



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 915 223 060
Organisasjonsform: Aksjeselskap
Foretaksnavn: JO ODFJELL AS
Forretningsadresse: Lars Hilles gate 30
5008 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Johan Odvar Odfjell
Dato for fastsettelse av årsregnskapet: 15.06.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 29.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	
Kostnader			
Annen driftskostnad	2,8,11	2 832 857	2 631 048
Sum kostnader		2 832 857	2 631 048
Driftsresultat		-2 832 857	-2 631 048
Finansinntekter og finanskostnader			
Annen renteinntekt		13 027	6 002
Annen finansinntekt		33 609	
Sum finansinntekter	3	46 636	6 002
Annen finanskostnad		439 874	26 478
Sum finanskostnader	3	439 874	26 478
Netto finans		-393 238	-20 476
Ordinært resultat før skattekostnad		-3 226 095	-2 651 524
Skattekostnad på ordinært resultat	4		
Ordinært resultat etter skattekostnad		-3 226 095	-2 651 524
Årsresultat		-3 226 095	-2 651 524
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	10	-3 226 095	-2 651 524
Sum overføringer og disponeringer		-3 226 095	-2 651 524



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	
Finansielle anleggsmidler			
Investering i datterselskap	5	2 779 210 642	2 779 210 642
Investeringer i aksjer og andeler		84 590	47 890
Sum finansielle anleggsmidler		2 779 295 232	2 779 258 532
Sum anleggsmidler		2 779 295 232	2 779 258 532
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	6,7	1 249 064	3 307 083
Konsernfordringer	6	168 222	1 010 633
Sum fordringer		1 417 286	4 317 716
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	287 948	413 836
Sum bankinnskudd, kontanter og lignende		287 948	413 836
Sum omløpsmidler		1 705 234	4 731 552
SUM EIENDELER		2 781 000 466	2 783 990 084
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	9,10	11 000 000	10 600 000
Overkurs	10	104 658 691	104 658 691
Annen innskutt egenkapital	10	689 260 118	989 260 118



Balanse

Beløp i: NOK	Note	2020	2019
Sum innskutt egenkapital		804 918 809	1 104 518 809
Opptjent egenkapital			
Annen egenkapital	10	1 669 328 885	1 672 554 980
Sum opptjent egenkapital		1 669 328 885	1 672 554 980
Sum egenkapital		2 474 247 694	2 777 073 789
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	6	6 278 228	
Øvrig langsiktig gjeld	3,7,12	300 233 333	
Sum annen langsiktig gjeld		306 511 561	
Sum langsiktig gjeld		306 511 561	0
Kortsiktig gjeld			
Betalbar skatt	4		
Kortsiktig konserngjeld	6	50 000	6 916 295
Annen kortsiktig gjeld	7	191 212	
Sum kortsiktig gjeld		241 212	6 916 295
Sum gjeld		306 752 773	6 916 295
SUM EGENKAPITAL OG GJELD		2 781 000 467	2 783 990 084



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5,14	174 870 052	151 335 209
Annen driftsinntekt	5,14	378 612 121	227 917 029
Sum inntekter		553 482 173	379 252 238
Kostnader			
Varekostnad	5,14	339 623 489	230 533 168
Lønnskostnad	2,5	71 892 289	54 496 269
Avskrivning	5,12	83 795 959	65 312 802
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12		17 745 828
Annen driftskostnad		97 393 723	72 946 526
Sum kostnader		592 705 460	441 034 593
Driftsresultat		-39 223 287	-61 782 355
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	6	63 150 775	-32 524 612
Inntekt på andre investeringer		8 218 402	22 342 206
Annen renteinntekt		10 833 004	16 672 271
Annen finansinntekt		37 927 490	13 484 330
Verdiøkning finansielle instrumenter vurdert til virkelig verdi	3	104 867 261	127 817 031
Sum finansinntekter	3,5	224 996 932	147 791 226
Verdireduksjon finansielle instrumenter vurdert til virkelig verdi			25 314 006
Annen rentekostnad		27 092 199	23 989 330
Annen finanskostnad		13 507 991	13 160 355
Sum finanskostnader	3,5	40 600 190	62 463 691
Netto finans	3,5	184 396 742	85 327 535
Ordinært resultat før skattekostnad		224 011 046	23 545 180
Skattekostnad på ordinært resultat	4	3 186 430	922 084
Ordinært resultat etter skattekostnad		220 824 616	22 623 096
Årsresultat		220 824 616	22 623 096



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Minoritetsinteresser	11	-5 292 575	314 568
Årsresultat etter minoritetsinteresser		226 117 191	22 308 528
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	11	-220 824 617	22 623 096
Sum overføringer og disponeringer		-220 824 617	22 623 096



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	18	47 779 544	53 812 241
Sum immaterielle eiendeler		47 779 544	53 812 241
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	5,12	112 000 313	117 207 381
Skip, rigger, fly og lignende	12	541 071 178	609 268 065
Driftsløsøre, inventar, verktøy, kontormaskiner	5,12	4 362 237	4 666 291
Sum varige driftsmidler		657 433 728	731 141 737
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	6	1 006 912 355	904 794 749
Investeringer i aksjer og andeler	17,23	825 234 806	1 076 610 586
Andre fordringer	7	87 989 050	51 699 760
Sum finansielle anleggsmidler		1 920 136 211	2 033 105 095
Sum anleggsmidler		2 625 349 483	2 818 059 073
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		33 318 804	55 472 827
Andre fordringer	8	133 475 852	57 888 827
Sum fordringer		166 794 656	113 361 654
Investeringer			
Andre markedsbaserte finansielle instrumenter	17	886 687 596	618 201 438
Sum investeringer		886 687 596	618 201 438
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	176 983 280	147 334 433
Sum bankinnskudd, kontanter og lignende		176 983 280	147 334 433



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		1 230 465 532	878 897 525
SUM EIENDELER		3 855 815 015	3 696 956 598
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	11,10	11 000 000	10 600 000
Overkurs	11	104 658 691	104 658 691
Annen innskutt egenkapital	11	689 260 118	989 260 118
Sum innskutt egenkapital		804 918 809	1 104 518 809
Opptjent egenkapital			
Annen egenkapital	11	1 766 621 621	1 574 384 563
Minoritetsinteresser	11	113 104 131	81 526 169
Sum opptjent egenkapital		1 879 725 752	1 655 910 732
Sum egenkapital		2 684 644 561	2 760 429 541
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4	3 157 691	581 881
Sum avsetninger for forpliktelser		3 157 691	581 881
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,16	410 099 575	456 004 213
Øvrig langsiktig gjeld	8	589 857 153	315 306 688
Sum annen langsiktig gjeld		999 956 728	771 310 901
Sum langsiktig gjeld		1 003 114 419	771 892 782
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	16	35 638 912	40 107 401
Leverandørgjeld		36 898 174	46 552 405
Betalbar skatt	4	387 646	
Annen kortsiktig gjeld		95 131 304	77 974 469
Sum kortsiktig gjeld		168 056 036	164 634 275



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum gjeld		1 171 170 455	936 527 057
SUM EGENKAPITAL OG GJELD		3 855 815 016	3 696 956 598



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Jo Odfjell Group Directors report for 2020

General

Jo Odfjell AS is the 100 % owner of Farvatn AS, which is the 92 % owner of Farvatn Capital, Farvatn Venture and Farvatn Private Equity. The company is located in Bergen.

Farvatn Medinvestering 1 AS (FM1) and Farvatn Medinvestering 2 AS (FM2) was established in 2020 as a part of a co-investment program for employees in the Farvatn group. Farvatn AS owns shares in FM1 and FM2, and FM1 owns 8% in Farvatn's subsidiaries.

Farvatn Capital AS is an investment company with focus on real estate, shipping and liquidity management. The company is headquartered and operated from Bergen, Norway.

Farvatn Venture is the owner of Planet 9 Venture which is an investment company with focus on early-stage investments. The company is headquartered and operated from Bergen, Norway.

Farvatn Private Equity is an investment company investing in established businesses directly, with partners or in funds. The company is headquartered in Bergen and operated from Tønsberg, Norway.

Profit and loss

The Company's net result before taxes for 2020 was NOK -3.2 million. Consolidated net result before tax for 2020 was NOK 224.0 million (NOK 23.5 million in 2019). Unrealized gain on investments of NOK 104.8 million and realized gain on investments of NOK 78.8 million is the main reason for the groups positive result.

Profit and loss are distributed to other equity.

Balance sheet and liquidity

Total cash flow from operating activities was NOK 46.5 million in 2020. Total cash flow from investing activities was NOK 41,4 million, while total cash flow from financing activities was NOK -58,3 million. The liquidity portfolio has thus increased by NOK 29,6 million, mainly due to positive net investments in subsidiaries and associates.

The Company's liquidities were NOK 287.9 thousand per 31.12.2020. Consolidated liquidities were NOK 177.0 million (NOK 147.3 million per 31.12.2019).

The Company's total assets were NOK 2.8 billion per 31.12.2020, and consolidated total assets were NOK 3.9 billion (NOK 3.7 billion per 31.12.2019).

The Company's total equity was NOK 2.5 billion per 31.12.2020, and consolidated total equity was NOK 2.7 billion (NOK 2.8 billion per 31.12.2019).

It is the Board's opinion that the Company and the consolidated group have a solid financial structure and long-term liquidity position with comfortable headroom to financial covenants.



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Financial risk

The group has NOK 340.0 million in mortgage loans on vessels. The group has also pledged land, buildings and other real estate for NOK 76 million, as collateral for loans. The collateral for the group's loans from Aseo AS is secured in the shares in JO Odfjell AS. For further information, and overview of guarantees given by the group, see note 15 (combined accounts).

The collateral for Jo Odfjell's loan from Zippora AS is secured in the shares in Farvatn AS. For further information, see note 12 (stand-alone accounts)

There is comfortable headroom to all financial covenants, and no maturities in 2020. The company nor the group have any hedge program in place to reduce interest rate risk.

Research and development

The Company had no expenses for research and development in 2020.

Working environment

The Company has zero employees per 31.12.2020. There are two board members, one male and one female.

The consolidated group of companies had 35.6 full-time employees in 2020.

Environment

Safety, Health and Environment care continues to be the top priorities for the Group. Our technical and commercial manager is firmly committed to achieving incident-free operations in all aspects of their activities. The groups' vessels are operated strictly in accordance with all relevant national and international rules and regulations, and to the high standards required by classification societies, oil majors and other top-tier customers. There were no serious personnel injuries or cargo claims registered during the year, and none of the vessels were involved in any pollution or other serious environmental incidents.

Going concern

The Board considers that the annual financial statements and notes present a true picture of the Company's operations in 2020 and the position at year-end.

In accordance with the Accounting Act § 3-3a the board confirms that the going concern assumption is present.



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Bergen, June 15, 2021

On behalf of JO ODFJELL AS,

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Johan Odvar Odfjell
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Johan Odvar Odfjell
Chairman of the board

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Kristin Odfjell
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Kristin Odfjell
Board member



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JO Odfjell AS

Annual report 2020

Board of directors' report

Annual company and group accounts

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Auditors' report



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JO ODFJELL AS

Statement of Comprehensive Income for the financial year ended 31 December 2020

		31.12.2020 NOK	31.12.2019 NOK
	Note	Consolidated	Consolidated
Revenue			
Gross freight revenue	5, 14	165 342 395	141 186 854
Rental Income	5, 14	9 527 657	10 148 355
Other operating revenue	5, 14	378 612 121	227 917 029
		553 482 172	379 252 238
Voyage expenses	5	-7 617 589	-5 010 254
Operating expenses vessels	5	-87 207 100	-81 312 890
Cost of goods sold	5, 14	-244 798 800	-144 210 024
Salary	2, 5	-71 892 289	-54 496 269
		-411 515 778	-285 029 437
Administration and other expenses		-97 393 723	-72 946 526
Operating result before depreciation		44 572 672	21 276 275
Depreciation	5, 12	-83 795 959	-65 312 802
Impairment expenses vessel	12	0	0
Sale vessel gain/(loss)	12	0	-17 745 828
OPERATING RESULT		-39 223 287	-61 782 355
Financial income and expenses			
Income from affiliated companies	6	63 150 775	-32 524 612
Interest income		10 833 004	16 672 271
Dividend income		8 218 402	22 342 206
Other financial income	3	1 414 317	5 343 969
Realized gains/losses on investments	3	78 837 591	127 817 031
Unrealized gains/Losses on Investments	3	104 867 261	-25 314 006
Currency gain/(loss)	3, 22	36 513 173	8 140 361
Interest on mortgage vessel		-13 235 170	-18 959 671
Other interest expenses		-13 857 029	-5 029 659
Other financial expenses	3	-13 507 991	-13 160 355
		263 234 334	85 327 535
Result after financial items		224 011 047	23 545 180
Taxes	4	-3 186 430	-922 084
NET INCOME AFTER TAX		220 824 617	22 623 096
Minority interests	11	5 292 575	-314 568
Transferred to/(from) Other Equity	11	220 824 617	22 623 096



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JO ODFJELL AS
Balance Sheet December 31, 2020
Consolidated

		31.12.2020 NOK	31.12.2019 NOK
	Note	JO ODFJELL AS Consolidated	JO ODFJELL AS Consolidated
Financial assets			
Shares in associates	6	1 006 912 355	904 794 749
Other investments	17, 23	825 234 806	1 076 610 587
Long term receivables	7	87 989 050	51 699 760
		1 920 136 212	2 033 105 095
Fixed assets			
Vessels	12	541 071 178	609 268 065
Building, land and other real estate	5, 12	112 000 313	117 207 381
Office machine and equipment	5, 12	4 362 237	4 666 291
		657 433 728	731 141 737
Intangible assets			
Other intangible assets	18	47 779 544	53 812 241
		47 779 544	53 812 241
Current assets			
Accounts receivables		33 318 804	55 472 827
Other current receivables	8	133 475 852	57 888 827
Investments in fixed-income funds and listed shares	17	886 687 596	618 201 438
		1 053 482 252	731 563 092
Bank deposits and time deposit			
Liquidities and time deposits	9	176 983 280	147 334 433
		176 983 280	147 334 433
Total assets		3 855 815 015	3 696 956 598



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JO ODFJELL AS
Balance Sheet December 31, 2020
Consolidated

		31.12.2020	31.12.2019
		NOK	NOK
	Note	JO ODFJELL AS	JO ODFJELL AS
		Consolidated	Consolidated
Equity			
Share capital	11, 10	11 000 000	10 600 000
Share premium	11	104 658 691	104 658 691
Other paid in capital	11	689 260 118	989 260 118
		804 918 809	1 104 518 809
Other equity			
Other equity	11	1 766 621 619	1 574 384 563
		1 766 621 619	1 574 384 563
Minority interests			
Minority interests	11	113 104 131	81 526 169
		113 104 131	81 526 169
Total equity		2 684 644 561	2 760 429 542
Long term liabilities			
Mortgage debt vessels	16	303 973 875	345 724 313
Mortgage debt other	5, 16	106 125 700	110 279 900
Deferred taxes	4	3 157 691	581 881
Other long term liabilities	8	589 857 153	315 306 688
		1 003 114 419	771 892 781
Current liabilities			
Trade creditors		36 898 174	46 552 405
Mortgage debt vessels incl accrued interest	16	35 638 912	40 107 401
Taxes	4	387 646	0
Other current liabilities	8, 22	95 131 304	77 974 469
		168 056 036	164 634 275
Total liabilities		1 171 170 455	936 527 057
Total equity and liabilities		3 855 815 016	3 696 956 598

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Johan Odvar Odfjell
Chairman of The Board

Bergen, June 15, 2021

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Kristin Østervold Odfjell
Board member



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JO ODFJELL AS

Cash Flow Statement as of 31 December 2020

	31.12.2020 NOK	31.12.2019 NOK
	<u>Consolidated</u>	<u>Consolidated</u>
Cash flow from operating activities		
Profit before tax	224 011 047	23 545 180
Depreciation	83 795 959	65 312 802
Net gains from sale of shares in subsidiaries	-63 150 775	-62 034 700
Loss and gains from sale of vessels and affiliates	-111 253 163	17 745 828
Change in current/long term receivables and liabilities	260 451	2 473 406
Adjustment for purchase/sale of subsidiaries	0	0
Adjustment for other accrual	-87 112 389	-18 950 640
Net cash flow from operating activities	46 551 130	28 091 876
Cash flow from investing activities		
Docking and upgrading expenses	-1 560 049	-1 942 245
Sales (additions) - ships	0	483 940 281
Other additions	114 138	-107 253
Other investments	-205 002 018	-43 216 244
Net investment in subsidiaries	222 388 556	-167 022 886
Net investment in associates	25 422 916	-110 778 471
Net cash flow from investing activities	41 363 544	160 873 182
Cash flow from financing activities		
Repayment of long-term debt vessel	-71 587 509	-48 588 779
Changes in other long-term mortgaged debt	0	-54 975 753
Dividend to silent partnerships	0	0
Change in minority interests	0	-488 174 042
Paid in share capital	400 000	1 000 000
Other long-term liabilities	12 921 682	255 396 289
Net cash flow from financing activities	-58 265 827	-335 342 286
Net change in cash and cash equivalents	29 648 847	-146 377 227
Cash and cash equivalents 1.1.	147 334 433	293 711 660
Cash and cash equivalents 31.12.	176 983 280	147 334 433



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JO ODFJELL AS

Notes to the financial statements as of 31st of December 2020

Note 1 Accounting Principles

Corporate information

JO Odfjell AS, Lars Hilles gate 30, 5008 Bergen, Norway, is the ultimate parent company of the JO Odfjell Group.

Basis for preparation

JO Odfjell Group has prepared its consolidated financial statements according to the Norwegian Accounting Act and generally accepted accounting principles in Norway.

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

Basis for consolidation

The Group's consolidated financial statements comprise JO ODFJELL AS and companies in which JO ODFJELL AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50 % of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both the parent and its subsidiaries.

JO Odfjell's consolidated accounts 31.12.2020 consist of Farvatn AS (100 %), Farvatn Capital AS (100 %), Farvatn Private Equity AS (100 %), Farvatn Venture AS (100 %), J.O. Invest AS (100 %), Planet 9 Venture AS (100 %), Hassel Shipping 3 AS (100 %), Hassel Shipping 2 AS (100 %), Skibs Hassel Holding NV (100 %), Arctic Development Partners G99 AS (95 %), Passer Group AS (86 %), Passer AS (86%) Passer Marine AS (93 %), Passer Lanyu (51 %), Momentum Invest & Holding AS (82 %), Momentum Partners AS (70 %), FPA Holding AS (52 %), Broodstock Capital II AS (52 %), Credo Invest 16 (65 %), Forus Production Arena AS (52 %), Farvatn Medinvestering 1 AS (98%) and Farvatn Medinvestering 2 AS (2%).

Currency

Entities with functional and presentation currency in USD/CNY is translated into NOK using average exchange rates for profit and loss items and exchange rates at year end for balance sheet items. Differences arising from converting accounts is charged to equity.

Investments in associates

An associate is an entity in which the Group has a significant influence but does not exercise control the management of its finances and operations (normally when the group own 20-50 % of the company). The consolidated financial statements include the Group's share of profit/loss from associates, accounted for using the equity method, from the date when a significant influence is achieved and until the date such influence ceases.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Use of Forward exchange rate contracts

The entity has signed forward exchange rate contracts on future sales/purchases of USD/NOK. Contracts that does not qualify as hedging instruments are booked at fair value at balance sheet date, and at signing date. Changes in fair value are classified as financial income in profits and loss.



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Property plant and equipment

Property plant and equipment is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life has been unbundled; depreciation of each such component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is greater of the net realisable value and value in use. In addressing value in use, the discounted estimated future cash flows from the asset are discounted.

Balance sheet classification

Current assets are considered to be of permanent ownership are classified as fixed assets. Other assets are classified as short term assets. Short and long term liabilities are classified analogously. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Other shares

Other shares are valued at cost, less any impairment losses. Received dividends and other distributed profits are classified as finance income.

Investments in fixed-income funds

Current investments in fixed-income funds and other market-based investments are valued at fair market value at the balance sheet date.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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. As of 31.12.2020, the Group does not longer recognize deferred tax asset, as it has been questioned its likelihood of future use of this asset. The tax rates are and 25 % for the companies subject to financial activity tax and 22 % for the remaining companies in 2020. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Account receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Revenue recognition

Revenue from the sale of freight services are considered in the income statement according to the voyage's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of days spent compared to the total number of days estimated. When the outcome of the transaction cannot be measured reliably, only revenues equal to the voyage costs that have been incurred will be recognized as revenue. The total estimated loss on a voyage will be recognized in the income statement during the period when it is identified that a voyage will generate a loss. Other revenue are recognized as earned.

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services and long-term manufacturing projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours/cost spent compared to the total number of hours/cost estimated. Expected total hours/cost is estimated based on a combination of experience, prognosis, contribution analysis and judgement. The total contract income has been agreed. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.



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Note 2 Salary and personnel costs, number of employees, loans to employees and auditor's fee

Salary and personnel costs

	2020	2019
Salaries	48 437 013	32 888 575
Payroll tax	6 640 446	5 922 382
Pension costs	2 250 677	1 919 211
Other benefits	14 564 153	13 766 101
Total	71 892 289	54 496 269

The consolidated group of companies had 35,6 full-time employees in 2020.

Parent company JO ODFJELL AS did not have any employees in 2020.

The group companies with employees are required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The companies' pension schemes meet the requirements of that law.

Auditor

Specification of auditor's fee:	2020	2019
Statutory audit fee	1 414 316	1 021 138
Other services*	1 377 425	1 935 535
Tax and other fees	-	332 292
Total fee to auditor	2 791 741	3 288 965

*Fees for other services are mainly related to the restructuring in the group. See note 13 for further details.

All fees are excluding VAT.

There are no Board of directors' fees in JO Odfjell AS in 2020.

Note 3 Financial income and expenses

Financial income	2020	2019
Other financial income	1 414 317	5 343 969
Income (loss) from affiliated companies	63 150 775	0
Interest income	10 833 004	16 672 271
Dividend income	8 218 402	22 342 206
Realized gains on investments	78 837 591	127 817 031
Unrealized gains on investments	104 867 261	0
Currency gain	36 513 173	8 140 361
Total finance income	303 834 525	180 315 838

Realized gains on investments are net of losses, and mainly related to the sales of shares in Marabu Shipping Inc (37 MNOK), shares in FH Kapital AS (40 MNOK), as well as a loss on fixed income fund (MNOK 46). Unrealized gains are related to shares and funds booked at market value as at balance sheet date.

Currency gains include gains related to f.ex contracts in USD/NOK (MNOK 26). Please refer separate disclosure below.

Financial expenses	2020	2019
Interest on mortgaged vessels	(13 235 170)	(18 959 671)
Currency gain/(loss)	-	-
Unrealized losses on investments	-	(25 314 006)
Income (loss) from affiliated companies	-	(32 524 612)
Other financial expenses	(13 507 991)	(13 160 355)
Other interest expenses	(13 857 029)	(5 029 659)
Total finance expenses	-40 600 190	-94 988 303

Interest on mortgaged vessels are related to mortgage in Hassel Shipping 2 AS. Please refer separate note below.



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Note 4 Income taxes

	2020	2019
Tax base calculation		
Profit before income tax	224 011 047	23 545 180
Changes in temporary differences	11 708 258	-10 939 566
Income from affiliated companies	-63 556 039	0
Permanent differences	-140 444 919	-97 570 777
Use of accumulated deficit	-57 563 917	-35 450 386
Other adjustments	27 802 984	0
Tax base	1 957 414	-188 874 917
<i>Tax cost in P&L consists of:</i>	2020	
Changes in deferred taxes	2 755 799	
Payable taxes	430 631	
Group tax cost in P&L	3 186 430	

Temporary differences:		
Accumulated deficits	-419 605 317	-433 486 275
Fixed assets	4 772 934	4 460 670
Financial instruments	994 093 236	668 960 830
Inventory	15 814 461	0
Long term receivables/debt	0	-1 405 310
Accruals NGAAP	-2 706 712	12 329 531
Other temporary differences - merged.	0	0
Differences not relevant for deferred taxes	-578 015 429	-248 214 531
Net temporary differences	14 353 173	2 644 915
Deferred taxes	3 157 691	581 881

The following figures are for the consolidated Companies in the Group that is operating within the Norwegian Tonnage Tax system:

	2020
Interest income	1 131 784
Other financial income	(243 215 275)
Proportionate interest deductions	(2 729 895)
Other financial cost	(883 995)
Proportionate forex deductions	1 831 155
Share of taxable result limited partnership	243 215 275
Taxable income	(648 931)
Accumulated deficits	175 059



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Note 5 Investment in subsidiaries

(Parent Company - Jo Odjell AS)

Company	Share ownership	Book value 2020	Book value 2019	Location
Farvatn AS	100,0%	2 779 210 642	2 779 210 642	Bergen, Norway
Total		2 779 210 642	2 779 210 643	

The investment in subsidiaries is booked at cost of the shares in the subsidiary, less impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Consolidated companies

Company	Consolidated in 2020	Consolidated in 2019
Farvatn AS	Yes	Yes
Farvatn Capital AS	Yes	Yes
Farvatn Venture AS	Yes	Yes
Farvatn Private Equity AS	Yes	Yes
J.O. Invest AS	Yes	Yes
Planet 9 Venture AS	Yes	Yes
Hassel Shipping 3 AS	Yes	Yes
Hassel Shipping 2 AS	Yes	Yes
Broodstock Capital II AS	Yes	Yes
FPA Holding AS	Yes	Yes
Forus Production Arena AS	Yes	Yes
Passer Group AS	Yes	Yes
Passer AS	Yes	Yes
Skibs Hassel Holding NV	Yes	Yes
Momentum Partners AS	Yes	Yes
Momentum Invest & Holding AS	Yes	Yes
Credo Invest 16	Yes	Yes
Hegg Industries Invest 2 AS*	No	Yes
Arctic Development Partners G99 AS	Yes	Yes
Passer Marine AS	Yes	Yes
Passer Lanyu	Yes	Yes
Farvatn Medinvestering 1 AS**	Yes	No
Farvatn Medinvestering 2 AS**	Yes	No

* Hegg Industries Invest 2 AS was liquidated as at November 2020, hence not included in 2020 consolidated records.

** Farvatn Medinvestering 1 AS and Farvatn Medinvestering 2 AS are investment vehicles for employees and board members of Farvatn AS and its subsidiaries. Farvatn AS holds the majority voting of voting rights in both entities as at December 31 2020.



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Note 6 Shares and units in associates and other companies etc

(Group)

The following companies are defined as investments in associates and treated according to the equity method.

Company	Location	Ownership interest	Book value 2020	Book value 2019	Acquisition cost	Share of result 2020
Marabu Shipping Company Ltd. (liquidated in 2020)	Liberia	0,0%	-	29 396 864	32 963 482	-
Hassel Shipping 4 AS	Norway	50,0%	638 097 315	606 728 180	471 352 636	31 369 135
K5 Holding AS	Norway	50,0%	10 311 255	-2 734 446	15 550 000	-2 454 300
G99 Holding AS	Norway	47,5%	30 723 938	30 960 103	32 534 566	-236 165
Torgallmenningen 2 AS	Norway	33,0%	59 786 756	59 374 927	56 462 500	411 829
Pilestredet Co Investor AS	Norway	28,0%	57 819 730	52 609 294	47 816 794	5 210 436
Credo Invest nr. 14 AS	Norway	34,0%	29 019 640	29 448 051	29 902 764	-428 411
Credo Invest nr. 15 AS	Norway	39,0%	25 279 718	25 609 625	26 000 000	-329 907
Thor Dahl Containerships VII AS	Norway	33,0%	7 391 602	6 718 087	8 207 563	673 516
Thor Dahl Shipping AS	Norway	47,2%	56 628 411	27 288 147	47 252 435	29 340 265
FH Kapital Holding AS (sold in 2020)	Norway	0,0%	-	39 395 917	39 413 676	-
LT 6-12 Invest AS	Norway	33,0%	62 999 641	-	63 000 000	-359
Passer SIDC	Lithuania	49,0%	10 554 051	-	-	-
Other investments			18 300 298	-	-	-
Total			1 006 912 355	904 794 749	870 456 416	63 556 039

The companies listed below are also investments in associates, but are treated as "other investments" as they are considered immaterial to the Group accounts.

Company	Location	Ownership interest	Book value 2020	Acquisition cost
Veum Park AS	Norway	34,4%	21 400 177	21 400 177
Solasplitten Invest AS	Norway	25,0%	5 440 000	8 347 850
Total			26 840 177	

Note 7 Intercompany balances with affiliated and associates

Receivables

	2020	2019
Long term receivables - Hassel Shipping 4 AS (Affiliated)	0	25 422 916
Total	0	25 422 916

Note 8 Other short and long term liabilities and receivables

Liabilities

	2020	2019
Other long term liabilities - ASEO AS	288 287 402	281 765 887
Other long term liabilities - Zippora AS	300 000 000	0
Other long term liabilities	1 569 751	33 600 800
Other current liabilities - Johan Odvar Odfjell	2 978 734	22 591 988
Other current liabilities	98 110 038	55 382 481
Total	690 945 925	393 341 156

Receivables

	2020	2019
Other long term receivables	87 989 050	26 276 843
Other current receivables - ASEO AS	27 027	-
Other receivables	133 448 825	57 888 827
Total	221 464 903	84 165 670

Neither Parent company nor JO ODFJELL Group have any receivables or liabilities due after December 31, 2025.

Other receivables are mainly short term receivables to non-group entities from the ordinary business course of the group.



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Note 9 Bank deposits

Employees tax deduction, deposited in a separate bank account 1 870 433

Note 10 Share capital and shareholder information

(Parent Company)

Owners	Shares	Face value	Ownership interest
Johan Odvar Odffjell	5	220 000	10 %
Abraham Vincent Odffjell	15	220 000	30 %
Elise Odffjell	15	220 000	30 %
Sofie Odffjell	15	220 000	30 %

As per 31.12.20 the only owner of JO Odffjell AS A shares is Johan Odvar Odffjell. The remaining share holders own B shares. The A shares of JO Odffjell AS hold 20 voting rights per share, whilst B shares hold 1 voting right per share.

Note 11 Equity

(Group)

	Share capital	Share premium	Other paid in equity	Minority interests	Other equity	Total
Total equity 31.12.2019	10 600 000	104 658 691	989 260 118	81 211 602	1 574 699 131	2 760 429 541
Dividend silent partners	0	0	0	0	0	0
Capital increase	400 000	0	0	0	0	400 000
Dividend**	0	0	-300 000 000	-1 030 421	0	-301 030 421
Additions/disposals minority interests	0	0	0	27 315 814	0	27 315 814
Net profit	0	0	0	5 292 575	220 824 617	226 117 192
FX effects conversion financial statements*	0	0	0	0	-28 587 566	-28 587 566
Equity 31.12.2020	11 000 000	104 658 691	689 260 118	112 789 570	1 766 936 181	2 684 644 561

*Foreign exchange effects are due to subsidiaries booked using USD and CNY as functional currencies.

**For information regarding dividend of NOKm 300 refer to note 13.

Note 12 Vessels , newbuilding contracts and other fixed assets

Vessels, newbuild contracts and other fixed assets	Ships	Docking	Building, land and other real estate	Other	Total
Cost price per 01.01.2020	935 076 478	55 848 386	147 248 397	5 895 659	1 144 068 921
Cost price disposals 2020	0	0	0	0	0
Additions 01.01 - 31.12.	0	1 560 049	107 253	0	1 667 302
Cost price per 31.12.2020	935 076 478	57 408 435	147 355 650	5 895 659	1 145 736 223
Acc. depreciation 31.12.19	-224 233 075	-36 514 154	-30 041 016	-1 229 368	-292 017 616
Acc. depreciation disposals 2020	0	0	0	0	0
Depreciation 2020	-65 790 552	-7 377 349	-5 314 321	-304 054	-78 786 277
Accumulated depreciation 31.12.20	-290 023 627	-43 891 504	-35 355 337	-1 533 422	-370 803 893
Fixed asset impairment expenses disposals 2020	0	0	0	0	0
Fixed asset impairment expenses accumulated	-117 498 602	0	0	0	-117 498 602
Book value per - 31.12.2020	527 554 249	13 516 928	112 000 313	4 362 237	657 433 728

Economical lifetime	20 years / 25 years	2,5 years / 5,0 years	Various depreciation	Various depreciation
Depreciation profile	Linear	Linear	Linear	Linear

Depreciation of dry docking included in the operating costs of vessels in the income statement.



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Impairment

The product tankers are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the vessels may not be recoverable. Management measures the recoverable amount of an asset by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset is expected to generate over its remaining useful life.

Factors that indicates impairment which trigger impairment testing may be significant decline in product tanker freight rates, significant decline in market values of vessels, significant underperformance compared to projected operating results, change in strategy for the business, significant negative industry or economic trends etc.

For the determination of recoverable amount for the product tankers Jo Ask, Jo Pinari and Jo Rowan we have estimated the value in use.

There has not been any indicators of impairment for buildings, land and other real estate, or vessels, in 2020.

Note 13 Major transactions

The group has performed a restructuring in 2020. Farvatn Medinvestering 1 AS and Farvatn Medinvestering 2 AS have been bought and serves as investment vehicles for employees and board members of the group entities. The entity Farvatn AS has the majority of voting rights in both entities, hence both are consolidated in JO Odffjell AS' group accounts in 2020. Farvatn Medinvestering 1 AS owns 8% of Farvatn Capital AS, Farvatn Private Equity AS, and Farvatn Venture AS.

The restructuring was by performed by the entity Farvatn AS giving assets as capital increase to the entity Farvatn Medinvestering 1 AS, then distributing shares to employees and board members of Farvatn Medinvestering 2 AS.

The parent entity Jo Odffjell AS has paid dividend to the sole owner as of December 2020. The dividend has been used as share capital investment in the entity Zippora AS, and Jo Odffjell AS has booked a long term liability to Zippora AS. The collateral for the loan is secured in the shares in Farvatn AS.

Hegg Industries Invest 2 AS previously owned 31 % of FH Kapital Holding AS. In December 2019 Søderberg & Partners exercised an option to purchase these shares. The transaction was approved by Finanstilsynet in 2020. A financial gain of MNOK 41 has been booked in the group accounts. Hegg Industries AS was liquidated after the sale.

Farvatn Capital AS Purchased 33% of the shares in Lysaker Torg (LT 6-12 Invest AS) for 63 MNOK in 2020.

In 2020 Hassel Shipping 2 AS has been part of a business combination with its sister entity Hassel Shipping 5 AS. As a consequence of this transaction, Hassel Shipping 2 IS has been liquidated and the assets from Hassel Shipping 2 IS is now owned directly by Hassel Shipping 2 AS.

Note 14 Revenue by segment

	2020	2019
By business area		
Product Tankers	165 342 395	141 186 854
Rental Income	9 527 657	10 148 355
Offshore revenue (Passer Group)	306 001 588	225 016 529
Other Income	72 610 533	2 900 500
Total	553 482 172	379 252 238

Note 15 Collaterals and guaranties

The following Collaterals and Guaranties are valid for the Group as of December 31, 2020

Facility	Borrower	Guarantor(s)	Interim Guarantor	Mortgagee(s)	Final Maturity date
USDm 20,0 (NOKm 170 652 000)*	Hassel Shipping 4 AS	J.O. Invest AS	None	Nordea	-
USDm 43,1 (NOKm 345)	Hassel Shipping 2 AS	Farvatn Capital AS	None	Spørebanken Vest	January 2024
NOK 15 000 000	Passer Group AS	Farvatn Capital AS	None	Nordea	October 2021
NOK 22 475 000	Passer Group AS	Farvatn Capital AS	None	Nordea	October 2021

*The joint venture Hassel Shipping 4 AS has a mortgage to a syndicate of banks, including Nordea Bank ASA. J.O. Invest AS acts as a guarantor for 20 USDm of the mortgage.



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Note 16 Long term liabilities and receivables

Long term liabilities (more than one year maturity)	2020	2019
Liabilities to financial institutions total	410 099 575	456 004 213
Total	410 099 575	456 004 213
Liabilities to financial institutions due later than 5 years	0	0
Total	0	0
Total secured debts :	410 099 575	456 004 213
Pledged assets:		
Vessels	541 071 178	609 268 065
Buildings	111 773 787	116 898 255
Other	38 123 547	52 549 336
Total	690 968 512	726 166 320

Hassel Shipping 2 AS has a long term loan facility for the 3 product tankers from DNB of 336 Mnok.

The loan is guaranteed by the parent company, Farvatn Capital AS.

The total mortgage on December 31, 2020 was USD 39 375 000 (NOKm 336). The loan term is 5 years from drawdown, January 2019, while the loan profile is 12 years from drawdown.

Security for the loan in Sparebanken Vest is made through a first priority mortgage on the vessel (see below), insurances, assignment of charter contracts with a remaining duration exceeding 12 months, pledge of earnings/debt service related to the vessels, and an on-demand guarantee from the guarantor (Farvatn Capital AS).

The company is not in breach with any covenants as of the balance sheet date.

		2020	2019
Vessels (Jo Pinari, Jo Rowan and Jo Ask)	USD	63 412 228	69 390 347

Pledges

Land, buildings and other real estate are pledged as collateral for FPA's 76 Mnok loan.

Farvatn Capital AS has issued a bond guarantee amounting to NOK 37,475,000 for Passer Group AS for loans in Nordea Bank Norge ASA.

The collateral for Passer Group AS' loan is secured in inventory, receivables and fixed assets in Passer AS and Passer Marine AS. The security is limited to NOK 20,000,000 per company.

The collateral for the groups' loans from Aseo AS is secured in the shares in JO Odffjell AS.
The collateral for the groups' loans from Zippora AS is secured in the shares in Farvatn AS.



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Note 17 Investment in other shares and other investments

Fixed Assets	Book value 2020	Book value 2019
Quantfolio	-	113 300 000
Hæhre & Isachsen Gruppen AS	6 550 086	8 930 086
Skøyen Portal Holding AS	78 010 000	78 000 000
Premium Maritime Fund II	49 061 100	-
Union Eiendomsinvest Norge AS	53 981 610	55 543 233
Vestby Logistikkinvest AS	-	54 347 400
NRP 2018 AS	45 504 971	46 504 971
Credo Invest nr. 17 AS	19 000 000	19 000 000
Equip Capital Fund I LP Limited	-	20 110 576
Cubera PE II AS	18 272 454	-
Nordic Corporate Bank ASA	19 800 000	19 800 000
Uprising Investors Fund I, LP	20 381 620	17 906 307
Ulu Venture Fund II LP	15 714 582	13 652 882
Helsfyr Kontorinvest AS	107 235 782	-
Rimfrost Holding AS	9 999 998	-
Rimfrost Technologies AS	3 445	-
Molofeed AS	10 955 400	-
Others	370 763 758	398 995 120
Total	825 234 806	1 076 610 587

Current assets	Book value 2020	Book value 2019
Nordic Halibut AS	32 099 964	-
DNB Rentefond	595 677	-
Borea rentefond	34 226 360	81 065 321
Nordea Rentefond	-	112 947 689
Fondsfinans Kapitalforvaltning	66 908 768	63 508 156
DNB obligasjonsfond	83 710 362	55 121 884
Borea European Credit NOK	-	145 341 317
Storm Bond Fund ICN NOK	97 555 801	100 345 525
Borea Assets Management NOK	99 905 800	-
DNB Market Valutasikret	124 475 341	-
Salmar ASA	6 194 280	-
P/F Bakkafrøst	6 492 500	-
Grieg Seafood ASA	11 475 000	-
Nikola Corporation	13 344 365	-
Norcod AS	64 500 000	-
Oddfjell SE	88 365 000	85 462 500
Brabank ASA	17 603 329	12 670 670
Others	139 235 049	(38 261 622)
Total	886 687 596	618 201 438

Listed investments is booked at cost of the shares, less impairment losses.

An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Note 18 Intangible assets

Intangible assets	
Research and development	15 012 373
Patents and rights	-
Website	471 041
Goodwill	32 296 131
Total	47 779 545

The intangible assets come from Passer Group AS and Passer Marine AS, as well as a website in Farvatn Capital AS. The intangible assets mainly consists of the goodwill from the acquisition of the Passer Group AS in 2016. Research and development is part of the financial statements for Passer Marine AS.

The goodwill is depreciated on a linear basis over 10 years. The group is of the opinion that the estimated life of the goodwill of 10 years is reasonable due to the market value of technology in Passer Group and its affiliates.

Moreover, there group has booked goodwill related to the purchases of Momentum Invest & Holding AS and Planet 9 Venture AS. The intangible assets are due to non-booked gains on underlying assets as at purchase close to year end 2019. The goodwill is depreciated linearly over 5 years.

The group has booked goodwill related to the property owned by Forus Production Arena AS. The goodwill is depreciated linearly over 10 years. The group considers 10 years as reasonable due to the long lifespan of the underlying asset.



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Note 19 Covid-19

The outbreak of the coronavirus (COVID-19) early 2020 has had an impact on the world economy and in 2020 we have seen a significant impact on the financial markets globally.

The group is closely monitoring the situation and the impact of the outbreak of Covid-19. The board will implement required measures to minimize the negative impact on our employees, operations and financial results.

Note 20 Committed capital

NOKm 175 represents the groups remaining committed, not invested capital in the above entities. These are paid upon notice.

Note 21 Currency

The following exchange rates have been used for conversion to NOK:

	USD/NOK		CNY/NOK	
	2020	2019	2020	2019
End of the year rate	8,5326	8,7803	1,3051	1,2613
Average rate	9,4004	8,8037	1,3620	1,2737

Note 22 Foreign exchange contracts

The subsidiary Farvatn Capital AS has entered into agreements with the bank Sparebanken Vest AS for forward contracts in USD / NOK to secure future rates. Terms are dictated by market and bank, and the group is following the same accounting principles as Farvatn Capital AS relating to the transactions.

As at December 31 2020, there is one active contract for USD 7 500 000 at forward rate 8,9889. The balance date rate indicates a fair value of NOK -2 933 250. The loss has been recorded in the group financial statements.

Farvatn Capital AS, and the group, has posted financial gains of MNOK 26 related to the closed forward contracts closed in 2020.

Note 23 Subsequent events

At signing date the subsidiary PASSER is in a process with Oceanteam ASA regarding a business combination where all the shares in PASSER are transferred to OTS against consideration shares in OTS. The term sheet states that share owners in PASSER will receive 71,428,000 consideration shares in OTS (the "Consideration Shares") to be issued at NOK 3.00 per share or equal to the subscription price.

The subsidiary Passer Marine AS had a convertible loan from Farvatn Private Equity AS. As of May 2021 the loan has been converted to shares in a capital increase.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of JO Odfjell AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JO Odfjell AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, statement of comprehensive income, 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 and the Group as at 31 December 2020 and their 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 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 and Chief Executive Officer (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.

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



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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.

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.

Independent auditor's report - JO Odffjell AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: 37MBW-WBWU3-USUD0-5DLX5-EJGBF-P2157



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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, 15 June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 37MBW-WBWU3-USUDO-5DLX5-EJGBF-P2157

Independent auditor's report - JO Odffjell AS

A member firm of Ernst & Young Global Limited



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Øyvind Nore

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

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Øyvind Nore

Statsautorisert revisor

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JO ODFJELL AS

Statement of Comprehensive Income for the financial year ended 31 December 2020

		31.12.2020	31.12.2019
		NOK	NOK
	Note	Parent	Parent
Revenue			
Other operating revenue		0	0
Total revenue		0	0
Salary		0	0
Administration and other expenses		2 832 857	2 631 048
Operating expenses	2, 8, 11	2 832 857	2 631 048
OPERATING RESULT		-2 832 857	-2 631 048
Financial income and expenses	3		
Interest income		13 027	6 002
Other financial income		33 609	0
Interest expenses		-404 088	0
Other financial expenses		-35 786	-26 478
		-393 238	-20 476
Result after financial items		-3 226 095	-2 651 524
Taxes	4	0	0
NET INCOME AFTER TAX		-3 226 095	-2 651 524
Transferred to/(from) Other Equity	10	-3 226 095	-2 651 524



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JO ODFJELL AS
Balance Sheet December 31, 2020
Stand-alone

		31.12.2020	31.12.2019
		NOK	NOK
	Note	JO ODFJELL AS	JO ODFJELL AS
		Parent	Parent
Financial assets			
Shares in subsidiaries	5	2 779 210 642	2 779 210 642
Other investments		84 590	47 890
		2 779 295 232	2 779 258 532
Current assets			
Due from group companies	6	168 222	1 010 633
Due from associated companies	6	1 205 064	1 205 064
Other current receivables	7	44 000	2 102 019
		1 417 286	4 317 716
Bank deposits and time deposits			
Liquidities and time deposits	8	287 948	413 836
		287 948	413 836
Total assets		2 781 000 467	2 783 990 084



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JO ODFJELL AS
Balance Sheet December 31, 2020
Stand-alone

		31.12.2020	31.12.2019
		NOK	NOK
	Note	JO ODFJELL AS	JO ODFJELL AS
		Parent	Parent
Equity			
Share capital	9, 10	11 000 000	10 600 000
Share premium	10	104 658 691	104 658 691
Other paid in capital	10	689 260 118	989 260 118
		804 918 809	1 104 518 809
Other equity			
Other equity	10	1 669 328 885	1 672 554 980
		1 669 328 885	1 672 554 980
Total equity		2 474 247 694	2 777 073 789
Current liabilities			
Due to group companies	6	50 000	808 822
Taxes	4	0	0
Other current liabilities	7	191 212	0
		241 212	808 822
Non-Current liabilities			
Due to group companies	6	6 278 228	6 107 473
Other non-current liabilities	3, 7, 12	300 233 333	0
		306 511 561	6 107 473
Total liabilities		306 752 773	6 916 295
Total equity and liabilities		2 781 000 467	2 783 990 084

Bergen, June 15, 2021

DocuSigned by:

8D89689D4809442...
Johan Odvar Odfjell
Chairman of The Board

DocuSigned by:

45985A1A3F1B47E...
Kristin Østervold Odfjell
Board member



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JO ODFJELL AS
Cash Flow Statement as of 31 December 2020

	31.12.2020	31.12.2020
	NOK	NOK
Cash flow from operating activities		
Profit before tax	(3 226 095)	(2 651 524)
Change in current/long term receivables and liabilities	2 736 908	1 265 134
Net cash flow from operating activities	(489 188)	(1 386 390)
Cash flow from investing activities		
Other investments	(36 700)	(47 890)
Net investment in subsidiaries	-	(30 000)
Net cash flow from investing activities	(36 700)	(77 890)
Cash flow from financing activities		
Paid in share capital	400 000	1 000 000
Net cash flow from financing activities	400 000	1 000 000
Net change in cash and cash equivalents	(125 888)	(464 280)
Cash and cash equivalents 1.1.	413 836	878 116
Cash and cash equivalents 31.12.	287 948	413 836



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JO ODFJELL AS

Notes to the financial statements as of 31st of December 2020

Note 1 Accounting Principles

Corporate information

JO Odfjell AS, Lars Hilles gate 30, 5008 Bergen, Norway, is the ultimate parent company of the JO Odfjell Group.

Basis for preparation

JO Odfjell AS has prepared its financial statements according to the Norwegian Accounting Act and generally accepted accounting principles in Norway.

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

Currency

Entities with functional and presentation currency in USD is translated into NOK using average exchange rates for profit and loss items and exchange rates at year end for balance sheet items. Differences arising from converting accounts is charged to equity.

Subsidiaries and investments in associates

Subsidiaries and investment in associates are valued at cost in the company accounts. The investment is valued at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for impairment is not longer valid in a subsequent period.

Property plant and equipment

Property plant and equipment is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life has been unbundled; depreciation of each such component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is greater of the net realisable value and value in use. In addressing value in use, the discounted estimated future cash flows from the asset are discounted.

Balance sheet classification

Current assets are considered to be of permanent ownership are classified as fixed assets. Other assets are classified as short term assets. Short and long term liabilities are classified analogously. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Other shares

Other shares are valued at cost, less any impairment losses. Received dividends and other distributed profits are classified as finance income.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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. As of 31.12.2020, the company does not recognize deferred tax asset, as it has been questioned its likelihood of future use of this asset. The tax rate is 22 % for the company in 2020. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.



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Account receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Revenue recognition

Other revenue is recognized as earned.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.



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Note 2 Salary and personnel costs, number of employees, loans to employees and auditor's fee

Salary and personnel costs

JO ODFJELL AS did not have any employees in 2020.

Auditor

Specification of auditor's fee:	2020	2019
Statutory audit fee	287 282	272 008
Tax, other fees and services*	999 951	1 923 287
Total fee to auditor	1 287 233	2 195 295

There are no Board of directors' fees in the parent company in 2020.

*Fees for tax, other fees and services are mainly related to the preparation of group financial statement and restructuring in the group. See note 12 for further details. All fees are excluding VAT.

Note 3 Financial income and expenses

Financial income	2020	2019
Interest income	13 027	6 002
Dividend income	0	0
Other financial income	33 609	0
Total finance income	46 636	6 002
Financial expenses	2020	2019
Interest expenses	-404 088	0
Other financial expenses	-35 786	-26 478
Total finance expenses	-439 874	-26 478

Note 4 Income taxes

Tax base calculation	2020	2019
Profit before income tax	-3 226 095	-2 651 524
Changes in temporary differences	-33	0
Permanent differences	1 030 000	0
Tax base	-2 196 128	-2 651 524
Tax payable	2020	2019
	0	0
Temporary differences:	2020	2019
Accumulated deficits	-289 956 885	-287 760 757
Net temporary differences	33	0
Differences not relevant for deferred taxes	289 956 852	287 760 757
Deferred taxes	0	0

Note 5 Investment in subsidiaries

Company	Ownership	Book value 2020	Book value 2019	Result 2020	Equity 31.12.20
Farvatn AS	100%	2 779 210 642	2 779 210 642	-4 042 540	2 676 076 161
Total		2 779 210 642	2 779 210 643	-4 042 539	2 676 076 162

The investment in subsidiaries is booked at cost of the shares in the subsidiary, less impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.



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Note 6 Intercompany balances with affiliated and associates

Receivables	2020	2019
Current receivables - Kokstadflaten 5 AS	1 205 064	1 205 064
Current receivables - Farvatn AS	168 222	30 000
Current receivables - J. O. Invest AS	0	980 633
Total	1 373 286	2 215 697

Liabilities	2020	2019
Long-term liabilities - Farvatn AS	6 278 228	6 107 473
Current liabilities - Farvatn Capital AS	50 000	406 571
Current liabilities - Farvatn Private Equity AS	0	4 472
Current liabilities - Hassel Shipping 2 AS	0	397 779
Total	6 328 228	6 916 295

Note 7 Other short and long term liabilities and receivables

Liabilities	2020	2019
Other long term liabilities - Zippora AS	300 233 333	0
Total	300 233 333	0

The collateral for the Parents' loan from Zippora AS is secured in the shares in Farvatn AS. For additional information regarding the loan from Zippora AS refer to note 12.

Receivables

	2020	2019
Other receivables	44 000	2 102 022
Total	44 000	2 102 022

The company does not have any receivables or liabilities due after December 31, 2025.

Note 8 Bank deposits

The parent company does not have any restricted funds.

Note 9 Share capital and shareholder information

Owners	Shares	Face value	Ownership interest
Johan Odvar Odfjell	5	220 000	10 %
Abraham Vincent Odfjell	15	220 000	30 %
Elise Odfjell	15	220 000	30 %
Sofie Odfjell	15	220 000	30 %

As per 31.12.20, the only owner of JO Odfjell AS A shares is Johan Odvar Odfjell. The remaining share holders own B shares. The A shares of JO Odfjell AS hold 20 voting rights per share, whilst B shares hold 1 voting right per share.

Note 10 Equity

	Share capital	Share premium	Other paid in equity	Other equity	Total
Equity 31.12.2019	10 600 000	104 658 691	989 260 118	1 672 554 980	2 777 073 789
Net profit	0	0	0	-3 226 095	-3 226 095
Dividend*	0	0	-300 000 000	0	-300 000 000
Capital increase	400 000	0	0	0	400 000
Equity 31.12.2020	11 000 000	104 658 691	689 260 118	1 669 328 885	2 474 247 694

*For information regarding dividend of NOKm 300 refer to note 12.

Note 11 Pensions

JO ODFJELL AS is not required to have any occupational pension scheme in accordance with the Norwegian law ("lov om obligatorisk tjenestepensjon").



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Note 12 Major transactions

The group has performed a restructuring in 2020. Farvatn Medinvestering 1 AS and Farvatn Medinvestering 2 AS have been bought and serves as investment vehicles for employees and board members of the group entities. The entity Farvatn AS has the majority of voting rights in both entities, hence both are consolidated in JO Odfjell AS' group accounts in 2020. Farvatn Medinvestering 1 AS owns 8% of Farvatn Capital AS, Farvatn Private Equity AS, and Farvatn Venture AS.

The restructuring was by performed by the entity Farvatn AS giving assets as capital increase to the entity Farvatn Medinvestering 1 AS, then distributing shares to employees and board members of Farvatn Medinvestering 2 AS.

The parent entity Jo Odfjell AS has paid dividend to the sole owner as of December 2020. The dividend has been used as share capital investment in the entity Zippora AS, and Jo Odfjell AS has booked a long term liability to Zippora AS.

Hegg Industries Invest 2 AS previously owned 31 % of FH Kapital Holding AS. In December 2019 Søderberg & Partners exercised an option to purchase these shares. The transaction was approved by Finanstilsynet in 2020. A financial gain of MNOK 41 has been booked in the group accounts. Hegg Industries AS was liquidated after the sale.

Farvatn Capital AS Purchased 33% of the shares in Lysaker Torg (LT 6-12 Invest AS) for 63 MNOK in 2020.

In 2020 Hassel Shipping 2 AS has been part of a business combination with its sister entity Hassel Shipping 5 AS. As a consequence of this transaction, Hassel Shipping 2 IS has been liquidated and the assets from Hassel Shipping 2 IS is now owned directly by Hassel Shipping 2 AS.

Note 13 Long term liabilities and receivables

The company JO ODFJELL AS does not have any liabilities to financial institutions nor any pledged assets as of December 31, 2020.

The collateral for the group's loans from Aseo AS is secured in the shares in JO Odfjell AS.

The collateral for the Parents' loans from Zippora AS is secured in the shares in Farvatn AS.

Note 14 Subsequent events

At signing date the subsidiary PASSER is in a process with Oceanteam ASA regarding a business combination where all the shares in PASSER are transferred to OTS against consideration shares in OTS. The term sheet states that share owners in PASSER will receive 71,428,000 consideration shares in OTS (the "Consideration Shares") to be issued at NOK 3.00 per share or equal to the subscription price.

The subsidiary Passer Marine AS had a convertible loan from Farvatn Private Equity AS. As of May 2021 the loan has been converted to shares in a capital increase.



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 01.04.2016	Vår dato 15.04.2016
Telefon 22078139	Deres referanse Henning Refvik	Vår referanse 2016/317216

JO ODFJELL AS
Postboks 43
5863 BERGEN

MOTTATT
18 APR 2016

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for JO Odfjell AS, org. nr. 915 223 060

Vi viser til deres brev av 1. april 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for JO Odfjell AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering JO Odfjell AS 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

JO Odfjell AS er eiet av Johan Odvar Odfjell. Tidligere har JO Invest AS med datterselskaper fått dispensasjon. Etter en omorganisering er JO Odfjell AS ny konsernspiss i konsernet. Konsernet driver skipsfarts- og investeringsvirksomhet. All den operative driften foregår i utlandet. Dette er en internasjonal bransje og alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Arbeidsspråket er engelsk og all intern rapportering skjer 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."

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

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2016/317216 Side 2 av 2

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 eierkretsen er begrenset. Konsernets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at konsernet 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

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer