



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

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: Terje Iversen
Dato for fastsettelse av årsregnskapet: 31.08.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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	2019	2018
RESULTATREGNSKAP			
Kostnader			
General and administration expenses	2	54 838	25 625
Sum kostnader		54 838	25 625
Driftsresultat		-54 838	-25 625
Finansinntekter og finanskostnader			
Interest income from group companies	3	185 039	129 268
Interest income	3	47 472	37 867
Sum finansinntekter		232 511	167 135
Impairment of assets/receivables	4,8		2 826 213
Other financial expenses	3	7 955	13 407
Currency gain (loss)	3	-22 437	-171 871
Sum finanskostnader		-14 482	2 667 749
Netto finans		246 993	-2 500 614
Ordinært resultat før skattekostnad		192 155	-2 526 239
Ordinært resultat etter skattekostnad		192 155	-2 526 239
Årsresultat		192 155	-2 526 239
Overføringer og disponeringer			
Udekket tap		192 156	-2 526 238
Sum overføringer og disponeringer		192 156	-2 526 238



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	8	146 330 586	146 330 586
Lån til foretak i samme konsern	4	1 620 534	1 495 601
Sum finansielle anleggsmidler		147 951 120	147 826 187
Sum anleggsmidler		147 951 120	147 826 187
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		75 484	
Sum fordringer		75 484	
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		2 785 428	2 785 016
Sum bankinnskudd, kontanter og lignende		2 785 428	2 785 016
Sum omløpsmidler		2 860 912	2 785 016
SUM EIENDELER		150 812 032	150 611 203
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5,7	240 000	240 000
Overkurs	5	150 666 198	150 666 198
Sum innskutt egenkapital		150 906 198	150 906 198
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2019	2018
Udekket tap	5	545 886	738 042
Sum opptjent egenkapital		-545 886	-738 042
Sum egenkapital		150 360 312	150 168 156
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Kortsiktig konserngjeld	4	12 705	804
Other current liabilities	6	439 015	442 243
Sum kortsiktig gjeld		451 720	443 047
Sum gjeld		451 720	443 047
SUM EGENKAPITAL OG GJELD		150 812 032	150 611 203



Konsernets resultatregnskap

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Gross revenue	4	16 730 000	17 543 000
Sum inntekter		16 730 000	17 543 000
Kostnader			
Voyage expenses	5	7 334 000	7 713 000
General and administration expenses	7	11 000	166 000
Depreciation	8	910 000	21 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9		6 600 000
Operating expenses	6	4 746 000	4 484 000
Capital gain (loss) on non-current assets		0	0
Sum kostnader		13 001 000	18 984 000
Driftsresultat		3 729 000	-1 441 000
Finansinntekter og finanskostnader			
Annen renteinntekt	13	95 000	162 000
Sum finansinntekter		95 000	162 000
Annen rentekostnad	13	739 000	995 000
Other financial items	13	169 000	320 000
Sum finanskostnader		908 000	1 315 000
Netto finans		-813 000	-1 153 000
Ordinært resultat før skattekostnad		2 916 000	-2 594 000
Ordinært resultat etter skattekostnad		2 916 000	-2 594 000
Årsresultat		2 916 000	-2 594 000



Konsernets balanse

Beløp i: USD	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Ships	9,10	37 397 000	0
Sum varige driftsmidler		37 397 000	0
Sum anleggsmidler		37 397 000	0
Omløpsmidler			
Varer			
Fordringer			
Current receivables	11	1 292 000	1 633 000
Assets classified as held for sale	8,9	0	37 972 000
Sum fordringer		1 292 000	39 605 000
Bankinnskudd, kontanter og lignende			
Cash and cash Equivalents		4 082 000	4 003 000
Sum bankinnskudd, kontanter og lignende		4 082 000	4 003 000
Sum omløpsmidler		5 374 000	43 608 000
SUM EIENDELER		42 771 000	43 608 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	33 000	33 000
Overkurs	14	45 006 000	45 006 000
Sum innskutt egenkapital		45 039 000	45 039 000
Opptjent egenkapital			



Konsernets balanse

Beløp i: USD	Note	2019	2018
Other equity		-13 009 000	-15 927 000
Sum opptjent egenkapital		-13 009 000	-15 927 000
Sum egenkapital		32 030 000	29 112 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Current portion of interest bearing debt	10	10 600 000	14 400 000
Taxes payable	12	0	0
Other current liabilities		141 000	96 000
Sum kortsiktig gjeld		10 741 000	14 496 000
Sum gjeld		10 741 000	14 496 000
SUM EGENKAPITAL OG GJELD		42 771 000	43 608 000



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 2019, 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 2019, 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 2019, 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 2019 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 and the Group 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 (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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 these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with 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;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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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Penneo Dokumentnøkkel: LUA25-Q0770-86C41-Y7PQW-1KBD7-CM2YV



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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, 25 September 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Pemseo Dokumentnøkkel: LUA25-Q0770-86C41-Y7PQW-1KBD7-CN2YV



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Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

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Directors report - Odfjell Gas Group and Odfjell Gas AS 2019

Business summary

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

Odfjell Gas strives 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 are engaged in a pool arrangement and under commercial management with Lauritzen Kosan (LK). This setup has provided income throughout the year in line with the expectations.

The two existing vessels were previously classified as assets held for sale, but the conditions are no longer met. The vessels have therefore been reclassified and depreciation has continued based on the depreciation schedule prior to the original held for sale classification. Refer to notes 8,9 and 10 for further details.

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 picture 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 16.7 million. The EBITDA was USD 4.6 million in 2019 compared to USD 5.2 million in 2018. The consolidated result before taxes was positive USD 2.9 million in 2019 compared to negative USD 2.6 in 2018. The negative result in 2018 was highly influenced by an impairment of USD 6.6 million. Total interest-bearing debt as at 31st December 2019 is USD 10.6 million. The equity ratio was 75%.

The cash flow from operations was USD 4.2 million in 2019. Cashflows from investment activities was negative USD 0.3 million, 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 0.2 million. Activity is limited and primarily consists of financial income and expenses. Total equity per 31 December 2019 is NOK 150.4 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 Bow Gallant and the Bow Guardian under commercial management with Lauritzen Kosan the results have been 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. Should the development continue, this could negatively impact the market going forward. The long-term effects for the Group are uncertain at this time.

The Odfjell Gas Board of Directors have resolved to sell the two exiting vessels with an intention to liquidate the Company following the sales.

Liquidity and financing

As at 31 December 2019 the Group's cash and cash equivalent amounted to USD 4.1 million.

In December 2019 Odfjell Gas extended its loan with Nordea and Swedbank for Bow Guardian and Bow Gallant to June 2020. In June 2020, the loan facility has been extended by six months to December 2020 on the same existing terms. 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, 31/8- 2020

The Board of Directors of Odfjell Gas AS

Terje Iversen
Member of the Board

Kristian V. Mørch
Chairman of the Board

Jeppe Jensen
Member of the Board

Alexis Atteslis
Member of the Board

Jonathan Askew
Member of the Board

Harald Fotland
Member of the Board



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, 31 / 8 / 2020
The Board of Directors of Odfjell Gas AS

Terje Iversen
Member of the Board

Jepp Jensen
Member of the Board

Jonathan Askew
Member of the Board

Kristian V. Mørch
Chairman of the Board

Alexis Atteslis
Member of the Board

Harald Fotland
Member of the Board



ODFJELL GAS GROUP

INCOME STATEMENT

(USD 1 000)

	Note	2019	2018
Gross revenue	4	16 730	17 543
Voyage expenses	5	(7 334)	(7 713)
Operating expenses	6	(4 746)	(4 484)
Gross result		4 650	5 347
General and administrative expenses	7	(11)	(166)
Operating result before compensation, depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)		4 639	5 181
Depreciation	8	(910)	(21)
Impairment of non-current assets	9	-	(6 600)
Capital gain (loss) on non-current assets		-	-
Operating result (EBIT)		3 729	(1 440)
Interest income	13	95	162
Interest expenses	13	(739)	(995)
Other financial items	13	(169)	(320)
Net financial items		(813)	(1 154)
Taxes	12	-	-
Net result		2 916	(2 593)

OTHER COMPREHENSIVE INCOME

Items that may be subsequently reclassified to statement of comprehensive income

Exchange rate differences	-	-
Other comprehensive income	2 916	(2 593)



ODFJELL GAS GROUP

STATEMENT OF FINANCIAL POSITION

(USD 1 000)

ASSETS AS PER 31.12.	Note	2019	2018
NON-CURRENT ASSETS			
Ships	9, 10	37 397	-
Total non-current assets		37 397	-
CURRENT ASSETS			
Current receivables	11	1 292	1 633
Cash and cash equivalents		4 082	4 003
Assets classified as held for sale	8,9	-	37 972
Total current assets		5 374	43 607
Total assets		42 771	43 607
EQUITY AND LIABILITIES AS PER 31.12			
	Note	2019	2018
EQUITY			
Share capital	14	33	33
Share premium	14	45 006	45 006
Other equity		(13 009)	(15 927)
Total equity		32 030	29 112
Current portion of interest bearing debt	10	10 600	14 400
Taxes payable	12	-	-
Other current liabilities		141	96
Total current liabilities		10 741	14 496
Total liabilities		10 741	14 496
Total equity and liabilities		42 771	43 607

Bergen, 31/8-2020

THE BOARD OF DIRECTORS OF ODFJELL GAS

Terje Iversen

Harald Fotland

Jeppe Jensen

Jonathan Askew

Alexis Atteslis

Kristian Verner Mørch
Chairman of the Board



ODFJELL GAS GROUP

STATEMENT OF FINANCIAL POSITION

(USD 1 000)

ASSETS AS PER 31.12.	Note	2019	2018
NON-CURRENT ASSETS			
Ships	9, 10	37 397	-
Total non-current assets		37 397	-
CURRENT ASSETS			
Current receivables	11	1 292	1 633
Cash and cash equivalents		4 082	4 003
Assets classified as held for sale	8,9	-	37 972
Total current assets		5 374	43 607
Total assets		42 771	43 607
EQUITY AND LIABILITIES AS PER 31.12			
EQUITY			
Share capital	14	33	33
Share premium	14	45 006	45 006
Other equity		(13 009)	(15 927)
Total equity		32 030	29 112
Current portion of interest bearing debt	10	10 600	14 400
Taxes payable	12	-	-
Other current liabilities		141	96
Total current liabilities		10 741	14 496
Total liabilities		10 741	14 496
Total equity and liabilities		42 771	43 607

Bergen, 31 / 8 2020

THE BOARD OF DIRECTORS OF ODFJELL GAS

Terje Iversen

Harald Fotland

Jeppe Jensen

Jonathan Askew

Alexis Atteslis

Kristian Verner Mørch
Chairman of the Board



STATEMENT OF CASH FLOW

(USD 1 000)

	Note	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income taxes		2 916	(2 593)
Depreciation/impairment	8,9	910	6 621
Other current accruals		388	(220)
Net cash flow from operating activities		4 215	3 807
CASH FLOW FROM INVESTING ACTIVITIES			
Refund from cancellation of contracts	8	-	-
Investment in non-current assets	8	(335)	(1 981)
Net cash flow from investing activities		(335)	(1 981)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of interest bearing debt	10	(3 800)	(3 800)
Net cash flow from financing activities		(3 800)	(3 800)
Net change in cash balances		80	(1 974)
Cash and cash equivalents in the beginning of the period		4 003	5 977
Cash and cash equivalents as per 31.12		4 082	4 003
Available credit facilities		-	-



STATEMENT OF CHANGES IN EQUITY

(USD 1 000)

	Share capital	Share premium	Exchange rate differences	Retained earnings	Total other equity	Total equity
Equity as at January 1, 2018	33	45 568	(22)	(13 966)	(13 988)	31 613
Net result	-	-	-	(2 593)	(2 593)	(2 593)
Other adjustments	-	-	-	91	91	91
Equity as at December 31, 2018	33	45 568	(22)	(16 468)	(16 490)	29 112
Equity as at January 1, 2019	33	45 568	(22)	(16 468)	(16 490)	29 112
Net result	-	-	-	2 916	2 916	2 916
Other adjustments	-	-	-	2	2	2
Equity as at December 31, 2019	33	45 568	(22)	(13 549)	(13 571)	32 030



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

2.1 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.

2.2 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.

2.3 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for poling 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. The Company's vessels are 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.

2.4 Property, plant and equipment

Property, plant and equipment – including Ships, newbuilding contracts, 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 impairment test together with the other assets and a separate judgement is made.



2.5 Leases

From January 1, 2019, leases are recognized as a right of use of assets and a corresponding liability at the date which the leased asset is available for use by the Group. Assets and liabilities are measured on a present value basis. The discount rate used is the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Right of use assets are measured at cost comprising the amount initial measurement of the lease liability, direct external cost associated with negotiation of the lease contract and an estimated amount of restoration cost. The latter is an estimate of mandatory dry-docking over the lease term for bareboat vessels. Right of use assets are depreciated over the lease term and depreciation is charged to the income statement as an expense.

Payments associated with short term leases of ships, other equipment and all leases of low value assets are recognized on a straight line basis as an expense in the income statement. Assets regarded as low value assets are equipment which need electricity to operate (e.g. copy machine, coffee machine).

For 2018 and prior periods, the Group applied IAS 17 Leases. According to IAS 17, leases were either accounted for as operating leases or finance leases. Leases were classified as a finance lease if it transferred substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases. Classification was made at the inception of the lease.

For operating leases, the lease payments were recognized as an expense in the income statement over the lease term on a straight line basis. At the commencement of a financial lease, an asset and a liability were recognized at the lower of the fair value and the net present value of the minimum lease payment, discounted at the interest rate implicit in the lease). The lease payments were apportioned between an interest expense and reduction of the outstanding lease liability.

The depreciation policy for assets held under finance leases were consistent with that for owned assets. If there were no reasonable certainty that the lessee would obtain ownership at the end of the lease, the asset was depreciated over the shorter of the lease term or the life of the asset.

2.6 Impairment of assets

Property, plant and equipment

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.

2.7 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

2.8 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.

2.9 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).

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.

2.10 Inventories

Bunkers, spare parts and consumables are accounted for at purchase price, on a first-in, first-out 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.

2.11 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

Paid in equity

(i) Share capital

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

(ii) 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.

(iii) 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.

2.12 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.

2.13 Interest bearing debt

Interest bearing debt is classified as non-current liabilities and 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.

2.14 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

2.15 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.

2.16 Events after the balance sheet date

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.

2.17 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.

2.18 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

The Company generates 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.

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 2019. 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 straight-line 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 30 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.

Note 4 Freight income

(USD 1 000)	2019	2018
Own ships	16 730	17 543
Total freight income	16 730	17 543

Note 5 Voyage expenses

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	2019	2018
Pool distribution to external part	7 328	7 706
Other voyage related expenses	6	6
Total voyage expenses	7 334	7 713

Note 6 Operating expenses

(USD 1 000)	2019	2018
Crew expenses	2 227	2 222
Other cost of operation	2 519	2 262
Total operating expenses	4 746	4 484



Note 7 General and administration expenses

None compensation and benefits to Board of Directors.

The recognised audit fee for 2019 is USD 7 708.

Note 8 Non-current assets/assets classified as assets held for sale

(USD 1 000)	Vessels	Office equipment	Total
Net carrying amount 01.01	-	-	-
Reclassified from assets held for sale	37 972	-	37 972
Investment	335	-	335
Depreciation	(910)	-	(910)
Net carrying amount 31.12	37 397	-	37 397

The vessels owned by Odfjell Gas were classified as assets held for sale up to September 2019. In 2019, total investments was USD 0.3 million.

Note 9 Impairment

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

Odfjell Gas AS ordered in 2014 eight vessels for agreed delivery in 2016 and 2017, however due to substantially delays, all eight vessels have been cancelled. Odfjell Gas AS is seeking to sell the two existing vessels.

No impairment was done in 2019. In 2018, an impairment of total USD 6.6 million was recognized for the two vessels.

Note 10 Non-current interest bearing debt

(USD 1 000)	Average interest rate	2019
Mortgage loans from financial institutions – floating interest rate	5.15%	10 600
Subtotal interest bearing debt		10 600
Transaction cost		-
Total interest bearing debt		10 600
Current portion of total debt		(10 600)
Total non-current interest bearing debt		-



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	-	-	-	-	-	10 600
Total interest bearing debt	10 600	-	-	-	-	-	10 600

Estimated interest payable *)	226	-	-	-	-	-	226
Total	226	-	-	-	-	-	226

*) Odfjell SE is a guarantor to the loan and standard Odfjell financial covenants apply to the guarantor.

	Average interest rate	2018
Mortgage loans from financial institutions – floating interest rate	6.04%	14 400
Subtotal interest bearing debt		14 400
Transaction cost		-
Total interest bearing debt		14 400
Current portion of total debt		(14 400)
Total non-current interest bearing debt		-

Maturity of interest bearing debt as per 31 December 2018:

	2019	2020	2021	2022	2023	2024+	Total
Mortgage loans from financial institutions – floating interest rate	14 400	-	-	-	-	-	14 400
Total interest bearing debt	14 400	-	-	-	-	-	14 400

Estimated interest payable *)	788	-	-	-	-	-	788
Total	788	-	-	-	-	-	788

Note 11 Current receivables

(USD 1 000)	2019	2018
Trade receivables	1 287	1 620
Other current receivable	5	13
Total current receivables	1 292	1 633

All receivables are in currency USD



Note 12 Taxes

(USD 1 000)	2019	2018
Taxes payable – ordinary tax	-	-
Taxes payable – shipping tax system	-	-
Change in deferred tax – ordinary tax	-	-
Change in deferred tax – shipping tax system	-	-
Total tax income (expenses)	-	-

(USD 1 000)	2019	2018
Pre-tax profit	2 916	(2 593)
Tax calculated at Odfjell Gas statutory income tax rate 22% (2018: 23%)	642	596
Tax effect of:		
Income and expenses not subject to tax	1 162	1 214
Non deductible expenses for tax purposes – impairment/sale of assets	-	(1 518)
Deferred tax assets not reconised	(520)	(293)
Tax income (expenses)	-	-

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.

The Group has one ongoing tax case with tax authorities where deferred tax liability is estimated to USD 0.9 million. The amount is not accounted for as the Group believe it has a good case.

The Group has a total loss carried forward of about NOK 14.5 million within the ordinary tax system in Norway and NOK 35.4 mill within the Norwegian shipping tax system per 31 December 2019, 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 1 000)	2019	2018
Interest income	95	162
Interest expenses	(739)	(995)
Other financial expenses	(167)	(226)
Currency gain/loss	(2)	(95)
Total financial items	(813)	(1 154)

Note 14 Share capital and premium

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

Shareholders:

Odfjell SE	50%
Gas Maritime Partners S.À.R.L	50%

Note 15 List of subsidiaries

The following subsidiaries are fully consolidated in the financial statement as per 31 December:

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



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 down-cycles 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 2019.



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

(USD mill)	2019	2018
Equity	32	29
Total assets	43	44
Equity ratio	75%	67%
Cash and cash equivalents	4	4
Total available liquidity	-	-

Note 18 Subsequent events

The outbreak of the Coronavirus (COVID-19) will have impact on the world GDP and is expected to have an adverse effects on the company's operations, liquidity and financial results this year, but 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 operations and financial results.



STATEMENT OF PROFIT OR LOSS			
ODFJELL GAS AS		(FIGURES IN NOK)	
	Note	2019	2018
OPERATING INCOME (-COST)			
General and administration expenses	2	(54 838)	(25 625)
Operating result		(54 838)	(25 625)
FINANCIAL INCOME AND EXPENSES			
Impairment of assets/receivables	4, 8	-	(2 826 213)
Interest income from group companies	3	185 039	129 268
Interest income	3	47 472	37 867
Other financial expenses	3	(7 955)	(13 407)
Currency gain (loss)	3	22 437	171 871
Net financial items		246 994	(2 500 613)
Operating result before tax		192 156	(2 526 238)
Ordinary result after tax		192 156	(2 526 238)
Annual net profit		192 156	(2 526 238)
ATTRIBUTABLE TO:			
Uncovered loss		192 156	(2 526 238)
Total		192 156	(2 526 238)



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS AS

(FIGURES IN NOK)

NON-CURRENT ASSETS	Note	2019	2018
Investments in subsidiaries	8	146 330 586	146 330 586
Loan to group companies	4	1 620 534	1 495 601
Total non-current assets		147 951 120	147 826 188
CURRENT ASSETS			
Other short-term receivables		75 484	-
Cash and bank deposits		2 785 428	2 785 016
Total current assets		2 860 912	2 785 016
Total assets		150 812 032	150 611 203



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS AS		(FIGURES IN NOK)	
	Note	2019	2018
EQUITY AND LIABILITIES			
Share capital	5, 7	240 000	240 000
Share premium reserve	5	150 666 198	150 666 198
Total paid-in capital		150 906 198	150 906 198
Other equity/uncovered loss	5	(545 886)	(738 042)
Total retained earnings		(545 886)	(738 042)
Total equity		150 360 312	150 168 156
LIABILITIES			
CURRENT LIABILITIES			
Due to related companies	4	12 705	804
Other current liabilities	6	439 015	442 243
Total current liabilities		451 720	443 047
Total liabilities		451 720	443 047
Total equity and liabilities		150 812 032	150 611 203

Bergen, 31/ 8 -2020
The board of Odfjell Gas AS

Kristian Verner Mørch
Chairman of the Board

Terje Iversen
Board member

Harald Fotland
Board member

Jeppje Jensen
Board member

Alexis Atteslis
Board member

Jonathan Askew
Board member



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS AS

(FIGURES IN NOK)

	Note	2019	2018
EQUITY AND LIABILITIES			
Share capital	5, 7	240 000	240 000
Share premium reserve	5	150 666 198	150 666 198
Total paid-in capital		150 906 198	150 906 198
Other equity/uncovered loss	5	(545 886)	(738 042)
Total retained earnings		(545 886)	(738 042)
Total equity		150 360 312	150 168 156
LIABILITIES			
CURRENT LIABILITIES			
Due to related companies	4	12 705	804
Other current liabilities	6	439 015	442 243
Total current liabilities		451 720	443 047
Total liabilities		451 720	443 047
Total equity and liabilities		150 812 032	150 611 203

Bergen 31/8 2020
The board of Odfjell Gas AS

Kristian Verner Mørch
Chairman of the Board

Jeppe Jensen
Board member

Terje Iversen
Board member

Alexis Atteslis
Board member

Harald Fotland
Board member

Jonathan Askew
Board member



STATEMENT OF CASH FLOW

Cash flow from operating activities	2019	2018
Result before taxes	192 156	(2 526 238)
Impairment	-	2 826 213
Other current accruals	(78 712)	49 052
Net cash flow from operations	113 444	349 027
Cash flow from investing activities		
Repayment/Investment in shares	-	-
Net cash flow from investing activities	-	-
Cash flow from financing activities		
Group inter-company	(113 032)	(977 425)
Return of share premium	-	-
Net cash flow from financing activities	(113 032)	(977 425)
Effect on cash balances from currency exchange rate fluctuations	-	-
Net change in cash balances	412	(628 398)
Cash and cash equivalents as per 01.01	2 785 016	3 413 414
Cash and cash equivalents as per 31.12	2 785 428	2 785 016



ODFJELL GAS AS

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 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.

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 shares holdings.



ODFJELL GAS AS (figures in NOK)

NOTE 2 - GENERAL AND ADMINISTRATION EXPENSES

	31.12.2019	31.12.2018
Auditor fee (expensed)	54 838	25 625
Legal fees to auditor	-	-
Total general and administration expenses	54 838	25 625

NOTE 3 - FINANCIAL INCOME AND EXPENSES

	31.12.2019	31.12.2018
Impairment of assets/receivables	-	(2 826 213)
Interest income from related companies	185 039	129 268
Interest income	47 472	37 867
Total interest	232 511	167 135
Other financial expenses	(7 955)	(13 407)
Currency gain	135 144	243 170
Currency loss	(112 706)	(71 298)
Total currency gain/loss	22 437	171 871
Net financial items	246 994	(2 500 613)

NOTE 4 - DUE TO/FROM RELATED COMPANIES

	31.12.2019	31.12.2018
Due from related companies:		
Odfjell Gas Carriers AS (Long term)	1 620 534	1 495 601
Odfjell Gas Carriers AS (Short term)	-	900
	1 620 534	1 496 501

The company has a receivable of NOK 1 165 413 against Odfjell Gas Denmark AS with a book value of 0 after provisions for expected losses.

Due to related companies:		
Odfjell Gas Shipowning AS	12 705	804

NOTE 5 - EQUITY

	Share capital	Share premium	Other equity/ uncovered loss	Total equity
Equity as per 1 January 2019	240 000	150 666 198	(738 042)	150 168 156
Net result	-	-	192 156	192 156
Equity as per 31 December 2019	240 000	150 666 198	(545 886)	150 360 312

NOTE 6 - OTHER CURRENT LIABILITIES

	31.12.2019	31.12.2018
Other current liabilities	439 015	447 368

NOTE 7 - SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS

Total share capital is NOK 240 000, 60 shares with nominal value NOK 4 000.

<u>Shareholders</u>	<u>Number of shares</u>	<u>Voting rights</u>
Odfjell SE	30	50 %
Gas Maritime Partners S.å.r.l	30	50 %

NOTE 8 - SHARES IN SUBSIDIARIES

	<u>Ownership:</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
Odfjell Gas Shipowning AS	100 %	146 230 586	146 230 586
Odfjell Gas Carriers AS	100 %	100 000	100 000
Odfjell Gas Denmark AS	100 %	-	-
Total shares in subsidiaries		146 330 586	146 330 586

The company's investment in Odfjell Gas Denmark AS to the amount of NOK 1 660 800 was fully impaired in 2018 and now has a book value of 0.



ODFJELL GAS AS (figures in NOK)

NOTE 9 - TAX

Taxes:	31.12.2019	31.12.2018
Taxes payable	-	-
Changes in deferred tax/deferred tax assets	-	-
Total tax expenses	-	-

Taxes payable:	31.12.2019	31.12.2018
Net result before taxes	192 156	(2 526 238)
Permanent differences	-	1 165 413
Changes in temporary differences	-	1 660 800
Tax-loss carried forward	(192 156)	(299 974)

Tax base	-	-
Tax 22% / 23%	-	-
Reduction due to deferred tax assets	-	-
Taxes payable	-	-

Specification of deferred tax/(deferred tax assets):	31.12.2019	31.12.2018
Current assets	-	-
Fixed assets	-	-
Other long-term temporary differences	-	-
Tax-loss carried forward	(13 741 446)	(13 933 602)
Net temporary differences	(13 741 446)	(13 933 602)
Tax rate	22 %	22 %
Deferred tax/(deferred tax assets)	(3 023 118)	(3 065 392)

Because of uncertainty about the future use of deferred tax assets, this is not capitalized.

NOTE 10 - CASH AND CASH EQUIVALENTS

The company has no restricted cash per 31.12.2019.

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 11 - SUBSEQUENT EVENTS

The company does not have its own operations, but is indirectly affected by the Covid-19 outbreak through ownership in its investments.

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.



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



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