



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 998 477 875
Organisasjonsform: Aksjeselskap
Foretaksnavn: ODFJELL GAS SHIPOWNING AS
Forretningsadresse: Conrad Mohrs veg 29
5072 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Morten Bjørneberg
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, 12.08.2021



Resultatregnskap

| Beløp i: NOK | Note | 2019 | 2018 |
|---|-------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Freight income | 2 | 147 066 254 | 143 412 034 |
| Sum inntekter | | 147 066 254 | 143 412 034 |
| Kostnader | | | |
| Voyage expenses | 4 | 64 480 959 | 63 247 876 |
| General and administration expenses | 5, 12 | 36 234 | 79 764 |
| Depreciation | 8 | 37 446 350 | |
| Operating expenses | 3 | 41 829 880 | 36 614 911 |
| Sum kostnader | | 143 793 423 | 99 942 550 |
| Driftsresultat | | 3 272 831 | 43 469 483 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 6 | 769 374 | 613 576 |
| Other financial items | 6 | -1 438 288 | -1 816 619 |
| Currency gains (losses) | 15 | -681 720 | -4 453 507 |
| Sum finansinntekter | | -1 350 635 | -5 656 551 |
| Rentekostnad til foretak i samme konsern | 6 | 6 551 292 | 7 477 894 |
| Sum finanskostnader | | 6 551 292 | 7 477 894 |
| Netto finans | | -7 901 927 | -13 134 444 |
| Ordinært resultat før skattekostnad | | -4 629 096 | 30 335 039 |
| Ordinært resultat etter skattekostnad | | -4 629 096 | 30 335 039 |
| Årsresultat | | -4 629 096 | 30 335 039 |
| Årsresultat etter minoritetsinteresser | | -4 629 096 | 30 335 039 |
| Totalresultat | | -4 629 096 | 30 335 039 |
| Overføringer og disponeringer | | | |
| Net brought forward | | -4 629 096 | 30 335 039 |



Resultatregnskap

| Beløp i: NOK | Note | 2019 | 2018 |
|-----------------------------------|-------------|-------------|-------------|
| Sum overføringer og disponeringer | | -4 629 096 | 30 335 039 |



Balanse

| Beløp i: NOK | Note | 2019 | 2018 |
|--|-------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Ship | 8 | 278 822 649 | 313 271 996 |
| Sum varige driftsmidler | | 278 822 649 | 313 271 996 |
| Sum anleggsmidler | | 278 822 649 | 313 271 996 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Current receivables | 17 | 11 504 017 | 14 347 740 |
| Other short-term receivables | | 703 | |
| Konsernfordringer | 7 | 2 459 | 1 704 |
| Sum fordringer | | 11 507 178 | 14 349 444 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and bank deposits | 16 | 32 037 799 | 31 001 235 |
| Sum bankinnskudd, kontanter og lignende | | 32 037 799 | 31 001 235 |
| Sum omløpsmidler | | 43 544 977 | 45 350 680 |
| SUM EIENDELER | | 322 367 626 | 358 622 675 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 9, 11 | 400 000 | 400 000 |
| Overkurs | 9 | 135 930 586 | 135 930 586 |
| Sum innskutt egenkapital | | 136 330 586 | 136 330 586 |



Balanse

| Beløp i: NOK | Note | 2019 | 2018 |
|---------------------------------|-------------|--------------------|--------------------|
| Opptjent egenkapital | | | |
| Other Equity | 9 | 92 113 366 | 96 742 461 |
| Sum opptjent egenkapital | | 92 113 366 | 96 742 461 |
| Sum egenkapital | | 228 443 951 | 233 073 047 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Sertifikatlån | 10 | 93 071 284 | 125 151 840 |
| Leverandørgjeld | | | 162 924 |
| Other current debt | | 852 391 | 234 864 |
| Sum kortsiktig gjeld | | 93 923 675 | 125 549 629 |
| Sum gjeld | | 93 923 675 | 125 549 629 |
| SUM EGENKAPITAL OG GJELD | | 322 367 626 | 358 622 675 |



ODFJELL GAS SHIPOWNING AS
(Org. no. 998 477 875)

The Directors' Report for year 2019

Operations and locations

The business area for the company is to own and operate LPG vessels or companies with such activities. The company is located in Bergen, Norway.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2020 and the company's long-term strategic forecasts. The company's economic and financial position is sound.

Comments related to the financial statements

Net result after tax was positive NOK 4.6 mill for 2019, compared to NOK 30.3 mill in 2018.

The total capital was by the end of 2019 NOK 322.4 mill, compared to NOK 358.6 mill in 2018. The company has NOK 32.0 mill in available cash equivalents.

The reduction in net result and total capital in 2019 compared to 2018 is mainly due to reclassification of vessels in 2019. The two existing vessels were previously classified as assets held for sale, but the conditions are no longer met. Due to the reclassification in 2019, accumulated depreciation per 31.12.19 includes depreciation from the time the ships were classified as held for sale in 2017 and until the conditions were no longer met. The total cumulative effect from prior years is approximately NOK 32.8 mill in 2019. Refer to note 8 for further details.

Commercial Management of Bow Gallant and Bow Guardian has been with Lauritzen Kosan (LK) in 2019.

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 company are uncertain at this time.

Financial risk

The company is exposed to financial risk in different areas. The goal is to reduce the financial risk as much as possible. The company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors.



Staff, discrimination and environment reports

The company has no employees. The Board of Directors consist of four members, all men. The Board of Directors have through an assessment not found it necessary to do further efforts to promote gender equality.

Research and development activities

The company has currently no ongoing research or development activities.

Environmental report

There was no spill or leakage on any of the vessels with negative environmental effect.

Allocation of net result

The Board of Directors has proposed the net result for Odfjell Gas Shipowning AS to be attributed to:

| | |
|--------------------------------------|----------------------|
| <u>Net result</u> | <u>NOK 4 629 096</u> |
| Net result allocated to other equity | NOK 4 629 096 |

Bergen, 31/8-2020

The Board of Directors of Odfjell Gas Shipowning AS

Terje Iversen
Chairman of the Board

Harald Fotland
Member of the Board

Jeppe Jensen
Member of the Board

Alexis Atteslis
Member of the Board



Staff, discrimination and environment reports

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| | |
|---|----------------------|
| Net result | NOK 4 629 096 |
| Net result allocated to other equity | NOK 4 629 096 |


Bergen, 31 / 8 2020

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Terje Iversen
Chairman of the Board


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Member of the Board

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Member of the Board


Alexis Atteslis
Member of the Board



ODFJELL GAS SHIPOWNING AS

Org.nr. 998 477 875

FINANCIAL STATEMENTS 1/1-31/12, 2019



STATEMENT OF PROFIT OR LOSS

ODFJELL GAS SHIPOWNING AS

(FIGURES IN NOK)

| | Note | 2019 | 2018 |
|--|-------|--------------------|---------------------|
| OPERATING INCOME AND OPERATING EXPENSES | | | |
| Freight income | 2 | 147 066 254 | 143 412 034 |
| Voyage expenses | 4 | (64 480 959) | (63 247 876) |
| Operating expenses | 3 | (41 829 880) | (36 614 911) |
| General and administration expenses | 5, 12 | (36 234) | (79 764) |
| Depreciation | 8 | (37 446 350) | - |
| Operating result | | 3 272 831 | 43 469 483 |
| FINANCIAL INCOME AND EXPENSES | | | |
| Interest | 6 | 769 374 | 613 576 |
| Interest and fees paid | 6 | (6 551 292) | (7 477 894) |
| Other financial items | 6 | (1 438 288) | (1 816 619) |
| Currency gains (losses) | 15 | (681 720) | (4 453 507) |
| Net financial items | | (7 901 927) | (13 134 444) |
| Operating result before tax | | (4 629 096) | 30 335 039 |
| Tax on ordinary result | 13 | - | - |
| Ordinary result after tax | | (4 629 096) | 30 335 039 |
| Net brought forward | | 4 629 096 | (30 335 039) |



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS SHIPOWNING AS

(FIGURES IN NOK)

| | Note | 2019 | 2018 |
|---------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Ship | 8 | 278 822 649 | 313 271 996 |
| Total non-current assets | | 278 822 649 | 313 271 996 |
| CURRENT ASSETS | | | |
| Current receivables | 17 | 11 504 017 | 14 347 740 |
| Due from related companies | 7 | 2 459 | 1 704 |
| Other short-term receivables | | 703 | - |
| Cash and bank deposits | 16 | 32 037 799 | 31 001 235 |
| Total current assets | | 43 544 977 | 45 350 680 |
| Total assets | | 322 367 626 | 358 622 675 |



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS SHIPOWNING AS

(FIGURES IN NOK)

| | Note | 2019 | 2018 |
|-------------------------------------|-------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Share capital | 9, 11 | 400 000 | 400 000 |
| Share premium reserve | 9 | 135 930 586 | 135 930 586 |
| Total paid in equity | | 136 330 586 | 136 330 586 |
| Other Equity | 9 | 92 113 366 | 96 742 461 |
| Total equity | | 228 443 951 | 233 073 047 |
| OTHER LONG-TERM LIABILITIES | | | |
| CURRENT DEBT | | | |
| Current interest bearing debt | 10 | 93 071 284 | 125 151 840 |
| Trade creditors | | - | 162 924 |
| Other current debt | | 852 391 | 234 864 |
| Total current liabilities | | 93 923 675 | 125 549 629 |
| Total liabilities | | 93 923 675 | 125 549 629 |
| Total equity and liabilities | | 322 367 626 | 358 622 675 |

Bergen, 31/8-2020

The board of Odfjell Gas Shipowning AS

Terje Iversen
Chairman of the Board

Alexis Atteslis

Member of the Board

Jeppe Jensen

Member of the Board

Harald Fotland

Member of the Board



STATEMENT OF FINANCIAL POSITION

ODFJELL GAS SHIPOWNING AS


(FIGURES IN NOK)

| | Note | 2019 | 2018 |
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| OTHER LONG-TERM LIABILITIES | | | |
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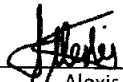
Bergen, 31/8 2020

The board of Odfjell Gas Shipowning AS

Terje Iversen
Chairman of the Board



Jeppe Jensen
Member of the Board



Alexis Atteslis
Member of the Board

Harald Fotland
Member of the Board



ODFJELL GAS SHIPOWNING AS

Cash flow statement

| (NOK) | | 2 019 | 2018 |
|---|--|-------------------|-------------------|
| Cash flow from operating activities | | | |
| Result before taxes | | (4 629 096) | 30 335 039 |
| Depreciations | | 37 446 350 | - |
| Effect of exchange fluctuations | | 1 221 212 | 6 243 919 |
| Refund from cancellation of newbuilding contracts | | - | - |
| Change in other current accruals | | 2 487 520 | (3 125 901) |
| Net cash flow from operations | | 36 525 985 | 33 453 057 |
| Cash flow from investing activities | | | |
| Investments | | (2 187 653) | (16 154 943) |
| Refund from cancellation of newbuilding contracts | | - | - |
| Net cash flow from investing activities | | (2 187 653) | (16 154 943) |
| Cash flow from financing activities | | | |
| Repayment of paid in capital | | - | - |
| Loan to/from related companies | | - | - |
| Repayment of interest bearing debt | | (33 301 768) | (31 080 105) |
| Net cash flow from financing activities | | (33 301 768) | (31 080 105) |
| Net change in cash balances | | 1 036 564 | (13 781 991) |
| Cash and cash equivalents as per 01.01 | | 31 001 235 | 44 783 226 |
| Cash and cash equivalents as per 31.12 | | 32 037 799 | 31 001 235 |



ODFJELL GAS SHIPOWNING 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 affect the income statement and the valuation of assets and liabilities at the balance sheet date.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. 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.

Freight income

Freight income and voyage expenses from pool arrangements are accounted for as joint arrangements, recognized at gross book value and accounted for as the percentage of completed voyages. Progress of voyage is measured based on voyage days. Voyage accounting consists of actual figures for completed voyages and estimates for voyage in progress. Voyages are normally discharge-to-discharge.

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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.

The company is taxed under the Norwegian shipping tax systems and will not be taxed on the basis of its 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.

Balance sheet classification

Assets and liabilities related to the operation of the company are classified as current assets and liabilities. Assets for long-term use are classified as non-current assets.

Current assets are valued at the lower of historical cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost less accumulated depreciation and impairment losses. Depreciation is calculated based on the expected useful life of the asset. Ships were previously classified as held for sale; depreciation has therefore been recalculated based on the original depreciation plan and expensed in 2019 as the assets no longer qualify as held for sale.

Long term liabilities are recognized at amortized cost.

Receivables

Accounts receivable and other receivables are carried at fair value less provision for bad debts. Provision for bad debt is based on an individual assessment of each receivable. In addition, for the other receivables, a general provision is



ODFJELL GAS SHIPOWNING AS (figures in NOK)

NOTE 2 - FREIGHT INCOME

The ships are traded through pool arrangement with Lauritzen in Denmark.

NOTE 3 - OPERATING EXPENSES

| | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|
| Operating expenses relates to the operation of ships and includes Crew expenses, maintenance, insurance etc. | 41 829 880 | 36 614 911 |
| Total | <u>41 829 880</u> | <u>36 614 911</u> |

NOTE 4 - VOYAGE EXPENSES

| | <u>2019</u> | <u>2018</u> |
|---|--------------------------|--------------------------|
| Other voyage expenses (from pool arrangement) | 64 480 959 | 63 247 876 |
| Total | <u>64 480 959</u> | <u>63 247 876</u> |

NOTE 5 - GENERAL AND ADMINISTRATION EXPENSES

| | <u>2019</u> | <u>2018</u> |
|--------------|----------------------|----------------------|
| Other fees | 36 234 | 79 764 |
| Total | <u>36 234</u> | <u>79 764</u> |

NOTE 6 - FINANCIAL INCOME AND EXPENSES

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|---------------------------|---------------------------|
| Interest income | <u>769 374</u> | <u>613 576</u> |
| Other interest expenses | (6 551 292) | (7 477 894) |
| Total interest expenses | <u>(6 551 292)</u> | <u>(7 477 894)</u> |
| Guarantees to related companies | (877 520) | (1 339 060) |
| Other financial expenses | (560 768) | (477 559) |
| Total | <u>(1 438 288)</u> | <u>(1 816 619)</u> |



ODFJELL GAS SHIPOWNING AS (figures in NOK)

NOTE 7 - DUE FROM RELATED COMPANIES

| | <u>31.12.2019</u> | <u>31.12.2018</u> |
|----------------------------------|---------------------|---------------------|
| Odfjell Gas AS | 2 459 | 1 704 |
| Total current receivables | <u>2 459</u> | <u>1 704</u> |

NOTE 8 - NON-CURRENT ASSETS

| | <u>Ships</u> | <u>Periodic maintenance</u> | <u>Total ships</u> |
|--|---------------------------|---------------------------------|---------------------------|
| Net cost price pr, 1 January 2019 | 363 851 187 | 18 564 166 | 382 415 353 |
| Investment/sale | - | 2 187 653 | 2 187 653 |
| Net cost price pr 31. Desember 2019 | <u>363 851 187</u> | <u>20 751 819</u> | <u>384 603 006</u> |
| Accumulated depreciation per 1 January 2019 | 68 334 007 | | 68 334 007 |
| Depreciation 2019 | 3 268 979 | 1 378 191 | 4 647 170 |
| Reclassification from held for sale | 23 972 514 | 8 826 665 | 32 799 179 |
| Accumulated depreciation per 31 Desember 2019 | <u>95 575 500</u> | <u>10 204 857</u> | <u>105 780 357</u> |
| Net carrying amount per 31 Desember 2019 | <u>268 275 687</u> | <u>10 546 962</u> | <u>278 822 649</u> |
| Depreciation periods | 30 years | 2,5 years | |

Ships were previously classified as held for sale, but the conditions are no longer met. Due to the reclassification in 2019, accumulated depreciation per 31.12.19 includes depreciation for the period from the time the ships were originally classified as held for sale.



ODFJELL GAS SHIPOWNING AS (figures in NOK)

NOTE 9 - EQUITY

| | Share capital | Share premium | Other equity | Total equity |
|-----------------------------|---------------|---------------|--------------|--------------|
| Equity per 1 January 2019 | 400 000 | 135 930 586 | 96 742 461 | 233 073 047 |
| Net result | - | - | (4 629 096) | (4 629 096) |
| Equity per 31 December 2019 | 400 000 | 135 930 586 | 92 113 365 | 228 443 951 |

NOTE 10 - OTHER CURRENT/NON-CURRENT LIABILITIES

| | 31.12.2019 | 31.12.2018 |
|----------------|-------------------|--------------------|
| Debt to Nordea | 93 071 284 | 125 151 840 |
| Total | 93 071 284 | 125 151 840 |

Non-current interest bearing debt as at 31.12.19 93 071 284

Repayment schedule
2 020 93 071 284

Debt is denominated in USD.

Conditions: 3 months Libor + margin.

Debt to Nordea is secured by mortgage in vessels and related receivables. The book value of these vessels is NOK 279 million. In June 2020 the loan facility has been extended by six months to 19 December 2020 on the same existing terms. Odfjell SE remains a guarantor to the loan and standard Odfjell financial covenants apply to the guarantor.

NOTE 11 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital: 100 shares of nominal value NOK 4 000,-

| <u>Shareholders per 31/12:</u> | <u>Antall aksjer</u> | <u>Stemmerett</u> |
|--------------------------------|----------------------|-------------------|
| Odfjell Gas AS | 100 | 100 % |

NOTE 12 - SALARIES, NUMBER OF EMPLOYEES, BENEFITS, ETC.

The recognised audit fee for 2019 is NOK 26 394 (ex VAT). Non-audit services fees paid amount to NOK 9 840.

No payment is made to the Board members or General Manager.

The company has no employees.

The company is not committed to have mandatory pension fund scheme under the Norwegian law.



ODFJELL GAS SHIPOWNING AS (figures in NOK)

NOTE 13 - TAXES

| | <u>2019</u> | <u>2018</u> |
|---|-------------|--------------------|
| Net result before taxes | (4 629 096) | 30 335 039 |
| Operating result exempted from taxation | (3 272 831) | (43 469 483) |
| Net financial result, non deductible | 8 139 061 | 9 591 568 |
| Use of losses brought forward | (237 134) | - |
| Basis for tax payable | - | (3 542 876) |

The company is operating within the Norwegian shipping tax system.

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| Temporary differences per 31.12. | | |
| Losses brought forward (finance items) | 36 032 511 | 36 269 645 |

The Company has one ongoing tax case with tax authorities where deferred tax liability is estimated to NOK 7.4 million. The amount is not accounted for as the Company believe the likelihood of loosing the tax case would be less than 50%.

The deferred tax assets related to losses brought forward is not accounted for.

NOTE 14 - CONSOLIDATED ACCOUNT

The company is included in Odfjell Gas AS's consolidated accounts. The consolidated financial statements can be obtained by contacting Odfjell Gas AS's registered office in Bergen.

NOTE 15 - CURRENCY GAIN (LOSS)

| | <u>2019</u> | <u>2018</u> |
|---------------|----------------|--------------------|
| Currency gain | (11 512 940) | 5 427 158 |
| Currency loss | 12 194 660 | (9 880 665) |
| Total | 681 720 | (4 453 507) |

NOTE 16 - 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 AS and Odfjell Gas Carriers AS. The companies are jointly and severally liable for any outstanding amounts.

NOTE 17 - CURRENT RECEIVABLES

Current receivables is related to pool distribution from Lauritzen pool and prepaid working capital.

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.



Statsautoriserte revisorer
Ernst & Young AS

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Postboks 6163, NO-5892 Bergen

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Tlf: +47 24 00 24 00

Fax:
www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Odfjell Gas Shipowning AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gas Shipowning AS, which 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.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.



Bergen, 25 September 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: ABE75-TULZQ-JY4KD-L3KSE-K6V7W-XQF4Q

Independent auditor's report - Odjell Gas Shipowning AS

A member firm of Ernst & Young Global Limited



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Jørn Knutsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5992-4-3012515

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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