



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Janne Olafsen Foyn
Dato for fastsettelse av årsregnskapet:	19.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 27.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	25 707 040	27 381 489
Sum inntekter		25 707 040	27 381 489
Kostnader			
Lønnskostnad	2,3	10 886 095	13 926 580
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	256 032	239 221
Annen driftskostnad	2,6	13 377 301	12 470 789
Sum kostnader		24 519 428	26 636 590
Driftsresultat		1 187 612	744 899
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	0	458 829
Inntekt på andre investeringer	7	18 325	21 422
Annen renteinntekt		74 972	26 453
Sum finansinntekter		93 297	506 704
Annen finanskostnad		1 003 811	500 250
Sum finanskostnader		1 003 811	500 250
Netto finans		-910 514	6 454
Ordinært resultat før skattekostnad		277 098	751 353
Skattekostnad på ordinært resultat	12	102 724	265 476
Ordinært resultat etter skattekostnad		174 374	485 877
Årsresultat		174 374	485 877
Overføringer og disponeringer			
Overføring til/fra fond		174 374	485 878
Sum overføringer og disponeringer		174 374	485 878



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	238 189	230 447
Sum immaterielle eiendeler		238 189	230 447
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	595 016	561 029
Sum varige driftsmidler		595 016	561 029
Finansielle anleggsmidler			
Investering i datterselskap	5	3 861 975	3 858 285
Investeringer i tilknyttet selskap	7	39 747	21 422
Andre fordringer		129 572	156 111
Sum finansielle anleggsmidler		4 031 294	4 035 818
Sum anleggsmidler		4 864 499	4 827 294
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8	366 369	449 076
Konsernfordringer		3 828 203	6 093 266
Sum fordringer		4 194 572	6 542 342
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	2 556 722	1 894 662
Sum bankinnskudd, kontanter og lignende		2 556 722	1 894 662
Sum omløpsmidler		6 751 294	8 437 004
SUM EIENDELER		11 615 793	13 264 298

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	6 849 894	6 675 521
Sum opptjent egenkapital		6 849 894	6 675 521
Sum egenkapital		7 133 694	6 959 321
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	811 828	840 417
Andre avsetninger for forpliktelser			0
Sum avsetninger for forpliktelser		811 828	840 417
Annen langsiktig gjeld			
Sum langsiktig gjeld		811 828	840 417
Kortsiktig gjeld			
Leverandørgjeld		170 782	206 071
Betalbar skatt	12	143 170	247 667
Skyldige offentlige avgifter		983 478	1 480 082
Kortsiktig konserngjeld	8	1 014 329	1 274 082
Annen kortsiktig gjeld		1 358 511	2 256 658
Sum kortsiktig gjeld		3 670 270	5 464 560
Sum gjeld		4 482 098	6 304 977
SUM EGENKAPITAL OG GJELD		11 615 792	13 264 298



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	25 707 040	27 381 489
Sum inntekter		25 707 040	27 381 489
Kostnader			
Lønnskostnad	2,3	16 100 501	18 552 585
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	305 345	287 074
Annen driftskostnad	2,6	6 909 420	6 762 358
Sum kostnader		23 315 266	25 602 017
Driftsresultat		2 391 774	1 779 472
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5		0
Inntekt på andre investeringer	7	18 325	21 422
Annen renteinntekt		95 309	40 281
Sum finansinntekter		113 634	61 703
Annen finanskostnad		1 139 440	598 683
Sum finanskostnader		1 139 440	598 683
Netto finans		-1 025 806	-536 980
Ordinært resultat før skattekostnad		1 365 968	1 242 492
Skattekostnad på ordinært resultat	12	465 905	598 907
Ordinært resultat etter skattekostnad		900 063	643 585
Årsresultat		900 063	643 585
Overføringer og disponeringer			
Overføring til/fra fond		900 063	643 585
Sum overføringer og disponeringer		900 063	643 585



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	238 392	230 784
Sum immaterielle eiendeler		238 392	230 784
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	731 319	666 067
Sum varige driftsmidler		731 319	666 067
Finansielle anleggsmidler			
Investering i datterselskap	5	0	0
Investering i annet foretak i samme konsern	7	39 747	21 422
Andre fordringer		129 572	156 111
Sum finansielle anleggsmidler		169 319	177 533
Sum anleggsmidler		1 139 030	1 074 384
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	8	44 675	41 129
Andre fordringer		470 842	532 758
Konsernfordringer		3 828 203	6 093 266
Sum fordringer		4 343 720	6 667 153
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	5 170 767	3 010 469
Sum bankinnskudd, kontanter og lignende		5 170 767	3 010 469
Sum omløpsmidler		9 514 487	9 677 622
SUM EIENDELER		10 653 517	10 752 006



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	5 493 233	4 493 984
Sum opptjent egenkapital		5 493 233	4 493 984
Sum egenkapital		5 777 033	4 777 784
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	811 828	840 417
Andre avsetninger for forpliktelser	7		0
Sum avsetninger for forpliktelser		811 828	840 417
Annen langsiktig gjeld			
Sum langsiktig gjeld		811 828	840 417
Kortsiktig gjeld			
Leverandørgjeld		197 588	211 709
Betalbar skatt	12	275 291	387 159
Skyldige offentlige avgifter		1 144 673	1 618 500
Kortsiktig konserngjeld	8		
Annen kortsiktig gjeld		2 447 104	2 916 437
Sum kortsiktig gjeld		4 064 656	5 133 805
Sum gjeld		4 876 484	5 974 222
SUM EGENKAPITAL OG GJELD		10 653 517	10 752 006



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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 2023, 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 2023, 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 2023, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, 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 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.

Other Information

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

Perneo Dokumentno.kke.f:7DU46-3BWD8-FDS7G-N3LY8-E0XCH-5NBOQ



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 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 and 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's 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 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, 19 March 2024

KPMG AS

Frode Bohlin Lea
State Authorised Public Accountant

Penneo Dokumentnøkkel: 7DU46-3BWD8-FDS7G-N3LY8-EOXCH-5NBOQ



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Frode Lea

Partner

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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



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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



SAGA WELCO AS

Directors Report 2023

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 hold 50% of the shares in the Company. The Pool with its present owners 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, 2023, 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.

The Saga Welco fleet consists of Open Hatch Gantry Craned vessels serving customers in South America, North America, Europe, and Asia. The company from time to time periodically charters vessels to meet cargo demands or contractual commitment. Those chartered-in vessels are mostly semi-Open Hatch Jib Craned vessels.

Saga Welco AS's main market focus will continue to be the transportation of wood pulp from South America to major destinations worldwide. Saga Welco will keep focusing on the opportunities where we may be able to capitalize on our strengths. Our competitors' capacity shortcomings may present themselves over the year. In our core pulp trades, Cosco remains the largest threat with a clear aggressive market strategy to carve out a more dominant position in all major trade lanes. We will continue focusing on excellence in service in our core markets.

The year 2023 started off with some major headwinds, as the Covid related disruptions came to an end, leading to a sharp drop in global port delays. Furthermore, there was a significant uncertainty about growth prospects, with downside factors such as geopolitical risks associated with the war in Ukraine and trade tensions, inflationary pressure and financial instability negatively impacting the outlook for 2023. However, the predicted recessions were eventually avoided with retreating inflation, interest rates leveling out and a recovery in global construction activity. Additionally, demand for dry bulk from China experienced a remarkable surge throughout the year, proving once again, that China is a wildcard that can determine the fate of the dry bulk market. Also, newbuild ordering activity has been relatively high compared to previous years, combined with moderate level demolition activity, gives the dry bulk fleet a young fleet profile.

The baseline forecast is for global growth to slow from 3.0% in 2023 and 2.9% in 2024, well below the historical (2000–19) average of 3.8%. Advanced economies are expected to slow from 1.5% in 2023 to 1.4 % in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1% in 2022 to 4.0% in 2024. Global inflation is forecast to decline steadily, from 6.9% in 2023 to 5.8% in 2024, due to tighter monetary policy aided



by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

The next year is expected to be a year of transition as we continue to untangle from the economic and trade effects of COVID and war in the Ukraine. The current situation in the Gulf of Aden has also impacted on our markets but the situation is likely to resolve in the short term with most negative impact expected to be at home with the container markets that have more negative underlying fundamentals. The congestion factor is expected to take further steps towards normalization after a year where the general dry trade experienced 19% reduction in average port times worldwide. This increased fleet productivity has more than offset the positive effect of a modest 2.9% impact from the CII related reduced speed average to about 11knots.

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 2023, 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 2023. However there has been done a considerable amount of work related to the work to comply with the new emission regulations. The work has been driven by a series of regulatory milestones that have marked 2023, with MEPC 80 adopting a net-zero target for 2050, the IMO's CII taking effect and the preparation for the formal introduction of shipping in the EU's Emissions Trading system (ETS) by January 2024. This shift will increase further in 2025, as the FuelEU comes into force. FuelEU will increase the share of renewable and low-carbon fuels in the fuel mix of international maritime transport in the European Union.

The company finalized the work with the transparency act within the time limits.

The Company is managed towards low financial risk and the existing financial risk is 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 116 full time employees in the Saga Welco AS group companies (the Group) at year end, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver BC, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Montevideo, Sao Paulo and Rio de Janeiro. The number of full-time employees is down by 3 from January 1st, 2023. Out of the 116 full time employees, 45 employees were assigned to the offices Norway.

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 116 employees, 36 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 1,6 % (1,8% last year) and no specific actions related to the working environment have been required.

The company has 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 900,000, while the Company showed a profit of USD 174,000, which the Directors suggest should be transferred to other equity.

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

Tønsberg, March 19th, 2024

Ulrich Müller

(Chairman)

Tom Henning Rasmussen

(Board member)

Bernt J. S. Pettersen

(Board member)

Takeshi Kishi

(Board member)

Richard C. Beyer

(Board member)

Katsuhito Yamane

(Board member)

Trond Moe Hanssen

(President / CEO)



Saga Welco AS
Financial Statement 2023



Saga Welco AS
Financial Accounts 2023

Balance Sheet at 31.12 (all figures in 1000 USD)

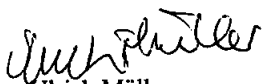
Parent company			Consolidated Group	
2023	2022	Note	2023	2022
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
238	230	12	238	231
<u>238</u>	<u>230</u>		<u>238</u>	<u>231</u>
<i>Total intangible fixed assets</i>				
<i>Tangible fixed assets</i>				
595	561	4	731	666
<u>595</u>	<u>561</u>		<u>731</u>	<u>666</u>
<i>Total tangible fixed assets</i>				
<i>Financial fixed assets</i>				
3 862	3 858	5	-	-
40	21	7	40	21
130	156		130	156
<u>4 031</u>	<u>4 036</u>		<u>169</u>	<u>178</u>
<i>Total financial fixed assets</i>				
<u>4 864</u>	<u>4 827</u>		<u>1 139</u>	<u>1 074</u>
Total fixed assets				
Current assets				
<i>Receivables</i>				
45	41	8	45	41
3 828	6 093		3 828	6 093
322	408		471	533
<u>4 195</u>	<u>6 542</u>		<u>4 344</u>	<u>6 667</u>
<i>Total receivables</i>				
2 557	1 895	9	5 171	3 010
<u>6 751</u>	<u>8 437</u>		<u>9 514</u>	<u>9 678</u>
Total current assets				
<u>11 616</u>	<u>13 264</u>		<u>10 654</u>	<u>10 752</u>
TOTAL ASSETS				





Saga Welco AS
Financial Accounts 2023

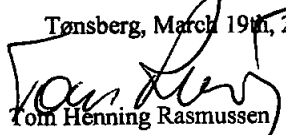
Balance Sheet at 31.12 (all figures in 1000 USD)

Parent company		Note	Consolidated Group	
2023	2022		2023	2022
EQUITY AND LIABILITIES				
Equity				
<i>Paid-in capital</i>				
284	284	10,11	284	284
284	284		284	284
<i>Retained earnings</i>				
6 850	6 676	10	5 493	4 494
6 850	6 676		5 493	4 494
7 134	6 959		5 777	4 778
Total equity				
Liabilities				
<i>Provisions</i>				
812	840	3	812	840
812	840		812	840
<i>Current liabilities</i>				
171	206		198	212
983	1 480		1 145	1 619
143	248	12	275	387
1 014	1 274	8	-	-
1 359	2 257		2 447	2 916
3 670	5 465		4 065	5 134
4 482	6 305		4 876	5 974
Total liabilities				
11 616	13 264		10 654	10 752
TOTAL EQUITY AND LIABILITIES				

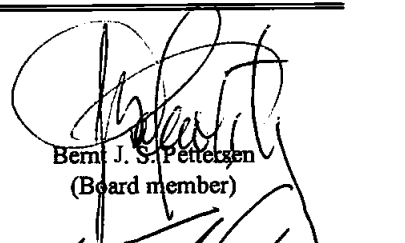

Ulrich Müller
(Chairman)

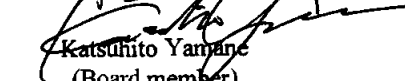

Takeshi Kishi
(Board member)


Trond Moe Hanssen
(President/CEO)

Tønsberg, March 19th, 2024

Tom Henning Rasmussen
(Board member)


Richard C. Beyer
(Board member)


Berni J. S. Pettersen
(Board member)


Katsunito Yamane
(Board member)

**Saga Welco AS**
Financial Accounts 2023**Cash Flow statement (all figures in 1000 USD)**

Parent company			Consolidated Group	
2023	2022		2023	2022
		Cash flow from operations:		
277	751	Profit before Tax	1 366	1 242
-248	-18	Taxes paid	-387	-122
-22	5	(Profit) loss on sale of fixed assets	-49	2
256	239	Depreciation and write down fixed assets	305	287
-18	-21	Share of (profit), loss in Saga Pool	-18	-21
-	-459	Income from subsidiaries	-	-
	-	Currency exchange differences	-99	-215
-4	-79	Change in Accounts receivables	-4	2
-35	91	Change in Accounts payable	-14	90
2 265	-1 636	Change in intercompany	2 265	-1 636
-1 542	1 108	Changes in other balance sheet items	-883	877
929	-19	Net cash flow from operations	2 482	508
		Cash flow from investments:		
-365	-100	Investments in tangible fixed assets	-453	-102
0	-357	Cash call to Saga Welco (Pool)	0	-357
98	0	Sales of tangible fixed assets	132	
0	459	Dividend from subsidiaries	-	-
-268	2	Net cash flow from investments	-321	-459
662	-17	Net Cash flow for the year	2 161	48
1 895	1 912	Cash and bank deposits 1.1	3 010	2 962
2 557	1 895	Cash and bank deposits 31.12	5 171	3 010



Saga Welco AS Financial Accounts 2023

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 31.12.23 the company has an unrealized gain forward exchange contract of USD 110.

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	-85
FX Forward USDNOK/CAD/EUR/JPY	6-12 mnd	57
FX Forward USDNOK/CAD/EUR/JPY	12-24 mnd	138
Total loss		110

As of 31.12.23 the Company has a realized loss on forward exchange contracts of USD 1,015.

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 2023

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	8 946	3 518	13 242	25 707

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

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

Payroll
Social security costs
Pension costs
Other costs
Payroll and related cost

Parent Company

	2023	2022
Payroll	7 877	10 982
Social security costs	1 221	1 350
Pension costs	1 367	1 240
Other costs	421	355
Payroll and related cost	10 886	13 927
Number of employees as per 31.12.	81	84

Benefits

(all figures in USD 1,000)

The consignment fee invoiced from Saga Shipholding AS in 2023 for the services provided by our President/CEO was USD 0.4 mill.

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

Payroll
Social security costs
Pension costs
Other costs
Total Payroll and related cost

Consolidated Group

	2023	2022
Payroll	11 494	14 231
Social security costs	1 995	2 038
Pension costs	2 025	1 798
Other costs	587	485
Total Payroll and related cost	16 101	18 553
No of employees yearend	116	119

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



Saga Welco AS Financial Accounts 2023

Notes - Parent Company and Consolidated Group

Audit

(all figures in USD 1,000)

The audit fee in 2023 for the parent company and for the consolidated group was USD 38.

The fee for other services provided by the auditor for the parent company and for the consolidated group was USD 64.

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 and includes 44 employees. 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 for one employee. The cost and obligation of these schemes are reflected below.

Parent Company

Pension costs related to defined benefit plans

(all figures in USD)

	2023	2022
Net present value of benefits earned during the year	29 879	89 432
Interest cost on pension liabilities	20 971	9 585
Actual return on plan assets	0	-258 305
Actuarial (gain) loss allocated to net income	-19 381	20 701
Accrued payroll taxes	4 213	13 961
Net pension cost	<u>35 682</u>	<u>-124 625</u>

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

	2023	2022
<i>Accumulated pension obligations</i>		
Estimated pension liability	716 374	737 430
Payroll taxes	101 009	103 978
Net pension liabilities	<u>817 383</u>	<u>841 408</u>

Economic assumptions:

Discount rate	3,70 %	3,00 %
Expected increase in salaries	3,75 %	3,50 %
Expected increase in pensions	3,50 %	3,25 %
Expected increase in G	3,50 %	3,25 %
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 2023

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	376	962	710	2 047
+ additions	28	33	305	365
- disposals and scrapping	-34		-257	-292
Currency exchange differences	0	2	6	8
Acquisition cost 31.12	369	996	764	2 129
Accumulated depreciation				
Accumulated depreciation at 01.01	-254	-861	-372	-1 486
+ disposals and scrapping	34	0	179	213
- depreciation for the year	-53	-89	-114	-256
Currency exchange difference	0	-2	-4	-5
Accumulated depreciation and impairment at 31.12	-306	-952	-311	-1 534
Net book value as of 31.12.	63	44	453	595

Write down - - -
% 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	596	1 193	898	2 687
+ additions	28	40	385	453
- disposals and scrapping	-34		-321	-355
Currency exchange differences	16	17	19	52
Acquisition cost 31.12	606	1 250	983	2 838
Accumulated depreciation				
Accumulated depreciation at 01.01	-468	-1 068	-486	-2 021
+ disposals and scrapping	34		227	261
- depreciation for the year	-55	-100	-150	-305
Currency exchange difference	-16	-15	-10	-41
Accumulated depreciation and impairment at 31.12.	-505	-1 182	-420	-2 107
Net book value as of 31.12.	101	68	563	731

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



Saga Welco AS
Financial Accounts 2023

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	342	36	176
Saga Welco Rio Ltda.	Rio de Janeiro	1 830	660	3 468
Saga Welco S.A	Montevideo	12	10	4
Saga Welco Tokyo Inc	Tokyo	322	17	215
Total Balance Sheet Value				3 862

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 S.A	22.01.2022	Yes	100 %	100 %
Saga Welco Tokyo Inc	01.04.2015	Yes	100 %	100 %



Saga Welco AS
Financial Accounts 2023

Notes - Parent Company and Consolidated Group

Note 6 - Operating lease commitments

The group leases office space under operating lease agreements expiring in years 2024 through 2028. Annual rent expense under all operating leases is approximately USD 0.9 mill.

Future maximum lease payments are in the amount of USD 1.9 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.

	2023	2023
	<i>Book value USD</i>	<i>Tax value NOK</i>
1% share of the equity in Saga Welco Pool per. 01.01:	21	206
Currency adjustment	-	4
1% share of result in Saga Welco Pool	18	194
Net assets 31.12	<u>40</u>	<u>404</u>

Note 8 - Other receivables

(all figures in USD 1,000)

Related Parties

	2023	2022
Saga Shipholding (Norway) AS	-	-
Westfal Larsen Shipping AS	45	41
Total short term receivable group	<u>45</u>	<u>41</u>

Subsidiaries

	2023	2022
Saga Welco Livorno Srlu	141	278
Saga Welco Rio Ltda.	812	898
Saga Welco S.A.	32	0
Saga Welco Tokyo Inc	28	98
Total short term liabilities group	<u>1 014</u>	<u>1 274</u>

Note 9 - Restricted bank deposits

Due employee taxes to Norway of NOK 3,127,677 are included in the Cash and Bank deposit balance for the group.



Saga Welco AS
Financial Accounts 2023

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	6 676	6 959
Profit for the year		174	174
Equity 31.12	284	6 850	7 134
Consolidated Group			
Equity 01.01			4 778
Profit for the year			900
Exchange differences (Currency)			99
Other equity 31.12			5 777

Note 11 - Share capital and shareholders information

(all figures in USD 1,000)

Shareholders as per 31.12.2022	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 2023

Notes - Parent Company and Consolidated Group

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

Parent company			Consolidated group	
2023	2022	Specification of income tax expense:	2023	2022
1 166 512	2 143 584	Current income tax payable	5 001 703	5 351 200
-81 748	410 283	Changes in deferred tax	-81 748	410 283
1 084 764	2 553 867	Tax on profit/(loss)	4 919 955	5 761 483
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:	2023	2022
2023	2022			
1 084 764	2 553 867	Tax on profit/(loss)	0	0

Consolidated group			Other countries	
Norway		Allocation of income tax expense between Norway and other countries:	2023	2022
2023	2022			
1 084 764	2 553 867	Tax on profit/(loss)	3 835 191	3 207 616

Parent company			Consolidated group	
2023	2022	Specification of current income tax payable:	2023	2022
1 456 039	2 441 997	This year's payable income tax expense	4 728 613	3 817 388
1 456 039	2 441 997	Current income tax payable in the balance sheet	4 728 613	3 817 388

Parent company		
2023	2022	Reconciliation from nominal to real income tax rate:
2 926 155	7 228 021	Profit/(loss) before taxation
643 754	1 590 165	Estimated income tax according to nominal tax rate
86 121	182 983	The tax effect of the following items:
700 254	1 019 689	Other non-deductible expenses or taxable income
		Expenses not deductible for tax calculation or income not taxable
		Effect of changes in tax rules and rates
-345 365	-238 970	Changes in last years expense
1 084 764	2 553 867	Income tax expense
37 %	35 %	Effective income tax rate

Parent company

Specification of the tax effect of temporary differences and losses carried forward:

	2023		2022	
	Benefit	Liability	Benefit	Liability
Fixed assets		7 009	50 220	
Investment in SW Pool		-99 583		-117 284
Pension liabilities		-1 816 384		-1 823 032
Current liabilities		-513 414		-382 109
Total	-	-2 422 372	50 220	-2 322 425
Net deferred benefit/liability in the balance sheet	-	-2 422 372	-	-2 272 205

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