



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	881 412 632
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NORFRA SHIPPING AS
Forretningsadresse:	Conrad Mohrs veg 29 5072 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	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:	31.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 13.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Freight income	2	25 149 078	27 660 995
Sum inntekter		25 149 078	27 660 995
Kostnader			
Depreciation	6	11 350 794	5 580 516
Operating expenses		45 317	-3 190
General and administration expenses	3	50 327	48 893
Sum kostnader		11 446 438	5 626 219
Driftsresultat		13 702 641	22 034 776
Finansinntekter og finanskostnader			
Annen renteinntekt	4	208	462 383
Currency gain/(loss)	4	8 912 047	-21 042 136
Sum finansinntekter		8 912 255	-20 579 753
Annen rentekostnad	4	1 163 566	2 133 293
Other financial income (expenses)	4	-177 286 123	-35 418 976
Sum finanskostnader		-176 122 557	-33 285 683
Netto finans		185 034 812	12 705 930
Ordinært resultat før skattekostnad		198 737 453	34 740 706
Taxes	1, 11	845 973	882 488
Ordinært resultat etter skattekostnad		197 891 480	33 858 218
Årsresultat		197 891 480	33 858 218
Årsresultat etter minoritetsinteresser		197 891 480	33 858 218
Totalresultat		197 891 480	33 858 218
Overføringer og disponeringer			
Udekket tap		197 891 480	33 858 218



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		197 891 480	33 858 218



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Ships	6	74 241 926	85 505 008
Sum varige driftsmidler		74 241 926	85 505 008
Finansielle anleggsmidler			
Investering i datterselskap	5	3 045 416 203	2 940 456 353
Sum finansielle anleggsmidler		3 045 416 203	2 940 456 353
Sum anleggsmidler		3 119 658 130	3 025 961 361
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		2 191 402	35 630
Konsernfordringer	7, 13	327 812 673	230 453 804
Sum fordringer		330 004 075	230 489 433
Sum omløpsmidler		330 004 075	230 489 433
SUM EIENDELER		3 449 662 205	3 256 450 795
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8, 9	56 641 200	56 641 200
Overkurs	8	3 002 026 378	3 002 026 378
Sum innskutt egenkapital		3 058 667 578	3 058 667 578
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2021	2020
Udekket tap	8	-353 574 694	-155 683 214
Sum opptjent egenkapital		353 574 694	155 683 214
Sum egenkapital		3 412 242 273	3 214 350 793
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	-10	-10
Sum annen langsiktig gjeld		-10	-10
Sum langsiktig gjeld		-10	-10
Kortsiktig gjeld			
Current portion of interest bearing debt	10	37 289 186	41 920 711
Leverandørgjeld			19 218
Kortsiktig konserngjeld	12	96 191	125 726
Other current liabilities		34 566	34 357
Sum kortsiktig gjeld		37 419 942	42 100 012
Sum gjeld		37 419 932	42 100 002
SUM EGENKAPITAL OG GJELD		3 449 662 205	3 256 450 795



FINANCIAL STATEMENTS

Norfra Shipping AS

For the year ended desember 31, 2021

Directors Report

Income Statement

Balance Sheet

Cash Flow Statement

Notes

Auditors Report



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NORFRA SHIPPING AS
(Org. no 881 412 632)

The Directors' Report for year 2021

Operations and locations

The business activity for the company is to own and operate ships or to invest in companies with similar activity. 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 for the year showed a profit of NOK 197.9 million, compared with NOK 33.9 million in 2020. Total assets at the end of the year were NOK 3,450 million, compared with NOK 3,256 million last year. The equity ratio was 98.9 % per 31.12.2021.

Market development

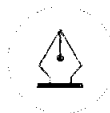
The market continued on the weakening trend from second half 2020, driven by chemical producers consuming inventories together with a historical weak CPP market also caused by a destocking cycle. The soft market got further exacerbated by the Texas Freeze reducing US exports, and this was followed by intensified supply chain challenges driven by Covid-19.

This led to price spikes for chemicals especially in the US with lack of arbitrage opportunities, that reduced export activity drastically. Asian exports increased significantly to make up for lost US output not able to service import regions like Europe and also US increasing their imports as lower priced products could be sourced from the Far East. This development caused the markets west of Suez to be considered soft while the markets east of Suez was considered strong, with freight rates reaching levels not seen since 2008 during the fourth quarter.

Following the material drop in GDP growth in 2020, a meaningful recovery has taken place in 2021 to recoup lost ground caused by Covid-19. GDP growth in 2021 reached 5.9% according to IMF. Economic activity has been high across the globe and supported end-user demand for chemicals and a similar trend in demand for seaborne trade of chemicals. During 2021, we have seen a recovery in demand from the construction and automotive industry, which were heavily affected in 2020. These are major drivers for chemical demand, and it appears like the supply chain crisis hindered an even quicker recovery from these industries in 2021.

The outbreak of the Coronavirus (COVID-19) continues to put constraints on businesses around the world. During 2021, the outbreak did not have a severe negative effect on the Group's financial performance. The impact from COVID-19 continues in 2022.

Not long after the Covid-19 infection had begun to recede in most Western affluent countries, a new tragedy arose in the form of a devastating war on European soil. While the outcome is currently unknown, it is clear that the conflict between Russia and Ukraine will have severe ramifications on the world.



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Apart from endangering peace in Europe and resulting in the tragic loss of human life, the war has sent shockwaves across the global financial markets. The shipping sector is no exception, as it is intertwined with most aspects of the worldwide economy.

Odfjell has a limited presence in the areas immediately affected by the current war, and we have observed limited direct consequences thus far. We are actively monitoring the situation and implementing the measures required to minimize the adverse impact on our employees, operations, and financial results. Our top priority is to ensure the safety and well-being of our crew, vessels, and cargo.

Financial risk

With the global market as our arena, Norfra Shipping 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 favourable movements in these same risk factors.

The Company's revenue, interest-bearing debt and much of the expenses are denominated in USD. Our currency exposure relates to the net result and cash flow from expenses denominated in non-NOK currencies. Interest rates are generally based on USD LIBOR rates.

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

Liquidity risk

The Company is part of the Odfjell Group's cash pool arrangement, which gives the Company access to sufficient liquidity for the foreseeable future.

As of 31.12.2021, the Company had funds in the cash pool equivalent to NOK 326.5 million. These funds are presented as a receivable on the parent entity due to the legal structure of the cash pool arrangement.

Directors and Officers Liability Insurance

Odfjell has purchased and maintain a Directors and Officers Liability Insurance on behalf of members of the Board of Directors and CEO. The insurance additionally covers any employee acting in a managerial capacity and includes subsidiaries. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

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 not found it necessary to do further efforts to promote gender equality.

Environmental report

The company has not had accidents of material environmental consequences for 2021. Fuel efficiency measures and subsequent reduced emissions continue to be a priority.



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Allocation of net result

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

<u>Net result</u>	<u>NOK 197 891 480</u>
Net result allocated to other equity	NOK 197 891 480

Bergen, 31/3 - 2022
The Board of Directors of Norfra Shipping AS

Terje Iversen
Chairman of the Board

Øistein Jensen
Member of the Board

Harald Fotland
Member of the Board



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Norfra Shipping AS

2021

STATEMENT OF PROFIT OR LOSS

(NOK)	Note	2021	2020
OPERATING INCOME AND EXPENSES			
Freight income	2	25 149 078	27 660 995
Operating expenses		-45 317	3 190
General and administration expenses	3	-50 327	-48 893
Depreciation	6	-11 350 794	-5 580 516
Operating result		13 702 641	22 034 776
FINANCIAL INCOME AND EXPENSES			
Interest income	4	208	462 383
Interest and fees paid	4	-1 163 566	-2 133 293
Other financial items	4	177 286 123	35 418 976
Currency gains (losses)	4	8 912 047	-21 042 136
Net financial items		185 034 812	12 705 930
PRETAX INCOME		198 737 453	34 740 706
TAXES			
Tax on ordinary result	11	- 845 973	- 882 488
Net tax expense		- 845 973	- 882 488
NET INCOME		197 891 480	33 858 218
BROUGHT FORWARD			
Net brought forward		- 197 891 480	-33 858 218
Net brought forward		- 197 891 480	-33 858 218

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Norfra Shipping AS

2021

STATEMENT OF FINANCIAL POSITION

(NOK)	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Ships	6	74 241 926	85 505 008
Investments in subsidiaries	5	3 045 416 203	2 940 456 353
Sum non-current assets		3 119 658 130	3 025 961 361
CURRENT ASSETS			
Due from related companies	7	1 315 413	5 000 764
Other short-term receivables		2 191 402	35 630
Receivable on parent from cash-pool	13	326 497 260	225 453 040
Sum current assets		330 004 075	230 489 434
TOTAL ASSETS		3 449 662 205	3 256 450 795
EQUITY			
Share capital	8,9	56 641 200	56 641 200
Share premium reserve	8	3 002 026 378	3 002 026 378
Other equity	8	353 574 694	155 683 214
Sum equity		3 412 242 273	3 214 350 793
CURRENT LIABILITIES			
Due to related companies	12	96 191	125 726
Current interest bearing debt	10	37 289 186	41 920 711
Trade creditors		1 368	19 218
Other current liabilities		33 188	34 348
Sum current liabilities		37 419 933	42 100 003
TOTAL EQUITY AND LIABILITIES		3 449 662 205	3 256 450 796

Bergen, 31/3 - 2022

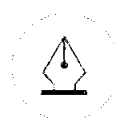
The Board of Directors of Norfra Shipping AS

Terje Iversen
General manager, Chairman of the
board

Harald Fotland
Member of the board

Øistein Helge Jensen
Member of the board

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Norfra Shipping AS

2021

CASH FLOW STATEMENT

(NOK)	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Pretax income	198 737 453	34 740 706
Depreciation	11 350 793	5 580 516
Effect of exchange fluctuations	1 524 885	10 962 428
Dividend received	-177 896 780	-36 190 349
Change in other current accruals and working capital	-2 174 783	-826 537
Net cash flow from operating activities	31 541 569	14 266 765
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in non-current assets	-87 712	-
Purchase of shares	30 000	-
Received dividend / repayment of capital	70 805 544	36 190 349
Change in group receivables	4 971 229	35 741 091
Net cash flow from investing activities	75 659 061	71 931 440
CASH FLOW FROM FINANCING ACTIVITIES		
Change in group cash-pool account	-101 044 220	-61 734 583
Repayment of interest bearing debt	-6 156 410	-12 118 041
Net cash flow from financing activities	-107 200 630	-73 863 625
Effect of currency exchange on cash and cash equivalents	-	-12 334 580
Net change in cash balances	0	0
Cash and cash equivalents 1.1	0	0
Cash and cash equivalents 31.12	0	0



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Norfra Shipping AS

2021

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.

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.

Freight income

Income relates to bareboat-hire and is recognized on a straight line basis over the contact period.

Income tax and withholding taxes

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 subject to withholding tax on dividends received defined as interest over capital from its subsidiary Flumar Ltda . Withholding taxes from said arrangement is presented as tax payable in the income statement.

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.

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Norfra Shipping AS

2021

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.

NOTE 2 - FREIGHT INCOME

(NOK)	Related party	2021	2020
Flumar Ltda	Related company, 99.9%	25 149 078	27 660 995
Total		25 149 078	27 660 995

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Norfra Shipping AS

2021

NOTE 3 - GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses by type

(NOK)	2021	2020
Auditor fees	50 327	48 893
Total	50 327	48 893

Remuneration to Board of Directors

No remuneration has been paid to the board of directors in 2021.

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)	31.12.2021
Audit services	50 327
Non-audit services	-
Total	50 327

NOTE 4 - FINANCIAL ITEMS

(NOK)	2021	2020
Other financial income	177 896 780	36 190 349
Currency gains	10 396 715	1 682 096
Interest income	208	462 383
Other financial expenses	-211 409	-192 783
Guarantee fees paid to related companies	-399 248	-578 589
Interest and fees paid	-1 163 566	-2 133 293
Currency losses	-1 484 668	-22 724 232
Total	185 034 812	12 705 931

Other financial income consists of dividends paid from the subsidiaries Flumar Ltd and Odfjell Chemical Tankers AS.

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Norfra Shipping AS

2021

NOTE 5 - INVESTMENTS IN SUBSIDIARIES

Company	Office	Ownership	Carrying amount
Odfjell Chemical Tankers AS	Norway	100%	2 794 248 676
Flumar Transportes De Quimicos E Gases Ltda.	Brazil	99.998%	146 197 065
Odfjell Chemical Tankers II AS	Norway	100%	104 959 850
Odfjell Brazil Ltda.	Brazil	0.06%	10 622
Total			3 045 416 203

Net result and equity

(USD)	Net result	Equity
Flumar Ltda.	3 328 651	32 532 759
Odfjell Chemical Tankers AS	-7 981 309	361 743 361
Odfjell Chemical Tankers II AS	-725 511	11 027 991
Total	-5 378 169	405 304 111

NOTE 6 - NON-CURRENT ASSETS

(NOK)	Ships	Total
Cost price 1.1	130 285 543	130 285 543
Accumulated depreciation 1.1	-44 780 535	-44 780 535
Carrying amount 1.1	85 505 008	85 505 008
Investments	87 712	87 712
Depreciation	-11 350 794	-11 350 794
Carrying amount 31.12	74 241 926	74 241 926
Depreciation period	25 years	

NOTE 7 - DUE FROM RELATED COMPANIES

(NOK)	31.12.2021	31.12.2020
Flumar Ltda.	1 315 413	5 000 764
Total	1 315 413	5 000 764

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Norfra Shipping AS

2021

NOTE 8 - EQUITY

(NOK)	Share capital	Share premium	Other equity	Total
Equity 1.1	56 641 200	3 002 026 379	155 683 214	3 214 350 793
Net result	-	-	196 576 067	196 576 067
Equity 31.12	56 641 200	3 002 026 379	352 259 281	3 410 926 860

NOTE 9 - SHARE CAPITAL AND PREMIUM

Share capital

The share capital consists of 47 201 shares with a nominal value of NOK 1 200 per share.

List of shareholders as of 31.12.2021:

Shareholder	Number of shares	Voting rights
Odfjell SE	47 201	100%
Total	47 201	100%

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Norfra Shipping AS

2021

NOTE 10 - NON-CURRENT AND CURRENT INTEREST BEARING DEBT

	Currency	31.12.2021	31.12.2020
Mortgage loans from financial institutions – floating interest rate	USD	-	-
Debt transaction fees		-	-
Total non-current liabilities		-	-
Current portion of interest-bearing debt	USD	37 289 186	42 089 875
Debt transaction fees		-	-169 164
Total debt		37 289 186	41 920 711

Maturity of interest bearing debt as per 31.12.2021

Maturity of debt as at	2022	Total
Mortgage loan	37 289 186	37 289 186
Total	37 289 186	37 289 186

Collateral

Security for the mortgage loans is made through first priority mortgage in the vessels as well as assignment of earnings and insurances related to the vessel.

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Norfra Shipping AS

2021

NOTE 11 - TAXES

Tax expenses

(NOK)	2021	2020
Taxes payable	-	-
Change in temporary differences	-	-
Withholding tax	845 973	882 488
Total	845 973	882 488

Taxes payable

(NOK)	2021	2020
Pre-tax income	198 737 453	34 740 706
Permanent differences	-171 083 122	-30 287 372
Change in temporary differences	7 505 137	9 029
Limited interest expenses	-392 531	-128 397
Utilization of losses carried forward	-35 159 469	-4 462 363
Basis for taxes payable	-392 531	-128 397
	-	-
Taxes payable	-	-

Temporary differences

(NOK)	31.12.2021	31.12.2020
Gain and loss account	7 294 565	9 118 207
Non-current assets	35 800 289	40 893 142
Non-current receivables and debt	0	588 642
Limited interest expenses brought forward	-75 720 222	-76 112 753
Losses brought forward	-193 434 783	-228 201 720
Total	-226 060 151	-253 714 181
Tax rate	22%	22%
Deferred tax / (Deferred tax asset)	-49 733 233	-55 817 120

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

NOTE 12 - DUE TO RELATED COMPANIES

(NOK)	31.12.2021	31.12.2020
Odfjell SE	96 191	122 269
Odfjell Management AS	0	3 457
Total	96 191	125 726

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Norfra Shipping AS

2021

NOTE 13 - 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, Odfjell Chemical Tankers II AS and Odfjell Chemical Tankers AS. The accounts are presented as a receivable on the parent company.

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

NOTE 14 - 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 offices in Bergen or downloaded at Odfjell.com.

NOTE 15 - COVID-19

The outbreak of the Coronavirus (COVID-19) continues to put constraints on businesses around the world. During 2021, the outbreak did not have a severe negative effect on the Group's financial performance. The impact from COVID-19 continues in 2022.

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 16 - SUBSEQUENT EVENTS

Not long after the Covid-19 infection had begun to recede in most Western affluent countries, a new tragedy arose in the form of a devastating war on European soil. While the outcome is currently unknown, it is clear that the conflict between Russia and Ukraine will have severe ramifications on the world.

Apart from endangering peace in Europe and resulting in the tragic loss of human life, the war has sent shock waves across the global financial markets. The shipping sector is no exception, as it is intertwined with most aspects of the worldwide economy. Odfjell has a limited presence in the areas immediately affected by the current war, and we have observed limited direct consequences thus far.

We are actively monitoring the situation and implementing the measures required to minimize the adverse impact on our staff, operations, and financial results. Our top priority is to ensure the safety and well-being of our crew, vessels and cargo.



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Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

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 Norfra Shipping AS

Opinion

We have audited the financial statements of Norfra Shipping AS (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 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 and Chief Executive Officer) are 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 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, 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.

Bergen, 31 March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Norfra Shipping AS 2021

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Jørn Knutsen

Oppdragsansvarlig partner

On behalf of: Ernst & Young AS

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Jørn Knutsen

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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 Din referanse Telefon 800 80 000
Skatteetaten.no Lars M Bjørneberg

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.