



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 982 110 572  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ODFJELL TERMINALS 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: 18.05.2021

### 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: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
General and administration expenses	2	4 643 193	147 440
<b>Sum kostnader</b>		<b>4 643 193</b>	<b>147 440</b>
<b>Driftsresultat</b>		<b>-4 643 193</b>	<b>-147 440</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	3	543	27 341
Currency gains(losses)	3	200 557	-581 416
Other financial items	3	6 217 165	342 255 382
<b>Sum finansinntekter</b>		<b>6 418 265</b>	<b>341 701 307</b>
<b>Netto finans</b>		<b>6 418 265</b>	<b>341 701 307</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 775 072</b>	<b>341 553 867</b>
Tax on ordinary result	4	932 988	32 135 116
<b>Ordinært resultat etter skattekostnad</b>		<b>842 084</b>	<b>309 418 751</b>
<b>Årsresultat</b>		<b>842 084</b>	<b>309 418 751</b>
<b>Overføringer og disponeringer</b>			
Net brought forward		842 084	309 418 751
<b>Sum overføringer og disponeringer</b>		<b>842 084</b>	<b>309 418 751</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	5	151 409 548	151 409 548
<b>Sum finansielle anleggsmidler</b>		<b>151 409 548</b>	<b>151 409 548</b>
<b>Sum anleggsmidler</b>		<b>151 409 548</b>	<b>151 409 548</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Konsernfordringer	6	206 906	212 791
<b>Sum fordringer</b>		<b>206 906</b>	<b>212 791</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and bank deposits		2 238 840	189 296
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 238 840</b>	<b>189 296</b>
<b>Sum omløpsmidler</b>		<b>2 445 746</b>	<b>402 087</b>
<b>SUM EIENDELER</b>		<b>153 855 294</b>	<b>151 811 635</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	7,8	43 829 986	43 829 986
<b>Sum innskutt egenkapital</b>		<b>43 829 986</b>	<b>43 829 986</b>
<b>Opptjent egenkapital</b>			
Other equity	7	77 031 591	76 189 508
<b>Sum opptjent egenkapital</b>		<b>77 031 591</b>	<b>76 189 508</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum egenkapital</b>		<b>120 861 577</b>	<b>120 019 494</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	9	2 080 753	0
Kortsiktig konserngjeld	9	30 912 964	31 792 141
<b>Sum kortsiktig gjeld</b>		<b>32 993 717</b>	<b>31 792 141</b>
<b>Sum gjeld</b>		<b>32 993 717</b>	<b>31 792 141</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>153 855 294</b>	<b>151 811 635</b>



Skattedirektoratet

Saksbehandler  
Torstein Kinden Helleland

Deres dato  
24.03.2014

Vår dato  
07.04.2014

Telefon  
22078139

Deres referanse  
Terje Iversen

Vår referanse  
2014/221871

put on paperfile.

ODFJELL SE  
Postboks 6101  
5892 BERGEN

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Odfjell Terminals AS, org. nr. 982 110 572

Det vises til deres e-post av 24. mars 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Odfjell Terminals AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Odfjell Terminals AS 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

Odfjell Terminals AS er et joint venture selskap med en aksjonærsammensetning fordelt på 51 % på Odfjell SE og 49 % på Linday Goldberg LLC, hvor da igjen majoriteten av aksjonærene er på utenlandske hender. Odfjell SE har tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk. Odfjell Terminals AS er et internasjonalt terminal selskap med global virksomhet. Arbeidsspråket er engelsk. Styret i selskapet er internasjonalt sammensatt. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets vurdering

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*

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 80



*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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eiet av et selskap som har tillatelse til å benytte engelsk språk og et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland



# FINANCIAL STATEMENTS

## **Odfjell Terminals AS**

For the year ended December 31, 2020

**Directors Report**

**Income Statement**

**Balance Sheet**

**Cash Flow Statement**

**Notes**

**Auditors Report**

*A*



ODFJELL TERMINALS AS  
(Org. no 982 110 572)

**The Directors' Report for year 2020**

**Operations and locations**

The business area for the company is participation in other companies and project related activities within tank terminals, and everything related to this. 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. The Board believes that the proposed accounting provides a comprehensive picture of company performance and financial position.

**Future development**

Odfjell Terminals AS is now a company with limited operational activity owning shares in other companies.

The COVID-19 outbreak is ongoing, despite slowing down in many areas. This is causing large uncertainty about the global economic outlook. The company does not have its own operations but is indirectly affected by the Covid-19 outbreak through its investments.

**Comments related to the financial statements**

Net result for the year showed a profit of NOK 0.8 million, compared with NOK 309.4 million in 2019.

The result for prior year was mainly due to gain on sale of all shares in Odfjell Terminals (Jiangyin) Co, Ltd and due to dividends received on investments.

Total assets at the end of the year were NOK 153.9 million, compared with NOK 151.8 million prior year. The equity ratio was 79 % per 31.12.2020.

The Company's cash and cash equivalents was NOK 2.2 million per 31.12.2020.

During the year, Odfjell Terminals BV has acquired 50% of shares in the Company, and now owns 100 % of the Company's equity and voting rights. Odfjell Terminals BV is a subsidiary of Odfjell SE.

**Financial risk**

The Company only has investment activities and is therefore not exposed to currency exposure on operational activity, only currency exposure on net investments.

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**Staff, discrimination and environment reports**

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

**Environmental report**

There are no known incidents of pollution stemming from the Company's investments. On the terminal side all over the world, major investments are made to ensure the facilities against emissions and pollution of the nature.

**Allocation of net result**

The Board of Directors proposal on how to dispose the net result for Odfjell Terminals is shown in the income statement.

Bergen, 7/5 2021

The Board of Directors of Odfjell Terminals AS

Terje Iversen  
Chairman of the Board /  
Managing Director

Adrian Sorger Lenning  
Member of the Board



Odfjell Terminals AS

2020

### STATEMENT OF PROFIT OR LOSS

(NOK)	Note	2020	2019
<b>OPERATING INCOME AND EXPENSES</b>			
General and administration expenses	2	-4 643 193	- 147 440
<b>Operating result</b>		<b>-4 643 193</b>	<b>- 147 440</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income	3	543	27 341
Other financial items	3	6 217 165	342 255 382
Currency gains (losses)	3	200 557	- 581 416
<b>Net financial items</b>		<b>6 418 266</b>	<b>341 701 307</b>
<b>PRETAX INCOME</b>		<b>1 775 073</b>	<b>341 553 867</b>
<b>TAXES</b>			
Tax on ordinary result	4	- 932 989	-32 135 116
<b>Net tax expense</b>		<b>- 932 989</b>	<b>-32 135 116</b>
<b>NET INCOME</b>		<b>842 084</b>	<b>309 418 751</b>
<b>BROUGHT FORWARD</b>			
Net brought forward		- 842 084	- 309 418 751
<b>Net brought forward</b>		<b>- 842 084</b>	<b>- 309 418 751</b>



Odfjell Terminals AS

2020


## STATEMENT OF FINANCIAL POSITION

(NOK)	Note	31.12.2020	31.12.2019
<b>NON-CURRENT ASSETS</b>			
Investments in associates and joint ventures	5	151 409 548	151 409 548
<b>Sum non-current assets</b>		<b>151 409 548</b>	<b>151 409 548</b>
<b>CURRENT ASSETS</b>			
Due from related companies	6	206 906	212 791
Cash and bank deposits		2 238 839	189 295
<b>Sum current assets</b>		<b>2 445 746</b>	<b>402 086</b>
<b>TOTAL ASSETS</b>		<b>153 855 294</b>	<b>151 811 635</b>
<b>EQUITY</b>			
Share capital	7,8	43 829 986	43 829 986
Other equity	7	77 031 591	76 189 508
<b>Sum equity</b>		<b>120 861 577</b>	<b>120 019 494</b>
<b>CURRENT LIABILITIES</b>			
Due to related companies	9	30 912 964	31 792 141
Trade creditors	9	2 080 752	0
<b>Sum current liabilities</b>		<b>32 993 717</b>	<b>31 792 141</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>153 855 294</b>	<b>151 811 635</b>

Bergen, 7/5 2021

The Board of Directors of Odfjell Terminals AS

  
Terje Iversen  
General manager, Chairman of the  
board

  
Adrian Sorger Lenning  
Member of the board



Odfjell Terminals AS

2020

### CASH FLOW STATEMENT

(NOK)	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Pretax income	1 775 073	341 553 867
Taxes paid	-932 989	-32 135 116
Items classified as investments or financing	-6 219 928	-342 257 223
Change in working capital and intercompany accounts	1 207 460	31 556 537
<b>Net cash flow from operating activities</b>	<b>-4 170 384</b>	<b>-1 271 935</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Dividend received	6 219 928	9 239 324
<b>Net cash flow from investment activities</b>	<b>6 219 928</b>	<b>9 239 324</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	0	-8 000 000
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>-8 000 000</b>
<b>Net change in cash balances</b>	<b>2 049 544</b>	<b>-32 612</b>
Cash and cash equivalents 1.1	189 295	221 907
<b>Cash and cash equivalents 31.12</b>	<b>2 238 839</b>	<b>189 295</b>



Odfjell Terminals AS

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## NOTE 1 - ACCOUNTING PRINCIPLES

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

### Use of estimates

The management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities at the balance sheet date.

### Subsidiaries and investment in associates

Subsidiaries and investments in joint ventures/associates are valued at cost in the company accounts. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

### 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 NOK 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 NOK 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.

### 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.



Odfjell Terminals AS

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### 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.

### 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.

## NOTE 2 - GENERAL AND ADMINISTRATION EXPENSES

### General and administration expenses by type

(NOK)	2020	2019
Internal management fees	3 971 863	0
Other administrative expenses	637 376	0
Auditor fees	33 954	147 440
<b>Total</b>	<b>4 643 193</b>	<b>147 440</b>

Internal management fees relate to Odfjell Terminals Management BV.

### Remuneration to Board of Directors

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

### Employees and pensions

The company has no employees and is therefore not obligated to have a mandatory pension scheme by Norwegian law.

### Auditor fees

(NOK)	12/31/2020
Audit services	33 954
Non-audit services	-
<b>Total</b>	<b>33 954</b>



Odfjell Terminals AS

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### NOTE 3 - FINANCIAL ITEMS

(NOK)	2020	2019
Other financial income	6 219 928	342 257 224
Currency gains	853 994	244 396
Interest income	543	27 341
Other financial expenses	-2 763	-1 842
Currency losses	- 653 437	- 825 812
<b>Total</b>	<b>6 418 265</b>	<b>341 701 307</b>

#### Other financial income

The company's shares in Odfjell Terminals (Jiangyin) Co, Ltd. were sold in 2019 for a total price of NOK 395 254 482.

Book value at the transaction date was NOK 62 236 582, resulting in a total gain of NOK 333 017 900.

### NOTE 4 - TAXES

#### Tax expenses

(NOK)	2020	2019
Taxes payable	-	-
Change in temporary differences	-	-
Withholding tax	-932 989	-32 135 116
<b>Net tax expense</b>	<b>-932 989</b>	<b>-32 135 116</b>

#### Taxes payable

(NOK)	2020	2019
Pre-tax income	1 775 073	341 553 867
Permanent differences	-6 033 330	(341 980 044)
Change in temporary differences	-	-
Utilization of losses carried forward	-	-
<b>Basis for taxes payable</b>	<b>-4 258 258</b>	<b>-426 177</b>
Taxes payable	-	-



Odfjell Terminals AS

2020

### Temporary differences

(NOK)	12/31/2020	12/31/2019
Losses brought forward	-6 877 172	-2 618 915
Net temporary differences	-6 877 172	-2 618 915
	-	-
Tax rate	22%	22%
Deferred tax / (Deferred tax asset)	-1 512 978	-576 161

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

### NOTE 5 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Company	Office	Ownership	Carrying amount
Odfjell Terminals (Korea) Co. Ltd.	Ulsan, Korea	50%	151 409 548
Total			151 409 548

### Net result and equity

(NOK)	Net result	Equity
Odfjell Terminals (Korea) Co Ltd	24 843 478	765 597 143
Total	24 843 478	765 597 143

### NOTE 6 - DUE FROM RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Odfjell Terminals BV	206 906	212 791
Total	206 906	212 791

### NOTE 7 - EQUITY

(NOK)	Share capital	Other equity	Total
Equity 1.1	43 829 986	76 189 508	120 019 494
Net result	-	842 084	842 084
Equity 31.12	43 829 986	77 031 591	120 861 577



Odfjell Terminals AS

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## NOTE 8 - SHARE CAPITAL AND PREMIUM

### Share capital

The share capital consists of 100 shares with a nominal value of NOK 438 299.86 per share.

### List of shareholders as of 12/31/2020:

Shareholder	Number of shares	Voting rights
Odfjell Terminals BV	100	100%
<b>Total</b>	<b>100</b>	<b>100%</b>

## NOTE 9 - DUE TO RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Odfjell Terminals Asia Holding	30 912 964	31 792 141
<b>Total</b>	<b>30 912 964</b>	<b>31 792 141</b>

### Trade creditors

The Company has trade payables to Odfjell Terminals Management BV of NOK 2 million as of 31.12.2020.

## NOTE 10 - COVID-19

The company is a holding company and does not have activities directly affected, but is a subsidiary of Odfjell SE and part of the Odfjell Group.

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 Group'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. time.

## NOTE 11 - SUBSEQUENT EVENTS

No events have taken place after the balance sheet date with a significant impact on the Company's operations or financial position.



## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell Terminals AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Odfjell Terminals AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements 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 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, 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.

#### 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.

### 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.



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working world

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Bergen, 18 May 2021  
ERNST & YOUNG AS

John Knutsen  
State Authorised Public Accountant (Norway)

Independent auditor's report – Norfra Shipping AS

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