



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 913 111 621  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ECO SEAS HOLDING AS  
Forretningsadresse: Dronning Eufemias gate 8  
0191 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Trond Andersen  
Dato for fastsettelse av årsregnskapet: 06.05.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 23.05.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Management fee	8	7 585 000	16 126 000
Other operating income		561 000	
<b>Sum inntekter</b>		<b>8 146 000</b>	<b>16 126 000</b>
<b>Kostnader</b>			
Employee benefit expenses	8	2 578 000	4 442 000
Administrative expenses	8	5 233 000	4 763 000
<b>Sum kostnader</b>		<b>7 811 000</b>	<b>9 205 000</b>
<b>Driftsresultat</b>		<b>335 000</b>	<b>6 921 000</b>
<b>Finansinntekter og finanskostnader</b>			
Dividend and net gain/loss financial investments		807 452 000	
Renteinntekt fra foretak i samme konsern	8	28 329 000	32 218 000
Annen renteinntekt		1 120 000	1 497 000
Foreign exchange gain		9 137 000	55 103 000
<b>Sum finansinntekter</b>		<b>846 038 000</b>	<b>88 818 000</b>
Valuation adjustment financial investments		5 000 000	
Rentekostnad til foretak i samme konsern	8	4 425 000	6 222 000
Annen rentekostnad		24 894 000	52 578 000
Foreign exchange loss		555 000	50 779 000
Other finance expenses		3 315 000	6 743 000
<b>Sum finanskostnader</b>		<b>38 189 000</b>	<b>116 322 000</b>
<b>Netto finans</b>		<b>807 849 000</b>	<b>-27 504 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>808 184 000</b>	<b>-20 583 000</b>
Taxes	2	-533 000	2 879 000
<b>Ordinært resultat etter skattekostnad</b>		<b>808 717 000</b>	<b>-23 462 000</b>
<b>Årsresultat</b>		<b>808 717 000</b>	<b>-23 462 000</b>
<b>Overføringer og disponeringer</b>			



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Transferred to/from other equity		808 717 000	-23 462 000
<b>Sum overføringer og disponeringer</b>		<b>808 717 000</b>	<b>-23 462 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	10	272 964 000	509 809 000
Lån til foretak i samme konsern	7	745 320 000	993 414 000
<b>Sum finansielle anleggsmidler</b>		<b>1 018 284 000</b>	<b>1 503 223 000</b>
<b>Sum anleggsmidler</b>		<b>1 018 284 000</b>	<b>1 503 223 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables		3 302 000	12 138 000
Other current assets		4 241 000	518 000
<b>Sum fordringer</b>		<b>7 543 000</b>	<b>12 656 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		56 084 000	323 115 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>56 084 000</b>	<b>323 115 000</b>
<b>Sum omløpsmidler</b>		<b>63 627 000</b>	<b>335 771 000</b>
<b>SUM EIENDELER</b>		<b>1 081 911 000</b>	<b>1 838 994 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	3,4	66 560 000	66 560 000
Overkurs	3,4	0	613 934 000
<b>Sum innskutt egenkapital</b>		<b>66 560 000</b>	<b>680 494 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Opptjent egenkapital</b>			
Reserve for valuation variances		0	-6 633 000
Retained earnings	3	276 662 000	
Udekket tap	3		23 462 000
<b>Sum opptjent egenkapital</b>		<b>276 662 000</b>	<b>-30 095 000</b>
<b>Sum egenkapital</b>		<b>343 222 000</b>	<b>650 399 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Secured credit facility	9	659 365 000	
<b>Sum annen langsiktig gjeld</b>		<b>659 365 000</b>	
<b>Sum langsiktig gjeld</b>		<b>659 365 000</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Secured credit facility, due within 1 year	9	74 083 000	1 168 829 000
Leverandørgjeld		134 000	58 000
Kortsiktig konserngjeld	7	158 000	506 000
Accured interests		4 222 000	8 696 000
Other current liabilities		727 000	2 002 000
Accrulse	11		8 504 000
<b>Sum kortsiktig gjeld</b>		<b>79 324 000</b>	<b>1 188 595 000</b>
<b>Sum gjeld</b>		<b>738 689 000</b>	<b>1 188 595 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 081 911 000</b>	<b>1 838 994 000</b>



### Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues		36 476 000	101 952 000
<b>Sum inntekter</b>		<b>36 476 000</b>	<b>101 952 000</b>
<b>Kostnader</b>			
Employee benefit expenses		292 000	500 000
Depreciation	9	8 401 000	14 657 000
Administrative expenses	4	1 011 000	800 000
Operating expenses vessels	4	8 274 000	13 104 000
<b>Sum kostnader</b>		<b>17 978 000</b>	<b>29 061 000</b>
<b>Driftsresultat</b>		<b>18 498 000</b>	<b>72 891 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	5	1 299 000	198 000
<b>Sum finansinntekter</b>		<b>1 299 000</b>	<b>198 000</b>
Finance expenses	5	3 306 000	7 098 000
Loss on sale of non-current assets		10 527 000	
<b>Sum finanskostnader</b>		<b>13 833 000</b>	<b>7 098 000</b>
<b>Netto finans</b>		<b>-12 534 000</b>	<b>-6 900 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>5 964 000</b>	<b>65 991 000</b>
Taxes	12	187 000	219 000
<b>Ordinært resultat etter skattekostnad</b>		<b>5 777 000</b>	<b>65 772 000</b>
<b>Årsresultat</b>		<b>5 777 000</b>	<b>65 772 000</b>



### Konsernets balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels and other fixed assets	9	142 650 000	293 178 000
<b>Sum varige driftsmidler</b>		<b>142 650 000</b>	<b>293 178 000</b>
<b>Sum anleggsmidler</b>		<b>142 650 000</b>	<b>293 178 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventory		503 000	532 000
<b>Sum varer</b>		<b>503 000</b>	<b>532 000</b>
<b>Fordringer</b>			
Other current assets	8	1 526 000	560 000
<b>Sum fordringer</b>		<b>1 526 000</b>	<b>560 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	6	11 860 000	45 746 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>11 860 000</b>	<b>45 746 000</b>
<b>Sum omløpsmidler</b>		<b>13 889 000</b>	<b>46 838 000</b>
<b>SUM EIENDELER</b>		<b>156 539 000</b>	<b>340 016 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	15	8 332 000	8 332 000
Overkurs	15	38 273 000	170 795 000
<b>Sum innskutt egenkapital</b>		<b>46 605 000</b>	<b>179 127 000</b>



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Opptjent egenkapital</b>			
Other equity	15	22 919 000	16 250 000
<b>Sum opptjent egenkapital</b>		<b>22 919 000</b>	<b>16 250 000</b>
<b>Sum egenkapital</b>		<b>69 524 000</b>	<b>195 377 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Secured credit facility	13	75 221 000	
<b>Sum annen langsiktig gjeld</b>		<b>75 221 000</b>	
<b>Sum langsiktig gjeld</b>		<b>75 221 000</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Current portion of long-term debt	13	8 400 000	137 889 000
Leverandørgjeld		580 000	73 000
Other current liabilities and accruals		2 814 000	5 680 000
Financial investments			997 000
<b>Sum kortsiktig gjeld</b>		<b>11 794 000</b>	<b>144 639 000</b>
<b>Sum gjeld</b>		<b>87 015 000</b>	<b>144 639 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>156 539 000</b>	<b>340 016 000</b>



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 10.11.2014	Vår dato 17.11.2014
Telefon 22078139	Deres referanse Jens Julius Ramdahl Nygaard	Vår referanse 2014/827677

AWILHELMOSEN MANAGEMENT AS  
Postboks 1583, VIKA  
0118 OSLO

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Awilco Eco Team Holding AS, org. nr. 913 111 621**

Vi viser til deres brev av 10. november 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk på vegne av Awilco Eco Team Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Awilco Eco Team Holding 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**

Awilco Eco Tankers Holding AS er et relativt nyetablert selskap innen skipsfartsnæringen. Selskapet er eid med 50 % av norsk aksjonær og 50 % av aksjonær hjemmehørende i Luxembourg. Selskapets hovedaktiviteter er å eie og operere tankskip for internasjonal oljetransport, og har gjennom heleide datterselskap inngått kontrakt om bygging av fire VLCC tankskip. Selskapet opererer i en internasjonal 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. 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:

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentraltbord  
800 80 000  
Telefaks  
22 17 08 60



*”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 selskapet er eid med 50 % av norsk aksjonær og 50 % av aksjonær hjemmehørende i Luxembourg. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet 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*



**Consolidated financial statements**

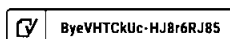
**2021**

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**Awilco Eco Tankers Holding Group**

Company registration number 913 111 621

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## Awilco Eco Tankers Holding AS Board of Directors Report for 2021

### Corporate information

Awilco Eco Tankers Holding AS was incorporated at 13 January 2014. The business of the company is shipping and activities related hereto. The business activity also includes the acquisition, management, mortgaging and sale of capital assets in the shipping business, in addition to investment in shares, bonds and partnership contribution of all and any type connected with shipping, as well as participation in the form of ownership holdings in other shipping companies, and other business naturally connected hereto.

The Awilco Eco Tankers Holding Group entered in 2014 into four new-building contracts for 300.000 dwt very large crude carriers (VLCCs) with eco-efficient design at Daewoo Shipbuilding & Marine Engineering Co Ltd (DSME) in Korea. The vessels were delivered between June and October 2016. Two vessels were sold in 1H 2020.

The registered business address of the Company is in Oslo, Norway.

### Strategy

The main strategy for the Group is to create shareholder value through the provision of quality, reliable and customer oriented service to the market, in the best manner for its shareholders, employees and business connections.

Based on the market outlook and the qualities of the vessels the Company will try to optimize the mix of spot and TC exposure in order to cap some of the downside risk when rates for longer TC are at attractive levels. The length of TC will depend on rate and counter party quality and how it fits the overall strategy.

Awilco Eco Tankers Holding AS has had in-house commercial management of the four VLCCs from delivery. The company has an Operations Manager employed full time and is hiring a Chartering Manager on full time and a CEO in a 40% position from Awilco AS in order to provide the Company with the competence needed with a lean and flexible organization to handle the day-to-day operation of the vessels. Awilco Technical Services (ATS) has been responsible for the technical management of both vessels in the fleet during 2021.

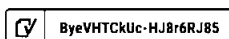
The Group will evaluate growth opportunities in terms of vessel acquisitions which best complement the Group's financial and operational aspirations.

### Health, safety and environment

The Group has one employee at year end and a further 1,4 hired. Administrative and technical management is outsourced to Awilhelmsen Management AS and ATS respectively. The company plans to carry out its principal activity by continued use of outsourcing to keep a lean organization. The Group's quality of operation is supported by experienced, educated and well trained staff both onboard the vessels and onshore.

The Group shall adhere to national and international laws and regulations and constantly promote best practices identified within its own operations and the industry in order to improve the competence of the employees. The safety and well-being of employees, both at sea and onshore, will always have the highest priority. This is also taken into account when outsourcing services, and it is ensured that the management companies are committed to strict adherence to professional regulations for matters concerning health, safety and environment.

The Group has a long term goal of environmental excellence, and works towards minimizing any negative environmental impact from its vessels. The VLCC vessels delivered from DSME during 2016 are of eco-efficient design. With its hull shape and sophisticated engine and other equipment, the vessels are amongst the most eco-friendly vessels in the global fleet of crude tankers resulting in considerably lower bunker consumption that will contribute to reduce the environmental impact on both atmosphere and sea. During 2019, all vessels were fitted with exhaust gas cleaning systems (scrubbers) to meet the global cap on sulphur in the fuel to 0,5% as a result of the IMO2020 regulation that took effect on 1<sup>st</sup> January 2020.



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## Consolidated financial statements

The Company had two VLCCs on TC to Equinor in 2021. One vessel was extended for a new period of 12 months with Equinor, in direct continuation of the previous charter, in 1Q 2021 while the other was on its long-term charter with Equinor that expires in 2Q 2023. This provided a very strong cash flow for the company in 2021 which is reflected in the operating income. Both vessels went through a successful and efficient DD in China in 3Q 2021 despite ongoing Covid challenges in the region. The VLCCs are doing well commercially and technically and have a solid operational efficiency due to this. Both vessels have a TC coverage until 2Q 2023.

The financial income statement shows an operating revenue for the year of USD 36,5 mill and a net profit of USD 5,8 mill. This compares to a net profit of USD 65,77 mill in 2020.

The consolidated financial statements of the Group, and the parent company financial statements of Awilco Eco Tankers Holding AS, have been prepared on a going concern basis. Pursuant to the Norwegian Accounting Act § 3-3a, and based on the current capital structure and the company's overall position at the end of the year, the Board of Directors confirms that it is correct to prepare the accounts on a going concern assumption. The statement of financial position shows the assets as of year-end, and the corresponding capital structure of the Group.

The Group is per 2021 funded by equity from its shareholders and bank debt. The debt facility expires in September 2026. The equity granted to the company covered the yard installments during the construction period along with an initial shareholder loan which was repaid in 2020. Upon delivery of the four vessels a total of USD 209 mill was drawn down on the initial Bank Loan Facility which was finalized and signed 31 March 2016, in order to pay for the final instalment of the vessels. In September 2022, the Company refinanced the remaining two vessels with a USD 84 mill bank facility whereby margin and terms were improved compared to the previous financing. In connection with this, the Company paid a dividend of USD 50 mill to the shareholders due to a strong cash balance. Total outstanding amount from the credit facility at balance sheet date was USD 84 mill.

The statements of cash flows show that the major payment transaction during 2021 is the refinancing of the vessels, distributions to the shareholders, instalments on the secured credit facility and interest expenses related to the facility during the accounting period.

## Parent company financial statement

The net profit for the period was NOK 808,7 mill compared to a net loss of NOK 23,5 mill in 2020.

The financial statements give in our opinion a true and fair view of the financial position of the parent company and the Group as at 31 December 2021, and of the financial performance and its cash flow for the year that ended.

The directors and officers of Awilco Eco Tankers Holding AS are covered under a Director & Officer's Liability Insurance (D&O).

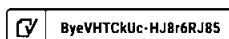
## Risk factors

The Group is exposed to market risks, geographical risks, operational risks, financial risks and strategic risks. The Board and management plan to manage these risks through ensuring a close supervision of the daily operation and trading areas of the vessels, retaining a close relationship with the external management providers and through continuous reporting and monitoring.

### *Market risk*

Historically, the crude tanker industry has been cyclical, experiencing volatility in charter rates and profitability due to changes in the supply of and demand for tanker capacity, and changes in the supply of and demand for oil and oil products. The factors affecting the supply of and demand for crude tankers, and consequently the value of the Group's vessels, are outside the Group's control, and the nature, timing and degree of changes in industry conditions are unpredictable. Factors that influence demand for crude tanker capacity include;

- Demand for oil and oil products
- Supply of oil and oil products
- Global and regional economic conditions
- Regional availability of refining capacity





- The distance of oil and oil products are to be transported by sea

Factors that influence the supply of crude tanker capacity include;

- The number of new-building deliveries
- The scrapping rate of older vessels
- Conversion of tankers to alternative uses
- Environmental concerns and regulations

#### *Financial risk*

The Group is exposed to a number of different financial market risks arising from the normal business activities. Financial market risk is the possibility that the fluctuation in currency exchange rates or interest rates will affect that value of our assets, liabilities or future cash flows. To reduce and manage these risks, the Board and management periodically review and assess its primary financial market risks.

#### 2021 Tanker market

The tanker market for large tankers was very challenging for most of 2021 due to low demand and low volumes transported by sea coupled with a high number of available vessels. The Covid-19 issue and geopolitical tension caused challenges for the industry through the year. The net fleet growth was above 4%, with 37 newbuildings delivered and only four vessels scrapped despite high scrap values and limited and uneconomical trading opportunities for older vessels. According to Clarksons, the average spot rate for the VLCCs ended close to zero in 2021 for modern tonnage. Awilco Eco Tankers was not exposed to the spot market in 2021 as both vessels were on TC at healthy rates.

#### Tanker market outlook

The outlook for the crude tanker market for the coming years is difficult to assess due to the geopolitical situation and the ongoing Covid-19 situation. The impact of Covid-19 related issues we have seen in shipping throughout 2020 and 2021 could be expected to continue into 2022 which may increase costs and potential offshore. Oil demand has gradually picked up from the dramatic decline after the outbreak of the Covid pandemic, but with political and economic tension related to the war in Ukraine and the outlook for global economic growth in the aftermath of this, it is likely that this could have a negative impact on the demand for oil and even lead to changes in the current trade lanes. The orderbook for large tankers is still above 7%, of which around 40 will be delivered through 2022 and 23 in 2023. In order to find a better balance between demand and supply for tankers going forward with rates above cash break-even levels for the owners, we need to see higher volumes hitting the water from OPEC, the US and maybe Iran and a higher level of scrapping. The Company has TC coverage for both remaining vessels throughout 2022 and into 1H of 2023 at profitable levels.

The environmental focus on emissions from vessels is a strong factor which will impact the trading fleet and most likely the older vessels the most and lead to increased costs for operating the vessels. As such, there should be an incentive going forward to scrap older tonnage, which would provide for a better and more sustainable balance between supply and demand in the years to come.

Oslo, 4 May 2022

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Eric Jacobs  
Chairman of the Board

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Knut Nossen  
Board member

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
Jon Aksel Torgersen  
Board member

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Egil Wickstrand Iversen  
Board member

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Jens-Julius Ramdahl Nygaard  
CEO

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**Awilco Eco Tankers Holding Group****Consolidated statement of income**

*in USD thousands, unless otherwise indicated*

	Note	01.01 - 31.12 2021	01.01 - 31.12 2020
Gross freight revenue		37 471	117 079
Voyage related expenses		(1 060)	(15 127)
Other operating income		65	0
Operating revenues		<u>36 476</u>	<u>101 952</u>
Operating expenses vessels	4	8 274	13 104
Employee benefit expense		292	500
Administrative expenses	4	1 011	800
Depreciation	9	8 401	14 657
Impairment vessels	9	0	0
Operating expenses		<u>17 978</u>	<u>29 060</u>
Operating profit /(loss) before other items		18 498	72 892
<u>Other items</u>			
Gain/ (loss) on sale of non-current assets		(10 527)	0
Operating profit / (loss)		7 972	72 892
Finance income	5	1 299	198
Finance expense	5	(3 306)	(7 098)
Net financial items		<u>(2 007)</u>	<u>(6 900)</u>
Profit / (loss) before tax		5 964	65 992
Taxes	12	(187)	(219)
Net profit/ (loss)		<u>5 777</u>	<u>65 772</u>
Attributable to non-controlling interests		0	0
Attributable to shareholders of the parent		5 777	65 772
Basic / diluted earnings per share (in USD)	16	0,087	0,988

**Consolidated statement of comprehensive income**

Net profit / (loss) for the period	5 777	65 772
Cash flow hedges changes in fair value	892	(1 299)
Total comprehensive (loss)/income	<u>6 669</u>	<u>64 473</u>

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## Awilco Eco Tankers Holding Group

### Consolidated statement of financial position

in USD thousands, unless otherwise indicated

	Note	31.12.2021	31.12.2020
<b>Non-current assets</b>			
Deferred tax benefit		0	0
Vessels and other fixed assets	9	142 650	293 178
Other non-current assets		0	0
<b>Total non-current assets</b>		<b>142 650</b>	<b>293 178</b>
<b>Current assets</b>			
Inventory		503	532
Trade receivables	8	0	0
Other current assets	8	1 526	560
Financial investments	7	0	0
Cash and cash equivalents	6	11 860	45 747
<b>Total current assets</b>		<b>13 889</b>	<b>46 838</b>
<b>Total assets</b>		<b>156 539</b>	<b>340 016</b>
<b>Equity</b>			
Share capital	15	8 332	8 332
Share premium reserve	15	38 272	170 795
Other equity		22 919	16 250
<b>Total equity</b>		<b>69 524</b>	<b>195 377</b>
<b>Non-current liabilities</b>			
Deferred tax liability	12	0	0
Secured credit facility	13	75 221	0
<b>Total non-current liabilities</b>		<b>75 221</b>	<b>0</b>
<b>Current liabilities</b>			
Current portion of long-term debt	13	8 400	137 889
Income tax payable	12	0	0
Accounts payable		580	73
Financial investments	7	0	997
Other current liabilities and accruals	8	2 814	5 680
<b>Total current liabilities</b>		<b>11 794</b>	<b>144 639</b>
<b>Total equity and liabilities</b>		<b>156 539</b>	<b>340 016</b>

Oslo, 4 May 2022


Eric Jacobs  
Chairman of the Board

Knut Nossen  
Board member

Jon-Aksel Torgersen  
Board member

Egil Wickstrand-Iversen  
Board member

Jens-Julius Ramdahl Nygaard  
CEO

 ByeVHTCkUc-HJ8r6RJ85

**Awilco Eco Tankers Holding Group****Consolidated cash flow statement**

	Note	01.01 - 31.12 2021	01.01 - 31.12 2020
<i>in USD thousands, unless otherwise indicated</i>			
Profit before tax		5 964	65 992
<i>Adjustments for:</i>			
Depreciation and amortization		8 401	14 657
Impairment		0	0
Tax		(292)	0
Net fair value gains on financial instruments		0	0
Gain / loss from disposal of fixed assets		10 527	0
Increase/decrease receivables and prepayments		(938)	13 392
Increase/decrease payables and accruals		(2 147)	(5 857)
Interest and borrowing cost expensed		3 209	6 952
Interest paid		(3 452)	(6 197)
Net cash flow from operating activities		<u>21 272</u>	<u>88 938</u>
Investments in tangible fixed assets		(3 039)	0
Investments in financial assets		0	0
Sale of fixed assets		134 640	0
Net cash flow from investing activities		<u>131 601</u>	<u>0</u>
Proceeds from shareholder loan, net		0	(29 541)
Proceeds from secured credit facility drawn		84 000	0
Installments secured credit facility		(137 334)	(27 086)
Capitalized interests on long term loan		0	0
Borrowing costs		(903)	0
Dividends		(132 523)	(10 629)
Proceeds from issuance of shares		0	0
Net cash flow from financing activities		<u>(186 760)</u>	<u>(67 256)</u>
Net change in cash and cash equivalents		(33 887)	21 682
Cash and cash equivalents at beginning of period		45 747	24 065
Cash and cash equivalents at end of period	6	<u>11 860</u>	<u>45 747</u>



## Awilco Eco Tankers Holding Group

### Consolidated statement of changes in equity

*in USD thousands, unless otherwise indicated*

	Issued capital	Share premium	Other paid-in equity	Retained earnings	Other comprehensive income/(loss)	Total
Equity at incorporation, 13 Jan 2014	324	24 002				24 327
Share capital increase at 31 Jan 2014	212	15 679				15 891
Share capital increase at 30 Oct 2014	507	39 493				40 000
Share issue costs / incorporation costs		(10)				(10)
Tax effect share issue costs		0				0
Total comprehensive income for the period				(1 267)		(1 267)
Equity per ending balance 2014	1 043	79 165	0	(1 267)	0	78 941
<b>Total comprehensive income in 2015</b>				(344)		(344)
Equity per ending balance 2015	1 043	79 165	0	(1 611)	0	78 597
Share capital increase at 2 May 2016	1 657	32 892				34 549
Share capital increase at 26 May 2016	1 596	35 904				37 500
Share capital increase at 12 Aug 2016	2 011	7 989				10 000
Share capital increase at 26 Aug 2016	2 025	25 475				27 500
Total comprehensive income in 2016				(62 431)	1 500	(60 931)
Equity issue costs and other changes	0	(1)		0		(1)
Equity per ending balance 2016	8 332	181 424	0	(64 042)	1 500	127 214
Total comprehensive income in 2017	0	0		8 606	355	8 961
Equity issue costs and other changes	0	1				1
Equity per ending balance 2017	8 332	181 424	0	(55 436)	1 855	136 175
Total comprehensive income in 2018	0	0		159	427	585
Equity per ending balance 2018	8 332	181 424	0	(55 277)	2 282	136 761
Total comprehensive income in 2019	0	0	0	6 647	(1 875)	4 772
Equity per ending balance 2019	8 332	181 424	0	-48 630	407	141 533
Total comprehensive income in 2020	0	0	0	65 772	(1 299)	64 473
Dividends	0	(10 629)	0	0	0	(10 629)
Equity per ending balance 2020	8 332	170 795	0	17 142	-892	195 377
Total comprehensive income in 2021	0	0	0	5 777	892	6 669
Dividends	0	(132 523)	0	0	0	(132 523)
Equity per ending balance 2021	8 332	38 272	0	22 919	-0	69 524

#### Note 1

##### Corporate information

Awilco Eco Tankers Holding AS was established January 13<sup>th</sup> 2014 by Awilco Shipping AS (50%) and WLR/TRF Shipping Sarl (LUX) (50%). The Group's VLCCs were delivered from Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) in Korea during 2016. After sale of two of the vessels in 2021, the Group has two vessels in operation.





## Awilco Eco Tankers Holding AS Statement of Responsibility

We confirm to the best of our knowledge that the consolidated financial statements for 2021 have been prepared in accordance with International Financial Reporting Standards as regulated in the Norwegian Accounting Act § 3-9, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the financial statements for the parent company for 2021 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, and that the information presented in the financial statements give a true and fair view of the assets, liabilities, financial position and profit/(loss) for the period of Awilco Eco Tankers Holding AS and Awilco Eco Tankers Holding Group as a whole. We also confirm to the best of our knowledge that the Board of Directors Report includes a true and fair review of the development and performance of the business and the position of Awilco Eco Tankers Holding AS and the Awilco Eco Tankers Holding Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 4 May 2022

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Eric Jacobs  
Chairman of the Board

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Knut Nossen  
Board member

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Jon-Aksel Torgersen  
Board member

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Egil Wickstrand-Iversen  
Board member

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Jens Julius Ramdahl Nygaard  
CEO

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## Note 1 - Corporate information

Awilco Eco Tankers Holding AS and its subsidiaries (together called "we", "us", "Company" or the "Group") is a company formed for the purpose of acquiring and operating eco-efficient very large crude carriers (VLCCs) with fuel efficient specification and carrying capacities of 300,000 dwt in the international shipping market. The parent company, Awilco Eco Tankers Holding AS, was established January 13<sup>th</sup> 2014 by Awilco Shipping AS (50%) and WLR/TRF Shipping Sarl (LUX) (50%). The vessel owning subsidiaries were incorporated as newly incorporated entities during 2014, as wholly owned subsidiaries of the parent company.

As of 31<sup>st</sup> December 2021, the Group owns two 300,000 dwt VLCCs with eco-efficient design delivered in 2016 from Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) in Korea

## Note 2 - Summary of significant accounting principles

### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as regulated in the Norwegian Accounting Act § 3-9.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of Awilco Eco Tankers Holding AS and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

### Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in USD, which is also the Company's functional currency and presentation currency. All subsidiaries have USD as their functional currency.

#### *Transaction and balances*

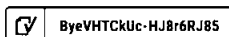
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement.

### Revenue recognition

The accounting standard IFRS 15 "Revenue from Contract with Customers" is based on the principle that revenue is recognized when control of goods or services is transferred to a customer. Voyage revenues are recognized ratably over the length of each voyage, calculated on a load-to-discharge basis.

Voyage expenses are capitalized between the previous discharge port and the next load port if they qualify as fulfillment costs under IFRS 15 and amortized ratably over the same period as the corresponding voyage revenue. To capitalize incurred costs the following criteria have to be met; (i) the costs related directly to the contract, (ii) the costs generate resources of the entity that will be used in fulfill future performance obligations, (iii) the costs are expected to be recovered.

Revenue from time charter contracts are recognized on a straight-line basis over the term of the respective time charter agreement.





## **Property, plant and equipment**

Vessels and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of the asset. Any component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives. Components of fixed assets with different economic useful lives are depreciated over their respective useful lives.

## **Leases**

Accounting of lease contracts are regulated under IFRS 16. In the financial statement of lessees, IFRS 16 requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments are to be reflected as interest expense and reduction of lease liabilities.

After initial recognition, the right-of-use assets are to be depreciated in accordance with IAS 16 Property, Plant and Equipment over the shorter of each contract's term and the useful life of the asset. Borrowings are subsequently measured at amortized cost using the effective interest rate method.

## **Vessels under construction**

The carrying value of the vessels under construction represents the accumulated costs to the balance sheet date which the Company has had to pay by way of installments paid to the yard and other capital expenditures together with capitalized interest. No charge for depreciation is made until the vessel is available for use.

## **Impairment**

Vessels are assessed for impairment when events or circumstances indicate the carrying amount of the assets may not be recoverable. When such indicators are present, the carrying value of the vessels under construction is tested for recoverability. If the carrying amount exceeds the recoverable amount for the asset, an impairment loss is recognized and the asset is written down to its recoverable amount. The impairment is reversed when the basis for the write-down no longer exists.

## **Inventory**

Inventories consist mainly of bunkers and lubrication oil on board the vessels. Inventories are measured at the lower of cost and net realizable value. Cost is determined in accordance with the first-in-first-out principle (FIFO), and expenses related to inventory are presented as voyage related expenses in the income statement.

## **Derivative financial instruments and hedging**

Derivative financial instruments are recognized on the balance sheet at fair value. Gains and losses due to realization or changes in fair value are reported in the income statement when the derivative is not a part of a hedging relationship that meets the criteria for hedge accounting. When the criteria for hedge accounting are fulfilled and the derivative is designated as a hedge transaction, the method of recognizing the gain or loss is dependent on the nature of the item being hedged.

Changes in the fair value of derivatives that qualify as cash flow hedge are initially recognized in other comprehensive income. Amounts deferred in other comprehensive income are transferred and classified



in the income statement when the underlying hedged items impact net result in a manner consistent with the underlying nature of the hedged transaction.

Changes in the fair value of derivatives that qualify as a fair value hedge are recorded in the income statement together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

#### **Cash and cash equivalents**

Cash represents cash on hand and deposits at bank that are repayable on demand. Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or fewer and which are subject to an insignificant risk of change in value.

#### **Trade and other receivable**

Trade and other receivables are carried at amortized cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss, discounted by the receivable amount's effective interest rate.

#### **Trade payables and other current liabilities**

Trade payables and other current liabilities are recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the financial liabilities are measured at amortized cost using the effective interest method.

#### **Long-term interest bearing debt**

All borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Debt repayable within one year is classified as a current liability.

#### **Share capital**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are recognized as a reduction of equity, net of tax if deductible, from the proceeds.

#### **Pensions**

The company has implemented a defined contribution plan for its employees. The plan complies with the requirements in the Mandatory Occupational Pension act in Norway ("Lov om obligatorisk tjenestepensjon"). Contributions on salary up until 12G are funded in a life insurance company.

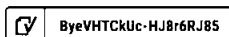
The company is responsible for making an agreed contribution to the employee's pension savings. The Group has no further payment obligations once the contributions have been paid. Contribution are recognized as an employee benefit expense in the income statement when they fall due.

#### **Tax**

The tax expense consists of the tax payable and changes in deferred tax. Deferred tax is calculated at the nominal income tax rate of net temporary differences existing between accounting and tax values, and any carry forward losses for tax purposes at year-end. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

#### **Segment information**

The market for the vessels is the international market of transportation of crude oil (i.e. all over the world) and the Group operation will be exposed to the same risks and returns wherever the vessels are employed. As the vessels are managed as one business segment, the Company will only have one reportable segment.



**Earnings per share**

Basic earnings per share ("Basic EPS") are calculated as net profit or loss for the period divided by the weighted average number of shares outstanding during the period.

**Cash Flow Statement**

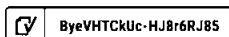
The cash flow statement is presented using the indirect method.

**Estimates**

The preparation of financial statements in accordance with IFRS requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenue, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**New standards and interpretation not yet adopted**

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for use in the financial statement per 31 December 2020 but might have an impact on future accounting periods. None of the issued, not yet effective IFRS standards, amendments to such standards or IFRIC interpretations are expected to have material effect for the Group's financial reporting.



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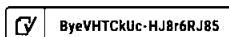


## Awilco Eco Tankers Holding Group

### Note 3 - Segment information

The business operations of the Group is limited to operating a fleet of VLCC tankers of eco design. Consequently the management has organized the entity as one operating segment based on the services provided. The Group has one operating segment as defined in IFRS 8.

After sale of the two vessels during the first quarter 2021 the Group has two vessels in operation, with all of them on timecharter contracts.





## Awilco Eco Tankers Holding Group

### Note 4 - Specification of expenses

*in USD thousands, unless otherwise indicated*

	2021	2020
<u>Vessel operating expenses</u>		
Crewing expenses	4 149	6 347
Maintenance and stores	543	1 259
Lub oil etc	426	833
Insurance	930	1 429
Other operating expenses	2 225	3 237
Total	8 274	13 104

#### Administrative expenses

Management fee	605	608
Other fees	258	139
Travel expenses	0	26
Other administrative expenses	148	26
Total	1 011	800

Fees to the Group's auditors are included in administrative expenses.

Audit fees (excluding VAT)	26	21
Audit related fees (excluding VAT)	0	2
Other services	8	2
Total	34	24

### Note 5 Specification of financial income and expenses

*in USD thousands, unless otherwise indicated*

	2020	2020
Interest income	131	198
Foreign exchange gain	0	0
Other financial income	1 167	0
Financial income	1 299	198
Interest expense	(3 209)	(6 952)
Foreign exchange loss	(27)	(71)
Other financial expenses	(70)	(74)
Financial expense	(3 306)	(7 098)



## Awilco Eco Tankers Holding Group

### Note 6 - Cash and cash equivalents

The Group's cash and cash equivalents are denominated in the following currencies as of 31 December:

<i>in USD thousands, unless otherwise indicated</i>	2021	2020
US Dollar	11 565	45 371
Norwegian kroner	295	376
Total cash and cash equivalents	11 860	45 747
Restricted bank deposits	0	0
Tax withheld from employees	32	135

Cash in bank earns interest at floating rates based on daily bank deposit rates.

### Note 7 - Financial investments and instruments

<i>in USD thousands, unless otherwise indicated</i>	2021	2020
<u>Cash flow hedge instruments</u>		
Interest rate swap (1)	0	-997

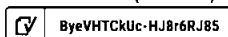
(1) The Company entered into an interest rate agreement securing a fixed interest rate of 1.39 % plus credit charges for USD 85 mill throughout the loan period that expired on 4 October 2021 (see note 13). The fair value of the interest rate swap, as shown above, was recorded as other comprehensive income in the Statement of Comprehensive Income and classified as part of the equity.

### Note 8 - Current assets and liabilities

<i>in USD thousands, unless otherwise indicated</i>	2021	2020
<u>Other current assets</u>		
Other receivables	1 035	304
Other current assets and accruals	491	255
	1 526	560
<u>Other current liabilities</u>		
Accounts payable related parties (note 18)	0	3
Advances from customers	2 430	3 967
Other current liabilities and accruals	384	1 710
	2 814	5 680

Other receivables and liabilities are non-interest bearing.

No impairment has been required on trade receivables in 2021 (or 2020).





## Awilco Eco Tankers Holding Group

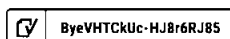
### Note 9 - Vessels and other fixed assets

	2021		
<i>in USD thousands, unless otherwise indicated</i>	Vessels	Other Assets	Total
Acquisition cost, opening balance	413 083	0	413 083
Acquisition of fixed assets	3 039	0	3 039
Disposal of assets	-204 184	0	-204 184
Acquisition cost, ending balance	211 938	0	211 938
Accumulated depreciation, opening balance	119 904	0	119 904
Depreciation	8 401	0	8 401
Impairment charges / reversals	0	0	0
Disposal of assets	-59 017	0	-59 017
Accumulated depreciation, ending balance	69 288	0	69 288
Net carrying amount, ending balance	142 650	0	142 650
Expected useful life	25 years		
Depreciation rates on vessel components	4% - 20%		
Depreciation method	Straight line		

In January 2021 the Company entered into an agreement to sell two of the VLCCs owned by the company. A Memorandum of Agreement (MOA) was signed on January 19 for the sale of Eco Queen and Eco Future, for USD 68 mill per vessel. After sale of the vessels the Group has two vessels in operation.

The vessels are depreciated on a straight-line basis over the expected useful lives of 25 years. Certain components of the vessels will be depreciated over shorter useful lives.

The vessels are reviewed for impairment when events or circumstances indicate that the carrying amount of the assets may not be recoverable.

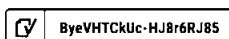




**Awilco Eco Tankers Holding Group**

**Note 10 - Commitments and contingencies**

There are no capital commitments as of 31.12.2021.



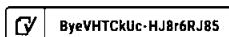


## Awilco Eco Tankers Holding Group

### Note 11 - Investments in subsidiaries

The consolidated financial statements include the financial statements of Awilco Eco Tankers Holding AS and its subsidiaries listed in the following table:

<u>Subsidiary</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>	<u>Included in consolidated Financial Statement from</u>
Awilco Eco Tankers 1 AS	Norway	100 %	Incorporation date in 2014
Awilco Eco Tankers 2 AS	Norway	100 %	Dissolved in 2021
Awilco Eco Tankers 3 AS	Norway	100 %	Dissolved in 2021
Awilco Eco Tankers 4 AS	Norway	100 %	Incorporation date in 2014
Awilco Eco Tankers 5 AS	Norway	100 %	Incorporation date in 2016



**Awilco Eco Tankers Holding Group****Note 12 - Income tax***in USD thousands, unless otherwise indicated*

	2021	2020
<b><u>Current income tax</u></b>		
Current income tax charge, Norwegian	0	0
Current income tax charge, foreign	0	0
<b><u>Deferred income tax</u></b>		
Relating to origination and reversal of temporary differences	-104	-219
Income tax benefit/(expense)	<u>-104</u>	<u>-219</u>
Withholding tax expensed	292	0
Total income tax expense and withholding tax	<u>187</u>	<u>-219</u>

Reconciliation of total income tax expense during the year to the income tax expense at the statutory income tax rate applicable in Norway:

Profit (loss) before tax	5 964	65 992
Tax at Norway's statutory income tax rate of 22 %	-1 312	-14 518
Non-deductible expenses or non-taxable items	2 011	8 345
Valuation allowance / translation adjustments <sup>(1)</sup>	-803	5 954
Income tax expense (benefit)	<u>-104</u>	<u>-219</u>

<sup>(1)</sup> Includes tax effect of differences arising from foreign exchange effects to Norwegian Krone, which is the basis for taxation of the parent company and the subsidiaries.

Deferred income tax at December 31 relates to the following:

<b><u>Deferred tax assets</u></b>		
Investments	0	219
Other temporary differences	557	576
Tax losses carried forward	2 951	3 216
No offset of temp difference / valuation allowance	-3 324	-3 934
Deferred tax assets	<u>184</u>	<u>77</u>
<b><u>Deferred tax liabilities</u></b>		
Fixed assets	0	0
Investments	0	0
Other temporary differences	-184	-77
Deferred tax liabilities	<u>-184</u>	<u>-77</u>
Net deferred income tax asset / (liability)	<u>0</u>	<u>-0</u>
<b><u>Deferred tax cost</u></b>		
Deferred tax, opening balance	-0	0
Deferred tax from acquisitions / recorded to equity	104	219
Deferred tax, ending balance	<u>0</u>	<u>-0</u>
Deferred tax benefit/(expense)	<u>-104</u>	<u>-219</u>

The Group's subsidiaries, in which the vessels are held, are subject to tonnage tax. Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of the vessels in international waters, such as financial income, is usually taxed according to the ordinary taxation rules applicable in the resident country of each respective company.

The tax losses carried forward are available indefinitely to offset against future taxable profits. A deferred tax asset has not been recognized in respect of these tax losses as they only may be utilised to offset taxable financial income in the respective group company, and cannot be offset by group contribution to other Group companies.

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



## Awilco Eco Tankers Holding Group

### Note 13 - Interest bearing debt


	Interest rate %	2021	2020
<b>Non-current liabilities, secured credit facility</b>			
Long-term interest-bearing debt (1)	(3 months LIBOR plus margin of 210 bps)	84 000	137 334
First year installment reclassified to short term debt		-8 400	-137 334
Unamortized up front fees and accrued interests		-379	0
<b>Total secured credit facility</b>		<b>75 221</b>	<b>0</b>
<b>Current liabilities</b>			
Current portion of long term debt		8 400	137 334
Unamortized up front fees and accrued interests		0	554
<b>Total current liabilities</b>		<b>8 400</b>	<b>137 889</b>
<b>Security (1)</b>			
Vessels pledged		142 650	293 178
Contracts pledged		0	0
<b>Net book value of pledged assets</b>		<b>142 650</b>	<b>293 178</b>
<b>Maturity non-current borrowings (1)</b>			
Later than one year and not later than two years		8 400	137 334
Later than two years and not later than three years		8 400	0
Later than three years and not later than four years		8 400	0
Five years and later		58 800	0
<b>Total</b>		<b>84 000</b>	<b>137 334</b>

#### Secured credit facility

As of 31 March 2016, the Company signed a credit facility agreement with the banks; ABN Amro Bank, Nordea Bank, Credit Agricole and DVB Bank for a total debt financing of USD 220 mill at favorable terms. The credit facility was drawn upon in tranches when the four VLCC vessels were delivered from the yard, i.e. in June, August, September and October 2016. In connection with the refinancing of the loan in the beginning of October 2021 the remaining loan of USD 54,8 mill was repaid.

On 28 September a new loan agreement was signed to refinance the loan facility which expired on 4 October 2021. The Company signed a credit facility agreement with the banks; Nordea Bank (as agent), ABN Amro Bank and Credit Agricole for a total debt financing of USD 84 mill. The loan is divided in two tranches, one for each of the vessels. The credit facility carries an interest of 3 months Libor plus a margin of 210 basis points, and is secured by e.g. vessel mortgages and pledge of shares in subsidiaries. The loan has financial covenants related to e.g. defined values of underlying assets to be no less than 135% of borrowings, value adjusted equity to be no less than USD 37.5 mill, value adjusted equity ratio of minimum 0.3 to 1 and free liquid assets of minimum USD 1 mill per vessel as long as the vessels are on TC. If a vessel is not on TC, the minimum cash increases to USD 2 mill. Furthermore, there is a requirement that the Company maintains positive working capital. The loan will be repaid in quarterly installments, with a final repayment five years after utilisation of the final tranche. The total drawn amount from the credit facility at the balance sheet date was USD 84 mill.

The Company entered into an interest rate agreement securing a fixed interest rate of 1.39% plus credit charges for USD 85 mill throughout the loan period that expired on 4 October 2021. The fair value of the interest rate swap was recorded as other comprehensive income in the Statement of Comprehensive Income and classified as part of the equity (see note 7).

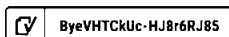
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## Awilco Eco Tankers Holding Group

### Note 14 - Guarantees

There are no corporate guarantees.



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## Awilco Eco Tankers Holding Group

### Note 15 - Share capital, issued capital and shareholders


in USD thousands, unless otherwise indicated

	Shares	Par value per share	Share capital	Paid-in premium	Total paid-in-capital
Share capital at incorporation 13 Jan 2014	2 000 000		324	24 002	24 327
Equity issue per 31 Jan 2014	1 328 000		212	15 679	15 891
Equity issue (debt converting) per 30 Oct 2014			507	39 493	40 000
Share split at 30 Oct 2014	29 952 000		0	0	0
Incorporation costs				-10	-10
Share capital per 31 Dec 2014	33 280 000		\$1 043	\$79 165	\$80 208
Capital events 2015				0	0
Share capital per 31 Dec 2015	33 280 000		\$1 043	\$79 165	\$80 208
Equity issue (debt converting) per 2 May 2016			1 657	32 892	34 549
Equity issue per 26 May 2016			1 596	35 904	37 500
Equity issue (debt converting) per 12 Aug 2016			2 011	7 989	10 000
Equity issue per 26 August 2016	33 280 000		2 025	25 475	27 500
Equity issue costs			0	-1	-1
Share capital per 31 Dec 2016	66 560 000		\$8 332	\$181 424	\$189 756
Other equity costs and transactions 2017				1	1
Other equity costs and transactions 2018-2019				0	0
Share capital per 31 Dec 2019	66 560 000		\$8 332	\$181 424	\$189 756
Dividends 2020				-10 629	-10 629
Share capital per 31 Dec 2020	66 560 000		8 332	170 795	179 127
Dividends 2021				-132 523	-132 523
Share capital per 31 Dec 2021	66 560 000	NOK 1,00	\$8 332	\$27 643	46 605

#### Shareholders of the Company

	Shares	Ownership
Awilco Shipping AS	33 280 000	50,00 %
WLR/TRF Shipping II SARL (Lux)	33 280 000	50,00 %
	66 560 000	

All issued shares have a par value of NOK 1,0 and are of equal rights. Awilco Eco Tankers Holding AS is incorporated in Norway and the share capital is denominated in NOK.

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## Awilco Eco Tankers Holding Group

### Note 16 - Earnings per share

*in USD thousands, unless otherwise indicated*

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

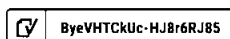
Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares to ordinary shares.

	2021	2020
Net profit/(loss) attributable to equity holders of the parent	5 777	65 772
Weighted average number of ordinary shares outstanding	66 560 000	66 560 000
Weighted average number of shares outstanding, diluted	66 560 000	66 560 000
Basic earnings per share (in USD)	0,087	0,988
Diluted earnings per share (in USD)	0,087	0,988

### Note 17 - Remuneration, pension expenses etc

The Company has one employee. The Group has a defined contribution plan for the employees, whereby salary up until 12G is funded in a life insurance company.

The CEO does not receive any remuneration from the Company, but is employed and receives remuneration in Awilco AS, the holding company of one of the shareholders. Salary and other remuneration to the CEO are included in the management fee to Awilco (see related party note disclosure).





## Awilco Eco Tankers Holding Group

### Note 18 - Related party transactions

*in USD thousands, unless otherwise indicated*

In the normal course of its business, the Awilco Eco Tankers Group enters into a number of transactions with related party companies. Transactions with related parties are specified as follows:

	Receivables from related parties	Payables to related parties	Purchases from related parties	Interest expense related parties
For 2021				
Awilhelmsen Management AS	0	0	250	0
Awilco Technical Services AS	883	0	499	0
Awilco AS	0	0	412	0
For 2020				
Awilhelmsen Management AS	0	0	288	0
Awilco Technical Services AS	0	2	653	0
Awilco AS	0	0	616	0
Awilco Shipping AS	0	0	0	348
WLR/TRF Shipping II Sarl	0	0	0	348

### Management services

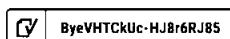
To provide the company with access to important knowledge and services, the Group has entered into agreements with related parties:

Related party	Description of service
Awilhelmsen Management AS (1)	Administrative Management Agreement
Awilco Technical Services AS (2)	Ship Management Agreement
Awilco AS (3)	Employee for Hire Agreement

(1) The Group has entered into a management contract with Awilhelmsen Management AS (AWM). The annual fee of USD 51.000 per group company is payable on a quarterly basis. This fee covers services such as accounting, treasury, legal assistance, office support services, IT services etc. This agreement can be terminated by all parties on a three month notice. AWM is a wholly owned subsidiary of Awilhelmsen AS, which through intermediary holding companies owns 50% of the Awilco Eco Tankers Group.

(2) The Group has entered into ship management agreements with ATS for the day-to-day technical management of the four vessels. The annual technical management fee per vessel is approximately USD 160,000. As Eco Queen was sold and delivered to new owners in February and Eco Future was sold in April, the management agreement between ATS and the two shipowning companies was terminated.

(3) The Group has entered into an employee for hire agreement with Awilco AS. The agreement secures the Group personnel resources for the functions of Managing Director (40% basis) and Chartering Manager (100% basis).





## Awilco Eco Tankers Holding Group

### Note 19 - Financial instruments and risk management

in USD thousands, unless otherwise indicated

#### Financial Instruments

Detailed below is a comparison by category for carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements. The following estimated fair value amount of the Group's financial instruments have been determined by the group, using appropriate market information and valuation methodologies. The fair value of financial instruments does not deviate from carrying amount.

	2021		2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>in USD thousands</i>				
Trade receivables	0	0	0	0
Other receivables	1 035	1 035	304	304
Financial investments	0	0	-997	-997
Cash and cash equivalents	11 860	11 860	45 747	45 747
Accounts payable	-580	-580	-73	-73
Financial liabilities at fair value through profit or loss	0	0	0	0
Other current liabilities	-2 697	-2 697	-4 155	-4 155
Shareholder loan	0	0	0	0
Secured credit facility	-84 000	-84 000	-137 889	-137 889

#### Risk Management

The Awilco Eco Tankers Holding Group is exposed to financial market risks such as fluctuations in currency exchange rates, interest rates, the oil price and other market risks that may influence the value of assets, liabilities and cash flow.

Management has routines for assessing the Group's financial market risk in general, as well as evaluating hedging strategies for specific exposures as they arise. The primary strategy used for reducing the financial market risks is the use of derivatives, where appropriate. Derivative instruments are only used for the purpose of hedging financial risks. The Group does not use instruments with the objective of profiting from gains in interest rates and exchange rate fluctuations.

#### Currency risk exposure

The Group's primary economic environment is the international market for crude oil transportation, where transactions generally are settled in USD. Consequently, virtually all of the revenues and majority of operating costs are settled in USD. The assets of the Group and the debt are also denominated in USD. The currency risk of the Group is related to operating and administrative costs denominated in other currencies than USD. The balance sheet items denominated in other currencies than USD are considered insignificant. To manage currency risk, management reviews whether to enter into forward contracts for USD/NOK or USD/EUR or using other financial instruments to hedge this risk.

#### Exposure to fluctuations in the interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group pay interests tied to its credit facility on a quarterly basis. The interest rate is calculated based on the 3M LIBOR rate plus a margin of 210 bp. The Company entered into an interest rate agreement securing a fixed interest rate of 1.39 % plus credit charges for USD 85 mill throughout the loan period that expired on 4 October 2021.

Interest rates risk sensitivity: The sensitivity analyses below have been determined based on the exposure to interest rate for floating rate long term debt. For floating rate long term debt, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the profit for the year would decrease/increase by USD 420,000.

#### Credit risk exposure

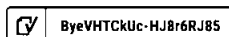
Credit risk refers to the risk that a counterparty defaults on its contractual obligations resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities, primarily trade receivables. At year end all vessels are trading on timecharter contracts. The Group has limited accounts receivables and no loss on receivables has been recorded in 2021 or 2020.

#### Liquidity risk exposure and capital structure

Liquidity risks may arise if a company is not able to pay its financial obligations at due date. The Group applies cash flow forecasting to ensure that the activities are adequately financed at all times. The capital structure is reviewed on an ongoing basis to ensure that the capital structure is in alignment with the commitments and covenants under the credit facility and to support its operations.

#### Operational risk

The Group assumes operational risks associated with the loading, off-loading and transportation of oil cargoes, which can impact the operation of the vessels. Marine transportation is inherently risky, and an incident involving significant loss of product or environmental contamination by any of our vessels could harm our reputation and business. Our vessels are operated by external technical management companies in a manner intended to mitigate these operational risks. The Group and the fleet managers actively seek to manage the risks inherent in the Group's business and are committed to eliminate incidents that threaten the safety and integrity of the Group's vessels.



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## Awilco Eco Tankers Holding Group

### Note 20 - Events in 2021 / 2020

#### Events in 2021

In January 2021 the Company entered into an agreement to sell two of the VLCCs for USD 68 mill per vessels. The first vessel, Eco Queen, was delivered to its new Owner on February 18th 2021. Eco Future was delivered on April 12th 2021. As a result of the sale and in accordance with the Loan Facility, the outstanding loan tranches for each vessel were fully repaid upon delivery of the vessels.

The remaining two vessels went through SS/DD at the five year interval in July 2021 at estimated cost and time and were back on TC contracts after completion.

On 28 September 2021 a new loan agreement was signed to refinance the loan facility which expired on 4 October 2021. The Company signed a credit facility agreement with the banks; Nordea Bank (as agent), ABN Amro Bank and Credit Agricole for a total debt financing of USD 84 mill (see note 13).

#### Events in 2020

During March and April 2020, all four vessels secured timecharter contracts of various durations. Eco Queen entered into a 6 months timecharter contract until the beginning of September at USD 80,000 per day. Thereafter it was on a TC-contract at USD 30.500 until mid february 2021. Eco Future and Eco Leader entered into 12 month timecharter contracts until the end of March 2021 at USD 65,000 per day. Eco Seas entered into a three year timecharter contract until the end of March 2023 at USD 49,000 per day.

### Note 21 - Subsequent events

Due to the war in Ukraine and the geopolitical situation there has been considerable political and economic tension during the first months of 2022, this may cause effect to the outlook for global economic growth, please see Board of Directors report for further information about risk and tanker market outlook.



**Financial statement**

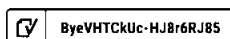
**1 January - 31 December 2021**

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**Awilco Eco Tankers Holding AS**

Company registration number 913 111 621

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## Awilco Eco Tankers Holding AS

### Income statement

All figures in NOK 1000

	Note	01.01 - 31.12 2021	01.01 - 31.12 2020
<u>Operating income and expenses</u>			
Management fee	8	7 585	16 126
Other operating income		562	0
		<u>8 147</u>	<u>16 126</u>
Salary and personell expenses	8	2 578	4 442
Other operating expenses		0	0
Depreciation and amortization	1	0	0
Sales, general and administrative expenses	8	5 233	4 763
		<u>7 811</u>	<u>9 204</u>
Operating profit/(loss)		<u>335</u>	<u>6 921</u>
<u>Finance income and expenses</u>			
Interest income		1 120	1 497
Interest income, intercompany	8	28 329	32 218
Foreign exchange gain/(loss)		(555)	(50 779)
Foreign exchange gain/(loss) unrealised		9 137	55 103
Interest expense		(24 894)	(52 578)
Interest expense, related parties	8	(4 425)	(6 222)
Dividend and net gain/(loss) financial investments		807 452	0
Valuation adjustment financial investments		(5 000)	0
Other finance income/(expenses)		(3 314)	(6 743)
Net financial items		<u>807 849</u>	<u>(27 504)</u>
Profit/(loss) before tax		808 184	(20 583)
Tax expense	2	<u>533</u>	<u>(2 879)</u>
Profit/(loss) for the year		<u>808 717</u>	<u>(23 462)</u>
<u>Allocations and capital transfers for the year</u>			
Dividend		0	0
Transferred to/from share premium		0	0
Transferred to/from other paid-in capital		0	0
Transferred to/from other equity		(808 717)	23 462
Total allocations and transfers		<u>(808 717)</u>	<u>23 462</u>



## Awilco Eco Tankers Holding AS

### Balance

All figures in NOK 1000

ASSETS	Note	31.12.2021	31.12.2020
<u>Non-current assets</u>			
<u>Intangible assets</u>			
Deferred tax asset	2	0	0
<u>Non-current financial assets</u>			
Shares in subsidiaries	10	272 964	509 809
Intercompany receivables	7	745 320	993 414
Financial investments		0	0
		<u>1 018 285</u>	<u>1 503 223</u>
Total non-current assets		<u>1 018 285</u>	<u>1 503 223</u>
<u>Current assets</u>			
Receivables		3 302	12 138
Financial investments	11	0	0
Intercompany receivables	7	0	0
Other current receivables		4 241	518
Bank deposits		56 083	323 115
Total current assets		<u>63 627</u>	<u>335 771</u>
Total assets		<u>1 081 911</u>	<u>1 838 994</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Paid-in capital</u>			
Share capital	3, 4	66 560	66 560
Share premium	3, 4	(0)	613 934
Other paid-in capital	3, 4	0	0
<u>Retained earnings</u>			
Reserve for valuation variances		0	(6 633)
Retained earnings	3	276 662	(23 462)
Total equity		<u>343 222</u>	<u>650 399</u>
<u>Provision for liabilities</u>			
Deferred tax	2	0	0
<u>Non-current liabilities</u>			
Debt to shareholders	9	0	0
Secured credit facility	9	659 365	0
		<u>659 365</u>	<u>0</u>
<u>Current liabilities</u>			
Secured credit facility, due within 1 year	9	74 083	1 168 829
Accrued interests		4 222	8 696
Tax payable	2	(0)	0
Accruals	11	0	8 504
Creditors		134	58
Intercompany creditors	7	158	506
Other current liabilities		728	2 002
Total current liabilities		<u>79 324</u>	<u>1 188 595</u>
Total equity and liabilities		<u>1 081 911</u>	<u>1 838 994</u>

Oslo, 4 May 2022

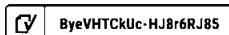
Eric Jacobs  
Chairman of the Board

Knut Nossen  
Board member

Jon-Aksel Torgersen  
Board member

Egil Wickstrand Iversen  
Board member

Jens-Julius Ramdahl Nygaard  
CEO





## Awilco Eco Tankers Holding AS

### Cash flow statement

All figures in NOK 1000

		01.01 - 31.12 2021	01.01 - 31.12 2020
<u>Cash flows from operating activity</u>			
Profit/(loss) before tax		808 184	-20 583
Tax payable		-1 338	0
Depreciation and amortisation		0	0
Valuation adjustment and dividends subsidiaries		-802 452	0
Foreign exchange effect long term debt		-9 137	-55 103
Gain/loss by sale of securities		0	0
Cash flow from operations		<u>-4 743</u>	<u>-75 686</u>
Change in debtors, creditors and other accruals		430	-11 970
Net cash flow generated by / used in operations	A	<u>-4 313</u>	<u>-87 655</u>
<u>Cash flows from investing activities</u>			
Invested in property, plant and equipment		0	0
Invested in securities		0	0
(Invested in) / dividend from subsidiaries		1 039 296	850 000
Net cash flow from investments	B	<u>1 039 296</u>	<u>850 000</u>
<u>Cash flows from financing activities</u>			
Change in non-current receivables		273 296	96 792
Secured credit facility		737 419	0
Loan issue costs secured credit facility		0	0
Loan issue costs amortized		-7 381	4 077
Installments on secured credit facility		-1 182 821	-253 055
Long-term liabilities, shareholder loan		0	-266 835
Paid-in equity / (dividend and repaid equity)		-1 122 528	-95 567
Net cash flow from financial activities	C	<u>-1 302 015</u>	<u>-514 587</u>
Net cash flow for the year	A+B+C	-267 032	247 757
Cash and cash equivalents at 1.1		<u>323 115</u>	<u>75 358</u>
Cash and cash equivalents at 31.12		<u>56 083</u>	<u>323 115</u>



## Corporate information and accounting principles of Awilco Eco Tankers Holding AS

### Corporate information

Awilco Eco Tankers Holding AS (the "Company") is a limited liability company incorporated and domiciled in Norway. Its registered office is Beddingen 8, 0250 Oslo.

The Company was incorporated January 13<sup>th</sup> 2014. The Company is through its subsidiaries engaged in the operation of a fleet of 300,000 dwt VLCCs with eco-efficient design delivered during 2016 from Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) in Korea.

### Summary of significant accounting principles

#### Basis of preparation

The financial statements of Awilco Eco Tankers Holding AS have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles. The financial statements are presented in Norwegian kroner (NOK).

#### Shares in subsidiaries

Shares in subsidiaries are measured at cost less accumulated impairment losses. Such assets are impaired to fair value when the decrease in value is not considered being of a temporary nature, and is deemed necessary based on generally accepted accounting principles. Any impairment recorded is reversed when the rationale for the recognized impairment loss no longer applies. Dividends, group contribution and other distributions from subsidiaries are recognized when these are resolved in the subsidiaries.

#### Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in other currencies are translated at the exchange rate applicable at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates are recognized in the income statement as financial income or expense.

#### Recognition of revenue and expenses

Revenue from the sale of services is recognized in the income statement in the period that services are rendered at rates established in the relevant contracts. Costs are expensed in the same period as related revenue.

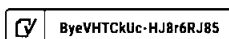
#### Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of the asset. Any component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives. Components of fixed assets with different economic useful lives are depreciated over their respective useful lives. No charge for depreciation is recorded made until the asset is available for use

#### Impairment

Property, plant and equipment are assessed for impairment when events or circumstances indicate the carrying amount of the assets may not be recoverable. When such indicators are present, the carrying





values of the assets are tested for recoverability. If the carrying amount exceeds the recoverable amount for the asset, an impairment loss is recognized and the asset is written down to its recoverable amount. The impairment is reversed when the basis for the write-down no longer exists.

#### **Cash and cash equivalents**

Cash represents cash on hand and deposits at bank that are repayable on demand. Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or fewer and which are subject to an insignificant risk of change in value. The cash flow statement is presented using the indirect method.

#### **Accounts receivable**

Accounts receivables are carried at amortized cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flow is recognized as a loss, discounted by the receivable amount's effective interest rate.

#### **Share capital and dividends**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are recognized as a reduction of equity, net of tax if deductible, from the proceeds.

Proposed dividend payments from the Company are recognized as a liability in the financial statements on the balance sheet date.

#### **Long-term interest bearing debt**

All borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Debt repayable within one year is classified as a current liability.

#### **Pensions**

The company has implemented a defined contribution plan for its employees. The plan complies with the requirements in the Mandatory Occupational Pension act in Norway ("Lov om obligatorisk tjenestepensjon"). Contributions on salary up until 12G are funded in a life insurance company.

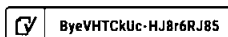
The company is responsible for making an agreed contribution to the employee's pension savings. The Group has no further payment obligations once the contributions have been paid. Contribution are recognized as an employee benefit expense in the income statement when they fall due.

#### **Tax**

The tax expense consists of the tax payable and changes in deferred tax. Deferred tax is calculated at the nominal income tax rate of net temporary differences existing between accounting and tax values, and any carry forward losses for tax purposes at year-end. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

#### **Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenue, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.





## Awilco Eco Tankers Holding AS

All figures in NOK 1000 (unless otherwise stated)

### Note 1 Assets

The Group owns four Eco VLCC tankers built at the Daewoo (DSME) shipyard in South Korea.

The vessels were delivered in 2016. In 2021 two of the vessels were sold.


The vessels are owned by wholly owned subsidiaries.

The vessels are depreciated over the estimated remaining useful life at the time of acquisition.

### Note 2 Income tax

The tax cost can be specified as follows;

	<u>2021</u>	<u>2020</u>
Tax payable for the year		
Ordinary profit/(loss) before tax	808 184	-20 583
Permanent differences	-802 240	17
Change in temporary differences	-4 392	4 077
Change in tax loss carryforwards	-1 552	16 488
Taxable income for the year	<u>-0</u>	<u>0</u>
Current tax rate	22 %	22 %
Tax payable on ordinary income	<u>0</u>	<u>0</u>
Tax payable	<u>0</u>	<u>0</u>
<u>Tax payable shown in the balance sheet is calculated as follows:</u>		
Tax payable for the year	0	0
Tax payable on Group contribution (received)/paid	<u>0</u>	<u>0</u>
Total income tax payable	<u>0</u>	<u>0</u>
<u>Temporary differences offset</u>		
Miscellaneous long-term items	7 381	2 990
Other temporary differences	0	-8 504
Tax loss carried forward	-110 014	-111 566
Tax credit interests carried forward	-22 348	-22 348
Basis for calculation of deferred tax	<u>-124 980</u>	<u>-139 428</u>
Deferred tax rate	22 %	22 %
Deferred tax asset / (liability)	<u>27 496</u>	<u>30 674</u>
Valuation allowance of temporary differences	<u>124 980</u>	<u>139 428</u>
Deferred tax asset / (liability)	<u>-27 496</u>	<u>-30 674</u>
Total deferred tax asset / (liability)	<u>0</u>	<u>-0</u>
<u>The deferred tax expense comprises:</u>		
Deferred tax asset/(liability) in closing balance	0	-0
- Tax effect on cash flow hedge	-1 871	2 879
- Tax effect changes and corrections	0	0
- Deferred tax in opening balance	-0	0
Deferred tax (expense) / income	<u>1 871</u>	<u>-2 879</u>
<u>Total tax costs for the year comprise:</u>		
Tax payable for the year	0	0
Deferred tax	<u>1 871</u>	<u>-2 879</u>
Total tax (expense) / income for the year	<u>1 871</u>	<u>-2 879</u>
Withholding tax expensed	-1 338	0
Total tax cost	<u>533</u>	<u>-2 879</u>

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## Awilco Eco Tankers Holding AS

### Note 3 Equity

	Share capital	Share premium	Other paid-in capital	Reserve for valuation variances	Retained earnings	Total equity
Equity at 31.12.2016	66 560	808 190	0	12 931	0	887 681
Cash flow hedge, net of tax				2 288		2 288
Profit/(loss) 2017		-7 182			0	-7 182
Group contribution (net of tax)					0	0
Equity at 31.12.2017	66 560	801 008	0	15 220	0	882 788
Cash flow hedge, net of tax				4 605		4 605
Profit/(loss) 2018		-55 330			0	-55 330
Group contribution (net of tax)					0	0
Equity at 31.12.2018	66 560	745 678	0	19 825	0	832 063
Cash flow hedge (net of tax)				-16 251		-16 251
Profit/(loss) 2019		-36 178		0	0	-36 178
Group contribution (net of tax)					0	0
Equity at 31.12.2019	66 560	709 501	0	3 574	0	779 635
Cash flow hedge (net of tax)				-10 207		-10 207
Repaid share premium during the year		-95 567				-95 567
Profit/(loss) 2020		0		0	-23 462	-23 462
Group contribution (net of tax)					0	0
Equity at 31.12.2020	66 560	613 934	0	-6 633	-23 462	650 399
Cash flow hedge (net of tax)				6 633		6 633
Repaid share premium / dividend during the year		-613 934			-508 594	-1 122 528
Profit/(loss) 2021		0		0	808 717	808 717
Group contribution (net of tax)					0	0
Equity at 31.12.2021	66 560	0	0	0	276 662	343 222

### Note 4 Share capital and shareholders

	Number of shares	Par value per share	Share capital
Share capital at incorporation date	2 000 000	1,00	2 000
Equity issue per 31 Jan 2014	1 328 000	1,00	1 328
Equity issue per 31 Jan 2014 (conversion of debt)	3 328 000	1,00	3 328
Share split, 30 Oct 2014 (1:10)	33 280 000	0,20	6 656
Equity issue per 2 May 2016 (conversion of debt)	33 280 000	0,40	13 312
Equity issue per 26 May 2016	33 280 000	0,40	13 312
Equity issue per 12 Aug 2016 (conversion of debt)	33 280 000	0,50	16 640
Equity issue per 26 Aug 2016	33 280 000	0,50	16 640
Share split, 26 Aug 2016 (1:2)	33 280 000		0
Share capital at 31.12	66 560 000	1,00	66 560

The company's shares represent equal rights in the company, and the shareholders of the company are;

Shareholders of the Company	Shares	Ownership
Awilco Shipping AS	33 280 000	50,00 %
WLR/TRF Shipping II SARL (Lux)	33 280 000	50,00 %
	66 560 000	

### Note 5 Employees, remuneration to executive employees, etc.

The company has one employee.

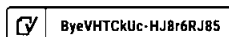
No remuneration, issue of loans or collateral for loans has been expensed in favour of the company's officers during the financial year.

Audit fee of NOK 124.000,- is expensed for ordinary financial audit of the company (2020: NOK 90.085).

Audit fee of NOK 70.000,- is expensed for other services. (2020: NOK 31.085,-)

### Note 6 Group contribution

		2021	2020	2019	2018
Group contribution received/(accrued)		0	0	0	0
Tax effect of group contribution	22 %	0	0	0	0
Net group contribution after tax		0	0	0	0





## Awilco Eco Tankers Holding AS

### Note 7 Intercompany receivables and debt

	2021		2020	
	Current	Non-current	Current	Non-current
<b>Intercompany receivables</b>				
Awilco Eco Tankers 1 AS	0	391 173	0	222 683
Awilco Eco Tankers 2 AS	0	0	0	219 556
Awilco Eco Tankers 3 AS	0	0	0	273 563
Awilco Eco Tankers 4 AS	0	354 147	0	277 612
	0	745 320	0	993 414
<b>Intercompany debt</b>				
Awilco Eco Tankers 1 AS	70	0	121	0
Awilco Eco Tankers 2 AS	0	0	142	0
Awilco Eco Tankers 3 AS	0	0	117	0
Awilco Eco Tankers 4 AS	88	0	125	0
Awilco Eco Tankers 5 AS	0	0	1	0
	158	0	506	0

### Note 8 Related party transactions

The company sells services for commercial operations of the tanker vessels to each of the vessel owning subsidiaries.

The company purchases administrative and management services (such as budgeting, reporting, bookkeeping, etc.) from companies in the Awilhelmsen Group. All transactions with related parties are carried out on an arm's length basis, and are undertaken on commercial terms. The table below shows the total amounts involved in the transactions conducted with related parties.

	Sales to related parties	Purchases from related parties	Interest income related parties	Interest expense related parties	Salary to employees in related parties
<b>For 2021</b>					
Awilhelmsen Management AS	0	559	0	0	0
Awilco Technical SwerVICES AS	0	0	0	0	0
Awilco AS	0	3 049	0	0	587
Awilco Eco Tankers 1 AS	2 398	0	8 732	0	0
Awilco Eco Tankers 2 AS	1 463	0	1 730	-1 974	0
Awilco Eco Tankers 3 AS	938	0	8 815	-2 451	0
Awilco Eco Tankers 4 AS	2 786	0	9 051	0	0
Awilco Shipping AS	0	0	0	0	0
WLR/TRF Shipping II Sarl	0	0	0	0	0
	7 585	3 608	28 329	-4 425	587
<b>For 2020</b>					
Awilhelmsen Management AS	0	536 671	0	0	0
Awilco Technical SwerVICES AS	0	0	0	0	0
Awilco AS	0	2 975	0	0	2 351
Awilco Eco Tankers 1 AS	4 706	0	5 759	0	0
Awilco Eco Tankers 2 AS	4 559	0	8 931	0	0
Awilco Eco Tankers 3 AS	3 486	0	8 857	0	0
Awilco Eco Tankers 4 AS	3 375	0	8 671	0	0
Awilco Shipping AS	0	0	0	-3 111	0
WLR/TRF Shipping II Sarl	0	0	0	-3 111	0
	16 126	539 646	32 218	-6 222	2 351

### Note 9 Long term interest bearing debt

#### Long-term debt to shareholders

	2021	2020
Awilco Shipping AS	0	0
WLR/TRF Shipping II Sarl	0	0
	0	0

#### Secured credit facility

Secured credit facility drawn	740 830	0
First year installment reclassified to short term debt	-74 083	1 171 818
Unamortized up front fees and accrued interests	-7 381	-2 990
	659 365	1 168 829

Please see the financial statements for the Group for information about the long term interest bearing debt.

### Note 10 Investment in subsidiaries

	Currency	Share capital	Par value	No. of shares owned	Holding and voting share	Cost price	Carrying value
<b>Investment in subsidiaries</b>							
Awilco Eco Tankers 1 AS	NOK	5 000 000	5,00	1 000 000	100 %	230 833	93 833
Awilco Eco Tankers 4 AS	NOK	700 000	7,00	100 000	100 %	318 011	179 011
Awilco Eco Tankers 5 AS	NOK	100 000	1,00	100 000	100 %	120	120
Shares in subsidiaries						548 964	272 964

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## Awilco Eco Tankers Holding AS

### Note 11 Securities and financial instruments

<u>Cash flow hedge instruments</u>	<u>2021</u>	<u>2020</u>
Interest rate swap (1)	0	-8 504
	<u>0</u>	<u>-8 504</u>

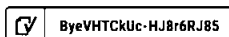
(1) The Company has entered into interest rate agreement securing a fixed interest rate of 1,39% plus credit charge for USD 85 mill throughout the loan period. The contract expired on 4 October 2021. The purpose of the interest rate contract is hedging the future cash flow relating to interest payments. The fair value of the interest rate swap is recorded as other comprehensive income and classified as part of equity.

### Note 12 Financial instruments and risk management

Please see the financial statements for the Group for information regarding financial instruments and risk management.

### Note 13 Commitments, contingencies and subsequent events

Please see the financial statements for the Group for information regarding guarantees, commitments, contingencies and subsequent events.





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Knut Nossen knossen@awilhelmsen.no	Signed	04.05.2022 13:53	Email	IP: 62.92.77.162
	Authenticated	04.05.2022 13:51	Low	IP: 62.92.77.162
Jon Aksel Torgersen j.torgersen@fearnleys.no	Signed	04.05.2022 14:01	Email	IP: 88.93.37.121
	Authenticated	04.05.2022 14:00	Low	IP: 88.93.37.121
Eric Jacobs ejacobs@awilhelmsen.no	Signed	04.05.2022 14:50	Email	IP: 62.92.77.162
	Authenticated	04.05.2022 14:50	Low	IP: 62.92.77.162
Egil Wikstrand-Iversen ew.iversen@fearnleys.com	Signed	04.05.2022 16:01	Email	IP: 77.16.212.215
	Authenticated	04.05.2022 15:59	Low	IP: 77.16.212.215

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RSM Norge AS

To the General Meeting of Awilco Eco Tankers Holding AS

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## Independent Auditor's Report

[www.rsmnorge.no](http://www.rsmnorge.no)

### Opinion

We have audited the financial statements of Awilco Eco Tankers Holding AS, which comprise:

- The financial statements of the parent company Awilco Eco Tankers Holding AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Awilco Eco Tankers Holding AS and its subsidiaries (the Awilco Eco Tankers Holding Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act (NGAAP) and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

### Basis for Opinion

We conducted our audit in accordance with 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management review the vessels for impairment when events or circumstances indicate that the carrying amounts may not be recoverable. As at December 31, 2021, the book value of the vessels was USD 143 million, representing 91% of total assets. The impairment assessment of the vessels is dependent on

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Independent Auditor's Report 2021 for Awilco Eco Tankers Holding AS



shipbrokers valuation, current contracts, estimates and assumptions regarding future day rates, vessel utilization, operating expenses, capital expenditures, useful lives and discount rate. We consider management's impairment assessment to be a key audit matter.

We evaluated management's assessment of value in use. We tested the key assumptions and underlying data by comparing them to external valuations, market information and historical data.

We refer to the disclosures in Note 9 of the consolidated financial statements and comments about tanker markets in the Board of Directors report.

#### *Other Information*

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the

financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group'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 Group 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



Independent Auditor's Report 2021 for Awilco Eco Tankers  
Holding AS



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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, May 5, 2022

RSM Norge AS

  
Tom Thomassen

State Authorised Public Accountant