



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	961 705 096
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SAGA WELCO AS
Forretningsadresse:	Tollbodgaten 22 3111 TØNSBERG

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Janne Foyen
Dato for fastsettelse av årsregnskapet:	24.03.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 14.06.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	21 774 582	21 768 728
Sum inntekter		21 774 582	21 768 728
Kostnader			
Lønnskostnad	2,3	10 518 175	9 897 024
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	241 606	284 428
Annen driftskostnad	2	10 117 045	10 976 731
Sum kostnader		20 876 826	21 158 183
Driftsresultat		897 756	610 545
Finansinntekter og finanskostnader			
Inntekt på andre investeringer	7	-33 108	-203 081
Annen renteinntekt		6 842	25 798
Annen finansinntekt	5	0	3 505 008
Sum finansinntekter		-26 266	3 327 725
Annen finanskostnad		657 101	420 814
Sum finanskostnader		657 101	420 814
Netto finans		-683 367	2 906 911
Ordinært resultat før skattekostnad		214 389	3 517 456
Skattekostnad på ordinært resultat	11	33 733	65 714
Ordinært resultat etter skattekostnad		180 656	3 451 742
Årsresultat		180 656	3 451 742
Overføringer og disponeringer			
Overføring til/fra fond		180 656	3 451 742
Sum overføringer og disponeringer		180 656	3 451 742



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	368 613	325 179
Sum immaterielle eiendeler		368 613	325 179
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	843 168	912 958
Sum varige driftsmidler		843 168	912 958
Finansielle anleggsmidler			
Investering i datterselskap	5	3 858 285	3 858 285
Andre fordringer		94 655	90 107
Sum finansielle anleggsmidler		3 952 940	3 948 392
Sum anleggsmidler		5 164 721	5 186 529
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8	339 328	2 558 149
Konsernfordringer		3 195 104	
Sum fordringer		3 534 432	2 558 149
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	1 221 674	1 740 956
Sum bankinnskudd, kontanter og lignende		1 221 674	1 740 956
Sum omløpsmidler		4 756 106	4 299 105
SUM EIENDELER		9 920 827	9 485 634

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	5 175 766	4 994 488
Sum opptjent egenkapital		5 175 766	4 994 488
Sum egenkapital		5 459 566	5 278 288
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	1 262 513	1 078 827
Andre avsetninger for forpliktelser	7	350 093	316 985
Sum avsetninger for forpliktelser		1 612 606	1 395 812
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 612 606	1 395 812
Kortsiktig gjeld			
Leverandørgjeld		205 273	44 896
Betalbar skatt	11	71 091	88 972
Skyldige offentlige avgifter		475 378	532 150
Kortsiktig konserngjeld	8	515 373	612 976
Annen kortsiktig gjeld		1 581 540	1 532 540
Sum kortsiktig gjeld		2 848 655	2 811 534
Sum gjeld		4 461 261	4 207 346
SUM EGENKAPITAL OG GJELD		9 920 827	9 485 634



Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	21 774 576	21 768 728
Sum inntekter		21 774 576	21 768 728
Kostnader			
Lønnskostnad	2,3	14 119 769	14 213 228
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	300 368	330 290
Annen driftskostnad	2	5 860 212	5 843 956
Sum kostnader		20 280 349	20 387 474
Driftsresultat		1 494 227	1 381 254
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	7	-33 108	-203 081
Annen finansinntekt		86 939	132 865
Sum finansinntekter		53 831	-70 216
Annen finanskostnad		655 428	420 855
Sum finanskostnader		655 428	420 855
Netto finans		-601 597	-491 071
Ordinært resultat før skattekostnad		892 630	890 183
Skattekostnad på ordinært resultat	11	263 229	359 969
Ordinært resultat etter skattekostnad		629 401	530 214
Årsresultat		629 401	530 214
Overføringer og disponeringer			
Overføring til/fra fond		629 401	530 214
Sum overføringer og disponeringer		629 401	530 214



Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	368 744	325 179
Sum immaterielle eiendeler		368 744	325 179
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	1 061 039	1 030 035
Sum varige driftsmidler		1 061 039	1 030 035
Finansielle anleggsmidler			
Andre fordringer	2	95 044	90 475
Sum finansielle anleggsmidler		95 044	90 475
Sum anleggsmidler		1 524 827	1 445 689
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	8	484 230	2 681 622
Konsernfordringer		3 195 104	
Sum fordringer		3 679 334	2 681 622
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	3 100 204	3 524 989
Sum bankinnskudd, kontanter og lignende		3 100 204	3 524 989
Sum omløpsmidler		6 779 538	6 206 611
SUM EIENDELER		8 304 365	7 652 300

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: USD	Note	2020	2019
Innskutt egenkapital			
Selskapskapital	10	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	3 422 593	3 060 098
Sum opptjent egenkapital		3 422 593	3 060 098
Sum egenkapital		3 706 393	3 343 898
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	1 262 514	1 078 827
Andre avsetninger for forpliktelser	7	350 093	316 985
Sum avsetninger for forpliktelser		1 612 607	1 395 812
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 612 607	1 395 812
Kortsiktig gjeld			
Leverandørgjeld		208 121	44 919
Betalbar skatt	11	144 230	178 219
Skyldige offentlige avgifter		590 203	672 097
Annen kortsiktig gjeld		2 042 811	2 017 355
Sum kortsiktig gjeld		2 985 365	2 912 590
Sum gjeld		4 597 972	4 308 402
SUM EGENKAPITAL OG GJELD		8 304 365	7 652 300



Saga Welco AS

Financial Statement 2020



Saga Welco AS

Financial Accounts 2020

Balance Sheet at 31.12 (all figures in 1000 USD)

Parent company			Consolidated Group	
2 020	2 019	Note	2 020	2019
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
369	325	12	369	325
<u>369</u>	<u>325</u>		<u>369</u>	<u>325</u>
<i>Total intangible fixed assets</i>				
<i>Tangible fixed assets</i>				
843	913	4	1 061	1 030
<u>843</u>	<u>913</u>		<u>1 061</u>	<u>1 030</u>
<i>Total tangible fixed assets</i>				
<i>Financial fixed assets</i>				
3 858	3 858	5	0	0
95	90		95	90
<u>3 953</u>	<u>3 948</u>		<u>95</u>	<u>90</u>
<i>Total financial fixed assets</i>				
<u>5 165</u>	<u>5 187</u>		<u>1 525</u>	<u>1 446</u>
Total fixed assets				
Current assets				
<i>Receivables</i>				
41	15	8	15	15
3 195	2 258		3 195	2 258
298	285		469	408
<u>3 534</u>	<u>2 558</u>		<u>3 679</u>	<u>2 682</u>
<i>Total receivables</i>				
1 222	1 741	9	3 100	3 525
<u>4 756</u>	<u>4 299</u>		<u>6 780</u>	<u>6 207</u>
Total current assets				
<u>9 921</u>	<u>9 486</u>		<u>8 304</u>	<u>7 652</u>
TOTAL ASSETS				

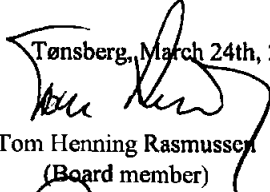


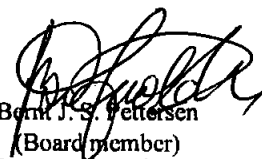
Saga Welco AS
Financial Accounts 2020
Balance Sheet at 31.12 (all figures in 1000 USD)


Parent company		Note	Consolidated Group	
2 020	2 019		2020	2019
EQUITY AND LIABILITIES				
Equity				
<i>Paid-in capital</i>				
284	284		284	284
284	284	10	284	284
<i>Retained earnings</i>				
5 176	4 994		3 423	3 060
5 176	4 994	10	3 423	3 060
5 460	5 278		3 706	3 344
Liabilities				
<i>Provisions</i>				
350	317		350	317
0	0	7	0	0
1 263	1 079	8	1 263	1 079
1 613	1 396	3	1 613	1 396
<i>Current liabilities</i>				
205	45		208	45
475	532		590	672
71	89	12	144	178
515	613	8	0	0
1 582	1 533		2 043	2 017
2 849	2 812		2 985	2 913
4 461	4 207		4 598	4 308
9 921	9 486		8 304	7 652
TOTAL EQUITY AND LIABILITIES			8 304	7 652

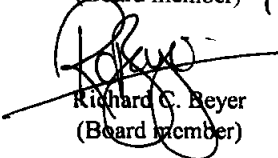
Tønsberg, March 24th, 2021

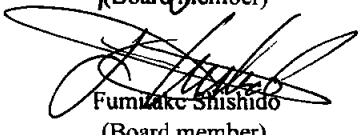

 Ulrich Müller
 (Chairman)

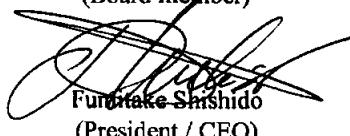

 Tom Henning Rasmussen
 (Board member)


 Bern J. S. Pettersen
 (Board member)


 Hiroaki Nishiyama
 (Board member)


 Richard C. Beyer
 (Board member)


 Fumitake Shishido
 (Board member)


 Fumitake Shishido
 (President / CEO)



Saga Welco AS

Financial Accounts 2020

Cash Flow statement (all figures in 1000 USD)

Parent company			Consolidated Group	
2020	2019		2020	2019
		Cash flow from operations:		
214	3 517	Profit before Tax	893	890
-89	-80	Taxes paid	-178	-184
-23	0	(Profit) loss on sale of fixed assets	-64	0
242	284	Depreciation and write down fixed assets	300	330
33	203	Share of (profit), loss in Saga Pool	33	203
0	-3 505	Income from subsidiaries	0	0
0	0	Currency exchange differences	-432	-398
-26	14	Change in Accounts receivables	0	13
160	-478	Change in Accounts payable	163	-491
-937	-403	Change in intercompany	-937	-403
47	-3 466	Changes in other balance sheet items	62	-188
-379	-3 913	Net cash flow from operations	-159	-227
		Cash flow from investments:		
-330	-438	Investments in tangible fixed assets	-501	-498
190	45	Sales of tangible fixed assets	236	61
0	3 505	Dividend from subsidiaries	0	0
-140	3 112	Net cash flow from investments	-265	-437
-519	-801	Net Cash flow for the year	-424	-664
1 741	2 542	Cash and bank deposits 1.1	3 525	4 189
1 222	1 741	Cash and bank deposits 31.12	3 100	3 525



Saga Welco AS Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Accounting principles

Subsidiaries

The group has investments in subsidiaries as referred to in note 5.

The acquisition method is used for consolidation purposes. This means that the purchase cost of shares in a subsidiary is eliminated against the subsidiary's equity at the time of purchase.

Inter-company transactions, receivables and payables have been eliminated.

Associated companies and partnerships

For consolidation purposes, the equity method is used for valuation and presentation of these investments.

This means that the investment is valued to the group's share of the company's equity, adjusted for purchase price in excess of/ less than net book value. The group's share of the company's result, adjusted for the current year depreciation of purchase price in excess of/ less than net book value, is taken as income/ expensed under Financial Items.

Currency translation

Parent company Saga Welco AS is using USD as recording and presentation currency.

All transactions in other currencies are converted using the exchange rate on the day of the transaction.

Hedging

(all figures in USD 1,000)

The Group's operating income is in USD. As a hedge against possible currency losses a part of this income is sold in the forward exchange market. As of 31.12.20 the company has an unrealized gain on forward exchange contract of USD 529.

Forward exchange contracts per 31.12

(all figures in USD 1,000)

Forward Contract	Due	MTM value 31.12
FX Forward USDNOK/CAD/EUR/JPY	1-6 mnd	122
FX Forward USDNOK/CAD/EUR/JPY	6-12 mnd	139
FX Forward USDNOK/CAD/EUR/JPY	12-24 mnd	267
Total loss		529

As of 31.12.20 the Company has a realized loss on forward exchange contracts of USD 786.

Classification

Assets meant for permanent use or ownership are classified as Fixed Assets. Other assets are classified as Current Assets. Receivables due within one year are always classified as Current Assets. Similar principle has been applied for liabilities.

General valuation principles

Administration fees are recognised consecutively in the contract period.

Current Assets

Current Assets are valued at the lower of cost and net realisable value. Short term liabilities are valued on a similar basis.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash, bank deposits and short term financial investments. The investments are valued at cost.

Fixed assets

In the Balance sheet, fixed assets are recorded at acquisition cost less accumulated depreciation and write-downs. 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. Costs related to normal maintenance and repairs are expensed as incurred.



Saga Welco AS Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Depreciation

Straight line depreciation is applied over the economic lifespan of the fixed assets based on the acquisition cost. Depreciation is presented as part of operating expenses.

Deferred tax and tax expense

Deferred tax is calculated based on temporary differences between book values and tax basis for assets and liabilities at year end. For the purposes of calculating deferred tax, nominal tax rates are used. Taxable and deductible temporary differences are offset to the extent they reverse within the same time-frame. Temporary differences that will constitute a future tax deduction give rise to a deferred tax asset. Change in deferred tax liability and deferred tax asset, together with taxes payable for the fiscal year, adjusted for changes in previous years tax calculations constitutes taxes for the year.

Note 1 - Administration fee per geographical area - Parent Company

(all figures in USD 1,000)

	America	Asia	Europe	Total
Administration fee	5 424	3 081	13 269	21 775

Note 2 - Salaries - Number of employees - Benefits etc.

Payroll and related cost
(all figures in USD 1,000)

Parent Company

	2020	2019
Payroll	7 999	7 572
Social security costs	1 108	1 002
Pension costs	1 194	979
Other costs	218	344
Payroll and related cost	10 519	9 897

Number of employees as per 31.12.

78 75

Benefits

(all figures in USD 1,000)

	Managing Director
Salary	569
Pensions	19
Other employee related costs	27
Total	615

The Managing Director has also earned rights under a defined benefit plan (see Note 3)



Saga Welco AS Financial Accounts 2020

Notes - Parent Company and Consolidated Group

	Consolidated Group	
	2020	2019
Payroll and related cost (all figures in USD 1,000)		
Payroll	10 373	10 380
Social security costs	1 696	1 762
Pension costs	1 697	1 547
Other costs	354	523
Total Payroll and related cost	14 120	14 213
No of employees yearend	113	111

The Company has not paid any fees or other benefits to the Board of Directors.

Audit

(all figures in USD 1,000)

The audit fee for the parent company and for the consolidated group in 2020 was USD 30.

The fee for other services provided by the auditor for the parent company and for the consolidated group was USD 28.

Note 3 - Pension assets and -liabilities etc.

(all figures in USD)

The pension schemes for most Norwegian employees have been accounted for in the financial statements in accordance with the Norwegian Accounting Standard for pension costs. The company's pension schemes is defined as contribution plan.

The company's contribution plan is booked based on the accounting principle of congruence. The annual contribution is treated as an cost in the accounts. The company has no further obligation after the contributions are paid.

The company has some defined benefit plans related to early retirement. The cost and obligation of these schemes are reflected below

Parent Company

Pension costs related to defined benefit plans

(all figures in USD)

	2020	2019
Net present value of benefits earned during the year	117 049	120 268
Interest cost on pension liabilities	10 864	12 951
Actual return on plan assets	0	0
Actuarial (gain) loss allocated to net income	-7 671	-278 232
Accrued payroll taxes	17 938	-22 464
Net pension cost	138 180	-167 477

Reconciliation of pension scheme funding position and the amount disclosed in the balance sheet:

	2020	2019
Accumulated pension obligations		
Effect of future increases in salary	0	0
Estimated pension liability	1 106 497	945 542
Unrecognised net actuarial loss (gain)	0	0
Payroll taxes	156 016	133 322
Net pension liabilities	1 262 513	1 078 864

Economic assumptions:

Discount rate	1,50 %	1,80 %
Expected increase in salaries	2,00 %	2,25 %
Expected increase in pensions	1,75 %	2,00 %
Expected increase in G	1,75 %	2,00 %
Expected return on plan assets	N/A	N/A

Common assumptions used by the insurance industry have been applied regarding actuarial assumptions for demographic factors and average years of service.



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Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Note 4 - Tangible fixed assets and intangible fixed assets

Tangible fixed assets and intangible fixed assets - Parent company

(all figures in USD 1,000)

	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition				
Acquisition cost 01.01	546	1 001	984	2 531
+ additions	4	72	254	330
- disposals and scrapping	-262	-96	-469	-827
Currency exchange differences	7	12	17	36
Acquisition cost 31.12	295	989	786	2 070
Accumulated depreciation				
Accumulated depreciation at 01.01	-451	-744	-424	-1 618
+ disposals and scrapping	262	96	302	661
- depreciation for the year	-22	-103	-116	-241
Currency exchange difference	-7	-11	-9	-28
Accumulated depreciation and impairment at 31.12	-218	-761	-247	-1 226
Net book value as of 31.12.	77	228	538	844
Write down	0	0	0	
% depreciation	15-33%	15-33%	15-33%	

Tangible fixed assets and intangible fixed assets - consolidated

(all figures in USD 1,000)

	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition and depreciation				
Acquisition cost 01.01	834	1 233	1 171	3 238
+ additions	4	113	384	501
- disposals and scrapping	-262	-96	-564	-922
Currency exchange differences	-46	-12	-5	-63
Acquisition cost 31.12	530	1 239	986	2 754
Accumulated depreciation				
Accumulated depreciation at 01.01	-721	-943	-544	-2 208
+ disposals and scrapping	262	96	392	750
- depreciation for the year	-27	-120	-153	-300
Currency exchange difference	46	9	10	65
Accumulated depreciation and impairment at 31.12.	-440	-958	-295	-1 693
Net book value as of 31.12.	89	281	691	1 061
Write down	0	0	0	
% depreciation	15-33%	15-33%	15-33%	



Saga Welco AS
Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Note 5 - Subsidiaries

(all figures in USD 1,000)

As per 31.12. the parent company held the following shares in subsidiaries:

Subsidiaries	Business office	Total equity	Profit (loss)	Book Value
Saga Welco Italy S.r.l.u	Livorno	278	18	176
Saga Welco Rio Ltda.	Rio de Janeiro	1 442	411	3 466
Saga Welco Tokyo Inc	Tokyo	384	20	215
Total Balance Sheet Value				3 858

Subsidiaries	Date of acquisition	Consolidated	Voting share	Ownership Share
Saga Welco Italy S.r.l.u	01.10.2014	Yes	100 %	100 %
Saga Welco Rio Ltda.	12.11.1997	Yes	100 %	100 %
Saga Welco Tokyo Inc	01.04.2015	Yes	100 %	100 %



Saga Welco AS
Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Note 6 - Operating lease commitments

The group leases office space under operating lease agreements expiring in years 2021 through 2027. Annual rent expense under all operating leases is approximately USD 0.9 mill.

Future maximum lease payments are in the amount of USD 1.6 mill.

Note 7 - Share of Saga Welco Pool

(all figures in USD 1,000)

The company has 1% share of the equity in Saga Welco Pool. Other shares are held by the tonnage suppliers.

	<i>Book value USD</i>	<i>Tax value NOK</i>
1% share of the equity in Saga Welco Pool per. 01.01:	-317	-2 614
Currency adjustment	0	149
1% share of result in Saga Welco Pool	-33	-311
Net assets 31.12	<u>-350</u>	<u>-2 776</u>

Note 8 - Other receivables

(all figures in USD 1,000)

Related Parties

Saga Shipholding (Norway) AS	<u>2020</u>
Westfal Larsen Shipping AS	0
Total short term receivable group	<u>41</u>

Subsidiaries

Saga Welco Livorno Srlu	<u>2020</u>
Saga Welco Rio Ltda.	114
Saga Welco Tokyo Inc	349
Total short term liabilities group	<u>53</u>
	<u>516</u>

Note 9 - Restricted bank deposits

Due employee taxes to Norway of NOK 2,660,556 are included in the Cash and Bank deposit balance for the group.



Saga Welco AS
Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Note 10 - Equity and shareholder information

Equity

(all figures in USD 1,000)

Parent company	Share capital	Other equity	Total
Equity 01.01	284	4 994	5 278
Profit for the year		181	181
Equity 31.12	284	5 175	5 460
Consolidated Group			
Equity 01.01			3 344
Profit for the year			629
Exchange differences (Currency)			-267
Other equity 31.12			3 706

Note 11 - Share capital and information about shareholders

Shareholders as per 31.12.2020	Number of shares	Proportion of shares	Proportion of votes
Armadora AS	2 500	50,00 %	50,00 %
NYK Holding (Europe) B.V	2 500	50,00 %	50,00 %
Total	5 000	100,00 %	100,00 %

On February 12th, 2020, Masterbulk Pte. Ltd sold all its shares in the company to Armadora AS a company in the same Group. Masterbulk Pte. Ltd sold a number of 2 500 shares, representing 50% of total shares and 50% of total votes.

The company's total number of shares are 5,000, par value NOK 500, per share.
All shares have the same rights to dividend.



Saga Welco AS
Financial Accounts 2020

Notes - Parent Company and Consolidated Group

Note 12 - Accounting for income taxes consolidated

(all figures in NOK)

Parent company		Specification of income tax expense:	Consolidated group	
2020	2019		2020	2019
606 290	782 959	Current income tax payable	2 765 009	3 372 852
-289 200	-204 659	Changes in deferred tax	-290 422	-199 652
317 090	578 300	Tax on profit/(loss)	2 474 587	3 173 200
22 %	22 %	Tax rate, income/loss		
22 %	22 %	Tax rate, temporary differences		

Parent company		Allocation of income tax expense between Norway and other countries:	Other countries	
2020	2019		2020	2019
317 090	578 300	Tax on profit/(loss)	0	0

Consolidated group		Allocation of income tax expense between Norway and other countries:	Other countries	
2020	2019		2020	2019
317 090	578 300	Tax on profit/(loss)	2 157 497	2 594 900

Parent company		Specification of current income tax payable:	Consolidated group	
2020	2019		2020	2019
606 290	782 959	This year's payable income tax expense	1 230 282	1 564 763
606 290	782 959	Current income tax payable in the balance sheet	1 230 282	1 564 763

Parent company		Reconciliation from nominal to real income tax rate:
2020	2019	
2 015 253	30 953 624	Profit/(loss) before taxation
443 356	6 809 797	Estimated income tax according to nominal tax rate
186 027	523 248	The tax effect of the following items:
-312 292	-6 785 695	Expenses not deductible for tax calculation or income not taxable
0	0	This year's loss without the deferred tax benefit
	30 948	Effect of changes in tax rules and rates
		Changes in last years expense
317 090	578 300	Income tax expense
16 %	2 %	Effective income tax rate

	2020		2019	
	Benefit	Liability	Benefit	Liability
Fixed assets	48 444		-	-8 980
Investment in SW Pool		-69 947		-53 794
Pension liabilities		-2 369 234		-2 083 862
Current liabilities		-753 530		-726 338
Long term liabilities			0	-
Total	48 444	-3 192 710	0	-2 872 974
Net deferred benefit/liability in the balance sheet	-	-3 144 267	-	-2 872 974

The deferred tax benefit is included in the balance sheet on the basis of future income.



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To the General Meeting of Saga Welco AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saga Welco AS showing a profit of USD 181 thousand in the financial statements of the parent company and profit of USD 629 thousand in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Saga Welco AS (the Company), which comprise the balance sheet as at 31 December 2020, 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, and
- The consolidated financial statements of Saga Welco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, 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 financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 and the Group 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ållå	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



Saga Welco AS

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.

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. 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 or the Group'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 and the



Saga Welco AS

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

We communicate with the Board of Directors 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.

Sandefjord, 26 March 2021
KPMG AS

Frode Bohlin Lea
State Authorised Public Accountant



SAGA WELCO AS

Directors Report 2020

Saga Welco AS (the Company) was established in 1991 with the purpose of being engaged in shipping business with chartered vessels. NYK Holding (Europe) B.V and Masterbulk Pte Ltd each purchased 50% of the shares in the Company on September 30, 2014. The Company's Head Office is located in Tønsberg, Norway. The change of the ownership was part of the formation of the Saga Welco Pool. The new Pool was established on October 1st, 2014.

The Company is organized with an "inner company" (Pool) as a tool for allocating the profit/loss to the owners of the Pool. The Pool (under the name of Saga Welco) is managed by Saga Welco AS. The ownership of the Pool is 1 percent by Saga Welco AS and 99 percent by the vessel suppliers Saga Shipholding (Norway) AS and Westfal-Larsen Shipping AS (the Participants). The Company is operating the Participants' cargo-carrying vessels mainly by carrying contract cargoes in parcel service, primarily forestry products, in order to achieve improved economical trading results through a larger operation with joint marketing efforts and higher operating efficiency.

The Participants' vessel earnings correspond to their share of pool points.

As of December 31, 2020, the Saga Welco fleet consisted of 51 Open Hatch Gantry Craned vessels nominated by the Pool Participants, and 1 period time-chartered semi-Open Hatch Jib Craned vessel. Saga Shipholding (Norway) AS supplies 35 vessels and Westfal-Larsen Shipping AS supplies 16 vessels to the Pool. Saga Welco serves the customers in South America, North America, Europe and Asia.

Saga Welco AS's main market focus is transportation of wood pulp from South America. The demand trend forecast for market pulp shows a gradual increase, and the main driver continues to be China. Global shipments of pulp have witnessed a growth in volume of an estimated 5.4% year on year 2020. The growth has been largest in China, other Asia, USA, and Latin America, while North Europe and Japan has seen a decline. Demand for pulp end-user products such as printing & writing as well as board paper products have been negatively affected by Covid-19 as a result of slower economic growth while at the same time demand for tissue paper has increased in all main markets. Paper and board made a recovery, but not until the 4th quarter of the year when Asian export markets set new records for consumer goods.

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. Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus yet pose concerns.

In 2020 we witnessed the impact that the Covid-19 pandemic had on the global shipping markets and it seems likely to have a significant impact going into 2021. The 2020 dry bulk market showed a good start to the year with both the new IMO 2020 regulations in force leading to high bunkers prices combined with a surprisingly strong demand driven market the first two months. However, the Covid-19 lockdowns and uncertainties led to a fear of huge adjustment to the market.



It eventually turned out better than expected for the dry bulk market, partly due to drop in bunkers prices and in part due to the politically driven focus on food security and historically large-scale global stimulus packages. The dry bulk segments have notably detached development of smaller handy/Supramax segments from the larger Capesize segment.

China quickly recovered from their lock down period with stimulus that has effectively been the mainstay for over 40% of global dry bulk imports in 2020 and provided a 10% increase in steel production. A considerable portion of production and manufacturing continued in China despite the country wide pandemic lock downs in March and April. This has assisted the flow of raw materials into China without major interruption.

Outside of China, the steel production has declined by about 10% and the pandemic recovery appears to be in reverse. The imbalance of trade between the basins has been strengthened by the impact of Covid-19. Chinese importance of strategic commodities has driven the front haul markets positively whilst the slowdown in demand and productivity in the Western Hemisphere for most of the year has affected negatively on the overall year on year demand level for exports from Asia.

In such a volatile market in 2020, Saga Welco AS's contract portfolio with its major customers provided a satisfactory cargo base and consistently high fleet utilization in the front haul legs, which sustained stability in the financial results of the company this year. Saga Welco is well positioned in the market for transportation of wood pulp.

In the opinion of the Directors, the consolidated accounts provide a true and fair view of the assets and liabilities, as well as the financial position and earnings, of the Company and its subsidiaries (the Group) as of 31 December 2020, and for the year then ended. The financial statements have been prepared under the assumption of going concern. After closing the books, no significant developments have taken place that should influence the accounts.

The Company has no cost related to research and development in 2020.

The Company is managed towards low financial risk and the existing financial risk is considered to be acceptable. The Company and the Pool are funded with working capital on an annual basis. The long-term funding is from the Participants. The currency risk is managed through a hedging policy set by the Board of Directors.

There were 113 full time employees in the Saga Welco AS group companies (the Group) at year end, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Sao Paulo and Rio de Janeiro. The number of full-time employees is down by one from January 1st, 2020. This is one less in the Rio office.

The Group encourages full equality of opportunities and treatment between women and men, and has incorporated a policy without any gender discrimination. Of the Group's 113 employees, 31 are women. The Board of Directors of the Company consists of six men. The Board has not found it necessary to take specific actions to promote gender equality or prevent discrimination.

The absence ratio in Norway has been 3,07 % and no specific actions related to the working environment have been required.

The Group profit for the year was USD 629,000, while the Company showed a profit of USD 181,000, which the Directors suggest should be transferred to other equity.



The Company is not responsible for the ship management. It is the Pool Participants' responsibility to ensure that the ships are operated, equipped and certified in accordance with the international safety and environmental regulations.

Tønsberg, March 24th, 2021

Ulrich Müller

(Chairman)

Tom Henning Rasmussen

(Board member)

Bernt L.S. Pettersen

(Board member)

Hiroaki Nishiyama

(Board member)

Richard O. Beyer

(Board member)

Fumitake Shishido

(Board member)

Fumitake Shishido

(President / CEO)



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	SAGA WELLO AS
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

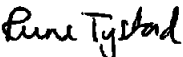
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Postboks 9200 Grønland 0134 Oslo	Se www.skatteetaten.no Org. nr: 996250318	800 80 000 Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Torstein Kinden Helleland