

**ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON****Enheten**

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

**Regnskapsår**

Årsregnskapets periode: 01.01.2022 - 31.12.2022

**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: Geir Einar Borgen  
Dato for fastsettelse av årsregnskapet: 27.04.2023

**Grunnlag for avgivelse**

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 21.08.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Management fee	8	5 822 000	7 585 000
Other operating income		620 000	561 000
<b>Sum inntekter</b>		<b>6 442 000</b>	<b>8 146 000</b>
<b>Kostnader</b>			
Employee benefit expenses	8	1 925 000	2 578 000
Administrative expenses	8	4 214 000	5 233 000
<b>Sum kostnader</b>		<b>6 139 000</b>	<b>7 811 000</b>
<b>Driftsresultat</b>		<b>303 000</b>	<b>335 000</b>
<b>Finansinntekter og finanskostnader</b>			
Dividend and net gain/loss financial investments		335 000 000	807 452 000
Renteinntekt fra foretak i samme konsern	8	25 375 000	28 329 000
Annen renteinntekt		2 807 000	1 120 000
Foreign exchange gain		14 473 000	9 137 000
<b>Sum finansinntekter</b>		<b>377 655 000</b>	<b>846 038 000</b>
Valuation adjustment financial investments			5 000 000
Rentekostnad til foretak i samme konsern	8	0	4 425 000
Annen rentekostnad		25 331 000	24 894 000
Foreign exchange loss		36 113 000	555 000
Other finance expenses		7 899 000	3 315 000
<b>Sum finanskostnader</b>		<b>69 343 000</b>	<b>38 189 000</b>
<b>Netto finans</b>		<b>308 312 000</b>	<b>807 849 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>308 615 000</b>	<b>808 184 000</b>
Taxes	2	-1 335 000	-533 000
<b>Ordinært resultat etter skattekostnad</b>		<b>309 950 000</b>	<b>808 717 000</b>
<b>Årsresultat</b>		<b>309 950 000</b>	<b>808 717 000</b>
<b>Overføringer og disponeringer</b>			



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Transferred to/from other equity		309 950 000	808 717 000
<b>Sum overføringer og disponeringer</b>		<b>309 950 000</b>	<b>808 717 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	10	187 964 000	272 964 000
Lån til foretak i samme konsern	7	277 767 000	745 320 000
<b>Sum finansielle anleggsmidler</b>		<b>465 731 000</b>	<b>1 018 284 000</b>
<b>Sum anleggsmidler</b>		<b>465 731 000</b>	<b>1 018 284 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables		0	3 302 000
Other current assets		252 000	4 241 000
Konsernfordringer	7	461 000	
<b>Sum fordringer</b>		<b>713 000</b>	<b>7 543 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		54 108 000	56 084 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>54 108 000</b>	<b>56 084 000</b>
<b>Sum omløpsmidler</b>		<b>54 821 000</b>	<b>63 627 000</b>
<b>SUM EIENDELER</b>		<b>520 552 000</b>	<b>1 081 911 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	3,4	666 000	66 560 000
Nominal value of treasury shares		-333 000	0
Annen innskutt egenkapital	3,4	65 894 000	0



### Balanse

Beløp i: NOK	Note	2022	2021
<b>Sum innskutt egenkapital</b>		<b>66 227 000</b>	<b>66 560 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings	3	536 825 000	276 662 000
Treasury shares in excess of nominal value		-462 108 000	0
<b>Sum opptjent egenkapital</b>		<b>74 717 000</b>	<b>276 662 000</b>
<b>Sum egenkapital</b>		<b>140 944 000</b>	<b>343 222 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Secured credit facility	9	331 205 000	659 365 000
<b>Sum annen langsiktig gjeld</b>		<b>331 205 000</b>	<b>659 365 000</b>
<b>Sum langsiktig gjeld</b>		<b>331 205 000</b>	<b>659 365 000</b>
<b>Kortsiktig gjeld</b>			
Secured credit facility, due within 1 year	9	41 401 000	74 083 000
Leverandørgjeld		295 000	134 000
Kortsiktig konserngjeld	7	156 000	158 000
Accrued interests		5 564 000	4 222 000
Other current liabilities		987 000	727 000
<b>Sum kortsiktig gjeld</b>		<b>48 403 000</b>	<b>79 324 000</b>
<b>Sum gjeld</b>		<b>379 608 000</b>	<b>738 689 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>520 552 000</b>	<b>1 081 911 000</b>



## Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues		23 876 000	36 476 000
<b>Sum inntekter</b>		<b>23 876 000</b>	<b>36 476 000</b>
<b>Kostnader</b>			
Employee benefit expenses		196 000	292 000
Depreciation	9	6 304 000	8 401 000
Administrative expenses	4	703 000	1 011 000
Operating expenses vessels	4	5 533 000	8 274 000
<b>Sum kostnader</b>		<b>12 736 000</b>	<b>17 978 000</b>
<b>Driftsresultat</b>		<b>11 140 000</b>	<b>18 498 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	5	354 000	1 299 000
Gain on sale of non-current assets		12 247 000	
<b>Sum finansinntekter</b>		<b>12 601 000</b>	<b>1 299 000</b>
Finance expenses	5	3 472 000	3 306 000
Loss on sale of non-current assets			10 527 000
<b>Sum finanskostnader</b>		<b>3 472 000</b>	<b>13 833 000</b>
<b>Netto finans</b>		<b>9 129 000</b>	<b>-12 534 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>20 269 000</b>	<b>5 964 000</b>
Taxes	12	-244 000	187 000
<b>Ordinært resultat etter skattekostnad</b>		<b>20 513 000</b>	<b>5 777 000</b>
<b>Årsresultat</b>		<b>20 513 000</b>	<b>5 777 000</b>



### Konsernets balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels and other fixed assets	9	67 660 000	142 650 000
<b>Sum varige driftsmidler</b>		<b>67 660 000</b>	<b>142 650 000</b>
<b>Sum anleggsmidler</b>		<b>67 660 000</b>	<b>142 650 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventory		327 000	503 000
<b>Sum varer</b>		<b>327 000</b>	<b>503 000</b>
<b>Fordringer</b>			
Trade receivables	8	115 000	0
Other curret assets	8	612 000	1 526 000
<b>Sum fordringer</b>		<b>727 000</b>	<b>1 526 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	6	8 346 000	11 860 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>8 346 000</b>	<b>11 860 000</b>
<b>Sum omløpsmidler</b>		<b>9 400 000</b>	<b>13 889 000</b>
<b>SUM EIENDELER</b>		<b>77 060 000</b>	<b>156 539 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	15	81 000	8 332 000
Noimnal value of treasury shares	15	-41 000	0
Overkurs	15	33 273 000	38 273 000



### Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Sum innskutt egenkapital</b>		<b>33 313 000</b>	<b>46 605 000</b>
<b>Opptjent egenkapital</b>			
Other equity	15	51 683 000	22 919 000
Treasury shares in excess of nominal value	15	-46 705 000	0
<b>Sum opptjent egenkapital</b>		<b>4 978 000</b>	<b>22 919 000</b>
<b>Sum egenkapital</b>		<b>38 291 000</b>	<b>69 524 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Secured credit facility	13	34 164 000	75 221 000
<b>Sum annen langsiktig gjeld</b>		<b>34 164 000</b>	<b>75 221 000</b>
<b>Sum langsiktig gjeld</b>		<b>34 164 000</b>	<b>75 221 000</b>
<b>Kortsiktig gjeld</b>			
Current portion of long-term debt	13	4 200 000	8 400 000
Leverandørgjeld	18	119 000	580 000
Other current liabilities and accruals	8	286 000	2 814 000
<b>Sum kortsiktig gjeld</b>		<b>4 605 000</b>	<b>11 794 000</b>
<b>Sum gjeld</b>		<b>38 769 000</b>	<b>87 015 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>77 060 000</b>	<b>156 539 000</b>



**Consolidated financial statements**

**2022**

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**Eco Seas Holding Group**

(previously Awilco Eco Tankers Holding Group)

Company registration number 913 111 621

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## Eco Seas Holding AS Board of Directors Report for 2022

### Corporate information

Eco Seas 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 Eco Seas 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 and one vessel was sold in 2H 2022.

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 vessel 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.

Eco Seas Holding AS has had in-house commercial management of the four VLCCs from delivery. Awilco Technical Services (ATS) has been responsible for the technical management of the fleet during 2022.

### Health, safety and environment

The Group has one employee at year end. Administrative and technical management is outsourced to Fearnley Business 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 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 considered 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.

### Consolidated financial statements

The Company had two VLCCs on TC to Equinor during 2022. One vessel was sold in 2H 2022, while the other was on its long-term charter with Equinor that expired in 1Q 2023. This provided a very strong cash flow for the company in 2022 which is reflected in the operating income. The VLCC are doing well commercially and technically and have a solid operational efficiency due to this. The remaining vessel have a TC coverage until 3Q 2023.



The financial income statement shows an operating revenue for the year of USD 23,9 mill, gain from the sale of the vessel of USD 12,2 mill and a net profit of USD 20,5 mill. This compares to a net profit of USD 5,8 mill in 2021.

The consolidated financial statements of the Group, and the parent company financial statements of Eco Seas 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 2022 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 2021, 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, with the loan being divided in two tranches, one for each vessel. Following the sale of Eco Leader in October 2022, the loan tranche related to Eco Leader was fully repaid and the credit facility agreement was amended to reflect the ownership of one vessel and the new ownership structure of the Company following the acquisition of treasury shares where the Company acquired all the shares previously owned by Awilco Shipping AS. Total outstanding amount from the credit facility at balance sheet date was USD 37,8 mill.

The statements of cash flows show that the major payment transaction during 2022 is the sale of Eco Leader, instalments on the secured credit facility and the acquisition of treasury shares during the accounting period.

#### Parent company financial statement

The net profit for the period was NOK 310 mill compared to a net loss of NOK 808,7 mill in 2021.

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 2022, and of the financial performance and its cash flow for the year that ended.

#### 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.

## 2022 Tanker market

There is really that one word which summarizes the 2022 tanker market. This relates to Russia-Ukraine and the impact on trade flows, which came on top of an underlying tightening market balance with growing volumes and low fleet growth. Trade flow changes inflated tonne-miles for some segments and gave unprecedented rate outperformance of smaller vs. large vessels. Due to a tight oil market in the first half and buyers' preference for smaller parcel size and shorter voyages, VLCC rates with the MEG-Far East VLCC average at \$30,300/day.

Yards are all but sold out for deliveries until 2026, at least for larger vessels. A total 24.7m dwt newbuilds above 25k dwt were delivered in 2022, up from 23.7m dwt in 2021 and 20.5m in 2020. Still, it was well below the 29m dwt scheduled to be delivered at the beginning of the year after slippage and non-deliveries. 5.2m dwt was scrapped, and a few vessels were converted, which gave 2.9% fleet net fleet growth. The orderbook to fleet now stands at 3.9%, the lowest since 1984 – although then there was a structural oversupply, which there is not today. Next year there are 16.8m dwt scheduled deliveries and the actual figure may become the lowest since 2001. Still, phase-out should be lower too.

Eco Seas Holding was not exposed to the spot market in 2022 as the vessel were on TC at healthy rates.

## Tanker market outlook

The medium to long-term tanker market outlook remains bullish with low and potentially negative fleet growth in coming years and a continued positive trend for global oil demand. 2022 may therefore have been the start of a multi-year up-cycle for tankers, but we believe that 2023 may be a bump in the road.

After hitting 101.9 mbpd in October last year, global oil supply is set to decline in 2023 following OPEC+ production cuts and the end of U.S. SPR releases which will more than offset production increases from Brazil, Canada, Guyana, Norway and the U.S. The IEA forecasts average supply of 100.8 mbpd – a number which still includes optimistic assumptions about U.S. growth. This is 1.1 mbpd below recent production levels, with a low of 100.3 mbpd expected for Q1. This will take its toll on tanker volumes too, with a continuation of the recent softening demand trend. However, following expectations for recovering global oil demand through the second half of the year, there should also be a gradual recovery for volumes, potentially back to recent levels or higher by the end of the year.

Against this softening demand outlook, any fleet growth will lead to a further weakening of the tanker market balance. While gross scheduled deliveries at 2.7% annual growth is low in a historical context, limited expected phase-out means the net figure could still be 2% or more. Most deliveries are scheduled within the first half of the year, which means rates may drop more than they normally would seasonally into the summer. Increasing volumes in the second half, assuming some economic recovery and Chinese stimulus will add to oil demand, should go toward absorbing overcapacity and give a sharper rate recovery during the fourth quarter.

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, 31 March 2023



Egil Wickstrand Iversen  
Chairman



Jonas A. A. Kraft  
Board member



## Eco Seas Holding Group

### Consolidated statement of income

		01.01 - 31.12	01.01 - 31.12
	Note	2022	2021
<i>in USD thousands, unless otherwise indicated</i>			
Gross freight revenue		28.193	37.471
Voyage related expenses		(4.379)	(1.060)
Other operating income		61	65
Operating revenues		<u>23.876</u>	<u>36.476</u>
Operating expenses vessels	4	5.533	8.274
Employee benefit expense		196	292
Administrative expenses	4	703	1.011
Depreciation	9	6.304	8.401
Operating expenses		<u>12.736</u>	<u>17.978</u>
Operating profit/(loss) before other items		11.139	18.498
<u>Other items</u>			
Gain/ (loss) on sale of non-current assets		12.247	(10.527)
Operating profit / (loss)		23.387	7.972
Finance income	5	354	1.299
Finance expense	5	(3.472)	(3.306)
Net financial items		<u>(3.118)</u>	<u>(2.007)</u>
Profit / (loss) before tax		20.269	5.964
Taxes	12	244	(187)
Net profit/ (loss)		<u>20.512</u>	<u>5.777</u>
Attributable to non-controlling interests		0	0
Attributable to shareholders of the parent		20.512	5.777
<b>Consolidated statement of comprehensive income</b>			
Net profit / (loss) for the period		20.512	5.777
Cash flow hedges changes in fair value		0	892
Total comprehensive (loss)/income		<u>20.512</u>	<u>6.669</u>



## Eco Seas Holding Group

### Consolidated statement of financial position

in USD thousands, unless otherwise indicated

	Note	31.12.2022	31.12.2021
<b>Non-current assets</b>			
Deferred tax benefit		0	0
Vessels and other fixed assets	9	67.660	142.650
Total non-current assets		67.660	142.650
<b>Current assets</b>			
Inventory		327	503
Trade receivables	8	115	0
Other current assets	8	612	1.526
Financial investments	7	0	0
Cash and cash equivalents	6	8.345	11.860
Total current assets		9.399	13.889
<b>Total assets</b>		<b>77.060</b>	<b>156.539</b>
<b>Equity</b>			
Share capital	15	81	8.332
Nominal value of treasury shares	15	(41)	0
Share premium reserve	15	33.272	38.272
Retained earnings / other paid in capital	15	51.683	22.919
Treasury shares in excess of nominal value	15	(46.705)	0
Total equity		38.291	69.524
<b>Non-current liabilities</b>			
Deferred tax liability	12	0	0
Secured credit facility	13	34.164	75.221
Total non-current liabilities		34.164	75.221
<b>Current liabilities</b>			
Current portion of long-term debt	13	4.200	8.400
Income tax payable	12	0	0
Accounts payable	18	119	580
Financial investments	7	0	0
Other current liabilities and accruals	8	286	2.814
Total current liabilities		4.604	11.794
<b>Total equity and liabilities</b>		<b>77.060</b>	<b>156.539</b>

Oslo, 31 March 2023

  
Egil Andreassen  
Chairman of the Board

  
Thomas Alexander Advocaet Kraft  
Board member / CEO



## Eco Seas Holding Group

### Consolidated cash flow statement

	01.01 - 31.12 2022	01.01 - 31.12 2021
<i>in USD thousands, unless otherwise indicated</i>		
	Note	
Profit before tax	20.269	5.964
<b>Adjustments for:</b>		
Depreciation and amortization	6.304	8.401
Tax	244	(292)
Net fair value gains on financial instruments	0	0
Gain / loss from disposal of fixed assets	(12.247)	10.527
Increase/decrease receivables and prepayments	975	(938)
Increase/decrease payables and accruals	(2.990)	(2.147)
Interest and borrowing cost expensed	3.391	3.209
Interest paid	(2.447)	(3.452)
Net cash flow from operating activities	<u>13.498</u>	<u>21.272</u>
Investments in tangible fixed assets	0	(3.039)
Sale of fixed assets	80.933	134.640
Net cash flow from investing activities	<u>80.933</u>	<u>131.601</u>
Proceeds from secured credit facility drawn	0	84.000
Installments secured credit facility	(46.200)	(137.334)
Borrowing costs	0	(903)
Dividends	(5.000)	(132.523)
Proceeds from issuance of shares	0	0
Treasury shares acquired	(46.745)	0
Net cash flow from financing activities	<u>(97.945)</u>	<u>(186.760)</u>
Net change in cash and cash equivalents	(3.515)	(33.887)
Cash and cash equivalents at beginning of period	11.860	45.747
Cash and cash equivalents at end of period	6 <u>8.345</u>	<u>11.860</u>



## Eco Seas Holding Group

### Consolidated statement of changes in equity

*in USD thousands, unless otherwise indicated*

	Issued capital	Share premium	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	(1.267)	0	78.941
Total comprehensive income in 2015			(344)		(344)
Equity per ending balance 2015	1.043	79.165	(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	(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	(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	(55.277)	2.282	136.761
Total comprehensive income in 2019	0	0	6.647	(1.875)	4.772
Equity per ending balance 2019	8.332	181.424	(48.630)	407	141.533
Total comprehensive income in 2020	0	0	65.772	(1.299)	64.473
Dividends	0	(10.629)	0	0	(10.629)
Equity per ending balance 2020	8.332	170.795	17.142	(892)	195.377
Total comprehensive income in 2021	0	0	5.777	892	6.669
Dividends	0	(132.523)	0	0	(132.523)
Equity per ending balance 2021	8.332	38.272	22.919	-0	69.524
Total comprehensive income in 2022	0	0	20.512	0	20.512
Dividends	0	(5.000)	0	0	(5.000)
Share capital reduction	(8.251)	0	8.251	0	0
Treasury shares acquired	(41)	0	(46.705)	0	(46.745)
Equity per ending balance 2022	41	33.272	4.978	-0	38.291

#### Note 1

##### Corporate information

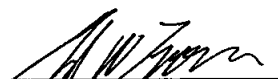
Eco Seas Holding AS (previously Awilco Eco Tankers Holding AS) was established January 13<sup>th</sup> 2014. The Group's VLCCs were delivered from Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) in Korea during 2016. After the sale of two of the vessels in 2021, and one vessel in October 2022, the Group has one remaining vessel in operation.



**Eco Seas Holding AS**  
**Statement of Responsibility**

We confirm to the best of our knowledge that the consolidated financial statements for 2022 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 Eco Seas Holding AS and Eco Seas 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 Eco Seas Holding AS and the Eco Seas Holding Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 31 March 2023



Egil Wickstrand Iversen  
Chairman of the Board



Jonas Alexander Advocaat Kraft  
Board member / CEO



## **Note 1 - Corporate information**

Eco Seas 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 2022, the Group owns one 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 Eco Seas 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 is 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 2022 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.



**Eco Seas 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 one vessel on the 3th of October 2022 the Group has only one vessel in operation.



## Eco Seas Holding Group

### Note 4 - Specification of expenses

*in USD thousands, unless otherwise indicated*

	2022	2021
<b>Vessel operating expenses</b>		
Crewing expenses	3.032	4.149
Maintenance and stores	215	543
Lub oil etc	308	426
Insurance	663	930
Other operating expenses	1.315	2.225
Total	<u>5.533</u>	<u>8.274</u>
<b>Administrative expenses</b>		
Management fee	501	605
Other fees	130	258
Travel expenses	0	0
Other administrative expenses	72	148
Total	<u>703</u>	<u>1.011</u>
Fees to the Group's auditors are included in administrative expenses.		
Audit fees (excluding VAT)	19	26
Other services (excluding VAT)	16	8
Total	<u>36</u>	<u>34</u>

### Note 5 Specification of financial income and expenses

*in USD thousands, unless otherwise indicated*

	2022	2021
Interest income	354	131
Foreign exchange gain	0	0
Other financial income	0	1.167
Financial income	<u>354</u>	<u>1.299</u>
Interest expense	(3.391)	(3.209)
Foreign exchange loss	(32)	(27)
Other financial expenses	(50)	(70)
Financial expense	<u>(3.472)</u>	<u>(3.306)</u>



## Eco Seas 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>	2022	2021
US Dollar	8.175	11.565
Norwegian kroner	170	295
Total cash and cash equivalents	<u>8.345</u>	<u>11.860</u>

Restricted bank deposits		
Tax withheld from employees	5	32

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>	2022	2021
<u>Cash flow hedge instruments</u>		
Interest rate swap (1)	0	0

(1) The Group has not entered into any interest rate agreement for 2022. In 2021 the Group had 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.

### Note 8 - Current assets and liabilities

<i>in USD thousands, unless otherwise indicated</i>	2022	2021
<u>Other current assets</u>		
Other receivables	612	1.035
Other current assets and accruals	0	491
	<u>612</u>	<u>1.526</u>
<u>Other current liabilities</u>		
Advances from customers	0	2.430
Other current liabilities and accruals	286	384
	<u>286</u>	<u>2.814</u>

Other receivables and liabilities are non-interest bearing.

No impairment has been required on trade receivables in 2022 (or 2021).



## Eco Seas Holding Group

### Note 9 - Vessels and other fixed assets

	2022		
<i>in USD thousands, unless otherwise indicated</i>	Vessels	Other Assets	Total
Acquisition cost, opening balance	211.938	0	211.938
Acquisition of fixed assets	0	0	0
Disposal of assets	-104.815	0	-104.815
Acquisition cost, ending balance	107.123	0	107.123
Accumulated depreciation, opening balance	69.288	0	69.288
Depreciation	6.304	0	6.304
Disposal of assets	-36.130	0	-36.130
Accumulated depreciation, ending balance	39.463	0	39.463
Net carrying amount, ending balance	67.660	0	67.660
Expected useful life	25 years		
Depreciation rates on vessel components	4% - 20%		
Depreciation method	Straight line		

At the end of July 2022 the Company entered into an agreement to sell one of the VLCCs. A Memorandum of Agreement (MOA) was signed on July 29 for the sale of Eco Leader for USD 81,75 mill. Eco Leader was delivered to its new owners on October 3rd 2022. After the sale of the vessel the Group has one remaining vessel 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.



**Eco Seas Holding Group**

**Note 10 - Commitments and contingencies**

There are no capital commitments as of 31.12.2022.



## Eco Seas Holding Group

### Note 11 - Investments in subsidiaries

The consolidated financial statements include the financial statements of Eco Seas 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>
Eco Tankers 1 AS (previously Awilco Eco Tankers 1 AS)	Norway	100 %	Incorporation date in 2014
Eco Seas 4 AS (previously Awilco Eco Tankers 4 AS)	Norway	100 %	Incorporation date in 2014
Eco Tankers 5 AS (previously Awilco Eco Tankers 5 AS)	Norway	100 %	Incorporation date in 2016



## Eco Seas Holding Group

### Note 12 - Income tax

in USD thousands, unless otherwise indicated

	2022	2021
<b>Current income tax</b>		
Current income tax charge, Norwegian	0	0
Current income tax charge, foreign	0	0
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	-0	-104
Income tax benefit/(expense)	-0	-104
Withholding tax expensed	-244	292
Total income tax expense and withholding tax	-244	187
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	20.269	5.964
Tax at Norway's statutory income tax rate of 22 %	-4.459	-1.312
Non-deductible expenses or non-taxable items	6.950	2.011
Valuation allowance / translation adjustments <sup>(1)</sup>	-2.491	-803
Income tax expense (benefit)	0	-104

<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>Deferred tax assets</b>		
Investments	0	0
Other temporary differences	499	557
Tax losses carried forward	3.249	2.951
No offset of temp difference / valuation allowance	-3.748	-3.324
Deferred tax assets	0	184
<b>Deferred tax liabilities</b>		
Fixed assets	0	0
Investments	0	0
Other temporary differences	0	-184
Deferred tax liabilities	0	-184
Net deferred income tax asset / (liability)	0	0
<b>Deferred tax cost</b>		
Deferred tax, opening balance	0	-0
Deferred tax from acquisitions / recorded to equity	0	104
Deferred tax, ending balance	0	0
Deferred tax benefit/(expense)	-0	-104

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.



## Eco Seas Holding Group

### Note 13 - Interest bearing debt

	Interest rate %	2022	2021
<b>Non-current liabilities, secured credit facility</b>			
Long-term interest-bearing debt (1)	(3 months LIBOR plus margin of 210 bps)	37.800	84.000
First year installment reclassified to short term debt		-4.200	-8.400
Unamortized up front fees and accrued interests		564	-379
<b>Total secured credit facility</b>		<b>34.164</b>	<b>75.221</b>
<b>Current liabilities</b>			
Current portion of long term debt		4.200	8.400
Unamortized up front fees and accrued interests		0	0
<b>Total current liabilities</b>		<b>4.200</b>	<b>8.400</b>
<b>Security (1)</b>			
Vessels pledged		67.660	142.650
Contracts pledged		0	0
<b>Net book value of pledged assets</b>		<b>67.660</b>	<b>142.650</b>
<b>Maturity non-current borrowings</b>			
Later than one year and not later than two years		4.200	8.400
Later than two years and not later than three years		4.200	8.400
Later than three years and not later than four years		4.200	8.400
Five years and later		25.200	58.800
<b>Total</b>		<b>37.800</b>	<b>84.000</b>

#### Secured credit facility

On 28 September 2021 a 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 was divided in two tranches, one for each of the vessels. Following the sale of the vessel in October 2022, the loan tranche related to Eco Leader was fully repaid. Furthermore, the credit facility agreement was updated to reflect the ownership of one vessel and the new ownership structure of the Company following the acquisition of treasury shares where the Company acquired all the shares previously owned by Awilco Shipping AS. The amended and restated Credit Facility Agreement is dated 10 November 2022. The total drawn amount at the balance sheet date was USD 37,8 mill.

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 18.75 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. As a result of the sale of one of the vessel in October 2022, the outstanding loan tranche for the vessel was fully repaid upon delivery of the vessel.

For any distributions to the shareholders, there is a requirement that the Group has a working capital of minimum USD 3 mill in addition to the minimum cash covenants.



**Eco Seas Holding Group**

**Note 14 - Guarantees**

There are no corporate guarantees.



## Eco Seas 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	Other-paid-in capital	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	\$0	\$80.208
Capital events 2015				0		0
Share capital per 31 Dec 2015	33.280.000		\$1.043	\$79.165	\$0	\$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	\$0	\$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	\$0	\$189.756
Dividends 2020				-10.629		-10.629
Share capital per 31 Dec 2020	66.560.000		\$8.332	170.795	\$0	\$179.127
Dividends 2021				-132.523		-132.523
Share capital per 31 Dec 2021	66.560.000	NOK 1,00	\$8.332	\$38.272	\$0	\$46.605
Dividends 2022				-5.000		-5.000
Share capital reclassified to other-paid-in-capital			-8.251		8.251	0
Nominal par value of treasury shares acquired			-41			-41
Share capital per 31 Dec 2022	66.560.000	NOK 0,01	\$41	\$33.272	\$8.251	\$41.564

### Shareholders of the Company

	Shares	Ownership
Eco Seas Holding AS (treasury shares)	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 0,01 and are of equal rights. Eco Seas Holding AS is incorporated in Norway and the share capital is denominated in NOK.

By the end of November the Company acquired all shares previously owned by Awilco Shipping AS. After this transaction all outstanding shares are owned by WLR/TRF Shipping II Sarl.



## Eco Seas 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.

	2022	2021
Net profit/(loss) attributable to equity holders of the parent	20.512	5.777
Weighted average number of ordinary shares outstanding	63.733.479	66.560.000
Weighted average number of shares outstanding, diluted	63.733.479	66.560.000
Basic earnings per share (in USD)	0,322	0,087
Diluted earnings per share (in USD)	0,322	0,087

### 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). The mentioned agreements were terminated in the fourth quarter of 2022.



## Eco Seas Holding Group

### Note 18 - Related party transactions

*in USD thousands, unless otherwise indicated*

In the normal course of its business, the ECO Seas Holding Group enters into a number of transactions with related party companies.

1) Per end of November 2022 ECO Seas Holding AS acquired all the shares owned by Awilco Shipping AS. After this transaction all outstanding shares are owned by TRF/WRL Shipping II Sarl. Consequently, the agreements with Awilhelmsen Management and Awilco was terminated.

For 2022	Receivables from related parties	Payables to related parties	Purchases from related parties	Interest expense related parties
Awilhelmsen Management AS 1)	0	0	173	0
Awilco Technical Services AS 1)	0	0	343	0
Awilco AS 1)	0	0	302	0
TRF Ship Management AS	0	32	26	0

For 2021	Receivables from related parties	Payables to related parties	Purchases from related parties	Interest expense related parties
Awilhelmsen Management AS	0	0	250	0
Awilco Technical Services AS	883	0	499	0
Awilco AS	0	0	412	0

### 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 2021, Eco Future was sold in April 2021, and Eco Leader was sold in October 2022 the management agreement between ATS and the three 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).

Per end of November 2022 the ECO Seas Holding AS acquired all the shares owned by Awilco Shipping AS. After this transaction all outstanding shares are owned by TRF/WRL Shipping II Sarl. Consequently, the above mentioned agreements were terminated.



## Eco Seas 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.

	2022		2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>in USD thousands</i>				
Trade receivables	115	115	0	0
Other receivables	612	612	1.035	1.035
Cash and cash equivalents	8.345	8.345	11.860	11.860
Accounts payable	-119	-119	-580	-580
Other current liabilities	-270	-270	-2.697	-2.697
Secured credit facility	-38.364	-38.364	-84.000	-84.000

#### Risk Management

The ECO Seas 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.

Interest rate risk sensitivity: The sensitivity analyses below have been determined based on the exposure to interest rates for the 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 189,000.

#### 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 the remaining vessel is trading on a timecharter contract. The Group has limited accounts receivables and no loss on receivables has been recorded in 2022 or 2021.

#### 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.



## Eco Seas Holding Group

### Note 20 - Events in 2022 / 2021

#### Events in 2022

At the end of July 2022 the Company entered into an agreement to sell one of the VLCCs owned by the company. A Memorandum of Agreement (MOA) was signed on 29 July 2022 for the sale of Eco Leader (owned by Awilco Eco Tankers 1 AS), and delivered to new owners in the beginning of October for USD 81,75 mill. As a result of the sale and in accordance with the Loan Facility, the outstanding loan tranche for the vessel was fully repaid upon delivery of the vessel (se note 13).

#### 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.

### Note 21 - Subsequent events

In February 2023 the vessel owning subsidiary, Eco Seas AS, agreed a new time-charter contract for the vessel Eco Seas for a period of 6-8 months, commencing in late February. In March 2023, the subsidiary Eco Seas AS signed a technical management agreement for Eco Seas with Fleet Ship Management Inc. Simultaneously, the technical management agreement with Awilco Technical Services AS was concluded.



**Financial statement**

**1 January - 31 December 2021**

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**Eco Seas Holding AS**

(tidligere Awilco Eco Tankers Holding AS)

Company registration number 913 111 621

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## Eco Seas Holding AS

### Income statement

All figures in NOK 1000

	Note	01.01 - 31.12 2022	01.01 - 31.12 2021
<b>Operating income and expenses</b>			
Management fee	8	5.822	7.585
Other operating income		620	562
		<u>6.442</u>	<u>8.147</u>
Salary and personell expenses	8	1.925	2.578
Other operating expenses		0	0
Depreciation and amortization	1	0	0
Sales, general and administrative expenses	8	4.214	5.233
		<u>6.139</u>	<u>7.811</u>
Operating profit/(loss)		<u>303</u>	<u>335</u>
<b>Finance income and expenses</b>			
Interest income		2.807	1.120
Interest income, intercompany	8	25.375	28.329
Foreign exchange gain/(loss)		(36.113)	(555)
Foreign exchange gain/(loss) unrealised		14.473	9.137
Interest expense		(25.331)	(24.894)
Interest expense, related parties	8	0	(4.425)
Dividend and net gain/(loss) financial investments		335.000	807.452
Valuation adjustment financial investments		0	(5.000)
Other finance income/(expenses)		(7.898)	(3.314)
Net financial items		<u>308.312</u>	<u>807.849</u>
Profit/(loss) before tax		308.615	808.184
Tax expense	2	<u>1.335</u>	<u>533</u>
Profit/(loss) for the year		<u>309.950</u>	<u>808.717</u>
<b>Allocations and capital transfers for the year</b>			
Dividend		0	0
Transferred to/from share premium		0	0
Transferred to/from other paid-in capital		0	0
Transferred to/from other equity		(309.950)	(808.717)
Total allocations and transfers		<u>(309.950)</u>	<u>(808.717)</u>



## Eco Seas Holding AS

## Balance

All figures in NOK 1000

ASSETS	Note	31.12.2022	31.12.2021
<b>Non-current assets</b>			
<u>Intangible assets</u>			
Deferred tax asset	2	0	0
<b>Non-current financial assets</b>			
Shares in subsidiaries	10	187.964	272.964
Intercompany receivables	7	277.767	745.320
Financial investments		0	0
		<u>465.731</u>	<u>1.018.285</u>
Total non-current assets		<u>465.731</u>	<u>1.018.285</u>
<b>Current assets</b>			
Receivables		0	3.302
Financial investments	11	0	0
Intercompany receivables	7	461	0
Other current receivables		252	4.241
Bank deposits		54.107	56.083
Total current assets		<u>54.820</u>	<u>63.627</u>
Total assets		<u>520.552</u>	<u>1.081.911</u>
<b>EQUITY AND LIABILITIES</b>			
<u>Paid-in capital</u>			
Share capital	3, 4	666	66.560
Nominal value of treasury shares		(333)	0
Share premium	3, 4	(0)	(0)
Other paid-in capital	3, 4	65.894	0
<u>Retained earnings</u>			
Reserve for valuation variances			0
Treasury shares in excess of nominal value		(462.109)	
Retained earnings	3	536.825	276.662
Total equity		<u>140.944</u>	<u>343.222</u>
<u>Provision for liabilities</u>			
Deferred tax	2	0	0
<b>Non-current liabilities</b>			
Debt to shareholders	9	0	0
Secured credit facility	9	331.205	659.365
		<u>331.205</u>	<u>659.365</u>
<b>Current liabilities</b>			
Secured credit facility, due within 1 year	9	41.401	74.083
Accrued interests		5.564	4.222
Tax payable	2	0	(0)
Accruals	11	0	0
Creditors		295	134
Intercompany creditors	7	156	158
Other current liabilities		987	728
Total current liabilities		<u>48.402</u>	<u>79.324</u>
Total equity and liabilities		<u>520.552</u>	<u>1.081.911</u>

Oslo, 31 March 2023



Egil M. Strøm  
Chairman of the Board



Thomas Alexander Advocaat Kraft  
Board member / CEO



## Eco Seas Holding AS

### Cash flow statement

All figures in NOK 1000

	01.01 - 31.12 2022	01.01 - 31.12 2021	
<b><u>Cash flows from operating activity</u></b>			
Profit/(loss) before tax	308.615	808.184	
Tax payable	1.335	-1.338	
Depreciation and amortisation	0	0	
Valuation adjustment and dividends subsidiaries	-335.000	-802.452	
Foreign exchange effect long term debt	-14.473	-9.137	
Gain/loss by sale of securities	0	0	
Cash flow from operations	-39.522	-4.743	
Change in debtors, creditors and other accruals	8.590	430	
Net cash flow generated by / used in operations	A	-30.932	-4.313
<b><u>Cash flows from investing activities</u></b>			
Invested in property, plant and equipment	0	0	
Invested in securities	0	0	
(Invested in) / dividend from subsidiaries	420.000	1.039.296	
Net cash flow from investments	B	420.000	1.039.296
<b><u>Cash flows from financing activities</u></b>			
Change in non-current receivables	602.285	273.296	
Secured credit facility	0	737.419	
Loan issue costs secured credit facility	0	0	
Loan issue costs amortized	7.381	-7.381	
Installments on secured credit facility	-488.482	-1.182.821	
Long-term liabilities, shareholder loan	0	0	
Paid-in equity / (dividend and repaid equity)	-512.228	-1.122.528	
Net cash flow from financial activities	C	-391.044	-1.302.015
Net cash flow for the year	A+B+C	-1.976	-267.032
Cash and cash equivalents at 1.1		56.083	323.115
Cash and cash equivalents at 31.12		54.107	56.083



## **Corporate information and accounting principles of Eco Seas Holding AS**

### **Corporate information**

Eco Seas Holding AS (the "Company") is a limited liability company incorporated and domiciled in Norway. Its registered office is Dronning Eufemias gate 8, 0191 Oslo.

The Company was incorporated January 13<sup>th</sup> 2014 for the purpose of being the holding company of subsidiaries owning and operating a fleet of 300,000 dwt VLCCs with eco-efficient design delivered during 2016 from Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) in Korea. By the year end only one vessel, Mt Eco Seas, is still owned by the Group.

### **Summary of significant accounting principles**

#### **Basis of preparation**

The financial statements of Eco Seas 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.



## Eco Seas Holding AS

All figures in NOK 1000 (unless otherwise stated)

### Note 1 Assets

The Group previously owned 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. In 2022 the third vessel were sold. At year end, the Group has one vessel in operation, the vessel is owned by wholly owned subsidiary. 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;

	2022	2021
<b>Tax payable for the year</b>		
Ordinary profit/(loss) before tax	308.615	808.184
Permanent differences	-334.997	-802.240
Change in temporary differences	7.381	-4.392
Change in tax loss carryforwards	19.000	-1.552
Taxable income for the year	0	-0
Current tax rate	22 %	22 %
Tax payable on ordinary income	0	0
Tax payable	0	0
<b>Tax payable shown in the balance sheet is calculated as follows:</b>		
Tax payable for the year	0	0
Tax payable on Group contribution (received)/paid	0	0
Total income tax payable	0	0
<b>Temporary differences offset</b>		
Miscellaneous long-term items	0	7.381
Other temporary differences	0	0
Tax loss carried forward	-129.014	-110.014
Tax credit interests carried forward	-22.348	-22.348
Basis for calculation of deferred tax	-151.362	-124.980
Deferred tax rate	22 %	22 %
Deferred tax asset / (liability)	33.300	27.496
Valuation allowance of temporary differences	151.362	124.980
Deferred tax asset / (liability)	-33.300	-27.496
Total deferred tax asset / (liability)	0	0
<b>The deferred tax expense comprises:</b>		
Deferred tax asset/(liability) in closing balance	0	0
- Tax effect on cash flow hedge	0	-1.871
- Tax effect changes and corrections	0	0
- Deferred tax in opening balance	0	-0
Deferred tax (expense) / income	0	1.871
<b>Total tax costs for the year comprise:</b>		
Tax payable for the year	0	0
Deferred tax	0	1.871
Total tax (expense) / income for the year	0	1.871
Withholding tax expensed	1.335	-1.338
Total tax cost	1.335	533



Eco Sens 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			-23 462	-23 462
Profit/(loss) 2020		0		0	0	0
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
Repaid share premium / dividend during the year					-49 787	-49 787
Share capital reduction	-65 894		65 894			0
Treasury shares acquired	-333					
Profit/(loss) 2022					309 950	309 950
Equity after dividend	333	0	65 894	0	74 717	140 944

**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
Reduced par value per share		-0,99	-65 894
Share capital at 31.12	66 560 000	0,01	666
Treasury shares at year end	33 280 000	0,01	333
Shares outstanding at year end	33 280 000		333

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

**Shareholders of the Company**

	Shares	Ownership
Eco Sens Holding AS (treasury shares)	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. The employment is terminated.

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**

		2022	2021	2020	2019
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



## Eco Seas Holding AS

### Note 7. Intercompany receivables and debt

#### Intercompany receivables

	2022		2021	
	Current	Non-current	Current	Non-current
Eco Tankers 1 AS	0	0	0	391 173
Eco Seas AS	461	277 767	0	354 147
	<b>461</b>	<b>277 767</b>	<b>0</b>	<b>745 320</b>

#### Intercompany debt

Eco Tankers 1 AS	20	0	70	0
Eco Seas AS	136	0	88	0
Eco Tankers 5 AS	0	0	0	0
	<b>156</b>	<b>0</b>	<b>158</b>	<b>0</b>

### 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 Awilco.msen Group. All transactions with related parties are carried out on an arm's length basis, and are undertaken on commercial terms. This 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
For 2022					
Awilhelmsen Management AS	0	589	0	0	0
Awilco Technical Services AS	0	0	0	0	0
Awilco AS	0	2 986	0	0	0
Eco Tankers 1 AS	2 349	0	11 917	0	0
Eco Seas AS	3 472	0	13 458	0	0
	<b>5 822</b>	<b>3 476</b>	<b>25 375</b>	<b>0</b>	<b>0</b>

For 2021

	Sales to related parties	Purchases from related parties	Interest income related parties	Interest expense related parties	Salary to employees in related parties
Awilhelmsen Management AS	0	559	0	0	0
Awilco Technical Services AS	0	0	0	0	0
Awilco AS	0	3 049	0	0	587
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
Eco Seas 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
	<b>7 585</b>	<b>3 608</b>	<b>28 329</b>	<b>-4 425</b>	<b>587</b>

### Note 9. Long term interest bearing debt

#### Long-term debt to shareholders

	2022	2021
Awilco Shipping AS	0	0
WLR/TRF Shipping II Sarl	0	0
	<b>0</b>	<b>0</b>

#### Secured credit facility

Secured credit facility drawn	372 606	740 830
First year installment reclassified to short term debt	-41 401	-74 083
Unamortized up front fees and accrued interests	0	-7 381
	<b>331 205</b>	<b>659 366</b>

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	Carrying value
Investment in subsidiaries						
Eco Tankers 1 AS	NOK	5 000 000	5,00	1 000 000	100 %	8 833
Eco Seas AS	NOK	700 000	7,00	100 000	100 %	179 011
Eco Tankers 5 AS	NOK	100 000	1,00	100 000	100 %	120
Shares in subsidiaries						<b>187 964</b>



Eco Seas Holding AS

**Note 11. Securities and financial instruments**

Cash flow hedge instruments

Interest rate swap

	<u>2022</u>		<u>2021</u>
	0		0
	<u>0</u>		<u>0</u>

The Company has no financial instruments at year end.

**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.



To the General Meeting of Eco Seas Holding AS

**RSM Norge AS**

Ruseløkkveien 30, 0251 Oslo  
Pb 1312 Viken, 0112 Oslo  
Org.nr: 982 316 588 MVA

T +47 23 11 42 00  
F +47 23 11 42 01

## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Eco Seas Holding AS showing a profit of NOK 309 950 000 in the financial statements of the parent company and a profit of USD 20 512 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Eco Seas Holding AS (the Company), which comprise the balance sheet as at 31 December 2022, 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 Eco Seas Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income 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 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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 relevant laws and regulations in Norway 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.

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/ is a member of Den norske Reviserforening.

Penneo Dokumentnøkkel: 2WDDV8-XCBYF-AF5CT-875MU-PJXSI-VBTUS



#### *Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. 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.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 statutory 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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 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, 31 March 2023  
RSM Norge AS

Per-Henning Lie  
*State Authorised Public Accountant*  
(This document is signed electronically)



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## Per-Henning Schulz Lie

Statsautorisert revisor

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IP: 188.95.xxx.xxx

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**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

AWILHELMSSEN MANAGEMENT AS  
Postboks 1583, VIKÅ  
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*