



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	982 763 150
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NESTTUN INVEST AS
Forretningsadresse:	Sundts veg 47B 5221 NESTTUN

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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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:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tone B. Solstad
Dato for fastsettelse av årsregnskapet:	13.05.2022

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, 30.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Commission revenue	1	2 335 109	2 680 570
Sum inntekter		2 335 109	2 680 570
Kostnader			
Payroll expenses	2	886 048	1 070 970
Ordinary depreciations	3	39 295	39 306
Other expenses		194 143	229 008
Sum kostnader		1 119 486	1 339 284
Driftsresultat		1 215 623	1 341 286
Finansinntekter og finanskostnader			
Dividend from subsidiaries	4		
Share of profit/(loss) from subsidiaries		3 802 004	14 488 141
Dividend received		58 376	68 788
Realised gain/(loss) financial assets			130 111
Renteinntekt fra foretak i samme konsern	5	132 024	175 504
Annen renteinntekt			16
Net currency gain/(loss)		52 054	-17 145
Sum finansinntekter		4 044 458	14 845 414
Change in value of market based financial investments	6	504	626 453
Write-down of financial assets	3, 4		
Rentekostnad til foretak i samme konsern		390 000	
Annen rentekostnad		147 936	109 669
Other financial expenses		72 754	79 598
Sum finanskostnader		611 195	815 720
Netto finans		3 433 264	14 029 695
Ordinært resultat før skattekostnad		4 648 887	15 370 981
Tax expenses	7	114 321	289 795
Ordinært resultat etter skattekostnad		4 534 566	15 081 186



Resultatregnskap

Beløp i: USD	Note	2021	2020
Årsresultat		4 534 566	15 081 186
Årsresultat etter minoritetsinteresser		4 534 566	15 081 186
Totalresultat		4 534 566	15 081 186
Overføringer og disponeringer			
Reserve for valuation differences		3 698 588	14 282 640
Allocated to other equity		835 978	798 546
Sum overføringer og disponeringer		4 534 566	15 081 186



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	4 839	883
Sum immaterielle eiendeler		4 839	883
Varige driftsmidler			
Fixtures and furnitures, vehicles, office machines, etc.	3	54 512	93 807
Sum varige driftsmidler		54 512	93 807
Finansielle anleggsmidler			
Investering i datterselskap	4	55 382 656	39 987 760
Lån til foretak i samme konsern		5 899 602	5 532 880
Investeringer i tilknyttet selskap	4		
Other investments	4		
Other receivables	11		
Sum finansielle anleggsmidler		61 282 257	45 520 639
Sum anleggsmidler		61 341 609	45 615 329
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables			22 115
Fordring på tilknyttet selskap			
Other short-term receivables		614 070	328 659
Tilgode betalbar skatt	7		
Konsernfordringer		140 529	233 428
Sum fordringer		754 598	584 203
Investeringer			
Aksjer og andeler i foretak i samme konsern	6		
Markedsbaserte aksjer	5	15 006	15 511
Sum investeringer		15 006	15 511



Balanse

Beløp i: USD	Note	2021	2020
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	65 010	104 653
Sum bankinnskudd, kontanter og lignende		65 010	104 653
Sum omløpsmidler		834 615	704 366
SUM EIENDELER		62 176 223	46 319 695

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	9	79 703	79 703
Overkurs		197 578	197 578
Sum innskutt egenkapital		277 281	277 281

Opptjent egenkapital

Reserve for valuation differences	4	36 785 580	33 086 992
Other equity		8 383 864	7 585 251
Result brought forward (aut)			
Sum opptjent egenkapital		45 169 444	40 672 243
Sum egenkapital	10	45 446 725	40 949 524

Gjeld

Langsiktig gjeld

Utsatt skatt	7		
Annen langsiktig gjeld			
Obligasjonslån		343 500	
Langsiktig konserngjeld		10 768 218	
Investments in associated companies			
Shareholder loans	11	1 330 255	1 493 091
Sum annen langsiktig gjeld		12 441 974	1 493 091
Sum langsiktig gjeld		12 441 974	1 493 091

Kortsiktig gjeld



Balanse

Beløp i: USD	Note	2021	2020
Liabilities to financial institutions	12	2 393 286	3 207 301
Leverandørgjeld		986	3 118
Tax payable	7	118 306	384 438
Public taxes payable		160 446	270 564
Other current liabilities		1 614 500	11 660
Sum kortsiktig gjeld		4 287 524	3 877 080
Sum gjeld		16 729 498	5 370 171
SUM EGENKAPITAL OG GJELD		62 176 223	46 319 695



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Brutto fraktinntekter		189 447 783	126 721 150
Annen inntekt		1 484 637	2 383 874
Gevinst salg skip			3 385 371
Sum inntekter		190 932 419	132 490 395
Kostnader			
Lønn/Mannskapskostnader		14 861 329	15 540 526
Reiseavhengige kostnader		52 601 719	41 574 273
Distributions to shipowners		88 198 183	17 378 148
Assuranse		1 630 088	1 891 139
Oppgraderinger, klasse- og dokkingkostnader		523 243	327 643
Reservedeler, rep. og vedlikehold		5 892 573	6 642 073
Smøreolje		824 063	898 760
Management kostnader		1 426 772	1 592 668
Ordinære avskrivninger		7 392 672	10 852 548
T/C-hyre		7 078 305	10 705 607
Annen driftskostnad		2 094 507	2 337 161
Sum kostnader		182 523 454	109 740 546
Driftsresultat		8 408 966	22 749 849
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap			1 631 349
Netto resultat av finansinvesteringer		-329 760	1 135 697
Annen renteinntekt		42	2 012
Sum finansinntekter		-329 718	2 769 058
Annen rentekostnad		4 401 578	5 463 620
Andre finanskostnader		48 232	151 462
Sum finanskostnader		4 449 810	5 615 082
Netto finans		-4 779 528	-2 846 024
Ordinært resultat før skattekostnad		3 629 437	19 903 824



Konsernets resultatregnskap

Beløp i: USD	Note	2021	2020
Skattekostnad på ordinært resultat		240 262	541 706
Ordinært resultat etter skattekostnad		3 389 176	19 362 118
Årsresultat		3 389 176	19 362 118
Årsresultat etter minoritetsinteresser		3 389 176	19 362 118
Totalresultat		3 389 176	19 362 118
Overføringer og disponeringer			
Overført fra overkursfond		-5 044	
Avsatt til annen egenkapital		3 394 220	19 197 618
Foreslått utbytte			164 500
Sum overføringer og disponeringer		3 389 176	19 362 118



Konsernets balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		5 501	1 649
Sum immaterielle eiendeler		5 501	1 649
Varige driftsmidler			
Skip		98 748 952	103 448 414
Dokking		5 452 528	4 935 274
Driftsløsøre, inventar, verktøy, kontormaskiner o.l.		107 744	198 279
Sum varige driftsmidler		104 309 223	108 581 967
Finansielle anleggsmidler			
Investering i datterselskap		-1	
Lån til foretak i samme konsern			-69 480
Investeringer i tilknyttet selskap		4 997 183	5 384 815
Investeringer i aksjer og andeler		517 274	264 539
Andre langsiktige fordringer			
Sum finansielle anleggsmidler		5 514 456	5 579 873
Sum anleggsmidler		109 829 180	114 163 489
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		4 274 509	1 984 036
Beholdninger		4 903 255	2 593 549
Andre fordringer		15 307 306	12 309 289
Konsernfordringer		1	69 481
Sum fordringer		24 485 072	16 956 355
Investeringer			
Markedsbaserte aksjer		15 006	15 511
Sum investeringer		15 006	15 511



Konsernets balanse

Beløp i: USD	Note	2021	2020
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		7 921 516	12 283 061
Sum bankinnskudd, kontanter og lignende		7 921 516	12 283 061
Sum omløpsmidler		32 421 594	29 254 926
SUM EIENDELER		142 250 775	143 418 415
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		79 703	79 703
Overkurs		197 578	197 577
Sum innskutt egenkapital		277 281	277 280
Opptjent egenkapital			
Annen egenkapital		47 074 554	43 192 611
Udisponert resultat			
Minoritetsinteresser		3 309 652	4 318 515
Sum opptjent egenkapital		50 384 206	47 511 126
Sum egenkapital		50 661 487	47 788 406
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån		22 999 694	26 467 204
Gjeld til kredittinstitusjoner		36 409 282	29 209 282
Annen langsiktig gjeld		3 175 717	15 914 870
Sum annen langsiktig gjeld		62 584 693	71 591 356
Sum langsiktig gjeld		62 584 693	71 591 356
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		2 393 286	3 207 301
Leverandørgjeld		11 525 960	6 196 618



Konsernets balanse

Beløp i: USD	Note	2021	2020
Betalbar skatt		243 500	635 659
Skyldige offentlige avgifter		313 722	415 159
Foreslått utbytte			164 500
Annen kortsiktig gjeld		14 528 126	13 419 416
Sum kortsiktig gjeld		29 004 594	24 038 653
Sum gjeld		91 589 287	95 630 009
SUM EGENKAPITAL OG GJELD		142 250 774	143 418 416



Nestun Invest AS
Financial Statements 2021



Nesttun Invest A/S

Sundtsvei 47B N-5221 Nesttun ☎ +47 55 92 24 40
Enterprise no. 982 763 150

DIRECTORS' REPORT 2021

Operating activities

The parent company, Nesttun Invest AS, is the holding company for the Nesttun Invest group. Nesttun Invest AS is located in Bergen and is the parent company of Champion Shipping AS, Champion Tankers AS, Nesttun Invest Shipholding AS, Pomer AS and ORO Tankers AS. The Nesttun Invest group forms an integrated shipowning concern which includes chartering, trading and operation activities. The technical operations of the vessels are handled by recognised technical managers.

With a steadily expanding fleet, the group has focused on shipping vegoils, liquid fertilizers, easy chemicals and molasses, as well as clean petroleum products (CPP). Our focus and strength have always been on the commercial operation of "Medium Range" (MR) Tankers with IMO type 2/3 Classification. Our group commercially operates between 18 to 24 MR vessels around the world, consisting of a combination of owned, chartered in and commercially managed tonnage. Within the vegoil/easy chemical market, the group is through the brand name Champion firmly established as one of the leading and most reputable commercial operators/owners. This reputation is a result of close co-operation with several of the major industrial charterers in our trade.

Financial and operational review

In 2021 the group generated operating revenues of USD 190,9 mill, compared to USD 132,5 mill for the year 2020. The increase in gross revenues is due to gross revenue from pool vessels operated by Champion Tankers AS.

Net voyage income/(t/c earnings) amounts to USD 48,7 compared to USD 67,8 mill for the year 2020. EBITDA was USD 15,8 mill, down from USD 33,6 mill in 2020.

Operating profit (EBIT) is USD 8,4 mill down from USD 22,7 mill in 2020.

The profit for the year is USD 3,3 mill compared to USD 19,4 mill for previous year. The decrease in the net result of the year from 2020 to 2021 is mainly due to a weak freight market.

Two vessels went through scheduled dry-docking during 2021, resulting in 66 days off hire.

One vessel has been out of service since 2018 due to main engine break down. This have resulted in significant costs and loss of revenue and earnings. All owners' cost and expenses have been funded by operating cash flow. Total accumulated cost is in excess of USD 10 mill. The group has declared constructive total loss (condemnation) to the underwriters. The underwriters have not accepted the request for condemnation, and the claim has been brought to court. In April 2021 the Norwegian district court returned its verdict which concludes that the company is entitled to receive the full insurance value as a total constructive loss in addition to recovery of expenses and all court related costs. The underwriters disagreed with the court's verdict that stricter environmental regulations will be imposed by the class society and flag state. The underwriters have lodged an appeal, and the case will be taken up to the court of appeal in May/June 2022. The full effect of the outcome of the insurance case will affect the accounts when the case is closed during the second half of 2022.

Operating expenses were in line with the previous years adjusted for fleet changes.



In 2021 the COVID-19 virus outbreak had impact resulting in lower demand and lower freight rates. Increased bunkers prices in second half of 2021 increased the negative effect on TCE earnings.

The group's specialised and dedicated niche trading pattern in the edible markets of our vessel have despite the overall historically very weak freight market of 2021, resulted in weak but still substantially outperforming vessels' t/c earnings compared to the general MR freight market where major listed piers have reported significant operating losses.

Total equity in the group is as per 31 December USD 50,7 mill.

The parent company shows operating revenue of USD 2,3 mill, down USD 0,4 mill from previous year. Operating expenses are USD 1,1 mill compared to USD 1,3 mill the previous year. Operating profit is USD 1,2 mill, in line with the previous year. Net financial income is USD 3,4 mill and includes share of profit from subsidiaries. Net financial income has been reduced from 14,0 mill in 2020 to USD 3,4 mill this year mainly due to lower profit from subsidiaries. Profit for the year is USD 4,5 mill, compared to USD 15,1 mill previous year. Total equity at year-end is USD 45,4 mill. The company does not have an insurance to cover the liabilities of the board members.

Employees

The working environment is considered to be good, and efforts for improvements are made on an ongoing basis. Number of days for leave of absence due to illness is low. The seafarers on board our vessels are hired in from technical managers based on a long-lasting relationship. No incidences or reporting of work related accidents resulting in significant material damage or personal injury occurred during the year.

Equality

The group has 14 employees, 5 women and 9 men. Based on an assessment of the number of employees and job categories, the board has not found it necessary to implement special measures with regard to gender equality. Our policy is to treat all employees equally, irrespective of ethnic background, gender, religion or age.

Environmental risk

Our vessels mainly transport edible products and to a lesser extent oil petroleum product (CPP), and we consider the risk of severe environmental accidents as low. Nevertheless, operation of vessels has an impact on the environment in general.

The technical operations of the vessels are handled by recognised managers with extensive experience. Constant focus on preventing environmental impact is a natural part of our activities in which we invest substantial resources. Through the group's own internal control procedures and the technical managers' Quality Assurance Systems, all procedures and routines for preventing pollution and environmental impact, are continuously monitored.

The group has an overall strategy to comply with all IMOS regulations and reduce environmental impact. We continue to have strong focus on fuel consumption, operational measures such as weather routing, hull scrubbing and trading pattern optimisation. Furthermore, we intend to install energy saving devices at dry dockings in the period 2022-2024 to reduce emission, and through our fleet renewal strategy we intend to acquire new vessels with lower fuel consumption in the future.



Financial risk and risk management

The group is exposed to financial risk. All revenues are denominated in USD. A large part of the operating expenses is denominated in USD. To minimise currency risk, all loans are drawn in USD. However, there is currency risk related to operating expenses in other currencies than USD. The group is exposed to risk of changes in level of interest rate on interest-bearing debt. Credit risk is considered low due to most customers settling the invoice prior to cargo being discharged. A normal market situation will ensure a strong cash flow and low liquidity risk. Focus on cash management ensures sufficient liquidity to meet future obligations. The risk of increasing bunkers prices not covered by corresponding increase in freight rates, will always be a part of the risk picture. The group is exposed to risk related to fluctuations in market freight rates due to trading in the spot market. The group has reduced this risk to a certain degree by entering into long-term contracts of affreightment (COAs).

Market outlook

Our market segment is influenced by the Clean Petroleum Product (CPP) market in general. In the second half of 2020 and further through 2021, the COVID-19 virus outbreak had impact on the world trade in general resulting in lower demand for CPP and lower freight rates. Our market segment has been challenging in the first quarter of 2022, but the latest trade projections suggest a bounce-back in seaborne trade volumes as oil demand is expected to recover as a result of Covid-19 vaccination programmes worldwide. The spread of new Covid virus mutants have caused new lockdowns worldwide, and the anticipated marked recovery is slightly delayed.

The Russian invasion of Ukraine will affect the world trade and the transport industry. Until now the situation has not had any substantial effect on our operations. How our market niche will be affected in the short and longer run is uncertain at the moment.

However, there is a consensus among market players that the marked recovery after the COVID-19 pandemic will come in 2022, and lately market firming on several key areas have been evidenced. We remain cautiously optimistic for an overall upwards turning trend of the general product tanker market.

Additionally, the demand/supply balance within the product tanker market has improved. The MR fleet supply outlook is very favourable as the product tanker order book is at low levels not seen in many years. All in all, the market outlook in the long run looks promising.

Going concern

The Board of Directors confirms that the annual accounts for 2021 have been prepared on a going concern basis.

It is the Board's opinion that the financial statements provide a fair view of the parent company's and the group's assets and liabilities, financial position and results.

Bergen, 13th of May 2022

Board of Directors of Nesttun Invest AS

Karl L. Kvalheim
Chairman/Managing Director



Nesttun Invest AS
Income Statement
(figures in USD)

Nesttun Invest Group

notes	OPERATING REVENUES AND EXPENSES	2021	2020
1	Freight revenue	189 447 783	126 721 150
2	Other income	1 484 637	5 769 245
	Total revenue	<u>190 932 420</u>	<u>132 490 395</u>
1	Voyage expenses	52 601 719	41 574 273
1	Distributions to shipowners	88 198 183	17 378 148
3	Crew expenses, payroll etc	14 861 329	15 540 526
	Operation of vessels	10 296 739	11 352 283
4	Depreciations and impairments	7 392 672	10 852 548
	T/C hire	7 078 305	10 705 607
3	Other operating expenses	2 094 507	2 337 161
	Total operating expenses	<u>182 523 454</u>	<u>109 740 546</u>
	Operating profit	<u>8 408 966</u>	<u>22 749 849</u>
	FINANCIAL INCOME AND EXPENSES		
	Other interest income	42	2 012
1,7	Net gain/(loss) from financial investments	57 872	1 203 877
	Net currency gain/(loss)	-48 232	-42 279
6	Share of profit/(loss) from joint ventures	-387 632	1 563 251
12	Interest expenses	4 401 578	5 463 620
	Other financial expenses	0	109 266
	Net financial income and expenses	<u>-4 779 528</u>	<u>-2 846 025</u>
	Profit before taxes	<u>3 629 438</u>	<u>19 903 824</u>
8	Tax expenses	<u>240 262</u>	<u>541 706</u>
	PROFIT/(LOSS) FOR THE YEAR	<u>3 389 176</u>	<u>19 362 118</u>
11	Majority share	<u>3 138 637</u>	<u>18 171 311</u>
11	Non-controlling interests	<u>250 539</u>	<u>1 190 807</u>



Nestun Invest AS

Statement of Comprehensive Income

(USD)

NOTES	COMPREHENSIVE INCOME	Nestun Invest Group	
		2021	2020
	Profit for the year	3 389 176	19 362 118
	Other comprehensive income	<u>0</u>	<u>0</u>
	Total comprehensive income for the year	<u>3 389 176</u>	<u>19 362 118</u>



Nesttun Invest AS

Balance Sheet as at 31 December

(figures in USD)

		Nesttun Invest Group	
notes	ASSETS	2021	2020
	Non-current assets		
	Intangible assets		
8	Deffered tax asset	5 501	1 649
	Total intangible assets	<u>5 501</u>	<u>1 649</u>
	Tangible assets		
4	Vessels	98 748 952	103 448 414
4	Docking	5 452 528	4 935 274
4	Fixtures and furniture etc	107 744	198 279
	Total tangible assets	<u>104 309 224</u>	<u>108 581 967</u>
	Financial assets		
6	Investments in joint ventures	4 997 183	5 384 815
7	Other investments	517 274	264 540
	Total financial assets	<u>5 514 457</u>	<u>5 649 355</u>
	Total non-current assets	<u>109 829 182</u>	<u>114 232 971</u>
	Current assets		
	Debtors		
	Accounts receivables	4 274 509	1 984 036
	Stores	4 903 255	2 593 549
13	Other receivables, prepayments etc	15 307 306	12 309 289
	Total debtors	<u>24 485 070</u>	<u>16 886 874</u>
	Investments		
7	Marked based investments	15 006	15 511
	Total investments	<u>15 006</u>	<u>15 511</u>
9	Cash and bank deposits	<u>7 921 516</u>	<u>12 283 061</u>
	Total current assets	<u>32 421 592</u>	<u>29 185 446</u>
	TOTAL ASSETS	<u>142 250 774</u>	<u>143 418 417</u>



Nesttun Invest AS

Balance Sheet as at 31 December

(figures in USD)

Nesttun Invest Group

notes	EQUITY AND LIABILITIES	2021	2020
	Equity		
	Paid-in equity		
10	Share capital	79 703	79 703
11	Share premium	197 578	197 578
	Total paid-in equity	<u>277 281</u>	<u>277 281</u>
	Retained earnings		
	Other equity	47 074 554	43 768 246
11	Total retained earnings	<u>47 074 554</u>	<u>43 768 246</u>
11	Non-controlling interests	<u>3 309 652</u>	<u>3 742 881</u>
	Total equity	<u>50 661 487</u>	<u>47 788 408</u>
	Liabilities		
	Non-current liabilities		
1	Lease liabilities	50 000	50 000
12	Mortgage debt and financial lease	48 168 431	58 189 542
14	Unsecured loans	3 175 717	1 683 639
	Total non-current liabilities	<u>51 394 148</u>	<u>59 923 181</u>
	Current liabilities		
12	Current portion of mortgage debt/financial lease	11 190 545	11 668 176
12	Credit facilities	2 393 286	3 207 301
	Trade creditors	11 525 960	6 196 618
8	Tax payable	243 500	635 659
	Public taxes payable	313 722	415 159
	Dividend	0	164 500
13	Other short term liabilities, accruals etc	14 528 126	13 419 415
	Total current liabilities	<u>40 195 139</u>	<u>35 706 828</u>
	Total liabilities	<u>91 589 287</u>	<u>95 630 009</u>
	TOTAL EQUITY AND LIABILITIES	<u>142 250 774</u>	<u>143 418 417</u>

Bergen, 13th of May 2022

Karl Lødrup Kvalheim
Chairman/Managing Director



Nesttun Invest AS
Cash Flow Statement
(figures in USD)

	Nesttun Invest Group	
	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	3 629 438	19 903 824
Taxes	-632 421	-587 485
Depreciations and impairments	7 392 671	10 852 548
Gain from sale of fixed assets		-3 385 371
Share of profit/(loss) from subsidiaries/JV	387 632	-1 563 251
Change in value of market based financial investments	505	572 189
Gain from sale of financial assets		
Revaluation of financial instruments		-1 631 431
Change in portfolio of market based financial investments		994 402
Change in accounts receivables	-2 383 058	1 646 167
Change in trade creditors	5 421 927	1 837 210
Change in other current assets and other current liabilities	-4 304 301	-1 856 748
Net cash flow from operating activities	<u>9 512 393</u>	<u>26 782 054</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-3 119 928	-25 546 605
Sale of fixed assets		6 466 198
Purchase of financial assets	-252 735	0
Net cash flow from investing activities	<u>-3 372 663</u>	<u>-19 080 407</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan proceeds	15 492 078	16 119 457
Utdeling til minoritetsinteressenter		
Innbetalinger ved opptak av ny kortsiktig gjeld		
Loan repayment	-24 498 741	-18 153 740
Slettet gjeld ved avvikling av datterselskap		
Net change in credit facilities	-814 015	949 372
New equity	175 853	
Reduction of non-controlling interests	-658 000	-2 119 718
Payment of dividend	-198 450	-2 890 500
Innbetaling aksjekapital	0	0
Innbetaling av konsernbidrag	0	0
Utbetaling av konsernbidrag	0	0
Netto kontantstrøm fra finansieringsaktiviteter	<u>-10 501 275</u>	<u>-6 095 129</u>
Net cash flow for the period	-4 361 545	1 606 518
Cash and bank deposits as at 1.1.	12 283 061	10 676 543
Cash and bank deposits as at 31.12.	<u>7 921 516</u>	<u>12 283 061</u>



Nesttun Invest Group

Notes to Financial Statements 2021

Note 1 – Accounting principles

Nesttun Invest AS is the parent company of the group and is located at Tveiteraasveien 12, 5232 Paradis, Norway. The group accounts are available at the business address.

The financial statements are prepared in accordance with The Norwegian Accounting Act of 1998 § 3-9 and the corresponding regulations for simplified IFRS (2014) approved by the Norwegian Ministry of Finance on 3rd of November 2014. This implies that the Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU for measurement and recognition purposes. However, presentation and note disclosures are prepared in accordance with The Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles.

The financial statements are based on historical cost except for financial instruments which are carried at fair value.

The accounting principles are described below.

Consolidation principles for the group accounts

The consolidated accounts comprise the financial statements of the parent company, Nesttun Invest AS, and the group companies specified in note 5.

Shareholdings and investments in subsidiaries are eliminated on the basis of the acquisition method. Intra-group transactions and balances are eliminated.

Functional currency and presentation currency

These financial statements are presented in USD which is the functional currency of the group. All figures in the notes are expressed in USD.

Principal rule for valuation and classification of assets and liabilities

Assets meant for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Accounts receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Non-current assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule. Next year's instalment of non-current debt is classified as current debt.

Other items are valued as described below.

Leases

The group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method from the commencement date to the end of the lease term.

Vessels

Vessels are owned vessels and vessels for which the lease contract is legally a bareboat lease of the vessel, but the company, based on the contract, has considered this as a purchase of the vessel. In the financial statements the bareboat leased vessels are recognised as fixed assets, and the liability of the contract is recognised as non-current debt.



Nesttun Invest Group

Notes to Financial Statements 2021

Vessels are recorded at their cost less accumulated depreciation. Vessels are depreciated on a straight-line basis over their estimated useful economic life. The useful life of the vessels is estimated at 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less estimated residual scrap value. Residual scrap value is estimated as the lightweight tonnage of each vessel multiplied by the estimated scrap value per ton.

Vessels are assessed for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less transaction costs, and value in use.

Value in use is estimated calculating future discounted net operating cash flows expected to be generated by the vessel over its remaining useful life. Net operating cash flows are determined by applying various assumptions regarding discount rate, useful life of the vessel, future net voyage income, operating expenses, scheduled dry-dockings, expected off hire and scrap values, and taking into account historical revenue data, future budgets and published forecast on future world economic growth.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). The total fleet is considered to be the cash-generating unit. Assessment on fleet level is based on the fact that all vessels are included in the same logistical system in which each vessel can replace any of the other vessels. Which vessel is allocated to which contract is depended on position and available loading capacity. Vessels decided to be sold, are not included in the fleet assessment for impairment testing, and carrying amount of such vessels is compared to fair market value less transaction costs.

Drydock expenditure and maintenance

Expenditures incurred in drydocking are deferred and amortised until the next scheduled drydocking. At the time of purchasing the vessel, the acquisition price is decomposed to vessel and drydocking, and the drydocking is amortised until the next drydocking.

Expenses for routine maintenance and repairs are expensed as incurred.

When insured damages occur, insurance claims are recorded, net of any deductible amounts which are charged as expenses. Insurance claims are classified as short term receivables.

Investments in joint ventures

Investments joint ventures are accounted for by using the equity method. Under this method, the investment is initially recognised at cost. The income statement reflects the company's share of the profit/(loss) from the subsidiaries, and the balance sheet value reflects the company's share of the equity.

Financial instruments

Financial instruments are recognised at the fair value on the balance sheet date. The fair value is obtained from third party quotes. Changes in the fair value are recognised in profit or loss. For cash and cash equivalents and current liabilities, the carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms.

Inventories

Inventories consist of bunkers, lubricating oils and other consumables on board the vessels. Inventories are valued at the lower of cost or market value on a first-in-first-out basis.



Nesttun Invest Group

Notes to Financial Statements 2021

Receivables

Trade receivables and other receivables are recorded at nominal value less provisions for expected losses. The loss provision is based on an individual assessment of each accounts receivable.

Revenue recognition

The group company Champion Tankers AS operates a pool of MR product tankers through a commercial management agreement. Until the end of July 2020 the company acted only as an agent for the vessels in the Champion Tankers pool.

Since 1st of August 2020 Champion Tankers AS has acted as a principal for the vessels in the pool according to IFRS 15. The company acts as a principal for the vessels in the pool due to the fact that the freight services delivered to the customers are controlled by Champion Tankers. Revenue generated from all vessels in the pool is recognised as gross revenue in the income statement.

For this reason gross freight revenue for pool vessels not owned by the group, is included in the income statement for the period August through December 2020 and for the full year 2021.

Freight revenue

Revenue from voyage charters is recognised rateably on a loading-to discharge basis. Revenue from time charter contracts is recognised over the term of the charter based on onhire days. Revenue on cutoff voyages is recognised based on the number of days before and after the balance sheet date.

Other operating income

Other operating income is recognised in the income statement when the income generating activities have been carried out on the basis of a binding agreement. The income is measured to the price at the time of the transaction.

Voyage expenses

All voyage expenses are recognised proportionally with the voyage revenues. Voyage expenses on cutoff voyages are recognised based on the number of days before and after the balance sheet date.

Operating expenses

Operating expenses are recognised in the income statement in the same period as the corresponding income.

Pension plans

Pension liabilities covered by insurance companies are not recognised in the balance sheet. All premiums paid to insurance companies are recognised as pension expenses in the income statement.

Taxes

Taxes charged as expense consist of payable tonnage tax. The company is included in the Norwegian Tonnage Tax Regime which entitles the company to tax exemption on profits derived from ship operations provided payment of tonnage tax. However, possible future net financial income will be taxed with a tax rate of 22%. There is no provision for deferred tax on potential net financial income in the accounts.



Nesttun Invest Group

Notes to Financial Statements 2021

Note 2 – Other operating income

Other operating income consists of commercial management fees and administration fees. In 2020 other income also includes gain on vessels sold of USD 3 385 371.

Note 3 – Payroll costs, number of employees, remunerations etc.

Crew expenses, payroll etc	2021	2020
Salaries	2 011 029	1 996 085
Pension costs	299 878	260 425
Social security expenses	341 718	341 992
Other benefits	56 091	64 696
Total salaries	2 708 716	2 663 198
Crew expenses	12 152 613	12 877 328
Total group	14 861 329	15 540 526
Average number of employees in the group	14	13

The crew is hired in from different technical managers.

Pension plans

The group has pension plans which meet the requirements of the Norwegian Act on Mandatory company pensions. The group has a defined benefit pension plan which include 6 employees. The scheme gives an entitlement to defined future pension benefits based on number of years of service. The pension scheme is funded through the accumulation of pension fund assets in an insurance company. The pension premium fund is used 0. The group has a defined-contribution based pension scheme which includes 8 employees.

Remuneration to executives	The Board
Salary and other benefits	176 883
Pension premiums	20 350
Total	197 233

Remuneration to auditors	2021	2020
Statutory audit	105 155	81 816
Assurance services	23 414	2 098
Tax advice	20 719	7 383
Total	149 288	91 297



Nesttun Invest Group
Notes to Financial Statements 2021

Note 4 – Tangible fixed assets

	Vessels	Docking	Other assets	Total
Aquisition cost 1.1.	172 546 826	11 181 952	655 647	184 384 425
Additions		3 120 729		3 120 729
Disposals				0
Aquisition cost 31.12.	172 546 826	14 302 681	655 647	187 505 154
Accumulated depreciations and impairments	73 797 874	8 850 153	547 903	83 195 930
Balance sheet value as at 31.12	98 748 952	5 452 528	107 744	104 309 224
Ordinary depreciations	5 379 462	1 922 674	90 536	7 392 672
Impairment charges	0	0	0	0
Depreciation period	6-16 years	2,5 years	3 years	

Vessels with total book value of USD 37 751 696 are hired under bareboat charterparties. Based on contract terms which include purchase obligations, the vessels are considered purchased although the group is not yet legal owner.

One vessel suffered main engine breakdown in 2018 and is still out of service. The insurance claim case is not yet completed. The carrying amount of the vessel is included in the balance sheet together with vessels in operation.

Vessels which will be sold within a certain time horizon, are not included in the fleet assessment for impairment testing. The carrying amounts for these vessels are tested against broker valuations.

Value in use (discounted cash flows) is used in our impairment testing of vessels included in the fleet assessment. No impairment losses are recognised in 2021.

Discounted cash flows are determined by applying the following assumptions:

- Net future voyage income reflecting market rates
- Operating expenses (opex)
- Scheduled dry-dockings
- Expected off hire
- Scrap values
- Expected Economical life of the vessel
- Discounting factors

Net future voyage income is estimated based on historical average earnings adjusted for inflation and budget for 2022. Estimated operating expenses are based on actual opex for 2021 and budget for 2022. An estimated interest rate based on long-term financing including risk premium is used as discounting factor. The rate used is 9,9%.



Nesttun Invest Group Notes to Financial Statements 2021

Note 5 – Group companies

The following group companies are fully consolidated in the financial statements:

Group companies

Subsidiaries:

Nesttun Invest Shipholding
Pomer AS
ORO Tankers AS
Champion Shipping AS
Champion Tankers AS

Companies owned by subsidiaries:

Ebony AS
Trust AS
Trust One AS
Trust Two AS

Note 6 – Investments in joint ventures

Investments in joint ventures	Champion Timur AS	Champion Endurance AS	Total
Share	50 %	50 %	
Aquisition date	30 May 2018	20 May 2019	
Aquisition cost	1 765 000	1 500 000	3 265 000
Opening balance	3 094 852	2 289 963	5 384 815
Share of profit this year	135 011	-522 643	-387 632
Closing balance	3 229 863	1 767 320	4 997 183

Note 7 – Financial instruments

Other investments	Ownership	Number of shares	Cost price	Book value
Alpha Adriatic d.d.		36 166	520 540	264 540
Supra Invest IS	3 %		252 734	252 734
Total			773 274	517 274



Nesttun Invest Group
Notes to Financial Statements 2021

Note 7 (continued) – Financial instruments

Marked based investments (current assets)	Cost price	Book value
Shares within the EEA	1 329 608	15 006
Shares outside the EEA	0	0
Total	1 329 608	15 006

Note 8 – Tax expenses

The tax expense for the year consists of	2 021	2 020
Taxes payable	171 491	558 959
Tonnage tax shipowning companies	72 010	76 700
Tax for previous year	667	410
Change in deferred tax	-3 906	-94 363
Tax expenses	<u>240 262</u>	<u>541 706</u>

Tax payable	2021	2020
Basis for payable income tax	779 505	2 540 723
Tax rate	22 %	22 %
Payable income tax	171 490	558 959
Payable tonnage tax shipowning companies	72 010	76 700
Total tax payable	<u>243 500</u>	<u>635 659</u>

Net financial losses carried forward within the tonnage tax system is USD 12,6 mill.

Temporary differences	31.12.	01.01.	Change
Fixed assets	-25 008	-7 495	-17 513
Investments	0	0	0
Receivables	0	0	0
Basis for deferred taxes	<u>-25 008</u>	<u>-7 495</u>	<u>-17 513</u>
Nominal tax rate	<u>22 %</u>	<u>22 %</u>	
Deferred tax asset	<u>-5 501</u>	<u>-1 649</u>	<u>-3 852</u>

Taxes payable in the balance sheet consist of:	2021	2020
Current liabilities:	USD	USD
Tax payable	171 490	558 959
Tonnage tax	72 010	76 700
Total taxes payable	<u>243 500</u>	<u>635 659</u>



Nesttun Invest Group
Notes to Financial Statements 2021

Note 9 – Bank deposits

Restricted bank deposits as at 31 December amount to USD 163 070 and relate to taxes withheld from employees.

Pledged bank accounts are included in note 12.

Note 10 – Share capital and share information.

	Number of shares	Nominal value NOK	NOK	USD
A-shares	101	1 926	194 552	27 759
B-shares	189	1 926	364 062	51 944
Total	290		558 614	79 703

All shares have the same rights in the company save for A shares which have 5 voting rights per share.

Owner structure

The shareholders of the company as at 31 December:

Name	Number of A shares	Number of B shares	Total number of shares	Percent of shares
Karl L. Kvalheim	101	0	101	35 %
Normeat Holding AS	0	87	87	30 %
HK Nesttun Holding AS	0	87	87	30 %
PBK Holding AS	0	15	15	5 %
Total	101	189	290	100 %



Nesttun Invest Group
Notes to Financial Statements 2021

Note 11 – Equity

Changes in equity 2021:

Group	Total	Non-controlling interests	Majority share
Equity 1.1.	47 788 408	3 742 881	44 045 527
<i>Change in equity this year;</i>			
Profit (loss) for the year	3 389 177	250 539	3 138 638
Additional dividend previous year	-33 949	0	-33 949
Reduction minority interests	-658 000	-859 619	201 619
Capital increase	175 851	175 851	0
Equity 31.12.	50 661 487	3 309 652	47 351 835

Non-controlling interests as at 31 December:

Champion Shipping AS	7,03%
Trust AS	8,05%
ORO Tankers AS	49,0%

Note 12 – Interest-bearing debt, mortgages and guarantee liabilities

Interest-bearing debt can be specified as follows:	2021	2020
	USD	USD
Mortgage debt and financial lease (non-current)	48 168 431	58 169 541
Current portion of mortgage debt/financial lease	11 190 545	11 688 176
Credit facility (current)	2 393 286	3 207 301
Other short term liabilities	1 500 000	0
Total	63 252 262	73 065 018

Current portion of mortgage debt/financial lease includes bareboat liabilities of USD 3 990 045.

Mortgage debt and financial lease include bareboat liabilities of USD 18 959 149.

Balance sheet value of pledged assets	2021	2020
	USD	USD
Owned vessels	66 272 414	45 026 731
Vessels under bareboat charterparties	37 751 696	63 356 960
Shares in joint ventures	4 997 183	5 384 815
Stores	2 908 811	2 125 634
Accounts receivables	124 030	835 737
Bank deposits	2 093 841	4 783 564
Total	114 147 975	121 513 441



Nesttun Invest Group

Notes to Financial Statements 2021

Note 12 (continued) – Interest-bearing debt, mortgages and guarantee liabilities

All financial covenants are met as per 31 December 2021.

Instalment profile of mortgage debt and financial lease debt including balloon payment;

Year	USD
Current liabilities:	
2022	11 190 545
Total current liabilities	11 190 545
Non-current liabilities:	
2023	36 478 753
2024	1 018 035
2025	10 671 643
Total non-current liabilities	48 168 431

Guarantee liabilities:

In connection with the investments in joint ventures (see note 6) the group has granted guarantees in total of USD 6,5 mill.

Note 13 – Insurance claim

In August 2018 one vessel suffered a main engine break down. The vessel is still out of service. The group has declared constructive total loss (condemnation) to the underwriters. The underwriters represented by Gard as claims handler, have not accepted the group's request for condemnation, and the claim has been brought to court.

In April 2021 the Aust-Agder District Court returned its verdict which concluded that the group is entitled to receive the full insurance value as constructive total loss in addition to recover of all court costs.

Gard have lodged an appeal, and the case will be taken up to the court of appeal in May/June 2022.

All expenses related to warm lay-up of the vessel have been posted to operating expenses in the period August 2018 to July 2020. These expenses have been charged to the profits according to a prudent accounting concept although they may be recoverable from the underwriters.

Expenses related to cold lay-up of the vessel and other direct expenses have been recognised as short-term receivables and tested for expected losses.

If the verdict from the district court remains, the insurance claim will result in a gain compared to the carrying amount of the vessel and the prudent book value of the claim for incurred expenses.



Nesttun Invest Group
Notes to Financial Statements 2021

Note 14 – Unsecured loans (non-current)

Counterparty	Outstanding amount	Interest rate
Majority shareholders	1 330 255	0,50 %
Minority shareholders	194 962	2,50 %
Minority shareholders	1 307 000	3,00 %
External parties	343 500	0 %
Total	3 175 717	

Note 15 - Subsequent events – Russia/Ukraine situation

The group's business is part of a global market, and hence the group is exposed to macroeconomic developments. The Russian invasion of Ukraine will affect the world trade in general. Until now the situation has not had any substantial effect on our operations. The company is monitoring the development and is assessing current and potential impact on crew and operations. Initial mitigating actions have been implemented and further mitigating actions are evaluated on a continuous basis.



Nesttun Invest AS
Income Statement
USD

NOTES	OPERATING REVENUE AND EXPENSES	2021	2020
1	Commission revenue	2 335 109	2 680 570
	Total operating revenue	<u>2 335 109</u>	<u>2 680 570</u>
2	Payroll expenses	886 048	1 070 970
3	Ordinary depreciations	39 295	39 306
	Other expenses	194 143	229 008
	Total expenses	<u>1 119 486</u>	<u>1 339 284</u>
	Operating profit	<u>1 215 623</u>	<u>1 341 286</u>
	FINANCIAL INCOME AND EXPENSES		
	Share of profit/(loss) from subsidiaries	3 802 004	14 488 141
5	Interest income from group companies	132 024	175 504
	Interest income	0	16
	Dividend received	58 376	68 788
	Net currency gain/(loss)	52 054	-17 145
	Realised gain/(loss) financial assets	0	130 111
6	Change in value of market based financial investments	-504	-626 453
	Interest expense to group companies	390 000	0
	Interest expenses	147 936	109 669
	Other financial expenses	72 754	79 598
	Net financial items	<u>3 433 264</u>	<u>14 029 695</u>
	Net profit before taxes	<u>4 648 887</u>	<u>15 370 981</u>
7	Tax expenses	114 321	289 795
	Net profit/(loss) for the year	<u>4 534 566</u>	<u>15 081 186</u>
	Total allocations and distributions	<u>4 534 566</u>	<u>15 081 186</u>
	ALLOCATIONS AND DISTRIBUTIONS		
	Reserve for valuation differences	3 698 588	14 282 640
	Allocated to other equity	835 978	798 546
	Total allocations and distributions	<u>4 534 566</u>	<u>15 081 186</u>



Nesttun Invest AS
Balance Sheet as at 31 December
USD

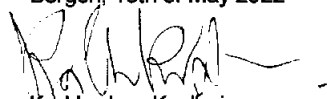
NOTES	ASSETS	2021	2020
	Non-current assets		
7	Deferred tax assets	4 839	883
	Total intangible assets	<u>4 839</u>	<u>883</u>
	Property, plant and equipment		
3	Fixtures and furnitures, vehicles, office machines, etc.	54 512	93 807
	Total property, plant and equipment	<u>54 512</u>	<u>93 807</u>
	Non-current financial assets		
4	Investment in subsidiaries	55 382 656	39 987 760
	Loans to group companies	5 899 602	5 532 880
	Total non-current financial assets	<u>61 282 257</u>	<u>45 520 639</u>
	Total non-current assets	<u>61 341 609</u>	<u>45 615 329</u>
	Current assets		
	Debtors		
	Accounts receivables	0	22 115
	Receivables from group companies	740 529	538 928
	Other short-term receivables	14 070	23 159
	Total receivables	<u>754 598</u>	<u>584 203</u>
	Investments		
5	Market based financial investments	15 006	15 511
	Total investments	<u>15 006</u>	<u>15 511</u>
8	Cash and cash equivalents	65 010	104 653
	Total current assets	<u>834 615</u>	<u>704 366</u>
	TOTAL ASSETS	<u>62 176 223</u>	<u>46 319 695</u>



Nesttun Invest AS
Balance Sheet as at 31 December
USD

NOTES	EQUITY AND LIABILITIES	2021	2020
	Egenkapital		
	Paid-in equity		
9	Share capital	79 703	79 703
	Share premium	197 578	197 578
	Total paid-in equity	<u>277 281</u>	<u>277 281</u>
	Retained earnings		
4	Reserve for valuation differences	36 785 580	33 086 992
	Other equity	8 383 864	7 585 251
	Total retained earnings	<u>45 169 444</u>	<u>40 672 243</u>
10	Total equity	<u>45 446 725</u>	<u>40 949 524</u>
	Liabilities		
	Provisions		
	Other non-current liabilities		
	Loans from group companies	10 768 218	0
11	Shareholder loans	1 330 255	1 493 091
	Other loans	343 500	0
	Total non-current liabilities	<u>12 441 974</u>	<u>1 493 091</u>
	Current liabilities		
12	Liabilities to financial institutions	2 393 286	3 207 301
	Trade payables	986	3 118
7	Tax payable	118 306	384 438
	Public taxes payable	160 446	270 564
	Other current liabilities	1 614 500	11 660
	Total current liabilities	<u>4 287 524</u>	<u>3 877 080</u>
	Total liabilities	<u>16 729 498</u>	<u>5 370 171</u>
	TOTAL EQUITY AND LIABILITIES	<u>62 176 223</u>	<u>46 319 695</u>

Bergen, 13th of May 2022


Karl Lødrup Kvalheim
chairman of the board



Nestun Invest AS
Cash flow statement
(USD)

CASH FLOW FROM OPERATING ACTIVITIES	2021	2020
Profit before taxes	4 648 887	15 370 981
Taxes	-384 438	-338 391
Depreciations and impairments	39 295	40 107
Share of profit/(loss) from subsidiaries/JV	-3 802 004	-14 488 141
Change in value of market based financial investments	505	572 189
Change in portfolio of market based financial investments		1 958 167
Change in accounts receivables	22 115	-21 987
Change in trade creditors	-2 131	-10 576
Change in receivables from group companies	-468 323	608 793
Change in other current assets and other current liabilities	1 387 341	157 968
Net cash flow from operating activities	1 441 247	3 849 110
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of financial assets	-11 238 308	-1 280 978
Net cash flow from investing activities	-11 238 308	-1 280 978
CASH FLOW FROM FINANCING ACTIVITIES		
Loan proceeds	0	2 192 415
Loan proceeds from group companies	10 768 218	0
Demerger	0	-1 968 905
Loan repayment	-976 851	0
Payment of dividend	-33 949	-2 726 000
Net cash flow from financing activities	9 757 418	-2 502 490
Net cash flow for the period	-39 643	65 642
Cash and bank deposits as at 1.1.	104 653	39 011
Cash and bank deposits as at 31.12.	65 010	104 653



Nesttun Invest AS

Notes to Financial Statements 2021

Note 0 – Accounting principles

The financial statements are prepared in accordance with The Norwegian Accounting Act of 1998. The accounting principles are described below.

Principal rule for valuation and classification of assets and liabilities

Assets meant for permanent ownership or use in the business are classified as fixed assets. Other assets are classified as current assets. Accounts receivables due within one year are classified as current assets. The classification of current and long term liabilities is based on the same criteria.

Fixed assets are carried at historical cost, but are written down if a decline in fair value below the carrying amount is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule. Long-term loans are carried at nominal value.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value.

Other items are valued as described below.

Investments in subsidiaries

Investments in subsidiaries are accounted for by using the equity method. Under this method, the investment is initially recognised at cost. The acquisition method of accounting is used to account for new and incremental acquisitions in subsidiaries. The cost of an acquisition is measured at the fair value of the assets and liabilities of the subsidiary, and excess value (positive or negative) is included in the carrying amount of the investment. The income statement reflects the company's share of the profit/(loss) from the subsidiaries adjusted for depreciation of excess value, and the balance sheet value reflects the company's share of the equity adjusted for excess value.

Functional currency and presentation currency

These financial statements are presented in USD which is the functional currency of the parent company and the group. All figures in the notes are expressed in USD.

Receivables

Trade receivables and other receivables are recorded at nominal value less provisions for expected losses. The loss provision is based on an individual assessment of each accounts receivable.

Other investments in shares and limited partnerships

Long-term investments are recorded at cost. The investment will be written down to fair value when the reduced value is due to causes which are not deemed to be temporary.

Marked based investments

Short-term investments in shares are regarded as part of a trading portfolio and are stated at fair value at year-end. Dividends received and other distributions are posted as financial income.



Nesttun Invest AS

Notes to Financial Statements 2021

Note 0 continued – Accounting principles

Operating revenue

Operating revenue is recognised in the income statement when the income generating activities have been carried out on the basis of a binding agreement. The income is measured to the price at the time of the transaction.

Operating expenses

Operating expenses are recognised in the income statement in the same period as the corresponding income.

Pension plans

Pension liabilities covered by insurance companies are not recognised in the balance sheet. All premiums paid to insurance companies are recognised as pension expenses in the income statement.

Income taxes

The tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented in the balance sheet as a net amount.

Note 1 – related parties transactions

The company has revenue from related parties amounting to usd 1,6 mill.

Note 2 – Payroll expenses, number of employees, remunerations etc.

Payroll expenses etc	2021	2020
Salaries	683 396	850 896
Pension costs	77 518	69 460
Social security expenses	113 233	134 513
Other benefits	11 901	16 101
Total payroll expenses	<u>886 048</u>	<u>1 070 970</u>
Average number of employees	<u>4</u>	<u>4</u>

Pension plan

The company has a pension plan which meets the requirements of the Norwegian Act on Mandatory company pensions. The pension plan is a defined-contribution based plan which includes 4 employees.



Nesttun Invest AS
Notes to Financial Statements 2021

Note 2 continued – Payroll expenses, number of employees, remunerations etc.

Remuneration to executives	The Board
Salary and other benefits	144 454
Pension premiums	21 000
Total	<u>165 454</u>

Remuneration to auditors	2 021	2 020
Statutory audit	15 432	9 622
Assurance services	23 928	-
	<u>39 359</u>	<u>9 622</u>

Note 3 – Tangible fixed assets

	Fixtures, vehicles etc
Aquisition cost 1.1.	222 212
Additions	0
Disposals	0
Aquisition cost 31.12.	222 212
Accumulated depreciations and impairments	167 701
Balance sheet value as at 31.12	54 511
Ordinary depreciations	39 306
Impairment charges	0
Depreciation period	3 years



Nesttun Invest AS
Notes to Financial Statements 2021

Note 4 – Investments in subsidiaries

Investments in subsidiaries	Champion Shipping AS	Champion Tankers AS	Nesttun Invest Shipholding AS
Share 1 January	66 %	65 %	100 %
Share 31 December	91 %	100 %	100 %
Aquisition date	1993/2020	15.01.1999	20.10.2020
Acquisition cost	15 540 978	219 375	2 240 413
Share of equity in the subsidiary in excess of book value of the investment*)	3 172 317	0	0
Opening balance	12 256 290	279 970	27 451 500
Share of profit/(loss)	2 563 247	78 427	370 067
Depreciation excess value	709 489	-7 018	0
Additions/disposals	10 900 000	658 000	0
Repayment of capital	0	-100 000	-3 101
Closing balance	26 429 026	909 379	27 818 466

Investments in subsidiaries	ORO Tankers AS	Pomer AS	Total
Share 1 January	51 %	100 %	
Share 31 December	51 %	100 %	
Aquisition date	17.06.2021	12.12.2019	
Acquisition cost	138 308	100 000	18 239 075
Share of equity in the subsidiary in excess of book value of the investment*)	0	0	3 172 317
Opening balance	0	0	39 987 759
Share of profit/(loss)	87 792	0	3 099 534
Deprecation excess value	0	0	702 471
Additions/disposals	138 308	0	11 696 308
Repayment of capital	-315	0	-103 416
Closing balance	225 785	0	55 382 656

*) To be posted to profit over the next 5 years.



Nesttun Invest AS
Notes to Financial Statements 2021

Note 4 continued – Investments in subsidiaries

The difference between acquisition cost and closing balance is allocated to reserve for variation differences (see note 10).

Note 5 – Loans to group companies

Loans to group companies are interest-bearing. Average interest rate is 3,1% p.a.

Note 6 – Marked based investments

Investment	Cost price	Book value
Shares within the EEA	1 329 103	15 006
Shares outside the EEA	0	0
Total	1 329 103	15 006

Note 7 – Tax expenses

Net income	4 648 887
Permanent differences	-4 129 247
Temporary differences	18 115
Tax basis	537 755
Tax rate	22 %
Tax payable	118 306

Temporary differences	31.12.	01.01.	Change
Fixed assets	-21 994	-4 014	-17 980
Basis for deferred taxes	-21 994	-4 014	-17 980
Nominal tax rate	22 %	22 %	
Deferred tax asset	-4 839	-883	-3 956



Nesttun Invest AS
Notes to Financial Statements 2021

Note 7 continued – Tax expenses

Tax expense	2021	2020
Tax payable for this year	118 306	384 438
Change in deferred tax	-3 985	-94 643
Tax for previous year	0	0
Sum	<u>114 321</u>	<u>289 795</u>

Note 8 – Bank deposits

Restricted bank deposits as at 31 December amount to USD 64 806 and relate to taxes withheld from employees.

Note 9 – Share capital and share information.

	Number of shares	Nominal value NOK	NOK	USD
A-shares	101	1 926	194 552	27 759
B-shares	189	1 926	364 062	51 944
Total	290		558 614	79 703

All shares have the same rights in the company save for A shares which have 5 voting rights per share.

Owner structure

The shareholders of the company as at 31 December:

Name	Number of A shares	Number of B shares	Total number of shares	Percent of shares
Karl L. Kvalheim	101	0	101	35 %
Normeat Holding AS	0	87	87	30 %
HK Nesttun Holding AS	0	87	87	30 %
PBK Holding AS	0	15	15	5 %
Total	101	189	290	100 %



Nesttun Invest AS

Notes to Financial Statements 2021

Note 10 – Equity

	Share capital	Share premium	Reserve for valuation differences	Other equity	Total
Equity 1.1.	79 703	197 578	33 086 992	7 585 251	40 949 524
					0
<i>Change in equity this year;</i>					0
Change of principles 1.1.				0	0
Additional dividend previous year				-33 949	-33 949
Profit (loss) for the year			3 698 588	835 978	4 534 566
Changes related to subsidiaries				-3 416	-3 416
Equity 31.12.	79 703	197 578	36 785 580	8 383 864	45 446 725

Note 11 – Shareholder loans

The parent company has an interest-bearing debt of USD 1 330 255 to a shareholder. Average interest 2021 was 0,6% p.a.

Note 12 – Short term liabilities to financial institutions, mortgages and guarantees

Mortgages and guarantee liabilities	2021	2020
	USD	USD
Credit facility (short- term)	2 393 286	3 207 301
Total	2 393 286	3 207 301

Balance sheet value of pledged assets	2021	2020
	USD	USD
Shares	26 444 031	12 271 800
Bank deposits	205	211
Total	26 444 236	12 272 011

Credit facility limit at year-end is USD 3,6 mill.



Nesttun Invest AS
Notes to Financial Statements 2021

Note 13 - Subsequent events – Russia/Ukraine situation

The company is conducting business in a global market and hence exposed to macroeconomic developments. The Russian invasion of Ukraine will affect the world trade in general. Until now the situation has not had any substantial effect on our operations. The company is monitoring the development and is assessing current and potential impact on crew and operations. Initial mitigating actions have been implemented and further mitigating actions are evaluated on a continuous basis.



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To the General Meeting of Nesttun Invest AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Nesttun Invest AS, which comprise:

- The financial statements of the parent company Nesttun Invest 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 Nesttun Invest AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, 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 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 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 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.

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Organisasjonsnummer: 980 211 282

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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 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.

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



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Independent Auditor's Report -
Nesttun Invest AS

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.

Bergen, 13 May 2022
Deloitte AS

Bjarne Ryland
State Authorised Public Accountant

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Bjarne Ryland

State Authorised Public Accountant (Norway)

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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	12.01.2018	12.02.2018
Telefon	Deres referanse	Vår referanse
90076012	Tone B. Solstad	2018/48141

CHAMPION TANKERS AS
Postboks 413 Nesttun
5853 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 12. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for :

- Nesttun Invest AS, org.nr. 982 763 150
- Trust Two AS, org.nr. 920 062 032
- Trust One AS, org.nr. 920 248 632

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående 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.

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

Fra søknaden gjengis:

Nesttun Invest AS er morselskap til Champion Shipping, Champion Tankers, Ebony AS og Trust AS som allerede har fått godkjent søknad om engelsk språk fra regnskapsåret 2016.

Vi så i fjor at det ble tungvint at morselskapet avla regnskap på norsk når alle datterselskapene avla på engelsk. Brukerne av konsernregnskapet krever dessuten konsernregnskapet på engelsk, og vi har til nå måttet gjøre oversettelser ved forespørsel fra våre samarbeidspartnere. (...)

(...) Trust One AS og Trust Two AS er to nye konsernselskaper som driver internasjonal skipsfart. Trust Two AS ble stiftet i desember 2017 og Trust One stiftet 5. januar 2018. Selskapene leier inn hvert sitt skip på bareboat kontrakt som er definert som finansielle leasing. Juridisk eier av skipene krever at vi avlegger revidert årsregnskap på engelsk. Selskapene kjøper varer og tjenester utenfor Norge. Kundene er også utenfor Norge. Ved søknad om kreditt (f.eks ved bunkerskjøp) krever leverandører kopi av årsregnskapet.

En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



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:

”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 vekt på at øvrige konsernselskap allerede har fått innvilget dispensasjon, og at det er upraktisk for morselskapet å ha et annet regnskapsspråk enn datterselskapene. Eierkretsen er begrenset. Selskapene driver virksomhet i en internasjonal bransje hvor arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer