



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Janne Foy
Dato for fastsettelse av årsregnskapet: 06.04.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 05.07.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	23 993 237	21 774 582
Sum inntekter		23 993 237	21 774 582
Kostnader			
Lønnskostnad	2,3	13 331 752	10 518 175
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	224 895	241 606
Annen driftskostnad	2	10 346 971	10 117 045
Sum kostnader		23 903 618	20 876 826
Driftsresultat		89 619	897 756
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	921 164	
Inntekt på andre investeringer	7	-7 247	-33 108
Annen renteinntekt		2 924	6 842
Annen finansinntekt		146 080	
Sum finansinntekter		1 062 921	-26 266
Annen finanskostnad			657 101
Sum finanskostnader			657 101
Netto finans		1 062 921	-683 367
Ordinært resultat før skattekostnad		1 152 540	214 389
Skattekostnad på ordinært resultat	12	138 660	33 733
Ordinært resultat etter skattekostnad		1 013 880	180 656
Årsresultat		1 013 880	180 656
Overføringer og disponeringer			
Overføring til/fra fond		1 013 880	180 656
Sum overføringer og disponeringer		1 013 880	180 656



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	273 096	368 613
Sum immaterielle eiendeler		273 096	368 613
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	705 182	843 168
Sum varige driftsmidler		705 182	843 168
Finansielle anleggsmidler			
Investering i datterselskap	5	3 858 285	3 858 285
Andre fordringer		168 920	94 655
Sum finansielle anleggsmidler		4 027 205	3 952 940
Sum anleggsmidler		5 005 483	5 164 721
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8	291 030	339 328
Konsernfordringer		4 457 701	3 195 104
Sum fordringer		4 748 731	3 534 432
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	1 911 575	1 221 674
Sum bankinnskudd, kontanter og lignende		1 911 575	1 221 674
Sum omløpsmidler		6 660 306	4 756 106
SUM EIENDELER		11 665 789	9 920 827

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	6 189 642	5 175 766
Sum opptjent egenkapital		6 189 642	5 175 766
Sum egenkapital		6 473 442	5 459 566
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	1 076 624	1 262 513
Andre avsetninger for forpliktelser	7	357 340	350 093
Sum avsetninger for forpliktelser		1 433 964	1 612 606
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 433 964	1 612 606
Kortsiktig gjeld			
Leverandørgjeld		115 235	205 273
Betalbar skatt	12	43 143	71 091
Skyldige offentlige avgifter		1 123 638	475 378
Kortsiktig konserngjeld	8	874 920	515 373
Annen kortsiktig gjeld		1 601 447	1 581 540
Sum kortsiktig gjeld		3 758 383	2 848 655
Sum gjeld		5 192 347	4 461 261
SUM EGENKAPITAL OG GJELD		11 665 789	9 920 827



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	23 993 237	21 774 576
Sum inntekter		23 993 237	21 774 576
Kostnader			
Lønnskostnad	2,3	17 230 467	14 119 769
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	284 405	300 368
Annen driftskostnad	2	5 696 956	5 860 212
Sum kostnader		23 211 828	20 280 349
Driftsresultat		781 409	1 494 227
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	7	-7 247	-33 108
Annen renteinntekt		9 365	86 939
Annen finansinntekt		189 051	
Sum finansinntekter		191 169	53 831
Annen finanskostnad			655 428
Sum finanskostnader			655 428
Netto finans		191 169	-601 597
Ordinært resultat før skattekostnad		972 578	892 630
Skattekostnad på ordinært resultat	12	389 707	263 229
Ordinært resultat etter skattekostnad		582 871	629 401
Årsresultat		582 871	629 401
Overføringer og disponeringer			
Overføring til/fra fond	12	582 871	629 401
Sum overføringer og disponeringer		582 871	629 401



Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	273 612	368 744
Sum immaterielle eiendeler		273 612	368 744
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	853 183	1 061 039
Sum varige driftsmidler		853 183	1 061 039
Finansielle anleggsmidler			
Andre fordringer		168 920	95 044
Sum finansielle anleggsmidler		168 920	95 044
Sum anleggsmidler		1 295 715	1 524 827
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8	445 892	484 230
Konsernfordringer		4 457 701	3 195 104
Sum fordringer		4 903 593	3 679 334
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	2 962 163	3 100 204
Sum bankinnskudd, kontanter og lignende		2 962 163	3 100 204
Sum omløpsmidler		7 865 756	6 779 538
SUM EIENDELER		9 161 471	8 304 365

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: USD	Note	2021	2020
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	3 871 158	3 422 593
Sum opptjent egenkapital		3 871 158	3 422 593
Sum egenkapital		4 154 958	3 706 393
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	1 076 624	1 262 514
Andre avsetninger for forpliktelser	7	357 340	350 093
Sum avsetninger for forpliktelser		1 433 964	1 612 607
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 433 964	1 612 607
Kortsiktig gjeld			
Leverandørgjeld		121 416	208 121
Betalbar skatt	12	146 611	144 230
Skyldige offentlige avgifter		1 242 721	590 203
Annen kortsiktig gjeld		2 061 801	2 042 811
Sum kortsiktig gjeld		3 572 549	2 985 365
Sum gjeld		5 006 513	4 597 972
SUM EGENKAPITAL OG GJELD		9 161 471	8 304 365



Skattedirektoratet

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

HESNES HOLDING AS
Postboks 104 Borgheim
3163 NØTTERØY

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

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

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

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



2012/515894 Side 3 av 3

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland
Torstein Kinden Helleland



KPMG AS
Nordre Fokserød 14
3241 Sandefjord

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Saga Welco AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Saga Welco AS, which comprise:

- The financial statements of the parent company Saga Welco AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Saga Welco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Kragerø	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Independent Auditor's Report - Saga Welco AS

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Sandefjord, 8 April 2022
KPMG AS

Frode Bohlin Lea
State Authorised Public Accountant



Saga Welco AS

Financial Statement 2021

**Saga Welco AS**
Financial Accounts 2021**Profit and Loss Account (all figures in 1000 USD)**

Parent company			Consolidated Group	
2021	2020	Note	2021	2020
		Operating Income		
23 993	21 775	Administration fee	23 993	21 775
23 993	21 775	Total operating income	23 993	21 775
		Operating Expenses		
13 332	10 518	Payroll and related cost	17 230	14 120
225	242	Depreciation	284	300
10 347	10 117	Other operating expenses	5 697	5 860
23 904	20 877	Total operating expenses	23 212	20 280
90	898	Operating Profit (- Loss)	781	1 494
		Financial Income and Expenses		
3	7	Interest income	9	87
921	-	Income from investments in subsidiaries	-	-
-7	-33	Share of gain (-loss) in Saga Welco Pool	-7	-33
146	-657	Currency exchange gains (- loss)	189	-655
1 063	-683	Net financial items	191	-602
1 153	214	Ordinary profit before tax	973	893
139	34	Tax on ordinary result	390	263
1 014	181	PROFIT FOR THE YEAR	583	629

		Profit for the year is distributed as follows:
1 014	181	To other equity
1 014	181	Total distributed

Saga Welco AS
Financial Accounts 2021

Balance Sheet at 31.12 (all figures in 1000 USD)

Parent company			Consolidated Group	
2021	2020	Note	2021	2020
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
273	369	12	274	369
273	369		274	369
<i>Tangible fixed assets</i>				
705	843	4	853	1 061
705	843		853	1 061
<i>Financial fixed assets</i>				
3 858	3 858	5	-	-
169	95		169	95
4 027	3 953		169	95
5 005	5 165		1 296	1 525
Total fixed assets				
Current assets				
<i>Receivables</i>				
43	41	8	43	15
4 458	3 195		4 458	3 195
248	298		402	469
4 749	3 534		4 904	3 679
<i>Bank deposits, cash in hand, etc.</i>				
1 912	1 222	9	2 962	3 100
6 660	4 756		7 866	6 780
Total current assets				
11 666	9 921		9 161	8 304
TOTAL ASSETS				

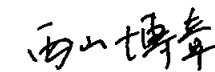


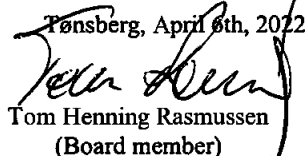
Saga Welco AS
Financial Accounts 2021

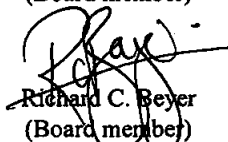
Balance Sheet at 31.12 (all figures in 1000 USD)

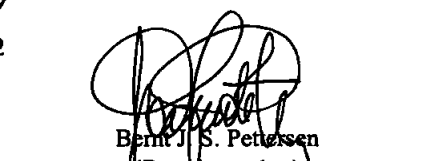
Parent company		Note	Consolidated Group	
2021	2020		2021	2020
EQUITY AND LIABILITIES				
Equity				
<i>Paid-in capital</i>				
284	284		284	284
284	284	10,11	284	284
<i>Retained earnings</i>				
6 190	5 176		3 871	3 423
6 190	5 176	10	3 871	3 423
6 473	5 460		4 155	3 706
Liabilities				
<i>Provisions</i>				
357	350		357	350
1 077	1 263	7	1 077	1 263
1 434	1 613	3	1 434	1 613
<i>Current liabilities</i>				
115	205		121	208
1 124	475		1 243	590
43	71	12	147	144
875	515	8	-	-
1 601	1 582		2 062	2 043
3 758	2 849		3 573	2 985
5 192	4 461		5 007	4 598
11 666	9 921		9 161	8 304
TOTAL EQUITY AND LIABILITIES				

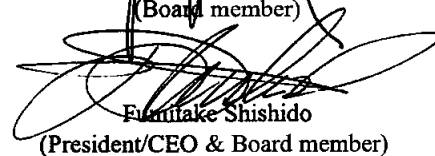

Ulrich Müller
(Chairman)


Hiroaki Nishiyama
(Board member)

Tønsberg, April 6th, 2022

Tom Henning Rasmussen
(Board member)


Richard C. Beyer
(Board member)


Bent J. S. Pettersen
(Board member)


Fumitake Shishido
(President/CEO & Board member)

**Saga Welco AS**
Financial Accounts 2021**Cash Flow statement (all figures in 1000 USD)**

Parent company			Consolidated Group	
2021	2020		2021	2020
		Cash flow from operations:		
1 153	214	Profit before Tax	973	893
-71	-89	Taxes paid	-144	-178
4	-23	(Profit) loss on sale of fixed assets	4	-64
225	242	Depreciation and write down fixed assets	284	300
7	33	Share of (profit), loss in Saga Pool	7	33
-921	-	Income from subsidiaries	-	-
-	-	Currency exchange differences	-258	-432
-3	-26	Change in Accounts receivables	-28	0
-90	160	Change in Accounts payable	-87	163
-1 263	-937	Change in intercompany	-1 263	-937
829	47	Changes in other balance sheet items	478	62
-130	-379	Net cash flow from operations	-33	-159
		Cash flow from investments:		
-115	-330	Investments in tangible fixed assets	-118	-501
13	190	Sales of tangible fixed assets	13	236
921	-	Dividend from subsidiaries	-	-
820	-140	Net cash flow from investments	-105	-265
690	-519	Net Cash flow for the year	-138	-424
1 222	1 741	Cash and bank deposits 1.1	3 100	3 525
1 912	1 222	Cash and bank deposits 31.12	2 962	3 100



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Accounting principles

Subsidiaries

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

The acquisition method is used for consolidation purposes. This means that the purchase cost of shares in a subsidiary is eliminated against the subsidiary's equity at the time of purchase. Inter-company transactions, receivables and payables have been eliminated.

Associated companies and partnerships

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

Currency translation

Parent company Saga Welco AS is using USD as recording and presentation currency. All transactions in other currencies are converted using the exchange rate on the day of the transaction.

Hedging

(all figures in USD 1,000)

The Group's operating income is in USD. As a hedge against possible currency losses a part of this income is sold in the forward exchange market. As of 31.12.21 the company has an unrealized loss forward exchange contract of USD 141.

Forward exchange contracts per 31.12

(all figures in USD 1,000)

Forward Contract	Due	MTM value 31.12
FX Forward USDNOK/CAD/EUR/JPY	1-6 mnd	7
FX Forward USDNOK/CAD/EUR/JPY	6-12 mnd	56
FX Forward USDNOK/CAD/EUR/JPY	12-24 mnd	78
Total loss		141

As of 31.12.21 the Company has a realized gain on forward exchange contracts of USD 78.

Classification

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

General valuation principles

Administration fees are recognised consecutively in the contract period.

Current Assets

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

Cash and Cash Equivalents

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



Saga Welco AS Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Fixed assets

In the Balance sheet, fixed assets are recorded at acquisition cost less accumulated depreciation and write-downs. If the actual value of an asset is lower than the book value for reasons which cannot be considered as temporary, the asset will be written down to fair value. Costs related to normal maintenance and repairs are expensed as incurred.

Depreciation

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

Deferred tax and tax expense

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

Note 1 - Administration fee per geographical area - Parent Company

(all figures in USD 1,000)

	America	Asia	Europe	Total
Administration fee	6 078	3 853	14 062	23 993

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

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

	Parent Company	
	2021	2020
Payroll	10 564	7 999
Social security costs	1 185	1 108
Pension costs	1 280	1 194
Other costs	303	218
Payroll and related cost	13 332	10 519

Number of employees as per 31.12.

82 78

Benefits

(all figures in USD 1,000)

The consignment fee in 2021 for the services provided by our President/CEO was USD 457.

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

	Consolidated Group	
	2021	2020
Payroll	13 221	10 373
Social security costs	1 781	1 696
Pension costs	1 805	1 697
Other costs	423	354
Total Payroll and related cost	17 230	14 120

No of employees yearend

117 113

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



Saga Welco AS Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Audit

(all figures in USD 1,000)

The audit fee in 2021 for the parent company was USD 33 and the audit fee for the consolidated group was USD 42.
The fee for other services provided by the auditor for the parent company and for the consolidated group was USD 10.

Note 3 - Pension assets and -liabilities etc.

(all figures in USD)

The pension schemes for most Norwegian employees have been accounted for in the financial statements in accordance with the Norwegian Accounting Standard for pension costs. The company's pension schemes is defined as contribution plan. The company's contribution plan is booked based on the accounting principle of congruence. The annual contribution is treated as an cost in the accounts. The company has no further obligation after the contributions are paid.

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

Parent Company

Pension costs related to defined benefit plans

(all figures in USD)

	2021	2020
Net present value of benefits earned during the year	155 979	117 049
Interest cost on pension liabilities	11 895	10 864
Actual return on plan assets	-378 835	-
Actuarial (gain) loss allocated to net income	38 763	-7 671
Accrued payroll taxes	23 670	17 938
Net pension cost	-148 528	138 180

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

	2021	2020
<i>Accumulated pension obligations</i>		
Effect of future increases in salary	-	-
Estimated pension liability	943 579	1 106 497
Unrecognised net actuarial loss (gain)	-	-
Payroll taxes	133 045	156 016
Net pension liabilities	1 076 624	1 262 513

Economic assumptions:

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

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



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Note 4 - Tangible fixed assets and intangible fixed assets

Tangible fixed assets and intangible fixed assets - Parent company

(all figures in USD 1,000)

Acquisition	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition cost 01.01	295	989	786	2 070
+ additions	2	74	39	115
- disposals and scrapping	-	-6	-94	-100
Currency exchange differences	-9	-12	-11	-32
Acquisition cost 31.12	289	1 045	719	2 054
Accumulated depreciation				
Accumulated depreciation at 01.01	-218	-761	-247	-1 226
+ disposals and scrapping	-	-	79	79
- depreciation for the year	-23	-98	-105	-226
Currency exchange difference	9	11	4	24
Accumulated depreciation and impairment at 31.12	-232	-848	-268	-1 348
Net book value as of 31.12.	57	197	451	705

Write down	0	0	0	
% depreciation	15-33%	15-33%	15-33%	

Tangible fixed assets and intangible fixed assets - consolidated

(all figures in USD 1,000)

Acquisition and depreciation	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition cost 01.01	530	1 239	986	2 755
+ additions	2	77	39	118
- disposals and scrapping	-	-	-92	-92
Currency exchange differences	-26	-37	-28	-91
Acquisition cost 31.12	506	1 279	905	2 690
Accumulated depreciation				
Accumulated depreciation at 01.01	-440	-958	-295	-1 693
+ disposals and scrapping	-	-	80	80
- depreciation for the year	-26	-117	-142	-285
Currency exchange difference	25	26	10	61
Accumulated depreciation and impairment at 31.12.	-441	-1 049	-347	-1 837
Net book value as of 31.12.	65	230	558	853

Write down	0	0	0	
% depreciation	15-33%	15-33%	15-33%	



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Note 5 - Subsidiaries

(all figures in USD 1,000)

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

Subsidiaries	Business office	Total equity	Profit (loss)	Book Value
Saga Welco Italy S.r.l.u	Livorno	288	32	176
Saga Welco Rio Ltda.	Rio de Janeiro	893	442	3 466
Saga Welco Tokyo Inc	Tokyo	359	16	215
Total Balance Sheet Value				3 858

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



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Note 6 - Operating lease commitments

The group leases office space under operating lease agreements expiring in years 2022 through 2027. Annual rent expense under all operating leases is approximately USD 0.9 mill.

Future maximum lease payments are in the amount of USD 1.2 mill.

Note 7 - Share of Saga Welco Pool

(all figures in USD 1,000)

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

	<u>Book value USD</u>	<u>Tax value NOK</u>
1% share of the equity in Saga Welco Pool per. 01.01:	-350	-2 776
Currency adjustment	-	-313
1% share of result in Saga Welco Pool	-7	-62
Net assets 31.12	<u>-357</u>	<u>-3 152</u>

Note 8 - Other receivables

(all figures in USD 1,000)

Related Parties

	<u>2021</u>
Saga Shipholding (Norway) AS	-
Westfal Larsen Shipping AS	43
Total short term receivable group	<u>43</u>

Subsidiaries

	<u>2021</u>
Saga Welco Livorno Srlu	178
Saga Welco Rio Ltda.	607
Saga Welco Tokyo Inc	90
Total short term liabilities group	<u>875</u>

Note 9 - Restricted bank deposits

Due employee taxes to Norway of NOK 6,470,376 are included in the Cash and Bank deposit balance for the group.



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Note 10 - Equity

Equity

(all figures in USD 1,000)

Parent company	Share capital	Other equity	Total
Equity 01.01	284	5 176	5 460
Profit for the year		1 014	1 014
Equity 31.12	284	6 190	6 473
Consolidated Group			
Equity 01.01			3 706
Profit for the year			583
Exchange differences (Currency)			-134
Other equity 31.12			4 155

Note 11 - Share capital and shareholders information

(all figures in USD 1,000)

Shareholders as per 31.12.2021	Number of shares	Proportion of shares	Proportion of votes
Armadora AS	2 500	50,00 %	50,00 %
NYK Holding (Europe) B.V	2 500	50,00 %	50,00 %
Total	5 000	100,00 %	100,00 %

The company's total number of shares are 5,000, par value NOK 500, per share.

All shares have the same rights to dividend.



Saga Welco AS
Financial Accounts 2021

Notes - Parent Company and Consolidated Group

Note 12 - Accounting for income taxes consolidated (all figures in NOK)

Parent company			Consolidated group	
2021	2020	Specification of income tax expense:	2021	2020
371 029	606 290	Current income tax payable	2 533 499	2 765 009
821 446	-289 200	Changes in deferred tax	817 980	-290 422
1 192 475	317 090	Tax on profit/(loss)	3 351 479	2 474 587

22 %	22 %	Tax rate, income/loss
22 %	22 %	Tax rate, temporary differences

Parent company			Other countries	
Norway		Allocation of income tax expense between Norway and other countries:	2021	2020
2021	2020			
1 192 475	317 090	Tax on profit/(loss)	0	0

Consolidated group			Other countries	
Norway		Allocation of income tax expense between Norway and other countries:	2021	2020
2021	2020			
1 192 475	317 090	Tax on profit/(loss)	2 159 004	2 157 497

Parent company			Consolidated group	
2021	2020	Specification of current income tax payable:	2021	2020
371 029	606 290	This year's payable income tax expense	1 293 109	1 230 282
371 029	606 290	Current income tax payable in the balance sheet	1 293 109	1 230 282

Parent company		
2021	2020	Reconciliation from nominal to real income tax rate:
9 911 850	2 015 253	Profit/(loss) before taxation
2 180 607	443 356	Estimated income tax according to nominal tax rate
129 342	186 027	The tax effect of the following items:
-1 117 474	-312 292	Expenses not deductible for tax calculation or income not taxable
		This year's loss without the deferred tax benefit
		Effect of changes in tax rules and rates
		Changes in last years expense
1 192 475	317 090	Income tax expense
12 %	16 %	Effective income tax rate

Parent company				
Specification of the tax effect of temporary differences and losses carried forward:				
	2021		2020	
	Benefit	Liability	Benefit	Liability
Fixed assets	57 874		48 444	
Investment in SW Pool		-26 484		-69 947
Pension liabilities		-2 089 081		-2 369 234
Current liabilities		-351 013		-753 530
Total	57 874	-2 466 578	48 444	-3 192 711
Net deferred benefit/liability in the balance sheet	-	-2 408 703	-	-3 144 267

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



SAGA WELCO AS

Directors Report 2021

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

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

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

As of December 31, 2021, the Saga Welco core fleet consisted of 49 Open Hatch Gantry Craned vessels nominated by the Pool Participants. Saga Shipholding (Norway) AS supplies 33 vessels and Westfal-Larsen Shipping AS supplies 16 vessels to the Pool. Saga Welco serves customers in South America, North America, Europe, and Asia. The company from time to time periodically charter in vessels to meet cargo demands or contractual commitment. Those chartered-in vessels are mostly semi-Open Hatch Jib Craned vessels.

Saga Welco AS's market focus is the transportation of wood pulp from South America to major destinations worldwide. During 2021, logistical constraints was the dominant theme, whereby congestion and container and breakbulk capacity shortages were a global issue for the pulp and paper industry. This led to redistributions throughout the supply chain and reconfiguration of global trade flows. North America and Europe saw strong demand for market pulp with graphic paper being a surprising positive driver. Furthermore, both regions benefited from reduced import competition as China was impacted by lack of export options due to logistical constraints. Another theme of 2021 was the rising cost for labor, chemicals, freight, and other input costs which significantly pushed up manufacturing costs for pulp and paper. The question remains if these inflationary pressures will be permanent or transitional in 2022. Overall, global shipments of forest products, including pulp, have witnessed a growth in volumes of an estimated 2.8 % year on year during 2021. The demand outlook for 2022 remains strong, however new production volume entering the market has the possibility to overwhelm, leading to price erosion and production curtailments amongst higher cost mills.

IMF's estimate for the global growth is expected to be moderate from 5.9 percent for 2021 to 4.4 percent for 2022. The IMF expects China GDP to expand 4.8 percent during 2022, down from 8.1 percent in 2021, as China's real estate sector and zero covid policy are limiting growth prospects. With the People's Bank of China cutting its interest rate by 10 basis points, for the first time in 2 years, it suggests that the property downturn and covid policies are starting to take a greater effect on growth figures than expected. Furthermore, the IMF estimates the US GDP to grow by 4 percent in 2022, as the Federal Reserve moves to withdraw its monetary stimulus. Elsewhere, consistently surging covid cases combined with rising inflation and high energy prices weighed on growth estimates globally, most notably in Brazil and Canada. The IMF predicts higher inflation to continue



for longer than anticipated, but they expect this to ease later in 2022 as supply-demand imbalances diminish in 2022 and monetary policies in major economies respond. The current Ukraine unrest casts extra shadow on the invisibility of this economic forecast.

During 2021 we witnessed the continued impact of the COVID-19 pandemic on the global shipping market. Global port congestion grew substantially and created severe operational difficulties. The 2021 dry bulk market showed similar traits to what was seen in early 2020 but began an upwards trajectory during 2nd Quarter, 2021, whereby the BDI reached levels during 3rd quarter 2021 not seen since 2008. Despite the considerable challenges facing the global shipping market, 2021 turned out to be a stronger year than expected as the BDI averaged 2,930 points, representing a 175 percent increase since 2020. Furthermore, during Quarter 4 2021 the smaller dry bulk segments of Handysize and Supramax outperformed their larger cousins, with the average of the 10 T/C routes for BSI 58 noting 4 percent premium over the comparable Panamax index.

China was one of the first economies to reach pre-pandemic levels since the outbreak of COVID-19. While production growth figures witnessed a strong first half of 2021, the second half saw growth levels decrease substantially. One such example is global steel production, which grew 3.9 percent during 2021 but saw a considerable decrease in output levels during the second half of 2021. China, which is accountable for 54 percent of global steel output, was the main source of the production decrease during the latter half. Power shortages resulting in production curbs across heavy industry and new domestic policies, such as the 'three red lines', being introduced against the backdrop of growing debt levels amongst real estate developers, rising land prices, and booming sales in the Chinese real-estate sector. Outside of China, steel production returned to pre-pandemic production levels, as with most commodities from developed economies, with European steel production increasing 12 percent and thereby returning to similar levels as in 2019.

In such a volatile and challenging market, Saga Welco AS's contract portfolio with its major customers was stable and provided a consistent critical mass of cargo base. The challenges of congestion and logistics disruptions in supply chains placed considerable limitations on planning and scheduling. This resulted in a consistently high fleet utilization in the front haul legs at the same time as being able to optimize with high results in back haul trades. This has assisted to achieve sustained stability in the financial results of the company this year. Saga Welco remains well positioned in the market for transportation of wood pulp, with a continued long term contractual commitment to leading pulp producers.

In the opinion of the Directors, the consolidated accounts provide a true and fair view of the assets and liabilities, as well as the financial position and earnings, of the Company and its subsidiaries (the Group) as of 31 December 2021, and for the year then ended. The financial statements have been prepared under the assumption of going concern. After closing the books, no significant developments have taken place that should influence the accounts.

The Company has no cost related to research and development in 2021.

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

There were 117 full time employees in the Saga Welco AS group companies (the Group) at year end, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul,



Tokyo, Sao Paulo and Rio de Janeiro. The number of full-time employees is up by 4 from January 1st, 2020.

The Group encourages full equality of opportunities and treatment between women and men, and has incorporated a policy without any gender discrimination. Of the Group's 117 employees, 33 are women. The Board of Directors of the Company consists of six men. The Board has not found it necessary to take specific actions to promote gender equality or prevent discrimination.

The absence ratio in Norway has been 2,84 % and no specific actions related to the working environment have been required.

The company have a Directors & Officers Insurance in place. The insurance covers liability for financial loss of third parties due to neglect, error or omissions from any directors, officers, or employees of the group companies in their capacity of such position. The insurance does not cover damage to persons or property. Renewal is on the 1st of January and runs for 12 months

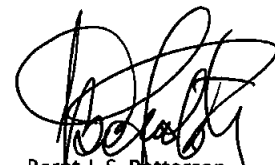
The Group profit for the year was USD 583,000, while the Company showed a profit of USD 1,014,000, which the Directors suggest should be transferred to other equity.

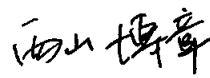
The Company is not responsible for the ship management. It is the Pool Participants' responsibility to ensure that the ships are operated, equipped, and certified in accordance with the international safety and environmental regulations.

Tønsberg, April 6th, 2022


Ulrich Müller
(Chairman)



Tom Henning Rasmussen
(Board member)


Bernt J. S. Pettersen
(Board member)


Hiroaki Nishiyama
(Board member)


Richard C. Beyer
(Board member)


Fumitake Shishido
(Board member)


Fumitake Shishido
(President / CEO)