



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 988 148 725
Organisasjonsform: Aksjeselskap
Foretaksnavn: SAGA SHIPHOLDING (NORWAY) AS
Forretningsadresse: Tollbodgaten 22
3111 TØNSBERG

Regnskapsår

Årsregnskapets periode: 01.04.2020 - 31.03.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Katsuhito Yamane
Dato for fastsettelse av årsregnskapet: 21.04.2021

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, 01.09.2022



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5,9	139 327 793	123 071 065
Sum inntekter		139 327 793	123 071 065
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	2	30 347 191	30 285 523
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	85 265 040	
Annen driftskostnad	1,6,9	86 472 584	86 048 277
Sum kostnader		202 084 815	116 333 800
Driftsresultat		-62 757 022	6 737 265
Finansinntekter og finanskostnader			
Annen renteinntekt		10 080	170 264
Annen finansinntekt		529 600	574 833
Sum finansinntekter		539 680	745 097
Annen rentekostnad	4	12 899 653	19 845 919
Sum finanskostnader		12 899 653	19 845 919
Netto finans		-12 359 973	-19 100 822
Ordinært resultat før skattekostnad		-75 116 995	-12 363 557
Ordinært resultat etter skattekostnad		-75 116 995	-12 363 557
Årsresultat		-75 116 995	-12 363 557
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-75 116 995	-12 363 557
Sum overføringer og disponeringer		-75 116 995	-12 363 557



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	2,10	595 760 005	706 978 750
Sum varige driftsmidler		595 760 005	706 978 750
Finansielle anleggsmidler			
Andre fordringer	4,5	14 134 138	6 564 395
Sum finansielle anleggsmidler		14 134 138	6 564 395
Sum anleggsmidler		609 894 143	713 543 145
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		1 979 831	9 076 738
Sum fordringer		1 979 831	9 076 738
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	10 842 090	3 049 828
Sum bankinnskudd, kontanter og lignende		10 842 090	3 049 828
Sum omløpsmidler		12 821 921	12 126 566
SUM EIENDELER		622 716 064	725 669 711
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	3	6 494 909	6 494 909
Annen innskutt egenkapital	3	34 199 872	34 199 872



Balanse

Beløp i: USD	Note	2021	2020
Sum innskutt egenkapital		40 694 781	40 694 781
Opptjent egenkapital			
Annen egenkapital	3	39 356 909	110 967 382
Sum opptjent egenkapital		39 356 909	110 967 382
Sum egenkapital		80 051 690	151 662 163
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4,7	526 321 390	557 336 330
Øvrig langsiktig gjeld	10	9 860 188	11 232 933
Sum annen langsiktig gjeld		536 181 578	568 569 263
Sum langsiktig gjeld		536 181 578	568 569 263
Kortsiktig gjeld			
Annen kortsiktig gjeld		6 482 795	5 438 284
Sum kortsiktig gjeld		6 482 795	5 438 284
Sum gjeld		542 664 373	574 007 547
SUM EGENKAPITAL OG GJELD		622 716 063	725 669 710
POSTER UTENOM BALANSEN			
Pantstillelser	4	221 284 918	239 509 806



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 10.07.2012	Vår dato 14.08.2012
Telefon 22078139	Deres referanse Gisle Rabe	Vår referanse 2012/515894

HESNES HOLDING AS
Postboks 104 Borgheim
3163 NØTTERØY

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 10. juli 2012 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Hesnes Holding AS	org. nr. 985 596 492
Attic Trading & Shipping AS	org. nr. 979 162 391
Attic Forest AS	org. nr. 971 219 475
Saga Forest Carriers Intl. AS	org. nr. 961 705 096
Norwegian Oil Trading AS	org. nr. 976 320 344
Saga Shipholding (Norway) AS	org. nr. 988 148 725

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

Selskapene over er alle en del av Hesnes Gruppen og eies av en norsk familie. Hesnes Holding AS er morselskap i konsernet. Saga Shipholding (Norway) AS er en del av Hesnes Gruppen og eies 100 % av det japanske selskapet Nippon Yusen Kaisha.

Alle selskapene foruten Saga Shipholding (Norway) AS er datterselskap av Hesnes Holding AS. Saga Forest Carriers Intl. AS er pool manager for en pool som heter Saga Poolen. Saga Shipholding (Norway) AS er den dominerende pool partner i Saga Poolen. Attic Forest AS er også deltaker i den samme poolen og Attic Trading & Shipping AS er også en viktig kontraktspartner både med Saga Forest Carriers Intl. AS og Saga Shipholding (Norway) AS. Alle inntektene til Attic Trading & Shipping AS kommer fra Saga Forest Carriers Intl. AS og Saga Shipholding (Norway) AS. Alle selskapene med unntak av Norwegian Oil Trading AS har en sterk tilknytning til Saga Poolen gjennom avtaler og/eller eierskap.

Alle selskapene har aktivitet knyttet til shipping og alle de eksterne kundene har engelsk som arbeidsspråk. All den operative aktiviteten er maritim og foregår utenfor Norge. Shipping er en internasjonal bransje og alle sentrale aktører og samarbeidspartnere innen denne bransjen

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland 0134 Oslo	Se www.skatteetaten.no Org. nr: 996250318	800 80 000 Telefaks 22 17 08 60
For elektronisk henvendelse se www.skatteetaten.no		



Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinde Helleland
Torstein Kinde Helleland



Saga Shipholding (Norway) AS

***Annual report
Year ended 31st of March 2021***



SAGA SHIPHOLDING (NORWAY) AS

Directors Report for the fiscal year April 1st 2020 to March 31st 2021

Saga Shipholding (Norway) AS was founded on 23rd April 2005 and started its operation on 1st June 2005. The Company is located at Tenvik, Nøtterøy.

At year-end March 31st 2021, the Company had a fleet of 35 open hatch bulk carriers, of which 28 were owned and 7 were chartered. All vessels are employed by Saga Welco (SW) Pool. The ownership of the SW Pool is 1% by the Pool manager, Saga Welco AS, and 99% by the Pool Participants, divided in a ratio corresponding to their proportionate number and type of vessels supplied to the Pool. As of 31st March 2021 the total Pool fleet consisted of 51 vessels. SW Pool is managed based on long term customer contracts and this reduces some of the risk and secures long term employment for the vessels.

In 2021 the company as identified that the fair value for the Saga Future Class vessel was below the book value for the vessels. Based on this the company has made an impairment of the Saga Future Class vessels of USD 85 mill to reflect changed fair value for the vessels. The fair value is based on valuation from two brokers.

IMF's estimate for the global growth is projected to 5.5 percent for 2021 and 4.2 percent for 2022. IMF's projection this year is amid exceptional uncertainty due to the Covid-19 pandemic situation. The drybulk market improved during the second half of of the Fiscal year and the outlook for 2021 is stronger than we have seen over the last years.

In the opinion of the Directors, the enclosed accounts and balance sheet give a complete picture of the Company's operation for the fiscal year, including the financial situation at the end of the year. The financial statements have been prepared under the assumption of going concern. In the opinion of the Directors, there are no indications in the financial statements or other events occurring after closing the books that would effect this assumption. The Company has positive cash flow from its operational activities. The financial activities have caused losses for the last years. These financial activities have been supported from the ultimate parent Company Nippon Yusen Kaisha. The going concern assumption is based on this support short term and long term an improvement in the market.

In addition to the market risk mentioned above, the Company is exposed to interest- and currency risks, but is always aiming towards an acceptable risk profile by ensuring that revenues and costs are in the same currency and entering into hedging derivatives.

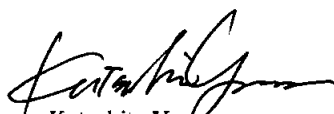
There are 4 employees in the Company and the administration is taken care of under a management agreement with the Hesnes Group. The Board of Directors consist of 2 men. The Board has not found it necessary to take specific actions to promote gender equality nor prevent discrimination. The absence ratio has been zero and no specific actions related to the working environment have been required.

The Company had a loss of USD 75,116,995 for the Fiscal Year. The main difference between cash flow for the year and loss for the year is the impairment of vessels of USD 85 mill. The Directors suggest that the loss for the year of USD 75,116,995- should be transferred from other equity.

The Company's activity relates to the running of ships that could pollute the environment. The running of the ships is however at all times in accordance with international safety and environmental regulations. In this connection the company has employed a reputable ship management company which observes the above referred rules and regulations.

Tenvik, 21st of April 2021

The Board of Directors of Saga Shipholding (Norway) AS


Katsuhito Yabane
(Chairman of the Board
/Managing Director)


Takashi Yamamoto
(Board Member)



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Profit and Loss Account - 01.04.20 -31.03.21

	Note	2021 USD	2020 USD
<i>Operating income</i>			
Vessel earning	5, 9	139 327 793	123 071 065
<i>Total operating income</i>		139 327 793	123 071 065
<i>Operating expenses</i>			
Time charter expenses vessels	9	24 198 914	21 941 735
Operation costs of vessels	8	60 563 733	62 517 578
Depreciation	2	30 347 191	30 285 523
Impairment	2	85 265 040	0
General admin. expenses	1, 6	1 709 937	1 588 964
<i>Total operating expenses</i>		202 084 815	116 333 800
Operating profit (loss)		-62 757 022	6 737 265
<i>Financial income and expenses</i>			
Interest income		10 080	170 264
Interest expenses	4	-12 899 653	-19 845 919
Currency exchange profit (loss)		529 600	574 833
<i>Net financial items</i>		-12 359 973	-19 100 822
PROFIT (LOSS) FOR THE YEAR		-75 116 995	-12 363 557
<i>Equity transfers:</i>			
From other equity	3	-75 116 995	-12 363 557
		<u>-75 116 995</u>	<u>-12 363 557</u>



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Balance sheet as at 31.03.21

	Note	2021	2020
		USD	USD
ASSETS			
Fixed Assets			
<i>Tangible fixed assets</i>			
Vessels	2, 10	581 049 222	696 511 876
Vessel equipment	2	274 749	424 325
Dockingcost	2	14 436 034	10 042 549
<i>Total Fixed Assets</i>		<u>595 760 005</u>	<u>706 978 750</u>
<i>Financial fixed assets</i>			
Share of equity in Saga Pool	5	<u>14 134 138</u>	<u>6 564 395</u>
<i>Total Financial fixed assets</i>		<u>14 134 138</u>	<u>6 564 395</u>
Total Fixed Assets		<u>609 894 143</u>	<u>713 543 145</u>
Current Assets			
<i>Receivables</i>			
Advanced payments		0	513 734
Other short term receivables	9	<u>1 979 831</u>	<u>8 563 004</u>
<i>Total receivables</i>		<u>1 979 831</u>	<u>9 076 738</u>
Cash and bank deposits	11	10 842 090	3 049 828
Total Current Assets		<u>12 821 921</u>	<u>12 126 566</u>
TOTAL ASSETS		<u>622 716 064</u>	<u>725 669 711</u>



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Balance sheet as at 31.03.21

	Note	2021	2020
		USD	USD
LIABILITIES AND EQUITY			
Equity			
<i>Paid-in capital</i>			
Share capital	3	6 494 909	6 494 909
Share premium reserve	3	34 199 872	34 199 872
<i>Total paid-in capital</i>		40 694 781	40 694 781
<i>Retained earnings</i>			
Other equity	3	39 356 909	110 967 382
Total equity		80 051 691	151 662 164
Liabilities			
<i>Long term liabilities</i>			
Loan on owned vessels	4	515 108 302	542 616 720
Fair value financial instruments	7	11 213 088	14 719 610
Loan on finance lease vessels	10	9 860 188	11 232 933
<i>Total long term liabilities</i>		536 181 578	568 569 263
<i>Short term liabilities</i>			
Accrued expenses	8	3 525 965	501 135
Other short term liabilities		2 956 830	4 937 149
<i>Total short term liabilities</i>		6 482 795	5 438 284
Total liabilities		542 664 373	574 007 547
TOTAL LIAB. AND EQUITY		622 716 064	725 669 711

Tenvik, 21st of April 2021

Katsuhito Yamane
(Chairman of the Board
/Managing Director)

Takashi Yamamoto
(Board member)



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Cash Flow statement - 01.04.20 - 31.03.21

	2021	2020
	USD	USD
Cash Flow from operations:		
Profit (loss) before Taxes	-75 116 995	-12 363 557
Depreciation	30 347 191	30 285 523
Write-down of fixed assets	85 265 040	
Provisions	-4 393 485	917 174
Share of retained earnings in Saga Pool	-7 569 743	10 449 094
Changes in other balance sheet items	8 141 416	-8 223 091
Net cash flow from operations	36 673 424	21 065 143
Cash Flow from investments:		
Investments in tangible fixed assets/Net payment new vessels	0	-44 851 778
Installments newbuildings	0	22 768 599
Net cash flow from investments	0	-22 083 179
Cash Flow from financing:		
New long term loans	5 000 000	62 570 400
Repayment loan	-33 522 440	-72 055 054
Unrealized currency gain (-)/loss (+) on loans	-358 723	4 448 270
Net cash flow from financing	-28 881 163	-5 036 384
Net Cash Flow for the year	7 792 261	-6 054 420
Cash and bank deposits 01.04.20/01.04.19	3 049 828	9 104 247
Cash and bank deposits 31.03.21/31.03.20	10 842 090	3 049 828



SAGA SHIPHOLDING (NORWAY) AS
Annual Accounts 2021

Notes

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Accounting principles

Basic principles - Valuation and classification

The annual accounts consist of statements of income, balance sheet, cash flow and notes to the accounts, and are presented in accordance with the Companies Act, the Norwegian Accounting Act 1998 and generally accepted accounting principles applicable in Norway as of 31 March 2021. The Fiscal Year for the Company is from April 1st to March 31st.

The annual accounts are based on the essential principles regarding historical cost, comparability, continued operation, congruence and caution. Transactions are recorded in the accounts at the value of the payment at the time the transaction takes place. Income is recorded in the statements of income when it is earned and costs are compared with accrued income.

Assets/liabilities which fall due for payment less than a year from the balance date are classified as current assets/short term liabilities. Other assets/liabilities are classified as fixed assets/long term liabilities.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash flow

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

The cash flow is presented under the indirect method.

Currency

The financial statement of the company has been prepared in accordance with the functional currency of the company USD.

Pensions

The company is required to have an occupational pension scheme in accordance with Norwegian legislation on occupational pensions («lov om obligatorisk tjenstepensjon»). The company's pension scheme meets the requirements of this legislation. All employees have a defined contribution plan. The company's contribution plan is booked based on the accounting principle of congruence. The annual contribution to the contribution plan is treated as cost in the accounts. The company has no further payment obligation after the contributions are paid.

Presentation of pool-participation

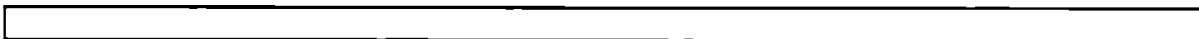
The company's share of the pool result for the year, based on net earning, is accounted for in the profit and loss statement under operating income. In the balance sheet the net investment is presented as financial fixed assets.



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Notes



Fixed assets

Fixed assets are recorded at acquisition cost less accumulated write-off and depreciation. If the actual value of an asset is lower than the book value for reasons which cannot be considered as temporary, the asset will be written down to fair value. Drydock cost is lineary distributed over the period up to next drydock. The docking interval is 30 months. Costs related to normal maintenance and repairs are expensed as incurred.

Depreciation

Financial depreciations are calculated on a linear basis considering an estimated scrap value and applied over the the economic lifespan of the vessel. The expected lifetime for the Company's vessels is 30 years. The estimated life time is based on the Company's experience with the useful life of open hatch vessels, and in line with the industrial practice.

Capitalised borrowing cost

Interest cost related to vessels under construction is capitalised as part of cost price.

Leasing

Fixed assets that are leased on terms that transfers economic risk and control to the company (finance lease), is included in the balance sheet as tangible fixed assets. The leasing commitment is included as a liability under interest bearing long term debt with the present value of the lease payments. The fixed assets is reduced by linear depreciation and the liability is reduced with the lease payment after deduction of calculated interest cost.

Financial instruments and derivatives

The company uses hedging instruments to hedge future expected interests expenses related to long term loans. Unrealized gain/losses on hedging instruments are recognized against equity.

Tax

The company exited from the Norwegian Tonnage Tax scheme (NTS) with effect from April 1st 2017. Tax result since the exit of NTS has been negative and the Company has losses carried forward by end of this Fiscal Year. For further information, please refer to note 12 Accounting for Income Taxes.



SAGA SHIPHOLDING (NORWAY) AS
Annual Accounts 2021

Notes

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Note 1 - Salaries

The company has 4 man-labour-years employed. There is not paid salary and other employee related costs to the Board of Directors during the Fiscal Year.

Salaries (in USD)	2021	2020
Salary	740 576	575 695
Social costs	56 761	55 813
Pension costs	40 075	40 454
Other benefits	19 422	11 332
Totals	856 834	683 294
Number of man-labour-year	4,00	4,00

Salary cost is reported in General admin expenses in the P&L.

Salary for Managing Director is USD 136 500 for FY2020. No pension cost or other benefits.
There are no loans or guarantees given to management. The Board of Directors have no option-contracts.

Audit

Remuneration to Deloitte AS and related companies is distributed as follows: The audit fee for the Fiscal Year was USD 30,579 and the company paid USD 52,009 for other services.



SAGA SHIPHOLDING (NORWAY) AS
Annual Accounts 2021

Notes

Note 2 - Tangible fixed assets

	Vessels
	2021
	USD
<i>Acquisition and depreciation</i>	
Acquisition cost as of 01.04.20	1 041 621 277
+ additions during the year	0
- disposals during the year	0
Acquisition cost as of 31.03.21	1 041 621 277
Accum. depreciation 01.04.20	345 109 400
+ depreciation and write down for the year*	115 462 655
Accum. depreciation 31.03.21	460 572 055
Net book value 31.03.21	581 049 222

Useful life 30 years

* Write down is USD 85 mill. and this is based on external market values. The vessels are divided into two different groups (see description in Directors report).

	Vessel equipm.
	2021
	USD
<i>Acquisition and depreciation</i>	
Acquisition cost as of 01.04.20	1 549 996
- disposals during the year	0
Acquisition cost as of 31.03.21	1 549 996
Accum. depr. 01.04.20	1 125 670
+ depreciation for the year	149 576
Accum. depreciation 31.03.21	1 275 246
Net book value 31.03.21	274 749

Useful life 10 years

	Dockingcost
	2021
	USD
<i>Drydock cost</i>	
Drydocking 01.04.19	10 042 549
+ additions during the year	13 814 349
Provision for the year (included in operation costs of vessel)	-9 420 864
Net book value 31.03.21	14 436 034



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Notes

Note 3 - Equity

Share capital and information about shareholders:

The share capital nominal value is NOK 41.792.000 which is distributed to 41.792 shares each NOK 1.000. The share capital amounts to 25.075 A-shares (owned by Saga Shipholding (IoM) Ltd.) and 16.717 B-shares (owned by NYK Holding Europe B.V.). The companies B-shares have no voting right. All shares are indirect held by Nippon Yusen Kaisha (NYK) with business office in Tokyo in Japan. The company is included in the consolidated Group Financial Accounts of NYK.

(All figures in USD)	Share capital	Premium on shares	Other equity	Total
Equity 01.04.20	6 494 909	34 199 872	110 967 382	151 662 163
Fair value financial instruments			3 506 522	3 506 522
Profit (loss) for the year			-75 116 995	-75 116 995
Equity 31.03.21	6 494 909	34 199 872	39 356 909	80 051 692

Note 4 - Long term financing

(All figures in USD)

<i>Debt:</i>	2021	2020
USD loan from banks	221 284 918	239 509 806
USD loan from Nippon Yusen Kaisha	293 823 384	303 106 914
Total	515 108 302	542 616 720

	2021	2020
Repayment due next year:	94 014 735	96 138 806
Repayment due in 2 to 5 years:	170 119 155	132 640 034
Repayment due after 5 years:	250 974 412	313 837 880
	515 108 302	542 616 720

The loans have floating interest. The Company has interest rate swaps with 1-4 years remaining duration with coverage of 50,4% of the bank loans. All interest rates are based on market terms.



SAGA SHIPHOLDING (NORWAY) AS
Annual Accounts 2021

Notes

Long term financing of vessels delivered in FY2012 and FY2013 has mortgage bond in these vessels.

The following values are secured/used as collateral:

	2 021	2 020
Book value of assets used as collateral	228 566 309	307 240 195
Debt secured by collateral	221 284 918	239 509 806

Note 5 - Share of equity Saga Welco Pool

The Company is participating in a pool where the tonnage suppliers have the right to 99% of the profit. The Pool Manager has the right to the remaining 1%. The tonnage suppliers split the profit based on agreed pool points per vessel per day. The Companys share of the pool is 92,88 % of the equity at 31.12.20.

	USD
Period	01.04.20 - 31.03.21
<i>Profit and Loss Account</i>	
Share of profit (loss)	139 005 211
Vessel earning	139 005 211
<i>Balance Sheet</i>	
Share of equity Saga Pool 01.04.20	6 564 395
Share of vessel earning	139 005 211
TC hire received during the period	-131 435 468
Share of equity Saga Welco Pool 31.03.21	14 134 138



SAGA SHIPHOLDING (NORWAY) AS
Annual Accounts 2021

Notes



Note 6 - Pensions

The company's pension scheme is a defined contribution plan for all employees. The pension is based on a fixed contribution as a percentage of salary for each employee.

Note 7 - Financial Instruments

The company has an interest hedging strategy and has interest rate swaps (from floating to fixed rates) on 50,4% of the bank loans by end of FY2020. The interest rate swaps have a remaining period of 1-4 years. Fair value of the interest rate swaps is accounted for in the balance sheet. The change in balance per 1.4.2020 at MUSD 14.7 (liability) to MUSD 11.2 (liability) at 31.03.21 is mainly due to decrease in long term interest rates. The changes in fair value at MUSD 3.5 is booked towards equity.

Note 8 - Related parties

Three vessels are chartered from parent company Nippon Yusen Kaisha (NYK) on market terms. The Company has group loans from NYK on market terms (see note 4 for details on amount).

The company leases its fleet of vessels to Saga Welco Pool under time charter parties ("Agreements"). The agreements run from January 1st to December 31st. Thereafter the period to be extended year by year. The time charter rates paid are set on an annual basis on market conditions.



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Notes

Note 9 - Finance Lease

The company has one vessel that is classified as financial lease. This is classified under fixed assets - Vessels.

	USD	NOK
Leasing agreements incl. in fixed assets	18 366 967	156 578 395
Depreciations for the fiscal year	932 342	
Leasing liability	9 860 199	84 058 193

	USD	NOK
Estimated leasing payments due within 1 year	1 014 022	8 644 538
Estimated leasing payments due between 2-5 years	4 056 088	34 578 150
Estimated leasing payments due after more than 5 years	4 790 065	40 835 505
Total future lease payments	9 860 199	84 058 193

There is an option to purchase the leased vessel any time during the leasing period and the purchase option has maturity in 2026. Future purchase price is agreed in Japanese yen. This result in an unrealized currency adjustment on the purchase option that is accounted for in the profit and loss account.

Note 10 - Cash and Bank deposit

Due employee tax of USD 59 839 is deposited on a separate bank account included in the Cash and Bank deposit balance.

Note 11 - Subsequent events

The COVID-19 virus has effected the earnings in the start of the pandemic in 2020, but in calendar year 2021 the dry bulk market has improved, specifically the pulp demand, which effects the earning in a positive way.



SAGA SHIPHOLDING (NORWAY) AS

Annual Accounts 2021

Notes

*Note 12 - Accounting for income tax
(All figures in NOK 1 000)*

Temprrary differences between bookvalues and taxvalues:

Deferred tax	2021	2020	Changes
Temporary differences fixed assets	1 084 862	2 820 668	-1 735 807
Temporary differences loans	-671 524	-1 826 752	1 155 228
Other temporary differences	119 856	74 512	45 344
Total temporary differences	533 193	1 068 428	-535 235
Temporary difference in SW Pool	-23 770	-21 073	-2 697
Netto midlertidige resultatforskjeller	509 423	1 047 355	-537 932
Underskudd til fremføring	-2 864 533	-2 461 169	-403 364
Interest limitation carried forward	-336 451	-259 991	-76 460
Limitation of deferred tax asset value	2 691 560	1 673 805	1 017 755
Net basis for deferred tax	0	0	0
Deferred tax	22 %	0	0

The company has not included deferred tax asset in the balancesheet.

Because it is uncertain if the company can utilize the net value related to the net temporary differences, it is not included deferred tax asset in the balancesheet.

Payable tax	2021	2020
(USDNOK ROE)	9,17	9,03
Result before tax	-688 680	-111 606
Permanent differences	95	75
Differences Saga Welco Pool	2 065	-2 070
Currency and other equity items	-252 135	306 851
Change temporary differences (ref. above)	535 235	-840 901
Interest limitation	76 460	95 834
Tax losses carried forward	326 961	551 817
Taxresult	0	0
Payable tax and tax cost	22 %	0



Deloitte.

Deloitte AS
Rambergveien 1
Postboks 24
NO-3119 Tønsberg
Norway

Tel: +47 33 00 39 00
www.deloitte.no

To the General Meeting of Saga Shipholding (Norway) AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saga Shipholding (Norway) AS showing a loss of USD 75 116 995. The financial statements comprise the balance sheet as at 31 March 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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



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Page 3
Independent Auditor's Report -
Saga Shipholding (Norway) AS

Tønsberg, 21 April 2021
Deloitte AS

Hilde Knudsen
State Authorised Public Accountant (Norway)



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