer			
Current receivables	7	654 354	0
Other short-term receivables	7	109 216	444 675
Receivable on parent from cash-pool	16	10 460 412	0
Konsernfordringer	8	24 940 897	25 722 749
Sum fordringer		36 164 879	26 167 424
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		10 797	455 845
Sum bankinnskudd, kontanter og lignende		10 797	455 845
Sum omløpsmidler		36 175 676	26 623 269
SUM EIENDELER		1 116 561 816	995 469 829

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Share capital	10,11	34 081 904	34 081 904
Overkurs	10	208 819 277	208 819 277
Sum innskutt egenkapital		242 901 181	242 901 181
Opptjent egenkapital			
Other equity	10	138 573 489	132 791 177
Sum opptjent egenkapital		138 573 489	132 791 177
Sum egenkapital		381 474 670	375 692 358
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	14	0	6 997 300
Non-current interest bearing debt	12	671 057 793	537 583 511
Other non-current liabilities		0	2 963 280
Sum annen langsiktig gjeld		671 057 793	547 544 091
Sum langsiktig gjeld		671 057 793	547 544 091
Kortsiktig gjeld			
Current interest bearing debt	12	55 050 758	49 760 000
Kortsiktig konserngjeld	15	5 156 218	13 129 276
Trade creditors		7 504	0
Other current liabilities		3 814 873	1 215 692
Liability to parent from cash-pool	16	0	8 128 412
Sum kortsiktig gjeld		64 029 353	72 233 380
Sum gjeld		735 087 146	619 777 471
SUM EGENKAPITAL OG GJELD		1 116 561 816	995 469 829



FINANCIAL STATEMENTS

Odfjell Chemical Tankers AS

For the year ended December 31, 2020

Directors Report

Income Statement

Balance Sheet

Cash Flow Statement

Notes

Auditors Report



ODFJELL CHEMICAL TANKERS AS
(Org. no. 977 047 420)

The Directors' Report for year 2020

Operations and locations

The activity for the company is to own and operate vessels or companies with such activities. The company is located in Bergen, Norway.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2021 and the company's long-term strategic forecasts. The company's economic and financial position is sound.

Comments related to the financial statements

Net result after tax was positive USD 5.8 mill for 2020, compared to USD -13.0 mill in 2019. The total capital was by the end of 2019 USD 1 116.6 mill, compared to USD 995.5 mill in 2019. Equity was USD 381.5 mill as per 31.12.2020.

The company is qualified for the Norwegian shipping tax system.

Market development

2020 got off to a good start for the chemical tanker market, successfully building on the stronger markets that emerged in the second half of 2019. The trend was interrupted by Covid-19 emerging in China, a major importer of liquid chemicals, before the market improved significantly when the oil price war began in April and floating storage led to a material reduction in supply, which exceeded the initial reduction in demand for chemicals.

Chemical tanker demand recovered quickly in the aftermath of government lockdowns, and remained positive until destocking, and a new round of lockdowns, hurt demand and weakened the market towards the end of the year. Second half of the year, this was paired with increased competition from swing tonnage due to a weakened CPP and crude oil tanker market.

Covid-19 has had a material impact on Global GDP growth in 2020, with the IMF now estimating a drop in Global GDP of 3.5%. We have seen the pandemic and its impact on GDP differ materially across the globe, with the eastern hemisphere coping better than the western hemisphere. Advanced economies are estimated to see a GDP drop of -4.9% in 2020, and GDP growth in emerging markets is estimated to be -2.4%. The variations in economic activity during the pandemic impacted chemical tanker trade positively, as exports of surplus product across regions stimulated trading activity as seen in the increased tonne-miles. The drop in feedstock prices, and commodity prices in general, contributed positively to trade as importers saw lower prices as an opportunity to build inventories.

The extent and duration of Covid-19 and its effects over the longer term remain largely uncertain and dependent on future developments that cannot be accurately



predicted at this time. Odfjell is closely monitoring the impact of the ongoing virus outbreak and will implement measures required to minimize the adverse impact on our employees, operations and financial results.

Financial risk

With the global market as our arena, Odfjell Chemical Tankers AS is exposed to a number of risk factors. Our financial strategy is to be sufficiently robust to withstand prolonged adverse conditions, including long-term downturns in our markets or challenging conditions in the financial markets.

Odfjell adopts an active approach to manage risk in the financial markets, through systematic monitoring and management of financial risks related to currencies and interest. Hedging instruments are used to reduce the Company's exposure to fluctuations in the above-mentioned financial risks. At the same time, it may limit Odfjell's upside potential from favorable movements in these same risk factors.

Future hedging programs may vary depending on changes in market conditions.

Liquidity risk

The company is part of the Group's cash pooling system and therefore the company has suitable liquidity flexibility from this system. Long-term financing consist of either mortgage loans or sale-leaseback transactions with a suitable term structure matching operational cash flows.

Staff, discrimination and environment reports

The company has no employees. The Board of Directors consist of three members, all men. As there are no employees, the Board of Directors have through an assessment not found it necessary to do further efforts to promote gender equality.

Research and development activities

The company has currently no ongoing research or development activities.

Environmental report

There was no spill or leakage on any of the vessels with negative environmental effect.

Fuel efficiency measures and subsequent reduced emissions continue to be a priority. In 2020 Odfjell stopped using Heavy Fuel Oil (HFO) and moved to Very Low Sulphur Fuel Oil (VLFSO) and Marine Gas Oil (MGO). 83.6 % of total bunkers consumption in 2020 was VLFSO, up from 3% in 2019.



Allocation of net result

The Board of Directors has proposed the net result to be attributed to:

<u>Net result</u>	<u>USD 5 782 312</u>
Net result allocated from other equity	USD 5 782 312

Bergen, 26 / 03- 2021

The Board of Directors of Odfjell Chemical Tankers AS

Terje Iversen
Member of the Board

Kristian Mørch
Chairman of the Board

Harald Fotland
Member of the Board



Odfjell Chemical Tankers AS

2020

STATEMENT OF PROFIT OR LOSS

(USD)	Note	2020	2019
OPERATING INCOME AND EXPENSES			
Time charter earnings	2	263 304 181	211 618 445
Time-charter expenses	3	-43 355 808	-33 652 408
Operating expenses	4	-97 842 008	-89 815 076
General and administration expenses	5	-10 998 628	-9 901 220
Depreciation	9	-62 368 808	-57 566 005
Gain/loss on sale of fixed assets		-3 104 934	3 597 811
Operating result		45 633 994	24 281 547
FINANCIAL INCOME AND EXPENSES			
Interest income	6	12 610	19 008
Interest and fees paid	6	-30 784 361	-31 292 786
Interest expenses from related companies	6	0	-14 067
Other financial items	6	-9 175 199	-5 957 970
Currency gains (losses)	6	95 268	-12 807
Net financial items		-39 851 683	-37 258 623
PRETAX INCOME		5 782 312	-12 977 076
NET INCOME		5 782 312	-12 977 076
BROUGHT FORWARD			
Allocated to other equity		-5 782 312	12 977 076
Net brought forward		-5 782 312	12 977 076



Odfjell Chemical Tankers AS

2020

STATEMENT OF FINANCIAL POSITION

(USD)	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Ships	9	1 079 072 140	886 269 942
Newbuilding contracts	9	0	75 114 497
Non-current receivables		1 314 000	7 462 121
Sum non-current assets		1 080 386 140	968 846 559
CURRENT ASSETS			
Current receivables	7	654 354	0
Due from related companies	8	24 940 897	25 722 749
Other short-term receivables	7	109 216	444 675
Receivable on parent from cash-pool	16	10 460 412	0
Cash and bank deposits		10 797	455 845
Sum current assets		36 175 676	26 623 269
TOTAL ASSETS		1 116 561 816	995 469 829
EQUITY			
Share capital	10,11	34 081 904	34 081 904
Share premium reserve	10	208 819 277	208 819 277
Other equity	10	138 573 490	132 791 178
Sum equity		381 474 670	375 692 358
NON-CURRENT LIABILITIES			
Loans from related companies	14	0	6 997 300
Non-current interest bearing debt	12	671 057 793	537 583 511
Other non-current liabilities		0	2 963 279
Sum non-current liabilities		671 057 793	547 544 091
CURRENT LIABILITIES			
Other current liabilities		3 814 874	1 215 692
Liability to parent from cash-pool	16	0	8 128 412
Current interest bearing debt	12	55 050 758	49 760 000
Trade creditors		7 504	0
Due to related companies	15	5 156 218	13 129 276
Sum current liabilities		64 029 353	72 233 379
TOTAL EQUITY AND LIABILITIES		1 116 561 816	995 469 829



Odfjell Chemical Tankers AS

2020

Bergen, 26/3-2021

The Board of Directors of Odfjell Chemical Tankers AS

Terje Iversen
General manager, Member of the
board

Kristian Verner Mørch
Chairman of the board

Harald Fotland
Member of the board



Odfjell Chemical Tankers AS

2020

CASH FLOW STATEMENT

(USD)	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Pretax income	5 782 312	-12 977 076
Depreciation	62 368 808	57 566 005
Sale of vessels	3 104 934	-3 597 811
Change in other current accruals	-7 866 694	-15 348 615
Net cash flow from operating activities	63 389 360	25 642 504
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of non-current assets	-187 100 569	-139 938 400
Change in non-current receivables	6 148 121	-169 928
Sale of vessels	3 939 125	22 791 684
Net cash flow from investing activities	-177 013 323	-117 316 644
CASH FLOW FROM FINANCING ACTIVITIES		
New interest-bearing debt	202 543 666	260 773 306
Repayment of interest-bearing debt	-61 769 187	-162 992 110
Change in group cash-pool accounts	-18 588 825	-1 575 098
Financing expenses	-9 006 739	-4 076 112
Net cash flow from financing activities	113 178 915	92 129 986
Net change in cash balances	-445 048	455 845
Cash and cash equivalents 1.1	455 845	0
Cash and cash equivalents 31.12	10 797	455 845



NOTE 1 - ACCOUNTING PRINCIPLES

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

Presentation currency

Starting from 2019, the Company has elected to present its financial statements in US Dollars, which is the Company's functional currency.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date.

Time-charter earnings

The company's earnings consist of revenue from time-charter contracts where vessels are leased to a counterparty at a fixed daily rate.

Revenue from said contracts are recognized on a straight-line basis from the commencement date of the contract, e.g. the point in time where the counterparty assumes control of the vessel, to the contract's end.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is likely that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

The company is taxed under the Norwegian shipping tax systems and will not be taxed on the basis of its net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime



Balance sheet classification

Assets and liabilities related to the operation of the company are classified as current assets and liabilities. Assets for long-term use are classified as non-current assets.

Current assets are valued at the lower of historical cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at amortized cost.

Ships, property, plant and equipment

Ships, property, plant and equipment are measured at historical cost, which includes purchase price, capitalized interest and other expenses directly related to the assets. The investment is capitalized and depreciated over the estimated useful life.

We estimate residual value at the estimated time of disposal of assets, which is generally at the end of their useful life. To assess the residual value of ships we use the current estimated recycling value. The residual value for ships is estimated by distributing the total lightweight of the ships in a stainless steel part and a carbon steel part. Steel are estimated to the market value of steel at year end. Stainless steel is valued at 10% of the quoted nickel price at London Metal Exchange at the balance sheet date. The residual values are measured on a yearly basis and any changes have an effect on future depreciations.

Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Receivables

Accounts receivable and other receivables are carried at fair value less provision for bad debts. Provision for bad debt is based on an individual assessment of each receivable. In addition, for the other receivables, a general provision is booked to cover expected losses.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



Leases

The determination of whether an arrangement is, or may represent a lease, is based on the substance of the arrangement at inception date. An arrangement is a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Assets financed under financial leases are capitalised at the commencement of the lease at the fair value of the leased asset, or if lower, at the net present value of minimum lease payments. Lease payments consist of a capital element and financial cost, the repayment of the capital element reduces the obligation to the lessor and the financial cost is expensed. Capitalised leased assets are depreciated over the estimated useful life. For ships chartered in on bareboat terms, the company is responsible for operating expenses and periodic maintenance. For such ships we make accruals for estimated future periodic maintenance. Provision for dry-docking of ships on bareboat terms is included in other current liabilities in the Statement of financial position.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

NOTE 2 - TIME-CHARTER INCOME

(USD)	2020	2019
Odfjell Tankers	261 180 337	208 880 945
Flumar Ltda	2 123 844	2 737 500
Total	263 304 181	211 618 445

NOTE 3 - TIME-CHARTER EXPENSES

Operating leases

The Group has entered into several operating leases for ships. The leases have fixed time-charter commitment. The time-charter rate is the compensation to the ship-owner covering the financial expenses and in some cases also the ship operating expenses.

The operating leases contain no restrictions on the Company's dividend policy or financing opportunities. The nominal value of future rents related to the existing non-cancellable operating lease commitments fall due as follows:

Lease commitments per year

(USD)	2021	2022	2023	2024	2025	2026+	
Commenced as per Dec 31	41 055 200	41 055 200	41 055 200	41 100 830	33 019 830	55 284 568	252 570 828
Not commenced as per Dec 31	6 955 000	15 340 000	17 793 750	17 793 750	17 793 750	84 565 000	142 447 500
Total	41 055 200	48 010 200	56 395 200	58 894 580	50 813 580	139 849 568	395 018 328



Odfjell Chemical Tankers AS

2020

NOTE 4 - OPERATING EXPENSES

(USD)	2020	2019
Crew expenses, maintenance, insurance etc.	95 732 058	87 932 066
Other operating expenses	1 161 133	945 405
Hedging	948 818	937 605
Total	97 842 009	89 815 076

NOTE 5 - GENERAL AND ADMINISTRATION EXPENSES

Remuneration to Board of Directors

No remuneration has been paid to the board of directors in 2020.

General and administration expenses by type

(USD)	2020	2019
Internal management fees	10 967 223	9 782 651
Other administrative expenses	463	92 798
Auditor fees	30 942	25 770
Total	10 998 628	9 901 219

Internal management fees

Internal management fees relate to Odfjell Management AS, a subsidiary of Odfjell SE.

Audit fees by type of service

(NOK)	2020
Audit fees	29 580
Other services	1 362
Total	30 942



Odfjell Chemical Tankers AS

2020

NOTE 6 - FINANCIAL ITEMS

(USD)	2020	2019
Currency losses	-18 626	-18 725
Interest income	12 610	19 008
Currency gains	113 893	5 917
Interest expenses from related companies	0	-14 067
Other financial expenses	-3 038 533	-2 091 128
Guarantees from related companies	-6 136 666	-3 866 842
Interest and fees paid	-30 784 361	-31 292 786
Total	-39 851 683	-37 258 623

NOTE 7 - CURRENT RECEIVABLES

(USD)	2020	2019
Current receivables	654 354	0
Other short-term receivables	109 216	444 675
Total	763 570	444 675

Currency and counterparty risk

All of the Company's receivables are denominated in USD. The Company has limited exposure to other currencies.

Receivables are primarily against other entities within the Odfjell Group and carries limited counterparty risk.

NOTE 8 - DUE FROM RELATED COMPANIES

(USD)	12/31/2020	12/31/2019
Odfjell Tankers AS	18 841 242	14 315 461
Odfjell SE	5 916 252	0
Odfjell MR Coated Pool AS	131 410	0
Odfjell Japan Ltd.	47 098	47 098
Odfjell Asia II Pte. Ltd.	4 896	11 360 191
Total	24 940 897	25 722 749



Odfjell Chemical Tankers AS

2020

NOTE 9 - NON-CURRENT ASSETS

(USD)	Ships	Newbuilding contracts	Periodic maintenance	Total
Opening Balance	868 696 704	75 114 497	17 573 237	961 384 438
Depreciation	-52 071 808	0	-10 297 000	-62 368 808
Additions	247 055 885	-75 114 497	15 159 181	187 100 569
Sale of assets	-7 044 059	0	0	-7 044 059
Total	1 056 636 722	0	22 435 418	1 079 072 140

Sale of vessels

In 2020, the company has sold the vessel Bow Andes, resulting in a net loss of USD 3 104 934.

Sale-leaseback arrangements

Several of the vessels are financed under sale-leaseback arrangements. Total outstanding debt related to said arrangements amount to USD 584.7 million at year-end.

Newbuildings

The Odfjell Group has completed its newbuilding program in 2020 and the remaining balance has been transferred to Ships upon completion.

NOTE 10 - EQUITY

(USD)	Share capital	Share premium reserve	Other equity	Total
Opening Balance	34 081 904	208 819 277	132 791 178	375 692 358
Net result	-	-	5 782 312	5 782 312
Closing Balance	34 081 904	208 819 277	138 573 490	381 474 670

NOTE 11 - SHARE CAPITAL AND PREMIUM

Share capital

The share capital consists of 6 262 195 shares with a nominal value of NOK 34 per share.

List of shareholders as of 12/31/2020:

Shareholder	Number of shares	Voting rights
Norfra Shipping AS	6 262 195	100%

NOTE 12 - NON-CURRENT AND CURRENT INTEREST BEARING DEBT



Odfjell Chemical Tankers AS

2020

	Interest rate year end	12/31/2020	12/31/2019
Mortgage loans from financial institutions – floating interest rate	2.90%	155 179 589	167 416 794
Financial leases and sale-lease-back	3.64%	584 670 335	427 274 401
Subtotal interest-bearing debt	3.48%	739 849 924	594 691 195
Debt transaction fees		-13 741 373	-7 347 684
Total interest bearing debt		726 108 551	587 343 511
Current portion of interest-bearing debt		-55 050 758	-49 760 000
Non-current interest bearing debt		671 057 793	537 583 511

Maturity of interest bearing debt as per 31 December 2020

Maturity of debt as at 12/31/2020	2021	2022	2023	2024	2025	2026+	Total
Mortgage loans from financial institutions – floating interest rate	11 076 667	22 776 667	9 310 000	82 066 256	29 950 000	-	155 179 589
Finance leases and sale-leaseback	43 974 091	44 568 357	44 998 829	43 162 410	40 020 147	367 946 501	584 670 335
Sub total	55 050 758	67 345 024	54 308 828	125 228 666	69 970 147	367 946 501	739 849 924
Estimated interest payable	25 771 311	21 425 275	19 924 628	18 437 652	14 828 238	56 776 240	157 163 344
Total repayments including interest	80 822 069	88 770 299	74 233 456	143 666 318	84 798 385	424 722 741	897 013 268

Guarantees and collateral

The company has issued guarantees related to credit facilities on behalf of the beneficial owner Odfjell SE for a total of USD 35.8 million, while Odfjell SE has given guarantees for a total of USD 709.3 million of the company's debt as per Dec 31 2020.

Guarantee fees are paid to and from Group companies based on the amount, and are priced on an arm's length basis.

Interest bearing debt is secured through first priority mortgage on vessels, assignment of insurances and assignment of earnings.



Odfjell Chemical Tankers AS

2020

NOTE 13 - TAXES

Tax expenses

(USD)	2020	2019
Taxes payable	-	-
Change in deferred taxes	-	-
Total	-	-
Tonnage tax booked as operating expenses	-271 072	-222 571

Temporary differences as per December 31

(USD)	12/31/2020	12/31/2019
Losses brought forward	2 751 951	1 758 793
Limited interest deduction brought forward	368 750	358 553
Total temporary differences	3 120 700	2 117 345

The company operates within the Norwegian shipping tax system.

Based on an assessment of future utilization, deferred tax assets are not recognized in the financial statements.

NOTE 14 - LOANS FROM RELATED COMPANIES

(USD)	12/31/2020	12/31/2019
Odfjell SE	0	6 997 300
Total	0	6 997 300

NOTE 15 - DUE TO RELATED COMPANIES

(USD)	12/31/2020	12/31/2019
Odfjell Management AS	5 155 754	11 844 221
Odfjell SE	0	1 285 055
Odfjell Maritime Services AS	463	0
Total	5 156 218	13 129 276



NOTE 16 - GROUP CASH POOL ACCOUNTS

The company is included in the Group's cash pooling account system with Odfjell SE, Odfjell Tankers AS, Odfjell Management AS, Odfjell Maritime Services AS and Norfra Shipping AS.

The company is jointly and severally liable for any outstanding amounts.

Based on a reassessment of the cash-pool agreement, these accounts are now presented as a receivable on the parent company.

Prior year's cash and cash equivalent and liabilities to financial institutions have been restated to reflect this fact, resulting in a restatement of cash from USD 455 946 to USD 455 845, a reduction of liabilities to financial institutions from USD 8 128 513 to USD 0, and an equivalent increase in liabilities to the parent company.

NOTE 17 - CONSOLIDATED ACCOUNTS

The company is included in Odfjell SE's consolidated accounts. The consolidated financial statements can be obtained by contacting Odfjell SE's registered office in Bergen.

NOTE 18 - COVID-19

The outbreak of the Coronavirus (COVID-19) continues to put constraints on businesses around the world. During 2020, the outbreak did not have a severe negative effect on the company's financial performance. The impact from COVID-19 continues in 2021.

The extent and duration of these conditions over the longer term remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time. Odfjell is closely monitoring the impact of the ongoing virus outbreak and will implement measures required to minimize the adverse impact on our employees, operations and financial results.

NOTE 19 - SUBSEQUENT EVENTS

There have been no events after the balance sheet date with a significant impact on the company's financial position.



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell Chemical Tankers AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Odfjell Chemical Tankers AS, which comprise the balance sheet as at 31 December 2020, statement of profit or loss and statement of cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 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 on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.



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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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including 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 those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Independent auditor's report - Odfjell Chemical Tankers AS

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Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 26 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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

Jørn Knutsen

Statsautorisert revisor

On behalf of: Ernst & Young AS

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Vår dato 05.12.2018	Din dato 29.10.2018	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din referanse Lars M Bjørneberg	Telefon 800 80 000
Org.nr 996250318	Vår referanse 2018/1245386	Postadresse Postboks 9200 Grønland 0134 Oslo

ODFJELL SE
Postboks 6101
5892 BERGEN

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 29. oktober 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- Odfjell Tankers AS org.nr. 977 272 513
- Norfra Shipping AS org.nr. 881 412 632
- Odfjell Chemical Tankers AS org.nr. 977 047 420
- Odfjell Management AS org.nr. 992 188 030
- Odfjell Maritime Services AS org.nr. 992 188 065
- Odfjell Insurance & Properties AS org.nr. 911 037 092

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene ovenfor 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 årsregnskapene. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknad gjengis:

Alle ovennevnte selskaper er datter/datterdatter-selskaper av børsnoterte Odfjell SE og er en del av konsernet Odfjell. Både konsernet og Odfjell SE er allerede i dag omfattet av dispensasjon fra krav om opplysninger på norsk.

Odfjell er et internasjonalt shipping selskap med global virksomhet og selskapets arbeidsspråk er engelsk. Dette innebærer at all intern og ekstern skriftlig kommunikasjon inkl. pressemeldinger, foregår på engelsk. Også all informasjon som legges til selskapets intranett og hjemmeside gies på engelsk. Styret i Odfjell SE er internasjonalt, og alle styrepapirer og øvrig dokumentasjon produseres derfor kun på engelsk. Brukere av regnskapet for noen av ovennevnte selskaper er i mange tilfeller utenlandske kreditorer og forretningspartnere.

En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller 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 kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er datter/datterdatter-selskaper av konsernet Odfjell. Eierkretsen er begrenset. Morselskapet har tillatelse til å benytte engelsk språk. I tillegg er selskapenes virksomhet utpreget internasjonal, hvor arbeidsspråket er engelsk. Alle sentrale aktører i bransjen behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.