



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### 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: 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>Inntekter</b>			
Freight income	2	27 660 995	25 700 899
<b>Sum inntekter</b>		<b>27 660 995</b>	<b>25 700 899</b>
<b>Kostnader</b>			
Depreciation	6	5 580 516	5 386 248
Operating expenses		-3 190	-35 793
General and administration expenses	3	48 893	47 509
Provision for bad debt			715 594
<b>Sum kostnader</b>		<b>5 626 219</b>	<b>6 113 558</b>
<b>Driftsresultat</b>		<b>22 034 776</b>	<b>19 587 342</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	4	462 383	4 726 778
Currency gain/(loss)	4	-21 042 136	739 568
<b>Sum finansinntekter</b>		<b>-20 579 753</b>	<b>5 466 346</b>
Rentekostnad til foretak i samme konsern			128 883
Annen rentekostnad	4	2 133 293	3 390 202
Other financial income (expenses)	4	-35 418 976	-68 093 435
<b>Sum finanskostnader</b>		<b>-33 285 683</b>	<b>-64 574 349</b>
<b>Netto finans</b>		<b>12 705 930</b>	<b>70 040 696</b>
<b>Ordinært resultat før skattekostnad</b>		<b>34 740 706</b>	<b>89 628 037</b>
Taxes	11	882 488	1 489 410
<b>Ordinært resultat etter skattekostnad</b>		<b>33 858 218</b>	<b>88 138 627</b>
<b>Årsresultat</b>		<b>33 858 218</b>	<b>88 138 627</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>33 858 218</b>	<b>88 138 627</b>
<b>Totalresultat</b>		<b>33 858 218</b>	<b>88 138 627</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		33 858 218	88 138 627
<b>Sum overføringer og disponeringer</b>		<b>33 858 218</b>	<b>88 138 627</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Ships	6	85 505 008	91 085 524
<b>Sum varige driftsmidler</b>		<b>85 505 008</b>	<b>91 085 524</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	2 940 456 353	2 940 456 353
<b>Sum finansielle anleggsmidler</b>		<b>2 940 456 353</b>	<b>2 940 456 353</b>
<b>Sum anleggsmidler</b>		<b>3 025 961 361</b>	<b>3 031 541 877</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other short-term receivables		35 630	
Konsernfordringer	7, 13	230 453 804	204 449 313
<b>Sum fordringer</b>		<b>230 489 433</b>	<b>204 449 313</b>
<b>Sum omløpsmidler</b>		<b>230 489 433</b>	<b>204 449 313</b>
<b>SUM EIENDELER</b>		<b>3 256 450 795</b>	<b>3 235 991 190</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8, 9	56 641 200	56 641 200
Overkurs	8	3 002 026 378	3 002 026 378
<b>Sum innskutt egenkapital</b>		<b>3 058 667 578</b>	<b>3 058 667 578</b>
<b>Opptjent egenkapital</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Udekket tap	8	-155 683 214	-121 824 996
<b>Sum opptjent egenkapital</b>		<b>155 683 214</b>	<b>121 824 996</b>
<b>Sum egenkapital</b>		<b>3 214 350 793</b>	<b>3 180 492 574</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10		42 942 878
<b>Sum annen langsiktig gjeld</b>			<b>42 942 878</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>42 942 878</b>
<b>Kortsiktig gjeld</b>			
Current portion of interest bearing debt	10	41 920 711	12 468 026
Leverandørgjeld		19 218	
Kortsiktig konserngjeld	12	125 726	9 219
Other current liabilities		34 348	78 493
<b>Sum kortsiktig gjeld</b>		<b>42 100 003</b>	<b>12 555 738</b>
<b>Sum gjeld</b>		<b>42 100 002</b>	<b>55 498 616</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>3 256 450 795</b>	<b>3 235 991 190</b>



Skatteetaten

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.*



# FINANCIAL STATEMENTS

## **Norfra Shipping AS**

For the year ended December 31, 2020

**Directors Report**

**Income Statement**

**Balance Sheet**

**Cash Flow Statement**

**Notes**

**Auditors Report**



NORFRA SHIPPING AS  
(Org. no 881 412 632)

**The Directors' Report for year 2020**

**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 33.9 million, compared with NOK 88.1 million in 2019. Total assets at the end of the year were NOK 3,256 million, compared with NOK 3,236 million last year. The equity ratio was 98.7 % per 31.12.2020.

**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, 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 favorable 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 31.12.2020, the Company had funds in the cash pool equivalent to NOK 225.4 million. These funds are presented as a receivable on the parent entity due to the legal structure of the cash pool arrangement.

**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 2020. Fuel efficiency measures and subsequent reduced emissions continue to be a priority.



**Allocation of net result**

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

<u>Net result</u>	<u>NOK 33 858 218</u>
<b>Net result allocated to other equity</b>	<b>NOK 33 858 218</b>

Bergen, 7/5 2021

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



Norfra Shipping AS

2020

## STATEMENT OF PROFIT OR LOSS

(NOK)	Note	2020	2019
<b>OPERATING INCOME AND EXPENSES</b>			
Freight income	2	27 660 995	25 700 899
Operating expenses		3 190	35 793
General and administration expenses	3	-48 893	-47 509
Depreciation	6	-5 580 516	-5 386 248
<b>Operating result</b>		<b>22 034 776</b>	<b>20 302 935</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income	4	462 383	4 726 778
Impairment of receivables	4	0	- 715 594
Interest and fees paid	4	-2 133 293	-3 390 202
Interest expenses from related companies	4	0	- 128 883
Other financial items	4	35 418 976	68 093 435
Currency gains (losses)	4	-21 042 136	739 568
<b>Net financial items</b>		<b>12 705 930</b>	<b>69 325 102</b>
<b>PRETAX INCOME</b>		<b>34 740 706</b>	<b>89 628 037</b>
<b>TAXES</b>			
Tax on ordinary result	11	- 882 488	-1 489 410
<b>Net tax expense</b>		<b>- 882 488</b>	<b>-1 489 410</b>
<b>NET INCOME</b>		<b>33 858 218</b>	<b>88 138 627</b>
<b>BROUGHT FORWARD</b>			
Net brought forward		-33 858 218	-88 138 627
<b>Net brought forward</b>		<b>-33 858 218</b>	<b>-88 138 627</b>



Norfra Shipping AS

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## STATEMENT OF FINANCIAL POSITION

(NOK)	Note	31.12.2020	31.12.2019
<b>NON-CURRENT ASSETS</b>			
Ships	6	85 505 008	91 085 524
Investments in subsidiaries	5	2 940 456 353	2 940 456 353
<b>Sum non-current assets</b>		<b>3 025 961 361</b>	<b>3 031 541 877</b>
<b>CURRENT ASSETS</b>			
Due from related companies	7	5 000 764	40 741 855
Other short-term receivables		35 630	0
Receivable on parent from cash-pool	13	225 453 040	163 707 457
<b>Sum current assets</b>		<b>230 489 434</b>	<b>204 449 313</b>
<b>TOTAL ASSETS</b>		<b>3 256 450 795</b>	<b>3 235 991 190</b>
<b>EQUITY</b>			
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	155 683 214	121 824 996
<b>Sum equity</b>		<b>3 214 350 793</b>	<b>3 180 492 574</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current interest bearing debt	10	0	42 942 878
<b>Sum non-current liabilities</b>		<b>0</b>	<b>42 942 878</b>
<b>CURRENT LIABILITIES</b>			
Due to related companies	12	125 726	9 219
Current interest bearing debt	10	41 920 711	12 468 026
Trade creditors		19 218	0
Other current liabilities		34 348	78 493
<b>Sum current liabilities</b>		<b>42 100 003</b>	<b>12 555 738</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 256 450 795</b>	<b>3 235 991 190</b>



Norfra Shipping AS

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Bergen, 7/5 2021

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



Norfra Shipping AS

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## CASH FLOW STATEMENT

(NOK)	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Pretax income	34 740 706	89 628 038
Depreciation	5 580 516	5 386 248
Effect of exchange fluctuations	10 962 428	-1 852 516
Dividend received	-36 190 349	-68 931 662
Provision for bad debt	-	715 594
Change in other current accruals and working capital	-826 537	-3 548 344
<b>Net cash flow from operating activities</b>	<b>14 266 765</b>	<b>21 397 357</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of non-current assets	-	33 828 307
Received dividend / repayment of capital	36 190 349	69 292 451
Change in group receivables	35 741 091	-32 290 061
<b>Net cash flow from investing activities</b>	<b>71 931 440</b>	<b>70 830 697</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in group cash-pool account	-61 734 583	-80 669 665
Repayment of interest bearing debt	-12 118 041	-12 500 894
<b>Net cash flow from financing activities</b>	<b>-73 863 625</b>	<b>-93 170 560</b>
<b>Effect of currency exchange on cash and cash equivalents</b>	<b>-12 334 580</b>	<b>942 506</b>
<b>Net change in cash balances</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents 1.1</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents 31.12</b>	<b>0</b>	<b>0</b>



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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.

### 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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### **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	2020	2019
Flumar Ltda	Related company, 99.9%	27 660 995	25 700 899
<b>Total</b>		<b>27 660 995</b>	<b>25 700 899</b>



Norfra Shipping AS

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### NOTE 3 - GENERAL AND ADMINISTRATION EXPENSES

#### General and administration expenses by type

(NOK)	2020	2019
Auditor fees	48 893	47 509
<b>Total</b>	<b>48 893</b>	<b>47 509</b>

#### 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	48 893
Non-audit services	-
<b>Total</b>	<b>48 893</b>

### NOTE 4 - FINANCIAL ITEMS

(NOK)	2020	2019
Other financial income	36 190 349	68 931 662
Currency gains	1 682 096	7 544 593
Interest income	462 383	4 726 778
Interest expenses from related companies	0	- 128 883
Other financial expenses	- 192 783	- 192 072
Guarantees from related companies	- 578 589	- 646 155
Impairment of receivables	0	- 715 594
Interest and fees paid	-2 133 293	-3 390 202
Currency losses	-22 724 232	-6 805 025
<b>Total</b>	<b>12 705 931</b>	<b>69 325 102</b>

Other financial income consists of dividends paid from the subsidiary Flumar Ltd.



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### NOTE 5 - INVESTMENTS IN SUBSIDIARIES

Company	Office	Ownership	Carrying amount
Flumar Transportes De Quimicos E Gases Ltda.	Brazil	99.998%	146 197 065
Odfjell Chemical Tankers AS	Norway	100%	2 794 248 676
Odfjell Brazil Ltda.	Brazil	0.06%	10 612
<b>Total</b>			<b>2 940 456 353</b>

### Net result and equity

(USD)	Net result	Equity
Flumar Ltda.	3 206 866	37 454 194
Odfjell Chemical Tankers AS	5 782 312	381 473 747
<b>Total</b>	<b>8 989 178</b>	<b>418 927 931</b>

### 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
<b>Carrying amount 1.1</b>	<b>91 085 524</b>	<b>91 085 524</b>
Depreciation	5 580 516	5 580 516
<b>Carrying amount 31.12</b>	<b>85 505 008</b>	<b>85 505 008</b>
Depreciation period	25 years	

### NOTE 7 - DUE FROM RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Flumar Ltda.	5 000 764	8 439 990
Odfjell SE	0	32 301 865
<b>Total</b>	<b>5 000 764</b>	<b>40 741 855</b>



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### NOTE 8 - EQUITY

(NOK)	Share capital	Share premium	Other equity	Total
Equity 1.1	56 641 200	3 002 026 379	121 824 995	3 180 492 574
Net result	-	-	33 858 218	33 858 218
<b>Equity 31.12</b>	<b>56 641 200</b>	<b>3 002 026 379</b>	<b>155 683 214</b>	<b>3 214 350 793</b>

### 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 12/31/2020:

Shareholder	Number of shares	Voting rights
Odfjell SE	47 201	100%
<b>Total</b>	<b>47 201</b>	<b>100%</b>



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**NOTE 10 - NON-CURRENT AND CURRENT INTEREST BEARING DEBT**

	Currency	12/31/2020	12/31/2019
Mortgage loans from financial institutions – floating interest rate	USD	42 089 875	43 286 941
Debt transaction fees		-169 164	-344 063
<b>Total non-current liabilities</b>		<b>41 920 711</b>	<b>42 942 878</b>
		-	
Current portion of interest-bearing debt		41 920 711	12 468 026
<b>Total debt</b>		<b>41 920 711</b>	<b>55 410 904</b>

**Maturity of interest bearing debt as per 31 December 2020**

Maturity of debt as at	2021	Total
Mortgage loan	41 920 711	41 920 711
<b>Total</b>	<b>41 920 711</b>	<b>41 920 711</b>

**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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## NOTE 11 - TAXES

### Tax expenses

(NOK)	2020	2019
Taxes payable	-	-
Change in temporary differences	-	-
Withholding tax	882 488	1 489 410
<b>Total</b>	<b>882 488</b>	<b>1 489 410</b>

### Taxes payable

(NOK)	2020	2019
Pre-tax income	34 740 706	89 628 037
Permanent differences	-30 287 372	-58 721 604
Change in temporary differences	9 029	590 636
Utilization of losses carried forward	-4 462 363	-31 497 069
<b>Basis for taxes payable</b>	<b>-</b>	<b>-</b>
<b>Taxes payable</b>	<b>-</b>	<b>-</b>

### Temporary differences

(NOK)	12/31/2020	12/31/2019
Gain and loss account	9 118 207	11 397 759
Non-current assets	40 893 142	39 211 261
Non-current receivables and debt	588 642	-
Limited interest expenses brought forward	-78 084 042	-78 212 440
Losses brought forward	-226 230 430	-230 564 395
<b>Total</b>	<b>-253 714 181</b>	<b>-258 167 815</b>
Tax rate	22%	22%
<b>Deferred tax / (Deferred tax asset)</b>	<b>-55 817 120</b>	<b>-56 796 919</b>

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

## NOTE 12 - DUE TO RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Oddfell SE	122 269	0
Oddfell Management AS	3 457	9 219
<b>Total</b>	<b>125 726</b>	<b>9 219</b>



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### **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 and Odfjell Chemical Tankers 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 have been restated to reflect this fact, resulting in a restatement of cash from NOK 163 707 457 to NOK 0, with an equivalent increase in receivables.

### **NOTE 14 - CONSOLIDATED ACCOUNTS**

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

### **NOTE 15 - COVID-19**

The outbreak of the Coronavirus (COVID-19) continues to put constrains on businesses around the world. During 2020, the outbreak did not have a severe negatively 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.

### **NOTE 16 - SUBSEQUENT EVENTS**

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



Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norfra Shipping AS

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Norfra Shipping 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.



Bergen, 18 May 2021  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: EDY4E-0UETS-7YNFK-PWFUT-Y1 3IA-8VCN6

Independent auditor's report - Norfra Shipping AS

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## Jørn Knutsen

Partner

På vegne av: Jørn Knutsen

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