



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 188 845
Organisasjonsform: Aksjeselskap
Foretaksnavn: ODFJELL GAS AS
Forretningsadresse: Conrad Mohrs veg 29
5072 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Fredrik Østervold
Dato for fastsettelse av årsregnskapet: 19.03.2021

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.08.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
General and administration expenses	2	-389 966	54 838
Sum kostnader		-389 966	54 838
Driftsresultat		389 966	-54 838
Finansinntekter og finanskostnader			
Interest income	3	12 221	47 472
Impairment of receivables	3	1 001 336	0
Interest income from related companies	3	104 507	185 039
Currency gains (losses)	3	-155 332	22 437
Sum finansinntekter		962 732	254 948
Other financial items	3	12 832	7 954
Sum finanskostnader		12 832	7 954
Netto finans		949 900	246 994
Ordinært resultat før skattekostnad		1 339 866	192 156
Ordinært resultat etter skattekostnad		1 339 866	192 156
Årsresultat		1 339 866	192 156



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	146 330 586	146 330 586
Lån til foretak i samme konsern	6	1 678 508	1 620 534
Sum finansielle anleggsmidler		148 009 094	147 951 120
Sum anleggsmidler		148 009 094	147 951 120
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		10 327	75 484
Konsernfordringer	7	900	0
Sum fordringer		11 227	75 484
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	8	3 710 449	2 785 428
Sum bankinnskudd, kontanter og lignende		3 710 449	2 785 428
Sum omløpsmidler		3 721 676	2 860 912
SUM EIENDELER		151 730 770	150 812 032
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9,10	240 000	240 000
Overkurs	9	150 666 198	150 666 198
Sum innskutt egenkapital		150 906 198	150 906 198



Balanse

Beløp i: NOK	Note	2020	2019
Opptjent egenkapital			
Other equity	9	793 980	-545 886
Sum opptjent egenkapital		793 980	-545 886
Sum egenkapital		151 700 178	150 360 312
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Kortsiktig konserngjeld	11	1 380	12 705
Trade creditors		29 212	0
Other current liabilities		0	439 015
Sum kortsiktig gjeld		30 592	451 720
Sum gjeld		30 592	451 720
SUM EGENKAPITAL OG GJELD		151 730 770	150 812 032



Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Freight income	4	12 509 809	16 729 660
Sum inntekter		12 509 809	16 729 660
Kostnader			
Voyage expenses	5	5 062 773	7 333 587
Depreciation	8	2 711 609	910 252
Operating expenses	6	4 718 043	4 745 636
General and administration expenses	7	-32 899	10 974
Sum kostnader		12 459 526	13 000 449
Driftsresultat		50 283	3 729 211
Finansinntekter og finanskostnader			
Annen renteinntekt	13	11 706	95 196
Currency gains(losses)	13	27 920	-2 203
Sum finansinntekter		39 626	92 993
Annen rentekostnad	13	381 192	738 163
Other financial items	13	36 187	166 828
Sum finanskostnader		417 379	904 991
Netto finans		-377 753	-811 998
Ordinært resultat før skattekostnad		-327 470	2 917 213
Ordinært resultat etter skattekostnad		-327 470	2 917 213
Årsresultat		-327 470	2 917 213



Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Ships	8,9	34 484 541	37 396 993
Sum varige driftsmidler		34 484 541	37 396 993
Sum anleggsmidler		34 484 541	37 396 993
Omløpsmidler			
Varer			
Fordringer			
Current receivables	11	666 983	1 292 443
Other short-term receivables	11	183 656	0
Sum fordringer		850 639	1 292 443
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		4 122 318	4 082 043
Sum bankinnskudd, kontanter og lignende		4 122 318	4 082 043
Sum omløpsmidler		4 972 957	5 374 486
SUM EIENDELER		39 457 498	42 771 479
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	32 857	32 857
Overkurs		45 006 916	45 006 916
Sum innskutt egenkapital		45 039 773	45 039 773
Opptjent egenkapital			



Konsernets balanse

Beløp i: USD	Note	2020	2019
Other equity		-13 336 414	-13 008 944
Sum opptjent egenkapital		-13 336 414	-13 008 944
Sum egenkapital		31 703 359	32 030 829
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Current interest bearing debt	10	6 800 000	10 600 000
Other current liabilities		954 139	140 650
Sum kortsiktig gjeld		7 754 139	10 740 650
Sum gjeld		7 754 139	10 740 650
SUM EGENKAPITAL OG GJELD		39 457 498	42 771 479



FINANCIAL STATEMENTS

Odfjell Gas Group

For the year ended December 31, 2020

Directors Report

Income Statement

Balance Sheet

Cash Flow Statement

Equity Statement

Notes

Auditors Report



Directors report - Odfjell Gas Group and Odfjell Gas AS 2020

Business summary

Unless otherwise specified the report is referring to the consolidated financial statements.

Odfjell Gas' objective is to provide safe, efficient, and cost-effective LPG services to customers worldwide. The business area for the company is ownership, chartering and operation of vessels.

The ships have for the majority of 2020 been in a pool arrangement and under commercial management with Lauritzen Kosan (LK). This setup has provided income in line with the expectations. The vessels are currently on time-charter contracts to Flumar Ltda., a subsidiary of Odfjell SE.

Going concern

In accordance with the Norwegian 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 financial statement provides a comprehensive view of the Groups performance and financial position.

Financial statement

Odfjell Gas Group

The presentation currency for the Group financial statement is USD.

Gross revenues for the Odfjell Gas Group came in at USD 12.5 million. The EBITDA was USD 2.8 million in 2020 compared to USD 4.6 million in 2019. The consolidated result before taxes was negative USD 0.3 million in 2020 compared to positive USD 2.9 in 2019, primarily due to an increase in depreciation expense as vessels are no longer classified as held for sale.

Total interest-bearing debt as at 31st December 2020 is USD 6.8 million. The equity ratio was 82%.

The cash flow from operations was USD 3.8 million in 2020, while cash flow from financing activities was negative USD 3.8 million.

Odfjell Gas AS

Odfjell Gas AS posted a net positive result for the year of NOK 1.3 million. Activity is limited to holding activities and primarily consists of financial income and expenses. Total equity per 31 December 2020 is NOK 151.7 million.



Financial risk and strategy

Our financial strategy is to be sufficiently robust to withstand prolonged adverse conditions, such as long-term down cycles of our markets or challenging financial conditions.

With the introduction of the time-charter contract with Flumar, the results will be more stable.

Future development

The COVID-19 outbreak is ongoing, despite slowing down in some areas. This is causing large uncertainty about the global economic outlook. As the vessels are currently on long-term time-charter contracts, the outbreak is not expected to have significant financial effects for the Group in the coming year.

Liquidity and financing

As at 31 December 2020 the Group's cash and cash equivalent amounted to USD 4.1 million.

In December 2020 Odfjell Gas extended its loan with Nordea and Swedbank for Bow Guardian and Bow Gallant to June 2021. The Group expects to further extend the loan facility as long as the vessels are owned by the Group.

Working environment and the employees.

At present there are no employees directly employed by the Company.

QHSE – Safety

The Group had no work related accidents reported during the year. The safety culture is positive with no spill or leakage on any of the vessels with negative environmental effect.

Staff, discrimination

The Board of Directors consist of six members, all men. The Board of Directors have through an assessment not found it necessary to do further efforts to promote gender equality.



Allocation of net result

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

Bergen, 19 /3-2021

The Board of Directors of Odfjell Gas AS

Terje Iversen
Member of the Board

Harald Fotland
Member of the Board

Kristian V. Mørch
Chairman of the Board



Odfjell Gas Group

2020

STATEMENT OF PROFIT OR LOSS

(USD)	Note	2020	2019
OPERATING INCOME AND EXPENSES			
Freight income	4	12 509 809	16 729 660
Voyage expenses	5	-5 062 773	-7 333 587
Operating expenses	6	-4 718 043	-4 745 636
General and administration expenses	7	32 899	-10 973
Depreciation	8	-2 711 609	- 910 252
Operating result		50 283	3 729 211
FINANCIAL INCOME AND EXPENSES			
Interest income	13	11 706	95 197
Interest and fees paid	13	- 381 192	- 738 163
Other financial items	13	-36 187	- 166 828
Currency gains (losses)	13	27 920	-2 203
Net financial items		- 377 753	- 811 998
PRETAX INCOME		- 327 470	2 917 213
NET INCOME		- 327 470	2 917 213
BROUGHT FORWARD			
Allocated to other equity		327 470	-2 917 213
Net brought forward		327 470	-2 917 213



Odfjell Gas Group

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STATEMENT OF FINANCIAL POSITION

(USD)	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Ships	8,9	34 484 541	37 396 993
Sum non-current assets		34 484 541	37 396 993
CURRENT ASSETS			
Current receivables	11	666 983	1 292 443
Other short-term receivables	11	183 656	0
Cash and bank deposits		4 122 318	4 082 043
Sum current assets		4 972 957	5 374 486
TOTAL ASSETS		39 457 498	42 771 479
EQUITY			
Share capital	14	32 857	32 857
Share premium reserve		45 006 916	45 006 916
Other equity		-13 336 414	-13 008 944
Sum equity		31 703 359	32 030 829
CURRENT LIABILITIES			
Current interest bearing debt	10	6 800 000	10 600 000
Other current liabilities		954 139	140 650
Sum current liabilities		7 754 139	10 740 650
TOTAL EQUITY AND LIABILITIES		39 457 498	42 771 479



Odfjell Gas Group

2020

Bergen, 19 / 3 - 2021

The Board of Directors of Odfjell Gas AS

Terje Iversen
General manager, Member of the
board

Kristian Verner Mørch
Chairman of the board

Harald Fotland
Member of the board



Odfjell Gas Group

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CASH FLOW STATEMENT

(USD)	Note	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Pretax income		-327 470	2 917 213
Depreciation	8	2 711 609	910 252
Change in other current accruals		1 456 136	387 013
Net cash flow from operating activities		3 840 275	4 214 492
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in non-current assets	8	-	-335 000
Net cash flow from investing activities		-	-335 000
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of interest bearing debt	10	-3 800 000	-3 800 000
Net cash flow from financing activities		-3 800 000	-3 800 000
Net change in cash balances		40 275	79 478
Cash and cash equivalents 1.1		4 082 043	4 002 565
Cash and cash equivalents 31.12		4 122 318	4 082 043
Available credit facilities		-	-



Odfjell Gas Group 2020

CHANGES IN EQUITY STATEMENT

(USD)									
Equity as at January 1, 2019	32 857	45 006 916	-22 103	-15 906 005	-15 928 108	29 111 665			
Net result	-	-	-	2 917 123	2 917 123	2 917 123			
Other adjustments	-	-	-	2 041	2 041	2 041			
Equity as at December 31, 2019	32 857	45 006 916	-22 103	-12 986 841	-13 008 944	32 030 829			
(USD)									
Equity as at January 1, 2020	32 857	45 006 916	-22 103	-12 986 841	-13 008 944	32 030 829			
Net result	-	-	-	-327 470	-327 470	- 327 470			
Other adjustments	-	-	22 103	-22 013	-	-			
Equity as at December 31, 2020	32 857	45 006 916	-	-13 336 414	-13 336 414	31 703 359			



Odfjell Gas Group

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NOTE 1 - CORPORATE INFORMATION

Odfjell Gas AS, Conrad Mohrsv. 29, Bergen, Norway, is the ultimate parent company of the Odfjell Gas Group. The Odfjell Gas Group includes Odfjell Gas AS and subsidiaries (see note 15 for an overview of consolidated companies).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis for preparation

The Odfjell Gas Group has prepared its consolidated financial statements according to International Financial Reporting Standards (IFRS) approved by the EU. The consolidated financial statements have been prepared under the historical cost convention.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting principles

The Group applied IFRS 16 for the first time in 2019. The nature and effect of the changes as a result of adoption of the new accounting standard is described below.

In addition to IFRS 16 Leases and the aforementioned alternative performance measure, the Group has applied the following standards and amendments for the first time for the reporting period commencing January 1, 2019:

- Amendment to IFRS 9; Prepayment with negative compensation.
- Amendment to IAS 28; Long term interest in Associates and joint ventures
- Amendment to IAS 19; Plan amendment, curtailment or Settlement
- IFRIC 23; uncertainty over income tax treatments
- Amendment to IAS 23; borrowing costs

These amendments did not have a significant impact for the Group.

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and it replaces IAS 17 Leases. The new standard was effective for Gas Group from January 1, 2019.

Under IFRS 16 lessees no longer distinguish between a finance lease (on balance sheet) and an operating lease (off balance sheet). Instead, for virtually all lease contracts the lessee recognizes a lease liability reflecting future lease payments and a 'right-of-use' asset.

The Group is not party in any significant contracts affected by the standard. Therefore, applying the standard had no impact on the Financial Statements for Gas Group.



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Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for pooling ships in external pools.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Net freight income allocated

Net freight income allocated represents freight income derived from pool freight earnings, net of direct voyage costs. Until the end of 2020, the Company's vessels were commercially managed by external pool companies.

As provided in the relevant Pool Agreement, the commercial purpose and effect of the pool is to combine all pool Earnings and all pool expenses of the pool vessels and to allocate the resulting profits or losses to each of the respective owners whose vessels are managed within the pool.

Going forward, the vessels are now on time-charter contracts. Revenue from said contracts is recognised over the contract period on a straight line basis.

Property, plant and equipment

Property, plant and equipment, including Ships, newbuilding contracts and office equipment, are measured at historical cost, which includes purchase price, capitalised interest and other expenses directly related to the assets. The carrying value of the non-current assets on the balance sheet represents the cost less accumulated depreciation and any impairment charges. New building contracts include payments made under the contracts; capitalised interest and other costs directly associated with the new building and are not depreciated until the asset is available for use.

Each component of property, plant and equipment that is significant to the total cost of the item is depreciated separately. The Company allocates the amount initially recognised in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component over their useful lives. The book value of ships is split into two components, ships and periodic maintenance.

Day-to-day repairs and maintenance costs are charged to the income statement during in which they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase price is defined as periodic maintenance. The investment is depreciated over the remaining useful life of the asset and for the periodic maintenance part over the period until the next periodic maintenance.

Expected useful lives of property, plant and equipment are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciations are adjusted accordingly. Changes are valid as from the dates of estimate changes.

Capital gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating result. When the carrying amount of a property, plant and equipment will be recovered principally through a sale transaction rather than through continued use they are reported at the lower of the carrying amount and the fair value less selling costs.

Property, plant and equipment are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Assets held for sale are excluded from the



Odfjell Gas Group

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impairment test together with the other assets and a separate judgement is made.

Impairment of assets

The carrying amount of the Group's tangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Assets held for sale are excluded from the cash generating units and are assessed separately for impairment.

The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and value in use. The value in use is based on the net present value of future estimated cash flow from the employment of the asset. The net present value is based on an interest rate based on weighted average cost of capital reflecting the required rate of return. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in income statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

Impairment losses recognised in the income statement for previous periods are reversed when there is information that the basis for the impairment loss no longer exists. This reversal is classified in the income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

Consolidation

The consolidated statements consist of Odfjell Gas AS and its subsidiaries as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Controlling influence is normally gained when the Group owns, directly or indirectly, more than 50% of the shares in the company and is capable of exercising actual control over the company. Identified excess values have been allocated to those assets and liabilities to which the value relates. Fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the balance sheet date. Excess values are depreciated over the estimated useful lives for the relevant asset and liabilities.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.



Odfjell Gas Group

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Currency

The consolidated financial statements are presented in USD as the Group operates in an international market where the functional currency is mainly USD. The functional currency of the parent company is USD.

Transactions in non-USD currency are recorded at the exchange rate on the date of the transaction. Receivables and liabilities in non-USD currencies are translated at the exchange rate on the balance sheet date. All exchange rate differences are taken to the Income statement.

The balance sheet of foreign subsidiaries with functional currency other than USD is translated at the rate applicable on the balance sheet date, while the income statement is translated using the monthly average exchange rate for the accounting period. Exchange rate differences that arise as a result of this are included as exchange rate differences in other comprehensive income. When a foreign subsidiary is sold, the accumulated translation adjustment related to that subsidiary is taken to the income statement.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

Financial assets and liabilities are recognized in the statement of financial position at the date the Group becomes a party to the contractual provisions of the financial instruments. Financial instruments are recognized at fair value, which normally equals their transaction price. Transaction costs are recognized in profit or loss, with the exception of transaction costs related to financial instruments measured at amortized cost or fair value through OCI where transaction costs adjust the instruments carrying amount and are amortized over the expected life of the instruments.

A financial asset is derecognized when the right to receive and retain cash flows from the asset has expired, or when the rights to receive the cash flows from the financial asset and substantially all the risks and rewards from ownership of the financial asset has been transferred. A financial liability is derecognized when it is extinguished, i.e. when the financial liability is discharged, canceled or expires.

Classification and measurement

Financial assets are measured at amortized cost if their contractual cash flows are solely payment of principal and interest on the principal amount outstanding, and they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. All financial assets of the Group that are not derivatives or equity instruments meet these conditions and are measured at amortized cost.

The Odfjell Gas Group has the following financial assets; trade receivables (included in current receivables) and cash and cash equivalents.

Financial liabilities shall be accounted for at amortized cost, unless they are held for trading, designated at fair value through profit or loss or are derivatives. Financial liabilities of the Group are measured at amortized cost.

The Odfjell Gas Group has the following financial liabilities; Short term interest bearing debt, trade and other payables (included in 'other current liabilities' in the statement of financial position).



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Impairment

Impairments are recognized based on a three-step model, where assets are classified in step 1 at initial recognition and in subsequent periods if the credit risk of the assets has not increased significantly after initial recognition. Impairment losses for assets classified in step 1 is measured as the 12-months expected credit loss. If the credit risk has increased significantly after initial recognition the financial assets shall be classified in step 2 or 3, and expected credit loss is measured at lifetime expected credit loss. When estimating expected credit loss, the Group takes into consideration historical loss experience, information about current conditions and expectations for future developments.

A simplified impairment model applies for trade receivable, where impairment losses are measured at lifetime expected credit loss irrespective of whether credit risk has increased significantly or not.

Inventories

Spare parts and consumables are accounted for at purchase price, on a first-in, firstout basis.

Inventories are measured at the lower of cost and net realisable value. If inventory is written down to net realisable value, the write down is charged to the income statement.

Cash and cash equivalents

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand and in bank, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

The amount of cash and cash equivalents in the cash flow statement does not include available credit facilities.

Equity

Share Capital

Ordinary shares are classified as equity. The paid in equity equals the nominal value per share.

Share premium

The excess value of the total paid-in-capital not reflected in the nominal value of the shares. Transaction costs of an equity transaction are accounted for as a deduction in share premium, net of any related income tax benefit.

Retained Earnings

The net result attributable to and available for distribution to the shareholders. Dividends are recorded as a deduction to other equity in the period in which they are approved by the shareholders.



Odfjell Gas Group

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Taxes

The shipping activities are operated in Norway under the ordinary tax system in Norway and the Norwegian shipping tax system.

The Group's taxes include taxes of Group companies based on taxable profit for the relevant financial period, together with tax adjustments for previous periods and any change in deferred taxes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to offset the temporary differences. We recognise formerly unrecognised deferred tax assets to the extent that it has become probable that we can utilise the deferred tax asset. Similarly, the Company will reduce its deferred tax assets to the extent that it no longer can utilise these.

Deferred tax and deferred tax assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the relevant tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognised irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and are classified as non-current liabilities (non-current assets) in the balance sheet.

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

Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to factors that are recognised directly in equity.

Interest bearing debt

Interest bearing debt is initially recognised at the amount of proceeds received, net of transaction costs incurred. Debt are subsequently carried at amortised cost, where any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Interest bearing debt is generally non-current liabilities, while instalments within the next 12 months are classified as current liabilities.



Odfjell Gas Group

2020

Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are based on best estimates. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. If the effect of the time value of money is material, normally more than twelve months, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Subsequent events

Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will materially affect the Company's position in the future are stated.

Related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. The Company considers these arrangements to be on reasonable market terms.

Classification in the financial statement

Odfjell Gas has used a classification based on a combination of nature and function in the income statement.

NOTE 3 - CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

Freight Revenue

In 2020, the Company generated most of its revenue from contracts with customers by pooling ships in external pools. Net freight income allocated represents freight income derived from pool freight earnings, net of direct voyage costs. Going forward, the vessels are now on time-charter contracts. Revenue from said contracts is recognised over the contract period on a straight line basis.



Odfjell Gas Group

2020

Impairment test LPG/ethylene vessels

The LPG/ethylene fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset or CGU is expected to generate over its remaining useful life.

If an asset or CGU is considered to be impaired, impairment is recognised in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount.

As the Odfjell Gas ships are interchangeable all ships are seen together as a portfolio of ships.

In order to assess impairment, Management makes assumptions regarding future cash inflows and outflows based on existing contracts, historical experience, financial forecasts, expected growth in ship supply, market demand and discount rate. Management also makes assumptions regarding residual values of the ships.

If actual results differ from estimates and assumptions used in estimating future cash flows, then the Group may be exposed to future impairment losses that could be material.

An impairment test has been carried out at year end 2020. Key assumption in the impairment test is the gross result and discount rate.

Depreciation and residual value of ships

Ships are recognised at historical cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, expenses related to site team and pre-delivery borrowings incurred. The cost less residual value is depreciated on a straightline basis over the ships estimated useful life.

The cost of the ships is divided into separate components for depreciation purposes. Estimated cost of first time dry-docking is deducted from the cost of the ship and depreciated separately over a period until the next dry-docking. The residual value of these the dry-docking components is zero.

Residual value is estimated based upon the latest available steel-price/stainless steel price and the lightweight of the ships. Stainless steel part of the lightweight of the ships is separately assessed and valued as part of the total residual value.

Estimated useful life of the ships is 25 years. Estimated cost of dry-docking is depreciated over an estimated period of 2.5 years.

If residual value is incorrect, the future depreciation would be affected, either as a reduction if residual value is understated or as an increase in depreciation if residual value is overstated.



Odfjell Gas Group

2020

NOTE 4 - FREIGHT INCOME

(USD)	2020	2019
Freight income	10 367 140	16 729 660
Flumar Ltda.	2 142 669	0
Total	12 509 809	16 729 660

During 2019 and 2020, the vessels have primarily traded through a pool arrangement with Lauritzen in Denmark.

Starting from October 2020, the vessels are now on long-term time charter contracts to Flumar Ltda. Flumar Ltda. is a subsidiary of Odfjell SE.

NOTE 5 - VOYAGE EXPENSES

(USD)	2020	2019
Other voyage expenses from pool arrangement	5 062 773	7 333 587
Total	5 062 773	7 333 587

NOTE 6 - OPERATING EXPENSES

(USD)	2020	2019
Crew expenses	2 640 860	2 586 031
Other operating expenses	2 077 183	2 159 605
Total	4 718 043	4 745 636



Odfjell Gas Group

2020

NOTE 7 - GENERAL AND ADMINISTRATION EXPENSES

Remuneration to Board of Directors

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

General and administration expenses by type

(USD)	2020	2019
Auditor fees	14 133	10 973
Other administrative expenses	-47 031	0
Total	-32 898	10 973

Administrative expenses include a reversal of a previous accrual to the amount of USD 50 000.

(USD)	12/31/2020
Audit services	14 133
Non-audit services	0
Total	14 133

NOTE 8 - NON-CURRENT ASSETS

(USD)	Vessels	Total
Cost price 1.1	65 012 018	65 012 018
Adjustment to cost	-234 154	-234 154
Investments	33 311	33 311
Cost price 31.12	64 811 174	64 811 174
Accumulated depreciation 1.1	-27 615 024	-27 615 024
This years depreciation expense	-2 711 609	-2 711 609
Accumulated depreciation 31.12	-30 326 633	-30 326 633
Net carrying amount 31.12	34 484 541	34 484 541
Depreication period	25 years	

NOTE 9 - IMPAIRMENT

Management has evaluated the potential impairment losses in accordance with the accounting principles in note 2.

The vessels are currently on long-term time charter contracts. Based on the length and rates obtained in said contracts no impairment has been recognized.



Odfjell Gas Group

2020

NOTE 10 - NON-CURRENT AND CURRENT INTEREST BEARING DEBT

The Group has a floating rate mortgage loan from financial institutions. The average interest rate for the current year has been 3.49 % and the loan matures in 2021. The Group expects to refinance the loan at similar terms in the nearby future.

	12/31/2020	12/31/2019
Mortgage loans from financial institutions	6 800 000	10 600 000
– floating interest rate		
Current portion of debt	6 800 000	10 600 000

Guarantees

Odfjell SE is a guarantor to the loan. Standard Odfjell financial covenants apply to the guarantor.

Maturity of interest bearing debt as per 31 December 2020

	2021	2022	2023	2024	2025	2026+	Total
Mortgage loans from financial institutions – floating interest rate	6 800 000	-	-	-	-	-	6 800 000
Estimated interest payable	51 000	-	-	-	-	-	51 000

Maturity of interest bearing debt as per 31 December 2019

	2020	2021	2022	2023	2024	2025+	Total
Mortgage loans from financial institutions – floating interest rate	10 600 000	-	-	-	-	-	10 600 000
Estimated interest payable	226 000	-	-	-	-	-	226 000



Odfjell Gas Group

2020

NOTE 11 - CURRENT RECEIVABLES

(USD)	2020	2019
Current receivables	666 983	1 292 443
Other short-term receivables	183 656	0
Total	850 639	1 292 443

Currency risk

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

NOTE 12 - TAXES**Tax expenses**

(USD)	2020	2019
Taxes payable - ordinary tax regime	-	-
Taxes payable - shipping tax regime	-	-
Change in deferred taxes - ordinary tax regime	-	-
Change in deferred taxes - shipping tax regime	-	-

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

Reconciliation of pre-tax income to taxable income

(USD)	2020	2019
Pretax income	-327 740	2 917 213
Tax calculated at Odfjell Gas statutory income tax rate 22% (2019: 22%)	72 103	-641 520
Tax effect of:		
Income and expenses not subject to tax	-2 342	1 161 584
Deferred tax assets not recognised	-69 761	-520 064
Tax income (expense)	-	-

Tax provisions

The tax returns of the Company and its subsidiaries' are routinely examined by relevant tax authorities. From time to time, in the ordinary course of business, certain items in the tax returns are questioned or challenged. The Company believes that adequate tax provisions have been made for open years.



Odfjell Gas Group

2020

Losses carried forward

The Group has a total loss carried forward of about NOK 14.2 million within the ordinary tax system in Norway and NOK 36.6 mill within the Norwegian shipping tax system per 31 December 2020, that is available indefinitely to offset against future taxable profits of the companies in which the losses arose. Tax Group contributions are available within the same country and within the same tax regime.

Any distribution of dividend to the shareholders does not affect the Company's payable or deferred tax.

The deferred tax asset is not accounted for due to uncertainty about future use.

NOTE 13 - FINANCIAL ITEMS

(USD)	2020	2019
Currency gains	37 604	9 951
Other financial income	112 955	0
Interest income	11 706	95 197
Other financial expenses	-35 304	-64 885
Currency losses	-9 685	-12 153
Guarantees from related companies	- 113 837	- 101 943
Interest and fees paid	- 381 192	- 738 163
Total	- 377 753	- 811 996

NOTE 14 - SHARE CAPITAL AND PREMIUM

Total share capital is NOK 240 000. Shares 60 of nominal value of NOK 4 000.

Shareholder	Percentage
Odfjell SE	50 %
Gas Maritime Partners S.A.R.L	50 %

NOTE 15 - LIST OF SUBSIDIARIES

The following subsidiaries are fully consolidated in the financial statement as per 12/31/2020:

Company	Country of registration	Ownership Share	Voting Share
Odfjell Gas Carriers AS	Norway	100%	100%
Odfjell Gas Shipowning AS	Norway	100%	100%

The former subsidiary Odfjell Gas Denmark AS was liquidated in 2020.



NOTE 16 - FINANCIAL RISK MANAGEMENT

The Group's results and cash flow are influenced by a number of variable factors. Our policy is to manage the risks we are exposed to, including, but not limited to market risk, credit risk, liquidity risk, currency risk and interest rate risk. Our strategy is to systematically monitor and understand the impact of changing market conditions on our results and cash flow and to initiate mitigating actions where required.

Credit risk

The Group has no significant credit risks, other than those which have already been provided for, nor any concentrations of credit with a single customer or in an industry or geographical region which carries an unusually high credit risk.

Liquidity risk

The Group's strategy is to have liquid assets or available credit facilities at any time to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is in addition, to ensure, as far as possible, that it will always have sufficient liquidity to meet significant risk factors, such as long term downcycles in the market or unfavorable conditions in financial markets. Surplus liquidity is mainly invested via short term interest deposits.

Currency risk

The Group has limited exposure to currency fluctuation at present.

Interest rate risk

The objective for the interest rate management is to minimize interest costs and at the same time keep the volatility of future interest payments within acceptable limits. If necessary the Group enters into different types of interest rate derivatives to hedge against fluctuations in the results due to changes in interest rates.

NOTE 17 - CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain healthy capital ratios and hold liquidity available to take advantage of investment opportunities and generally support the business. At the same time capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavorable conditions in the financial markets.

The Group manages the capital structure and makes adjustments to maintain an optimal structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments, buy treasury shares, redemption of shares or issue new shares.

No changes were made in the objectives or policies during the year ending 31 December 2020.

The Group monitors its capital using the book equity ratio and available liquidity, as the primary measurements.



Odfjell Gas Group 2020

(USD mill)	2020	2019
Equity	32	32
Total assets	39	43
Equity ratio	82%	75%
Cash and cash equivalents	4	4
Total available liquidity	-	-

NOTE 18 - COVID-19

The outbreak of the Coronavirus (COVID-19) continues to put constraints on businesses around the world. During 2020, the outbreak did not have a severe negative effect on the 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 19 - SUBSEQUENT EVENTS

In March 2021, Odfjell SE purchased 50% of the shares in Odfjell Gas AS from its joint venture partners, and now owns 100% of the shares in Odfjell Gas AS. The purchase price was USD 16.7 million.



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 04.06.2014	Vår dato 06.06.2014
Telefon 22078139	Deres referanse Terje Iversen	Vår referanse 2014/390239

ODFJELL GAS AS
Postboks 6101
5892 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

- Det vises til deres brev av 4. juni 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Odfjell Gas AS	org.nr. 913 188 845
Odfjell Gas Shipowning AS	org.nr. 998 477 875
Odfjell Gas Carriers AS	org.nr. 998 477 913

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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 Gas AS er morselskap til Odfjell Gas Shipowning AS og Odfjell Gas Carriers AS. Odfjell Gas AS med underliggende selskaper vil i løpet av 2014 bli et joint venture (JV) selskap med en aksjonærsammensetning fordelt 50 % på Odfjell SE og 50 % i fellesskap på Breakwater Capital og Oak Hill Advisors, L.P. Majoriteten av aksjonærene er på utenlandske hender. Odfjell SE har tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk. Odfjell Gas AS med underliggende selskaper er et internasjonalt shipping selskap med global virksomhet. Dette er en bransje hvor engelsk er det klart dominerende språket. Virksomheten er internasjonal og alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Arbeidsspråket er engelsk og all intern rapportering foregår på dette språket. 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."

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr. 996250318 E-post: skatteetaten.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er eiet av et norsk selskap som har tillatelse til å benytte engelsk språk og utenlandske selskaper. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapene 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 Gas AS

For the year ended December 31, 2020

Directors Report

Income Statement

Balance Sheet

Cash Flow Statement

Notes

Auditors Report



Odfjell Gas AS

2020

STATEMENT OF PROFIT OR LOSS

(NOK)	Note	2020	2019
OPERATING INCOME AND EXPENSES			
General and administration expenses	2	389 966	-54 838
Operating result		389 966	-54 838
FINANCIAL INCOME AND EXPENSES			
Interest income	3	12 221	47 472
Impairment of receivables	3	1 001 336	0
Interest income from related companies	3	104 507	185 039
Other financial items	3	-12 832	-7 954
Currency gains (losses)	3	- 155 333	22 437
Net financial items		949 900	246 994
PRETAX INCOME		1 339 866	192 156
NET INCOME		1 339 866	192 156
BROUGHT FORWARD			
Allocated to other equity		-1 339 866	- 192 156
Net brought forward		-1 339 866	- 192 156



Odfjell Gas AS

2020

STATEMENT OF FINANCIAL POSITION

(NOK)	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Investments in subsidiaries	5	146 330 586	146 330 586
Loans to related companies	6	1 678 508	1 620 534
Sum non-current assets		148 009 094	147 951 120
CURRENT ASSETS			
Due from related companies	7	900	0
Other short-term receivables		10 327	75 484
Cash and bank deposits	8	3 710 449	2 785 428
Sum current assets		3 721 676	2 860 912
TOTAL ASSETS		151 730 770	150 812 032
EQUITY			
Share capital	9,10	240 000	240 000
Share premium reserve	9	150 666 198	150 666 198
Other equity	9	793 980	- 545 886
Sum equity		151 700 178	150 360 312
CURRENT LIABILITIES			
Trade creditors		29 213	0
Due to related companies	11	1 380	12 705
Other current liabilities		0	439 015
Sum current liabilities		30 592	451 720
TOTAL EQUITY AND LIABILITIES		151 730 770	150 812 032



Odfjell Gas AS

2020

Bergen, 19/3- 2021

The Board of Directors of Odfjell Gas AS

Terje Iversen
General manager, Member of the
board

Kristian Verner Mørch
Chairman of the board

Harald Fotland
Member of the board



Odfjell Gas AS

2020

CASH FLOW STATEMENT

(NOK)	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Pretax income	1 339 866	192 156
Change in working capital and intercompany accounts	-344 646	-78 712
Net cash flow from operating activities	995 220	113 444
CASH FLOW FROM FINANCING ACTIVITIES		
Intercompany loans	-70 199	-113 032
Net cash flow from financing activities	-70 199	-113 032
Net change in cash balances	925 021	412
Cash and cash equivalents 1.1	2 785 428	2 785 016
Cash and cash equivalents 31.12	3 710 449	2 785 428



Odfjell Gas AS

2020

NOTE 1 - SUMMARY OF SIGNIFICANT 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 affects 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.

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.

Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

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.

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.



Odfjell Gas AS

2020

Investments in subsidiaries

Investments in subsidiaries are presented according to the cost method. Group contribution and dividends from subsidiaries is recognised in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its shareholdings.

NOTE 2 - GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses by type

(NOK)	2020	2019
Auditor fees	50 020	54 838
Other administrative expenses	- 439 986	0
Total	- 389 966	54 838

Remuneration to Board of Directors

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

The company had previously booked an accrual to the amount of NOK 439 986 which has been reversed in 2020, resulting in a positive effect in profit loss for the same amount.

Pensions

The company does not have any employees and is therefore not obligated to have a pension scheme in accordance with Norwegian law.

Auditor fees

(NOK)	12/31/2020
Audit services	50 020
Non-audit services	-
Total	50 020



Odfjell Gas AS

2020

NOTE 3 - FINANCIAL ITEMS

(NOK)	2020	2019
Impairment of receivables	1 001 336	0
Interest income from related companies	104 507	185 039
Currency gains	25 351	135 144
Interest income	12 221	47 472
Other financial expenses	-12 832	-7 954
Currency losses	-180 684	-112 707
Total	949 899	246 994

Reversal of provision for impaired receivable

Odfjell Gas AS had previously recorded a provision for expected losses related to a non-current receivable to Odfjell Gas Denmark AS.

As the receivable was recovered in full, the provision has been reversed in 2020, for a total of NOK 1 165 413.

Remaining short-term loans have been written of as the entity now has been liquidated. These loans amounted to NOK 164 074, which gives a total effect to profit loss of NOK 1 001 336 in 2020.

NOTE 4 - TAXES

Taxes payable

(NOK)	2020	2019
Pre-tax income	1 339 866	192 156
Permanent differences	164 706	-
Changes in temporary differences	-1 165 413	-
Utilization of tax-losses carried forward	-338 529	-192 156
Total	-	-
Taxes payable	-	-

Tempoary differences

(NOK)	2020	2019
Tax-losses carried forward	-13 402 917	-13 741 446
Total	-13 402 917	-13 741 446
Tax rate	22%	22%
Deferred tax / (Deferred tax asset)	-2 948 642	-3 023 118

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



Odfjell Gas AS

2020

NOTE 5 - LIST OF SUBSIDIARIES

The entity has the following subsidiaries, all fully owned as per 12/31/2020.

Company	Ownership	12/31/2020	12/31/2019
Odfjell Gas Carriers AS	100%	100 000	100 000
Odfjell Gas Shipowning AS	100%	146 230 586	146 230 586
Total		146 330 586	146 330 586

NOTE 6 - LOANS TO RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Odfjell Gas Carriers AS	1 678 508	1 620 534
Total	1 678 508	1 620 534

NOTE 7 - DUE FROM RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Odfjell Gas Carriers AS	900	0
Total	900	0

NOTE 8 - CASH AND CASH EQUIVALENTS

The company has no restricted cash per 12/31/2020.

The company is included in the Group's corporate account system with Odfjell Gas Shipowning AS and Odfjell Gas Carriers AS.

The companies are jointly and severally liable for any outstanding amounts.

NOTE 9 - EQUITY

(NOK)	Share capital	Share premium reserve	Other equity	Total
Equity 1.1	240 000	150 666 198	-545 886	150 360 312
Net result	-	-	1 339 866	1 339 866
Equity 31.12	240 000	150 666 198	793 980	151 700 178



Odfjell Gas AS

2020

NOTE 10 - SHARE CAPITAL AND PREMIUM

Share capital

The share capital consists of 60 shares, each with a nominal value of NOK 4 000. Total share capital is NOK 240 000.

Shareholder	Number of shares	Voting rights
Odfjell SE	30	50 %
Gas Maritime Partners S.A.R.L	30	50 %
Total	60	100%

NOTE 11 - DUE TO RELATED COMPANIES

(NOK)	12/31/2020	12/31/2019
Odfjell Gas Shipowning AS	1 380	2 459
Odfjell Gas Denmark AS	0	10 246
Total	1 380	12 705

NOTE 12 - COVID-19

The company does not have its own operations, but is indirectly affected by the Covid-19 outbreak through ownership in its investments. There was no significant impact on financial and operational performance in 2020.

The extent and duration of these conditions over the longer term remain largely uncertain and dependent on future developments that cannot be accurately predicted.

NOTE 13 -SUBSEQUENT EVENTS

In March 2021, Odfjell SE purchased 50% of the shares in Odfjell Gas AS from its joint venture partners, and now owns 100% of the shares in Odfjell Gas AS. The purchase price was USD 16.7 million.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell Gas AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Odfjell Gas AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, the income statement, statements of other comprehensive income, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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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.

Independent auditor's report - Odjell Gas AS

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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 and the going concern assumption 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, 19th of March 2021
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The auditor's report is signed electronically

Jørn Knutsen
State Authorized Public Accountant (Norway)

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State Authorised Public Accountant (Norway)

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