



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 120 013
Organisasjonsform: Aksjeselskap
Foretaksnavn: WELCO ECO SHIP AS
Forretningsadresse: Fabrikkgaten 6
5059 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jakob Ågotnes
Dato for fastsettelse av årsregnskapet: 27.04.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 12.07.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	18 034 663	17 756 466
Sum inntekter		18 034 663	17 756 466
Kostnader			
Varekostnad	2	408 087	687 718
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	3 764 930	4 019 392
Annen driftskostnad	5	6 409 337	6 330 434
Sum kostnader		10 582 354	11 037 544
Driftsresultat		7 452 309	6 718 922
Finansinntekter og finanskostnader			
Annen finansinntekt		91 504	5 101
Sum finansinntekter	7	91 504	5 101
Annen finanskostnad		3 555 221	3 778 545
Sum finanskostnader	7	3 555 221	3 778 545
Netto finans		-3 463 716	-3 773 444
Resultat før skattekostnad		3 988 593	2 945 478
Skattekostnad	8		
Årsresultat		3 988 593	2 945 478
Totalresultat		3 988 593	2 945 478



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Skip, rigger, fly og lignende	3	74 487 609	78 251 605
Sum varige driftsmidler		74 487 609	78 251 605
Finansielle anleggsmidler			
Sum finansielle anleggsmidler		0	0
Sum anleggsmidler			
		0	0
Omløpsmidler			
Varer			
Varer		275 223	206 411
Sum varer		0	0
Fordringer			
Andre fordringer	9	931 645	1 170 115
Sum fordringer		0	0
Investeringer			
Sum investeringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	13 879 217	10 306 773
Sum bankinnskudd, kontanter og lignende		13 879 217	10 306 773
Sum omløpsmidler			
		15 086 085	11 683 299
SUM EIENDELER			
		89 573 694	89 934 904

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	18 103 683	18 103 683
Annen innskutt egenkapital		0	0
Sum innskutt egenkapital	11	23 086 772	24 098 179
Opptjent egenkapital			
Annen egenkapital	11	4 983 089	5 994 496
Sum opptjent egenkapital		4 983 089	5 994 496
Sum egenkapital		0	0
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12	55 132 690	59 676 650
Sum annen langsiktig gjeld		55 132 690	59 676 650
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	12	4 505 525	3 819 859
Betalbar skatt	8	14 113	15 774
Annen kortsiktig gjeld	9	6 834 593	2 324 441
Sum kortsiktig gjeld		11 354 231	6 160 074
Sum gjeld		66 486 922	65 836 724
SUM EGENKAPITAL OG GJELD		89 573 694	89 934 904



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2024 568674

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Brønnøysundregistrene, 03.07.2024



Organisasjonsnr: 917 120 013
WELCO ECO SHIP AS

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WELCO ECO SHIP AS

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Andre fordringer			
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Organisasjonsnr: 917 120 013
WELCO ECO SHIP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2020, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31.12.2019. The company's financial statements are presented in USD. The Company's accounts are part of the consolidated accounts for Skibsaktieselskapet Navigation Co. Ltd., Bergen. Changes in accounting policies and disclosures The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Company during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Company's 2020 financial statements, as well as the effect of the amendments. IFRS 16 Leases Effective 1 January 2019 the Company adopted IFRS 16 using the modified retrospective approach and accordingly comparative information has not been restated. The company does not have any material long-term lease agreements entered into as a lessee as defined by IFRS16.5a and IFRS16.5b Lessor accounting under IFRS 16 is substantially unchanged from previous accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. The Company is not required to make any adjustments on transition for leases in which it is a lessor. The Company accounted for its leases from the date of initial application in accordance with IFRS 16. The use of estimates and assessment of accounting policies when preparing the annual accounts The management uses estimates and assumptions that affect assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation and impairment of vessels, and the assessment of accounting for lease as operating lease. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognized during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods. Revenue recognition Time charter revenue is based on contracts where the Company delivers a vessel including crew to a client. The company's time-charter contracts consist of a bareboat component and a service component. The bareboat period starts from the time the vessel is made available to the customer and expires on the agreed return date. The Bareboat component is recognized within the scope of IFRS 16, while the service component is recognized within the scope of IFRS 15. Both the service and the bareboat component are recognized as revenue over the lease period on a straight-line basis, as the time pattern for the use of both the leased vessel and the services provided are considered to be the same.

Note

1

Er det usikkerhet om fortsatt drift?: Nei



Note

Antall årsverk i regnskapsåret
0.00

Note
5

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	1506214.00	1363267.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	1315498.00	1333810.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>	
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>



Skatteetaten

Saksbehandler Rune Tystad	Deres dato 28.06.2017	Vår dato 30.06.2017
Telefon 97759464	Deres referanse Linda Herfindal	Vår referanse 2017713081

WELCO ECO SHIP AS
Postboks 1192 Sentrum
5811 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Welco Eco Ship AS, org.nr. 917 120 013

– Vi viser til deres brev av 30. juni 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Welco Eco Ship AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Welco Eco Ship AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra deres søknad gjengis:

Welco Eco Ship AS er et shippingselskap med hovedkontor i Bergen. Selskapet eier to kjemikalietankere som opererer i internasjonalt farvann.

Selskapet opererer således i en bransje av sterk internasjonal karakter. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet benytter også engelsk som arbeidsspråk.

Welco Eco Ship AS er en del av konsernet Skibsaktieselskapet Navigation Co Ltd. Skibsaktieselskapet Navigation Co Ltd. er eid av norske holdingselskaper. Aksjonærstrukturen er således begrenset, og aksjonærene ønsker at engelsk språk benyttes.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo
skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er en del av konsernet Skibsaktieselskapet Navigation Co Ltd. og at eierkretsen er begrenset. Videre er det vektlagt at selskapet opererer innen en bransje der engelsk er det dominerende språket og at arbeidsspråket i selskapet er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Welco Eco Ship AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Welco Eco Ship AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss account, equity statement and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and 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 IFRS Accounting Standards as adopted by the EU.

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 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

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 IFRS Accounting Standards as adopted by the EU, 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisionsberetninger>

Bergen, 17 April 2024

PricewaterhouseCoopers AS

Fredrik Gabrielsen

State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Gabrielsen, Fredrik	BANKID	2024-04-17 15:19

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.



Admincontrol

List of Signatures Page 1/1

WES Annual report 2023.pdf

Name	Method	Signed at
Westfal-Larsen, Rolf	BANKID	2024-04-18 20:09 GMT+02
Pettersen, Bernt Jacob Schwings	BANKID	2024-04-18 14:26 GMT+02
Muller, Bernt Ulrich A	BANKID	2024-04-17 17:34 GMT+02



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External reference: 6A15E9A82B9541BE9E5883A37057F324



Annual report 2023

Welco Eco Ship AS
2023

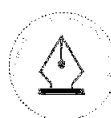
Board of directors' report

Annual accounts

- Profit and loss account 01.01.-31.12.
- Balance sheet
- Equity Statement
- Cash flow statement
- Notes

Auditors' report

Welco Eco Ship AS



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of the document.

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Welco Eco Ship AS

Annual Report of the Board of Directors 2023

The core business of Welco Eco Ship AS is ownership of the vessels MT Leikanger and MT Lindanger. Technical operation of the ships is entrusted to Westfal-Larsen Management AS, while commercial operation is in the responsibility of Westchart AS.

The company was founded in April 2016 as a special purpose entity (SPE) established in conjunction with a refinancing of MT Leikanger and MT Lindanger in the US Private Placement market.

Both vessels are employed on long-term time charters.

The company's operations are conducted within the international environmental requirements that apply to this kind of maritime activity. Ownership of vessels involves a risk of pollution to the external environment. American legislators have introduced stringent rules that may entail unlimited liability for oil spills in US waters. By using recognized quality assurance principles, the company is seeking, via the services procured from Westfal-Larsen Management AS, to limit this risk by means of:

- Safe operating routines
- Adequate current maintenance
- Adequate insurance coverage
- Ensuring that operations are conducted by qualified personnel.

The company has limited financial risk due to fixed income and expenses are mainly in USD, and the company has no interest rate risk through a long-term fixed rate financing scheme with maturity in April 2031.

It is the opinion of the Board of Directors that the company's financial position is satisfactory. The company has a book to equity ratio of 32,8%. Operating profit was USD 7.2 million, and the profit and loss accounts after tax recorded a profit of USD 4.7 million. The company has reported satisfactory earnings in 2023 and the Board of Directors expects the same in 2024. The company's liquidity is good, with liquid funds of USD 12.9 million consisting of bank deposits and US T-bills, of which USD 6.1 million is tied up as collateral. The company had a positive cash flow from operating activities of USD 3.7 million and a negative cash flow of USD 4.7 mill from financing activities.

It is the opinion of the Board of Directors, the presented profit and loss accounts and the balance sheet with accompanying notes provide adequate information about the year's operations and company's status at the end of 2023. In conformity with the rules of International Financial Reporting Standards ("IFRS") it is hereby certified that the accounts are presented on the going-concern assumption.

The ongoing wars in Ukraine and the Middle East still imposes great uncertainty with increased volatility in the global economy and inflationary energy prices, but we have only experienced limited impacts from this so far. In addition, recent incidents of militia attacks on the merchant fleet in the Red Sea has led to rerouting of vessels around the Cape of Good Hope instead of transiting the Suez Canal. Beyond that, no other circumstances have arisen after the end of the financial year over and above those described in the foregoing that are of significance for assessment of the company and that are not stated in the annual accounts with the accompanying notes. Welco Eco Ship AS has no employees.

Westfal-Larsen Management AS provides technical maritime services and Westfal-Larsen Group Resources AS provides administrative services to the company. The company is domiciled in Bergen, Norway, and fall within the Norwegian tonnage taxation scheme.

For information about the company regarding The Transparency Act, we refer to separate report on the company's website.



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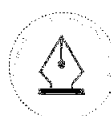
Welco Eco Ship AS

Bergen, April 17th 2024
Board of Welco Eco Ship AS

Bernt Jacob Pettersen
Chairman of the Board

Rolf Westfal-Larsen
Board member

Ulrich Müller
Board member/CEO



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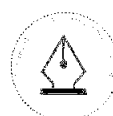


Profit and loss account 01.01-31.12

Welco Eco Ship AS

USD	Note	2023	2022
TC-revenue	2	17 991 439	18 034 663
Total revenues		17 991 439	18 034 663
Voyage-related costs	2	409 341	408 087
Ordinary depreciation	3	3 813 777	3 764 930
Operating costs	5	6 512 737	6 339 729
Administration costs		71 845	69 608
Total operating costs		10 807 701	10 582 354
Operating profit (loss)		7 183 738	7 452 309
Financial income (excl. currency gain)	7	379 557	91 504
Financial costs (excl. currency losses)	7	3 276 386	3 546 646
Realised currency gains/(losses)		395 036	-8 575
Net financial incomes (costs)		-2 501 794	-3 463 716
Profit (loss) before taxes		4 681 944	3 988 593
Taxes	8	0	0
Profit (loss) for the year		4 681 944	3 988 593
Other comprehensive income, net of tax		0	0
Total comprehensive income		4 681 944	3 988 593

Welco Eco Ship AS



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Balance sheet as of December 31

Welco Eco Ship AS

USD

	Note	2023	2022
ASSETS			
Vessels	3	<u>70 678 672</u>	<u>74 487 609</u>
Total non-current assets		<u>70 678 672</u>	<u>74 487 609</u>
Stocks on board vessels		224 296	275 223
Other receivables	9	926 141	931 645
Cash and cash equivalents	10	<u>12 886 835</u>	<u>13 879 217</u>
Total current assets		<u>14 037 274</u>	<u>15 086 085</u>
Total assets		<u>84 715 946</u>	<u>89 573 694</u>

Welco Eco Ship AS



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Balance sheet as of December 31

Welco Eco Ship AS

USD

	Note	2023	2022
EQUITY AND LIABILITIES			
Share capital	11	18 103 683	18 103 683
Other reserves	11	<u>9 665 033</u>	<u>4 983 089</u>
Total equity	11	<u>27 768 716</u>	<u>23 086 772</u>
Non-current interest bearing debt	12	<u>49 951 462</u>	<u>55 132 690</u>
Total non-current liabilities		<u>49 951 462</u>	<u>55 132 690</u>
Current portion of interest bearing debt	12	5 202 647	4 505 525
Taxes payable	8	13 676	14 113
Other current liabilities	9	<u>1 779 444</u>	<u>6 834 593</u>
Total current liabilities		<u>6 995 768</u>	<u>11 354 231</u>
Total liabilities		<u>56 947 230</u>	<u>66 486 922</u>
Total equity and liabilities		<u>84 715 946</u>	<u>89 573 694</u>

Bergen, 17.04.2024
Board of Welco Eco Ship AS

Bernt Jacob Schwings Pettersen
Chairman

Rolf Westfal-Larsen
Board member

Bernt Ulrich August Muller
Board member

Welco Eco Ship AS



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Equity statement

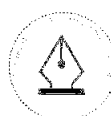
USD

The company's share capital is divided between 100 shares at face value NOK 1 497 188,10 each. Welco Eco Ship AS is 100 % owned by Welco Eco Shipholding AS. Ultimate parent of the group is Skibsaktieselskapet Navigation Co Ltd.

	Share capital	Other equity	Total
Owners equity 01.01.	18 103 683	4 983 089	23 086 772
Profit for the year	-	4 681 944	4 681 944
Dividend	-	-	-
Group contribution	-	-	-
Owners equity 31.12.	18 103 683	9 665 033	27 768 716

Prior year:

	Share capital	Other equity	Total
Owners equity 01.01.	18 103 683	5 994 495	24 098 179
Profit for the year	0	3 988 593	3 988 593
Dividend	0	0	0
Group contribution	0	-5 000 000	-5 000 000
Owners equity 31.12.	18 103 683	4 983 089	23 086 772



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Cash flow statement 01.01 -31.12

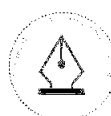
Welco Eco Ship AS

USD

	2023	2022
Cash flow from operational activities		
Profit/(loss) for the year before tax	4 681 944	3 988 593
Ordinary depreciation	3 393 859	3 345 011
Depreciation of capitalised docking costs	419 918	419 919
Amortisation of deferred costs	176 549	191 292
Reduction (increase) in current assets	56 429	169 658
Increase (reduction) in short-term liabilities	-5 057 036	-491 509
Changes in other accrual accounting items	<u>-8 231</u>	<u>-934</u>
Net cash flow from operational activities	<u>3 663 432</u>	<u>7 622 030</u>
Cash flow from investment activities		
Investments in vessel and other fixed items	<u>4 840</u>	<u>0</u>
Net cash flow investment activities	<u>4 840</u>	<u>0</u>
Cash flow from financing activities		
Repayment of long-term loans	<u>-4 660 650</u>	<u>-4 049 585</u>
Net cash flow from financing activities	<u>-4 660 650</u>	<u>-4 049 585</u>
Net change in cash and cash equivalents	-992 378	3 572 445
Cash and cash equivalents at 01.01	<u>13 879 217</u>	<u>10 306 773</u>
Cash and cash equivalents at 31.12*	<u>12 886 835</u>	<u>13 879 217</u>

*) Cash and cash equivalents include cash, bank deposits and securities

Welco Eco Ship AS



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Note 1 Accounting principles Notes to the accounts for 2023 Annual report USD

Note - 1 Accounting Principles

The financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2023. The company's financial statements are presented in USD. The Company's accounts are part of the consolidated accounts for Skibsaktieselskapet Navigation Co. Ltd., Bergen.

USD is generally used as currency. USDNOK exchange rate at 31.12.2023 was 10,1724 . Average 2023 USDNOK exchange rate was 10,5685.

The company was founded in April 2016 as a special purpose entity (SPE) established in conjunction with a refinancing of MT Leikanger and MT Lindanger in the US Private Placement market. The core business of Welco Eco Ship AS is ownership of the vessels MT Leikanger and MT Lindanger. Group annual report is available at Fabrikkgaten 6,5059 Bergen and brreg.no The registered office is located at Fabrikkgaten 6, Bergen.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Company during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Company's 2023 financial statements, as well as the effect of the amendments.

The use of estimates and assessment of accounting policies when preparing the annual accounts

The management uses estimates and assumptions that affect assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation and impairment of vessels, and the assessment of accounting for lease as operating lease. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognized during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

Revenue recognition

Time charter revenue is based on contracts where the Company delivers a vessel including crew to a client. The company's time-charter contracts consist of a bareboat component and a service component. The bareboat period starts from the time the vessel is made available to the customer and expires on the agreed return date. The Bareboat component is recognized within the scope of IFRS 16, while the service component is recognized within the scope of IFRS 15. Both the service and the bareboat component are recognized as revenue over the lease period on a straight-line basis, as the time pattern for the use of both the leased vessel and the services provided are considered to be the same.

Operational Lease

Operating leases

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Company presents assets it has leased to others as non-current assets in the balance sheet. The rental income is recognised as revenue on a straight-line basis over the term of the lease. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

Classification and valuation of balance sheet items

Current assets and short-term liabilities include items that fall due for payment within one year after the date of acquisition. Other items are classified as non-current assets or liabilities.



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Tangible assets

Tangible assets are measured at historical cost, which includes purchase price, capitalized interest and other expenses directly related to the assets. The carrying value of the tangible assets in the balance sheet represents the cost less accumulated depreciation and any impairment charges. We estimate residual value at the estimated time of disposal of assets, which is generally at the end of their useful life.

To assess the residual value of ships we use the current estimated recycle value. The residual value of the vessels are based on prices for similar tonnage sold for recycling. The residual values are measured at least on a yearly basis and any changes have an effect on future depreciations.

The Company allocates the amount initially recognized in respect of an item of tangible asset to its significant components and depreciates separately each such component over their useful lives. The book value of ships is split into two components, ships and periodic maintenance. Day-to-day repairs and maintenance costs are charged to the income statement as they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase price is defined as periodic maintenance. The investment is depreciated over the remaining useful life of the asset and for the periodic maintenance part over the period until the next periodic maintenance.

Expected useful lives of non-current assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciations are adjusted accordingly.

Impairment test chemical tanker vessels

The chemical tanker fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset or CGU is expected to generate over its remaining useful life.

If an asset or CGU is considered to be impaired, impairment is recognized in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount.

Management makes assumptions regarding future cash inflows and outflows based on existing contracts, historical experience, financial forecasts, expected growth in ship supply, market demand and discount rate (value in use calculation). Management also makes assumptions regarding residual values of the ships. If actual results differ from estimates and assumptions used in estimating future cash flows, then the Company may be exposed to future impairment losses that could be material.

Currency

The Company's functional and presentation currency is USD. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognized continuously in the accounting period.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are: trade receivables and cash and cash equivalents. The Company measures these assets at amortized cost. The Company's Financial assets at amortized cost are subsequently subject to impairment. Gains and losses are recognized in profit or loss when the asset is impaired.

Trade receivables that do not contain a significant financing component are measured at the transaction price, and impaired based on estimated credit loss (ECL). For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.



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Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial liabilities

The Company's financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives with fair value through profit and loss. The Company does not have derivatives designated as hedging instruments in effective hedges. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Stocks onboard vessels

Stocks onboard vessels are recognized at cost. The cost is arrived at using the FIFO method.

Taxes

Taxes in the profit and loss account include both the period's due taxes and the change in deferred tax/tax asset. With effect from 2007, a new system has been introduced for taxation of shipowning entities on certain conditions; these are granted a final tax exemption for their current operating revenues. Irrespective of the company's results, a tonnage tax is imposed. The tonnage tax is classified as an operating cost. Taxes posted in the profit and loss account reflect the period's due taxes, as well as changes in deferred tax/tax assets. Deferred tax is calculated as 22 % of the timing differences between the book and tax values, and tax losses that are deferred at the end of the accounting year.

Cash flow statement

The cashflow statement has been prepared on the indirect method. Cash and cash equivalents include cash in hand, bank deposits and securities.

Related parties

In the normal course of the conduct of its business, the Company enters into transactions with related parties. The Company considers these arrangements to be on reasonable market terms.

Events after the balance sheet date

Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will materially affect the Company's position in the future are stated.

Amendments to standards with a future effective date

The Company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued. Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are not expected to impact the financial statements for the Company.



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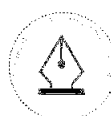


Note 2 Segment Information

	2023	2022
	Business area Chemicals	Business area Chemicals
TC revenue	17 991 439	18 034 663
Voyage related costs	409 341	408 087
Voyage result on T/C basis	17 582 098	17 626 576

All revenues are related to the same counterparty, located in Canada.

The revenues are based on a long-term time-charter agreement with a trading period of 7,5 years remaining as of 2023.



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Note 3 Tangible fixed assets

	Vessels	Docking	Total
Acquisition cost 01.01.	95 817 400	2 099 593	97 916 993
Additions	4 840	-	4 840
Disposals	-	-	-
Original cost 31.12	95 822 240	2 099 593	97 921 833
Acc.ordinary depreciation 31.12	-26 177 610	-1 065 551	-27 243 161
Balance-sheet values 31.12	69 644 630	1 034 042	70 678 672
Depreciation for the year	3 393 859	419 918	3 813 777

Prior year

	Vessels	Docking	Total
Acquisition cost 01.01.	95 816 465	2 099 593	97 916 058
Additions	935	-	935
Disposals	-	-	-
Original cost 31.12	95 817 400	2 099 593	97 916 993
Acc.ordinary depreciation 31.12	-22 783 751	-645 633	-23 429 384
Balance-sheet values 31.12	73 033 649	1 453 960	74 487 609
Depreciation for the year	3 345 011	419 919	3 764 929

For all tangible fixed assets, straight-line depreciation is employed. Depreciation of chemicals ships is based on a 25-year economic life. Docking costs are depreciated over five years. Recycle value is not subject to depreciation. The recycle value of the vessels are estimated based on prices for similar tonnage sold for recycling and assessed at year end.



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Note 4 Impairment of non-current assets

The management has evaluated the need for potential impairment losses in accordance with the accounting principles in Note 1 for the two ships.

For Welco Eco Ship's shipping activity the net present value of future cash flows has been calculated based on expected time-charter earnings for each ship over the remaining useful life of the ship. The net present value of future cash flows was based on WACC of 7,6 %.

There has not been any impairment losses in 2023.

An increase of 1% point (to 8,6%) in WACC would result in a decrease in the present value by approximately USD 5 million. Such increase in the discount rate would not result in an impairment of the ships. A decrease in revenues with 5% would decrease the net present value with USD 5,7 million. Such change would not result in impairment of the ships.

Note 5 Transactions with associated companies

	2023	2022
Westfal-Larsen Management AS	6 526 413	6 339 729
Total	6 526 413	6 339 729
Commission fees		
Westchart AS	398 580	398 580
Total	398 580	398 580

Westfal-Larsen Management AS is an affiliate and is responsible for technical operation of both ships owned by the company. Westfal-Larsen Management AS also performs the company's administrative functions. Westchart is an affiliate that is responsible for commercial operation of both ships owned by the company. The vessels MT Lindanger and MT Leikanger were acquired from Westfal-Larsen & Co AS in April 2016 and June 2016 respectively.



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Note 6 Admin cost

Administration costs - USD

	2023	2022
Other administration costs	71 845	69 608
Total administration costs	71 845	69 608

Remuneration 2023 - USD

The gross remuneration to the CEO and Board of Directors is paid by Westfal-Larsen Management AS, and a share of this cost is paid by the company as a part of the freight commission paid to Westchart AS.

The Board of Directors

No director's fees have been paid for the 2023 financial year, nor have any loans been made or security furnished to The Board of Directors.

Employees

The company has no employees and is therefore not obliged to have a service pension under the Act relating to Mandatory Service Pension.

Auditor fee has been divided as follows - USD:

	2023	2022
Audit fee	8 721	9 677
Total	8 721	9 677

The figure is exclusive value added tax.

Note 7 Financial items

USD

	2023	2022
Interest received	94 250	48 572
Gain on securities	285 307	42 932
Total financial income	379 557	91 504
Interest paid	3 099 597	3 343 923
Other financial cost	176 789	202 614
Total financial costs	3 276 386	3 546 537
Net financial costs	2 896 829	3 455 033



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Note 8 Taxes

The company's taxes are calculated on the basis of the net financial income, including the currency gain/loss in NOK. Taxes calculated in NOK are based on the USD/NOK exchange rate per 31.12.2023.

<i>Due taxes are calculated as follows</i>	2023	2022
Net financial income including currency gain/loss	-4 147 040	-8 857 651
Deferred costs	160 370	163 011
Non-taxable currency gain/loss on long-term liabilities	2 243 829	5 034 949
Non-taxable currency gain/loss on short-term receivables/liabilities	- 956 400	248 946
Non-taxable interest on long term liabilities	2 519 036	2 741 862
Change in timing differences	180 141	668 885
Basis for due taxes	0	0
Tonnage tax	13 676	14 113
Total due taxes	13 676	14 113
<i>Temporary differences outlined</i>	2023	2022
Losses to be carried forward	-2 360 902	-2 231 641
Securities	0	0
Total timing differences	-2 360 902	-2 231 641
22% deferred tax/(tax assets)	-519 398	-490 961
Deferred tax assets included in balance sheet	0	0

Deferred tax assets are not included in the balance sheet due to uncertainty whether the company can make use of this against future taxable financial income.

Tonnage tax is classified as operating cost and included in the reported operating costs.



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Note 9 Receivables - Liabilities

	2023	2022
Short term receivables		
Receivables Group	634 171	1 141
Other receivables	291 970	930 504
Total	926 141	931 645
Short term liabilities		
Group Contribution	0	5 000 000
Liabilities group	0	62 661
Contract liabilities	1 530 737	1 501 547
Other liabilities	248 707	270 384
Total	1 779 444	6 834 593

Contract liabilities consists of prepaid lease and will be recognized as revenue next year. Opening balance contract liabilities have been recognized as revenue this accounting period.

Note 10 Cash and cash equivalents

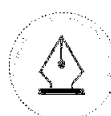
	2023	2022
Cash at bank available	6 829 870	8 107 558
Reserve Account	6 056 966	116
Short-term investments in securities	0	5 771 543
Cash and cash equivalents	12 886 835	13 879 217

Short-term investments in liquid securities can be made for three months period on a rolling basis.

Restricted Cash:

The company has USD 6,1 million (USD 116 prior year) tied up as collateral offset on a Reserve Account.

The company has no escrowed bank deposits.



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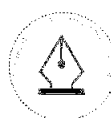
Note 11 Equity statement

The company's share capital is divided between 100 shares at face value NOK 1 497 188,10 each. Welco Eco Ship AS is 100 % owned by Welco Eco Shipholding AS. Ultimate parent of the group is Skibsaktieselskapet Navigation Co Ltd.

	Share capital	Other equity	Total
Owners equity 01.01.	18 103 683	4 983 089	23 086 772
Profit for the year	-	4 681 944	4 681 944
Dividend	-	-	-
Group contribution	-	-	-
Owners equity 31.12.	18 103 683	9 665 033	27 768 716

Prior year:

	Share capital	Other equity	Total
Owners equity 01.01.	18 103 683	5 994 495	24 098 179
Profit for the year	0	3 988 593	3 988 593
Dividend	0	0	0
Group contribution	0	-5 000 000	-5 000 000
Owners equity 31.12.	18 103 683	4 983 089	23 086 772



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Note 12 Interest bearing debt

USD 1000

	2023	2022
Loan from credit institutions	55 994	60 655
Borrowing costs	840	1 017
Total interest bearing debt	55 154	59 638
Current portion of long-term interest bearing debt	5 364	4 682
Current portion of borrowing cost	161	176
Total current portion of long-term interest bearing debt	5 203	4 505
Total non-current interest bearing debt	49 951	55 132

Borrowing costs are deferred and charged net result over the life of the underlying debt using the effective interest rate method. This is a non-cash change in interest bearing debt. During 2023, USD 176 thousand has been charged to the income statement.

Maturity of interest bearing debt as at 31 December 2023.

USD 1000	2024	2025	2026	2027	2028	2029+	Total
Loans from credit institutions	5 364	5 217	5 094	5 789	6 128	28	55
						402	994
Total Interest bearing debt	5 364	5 217	5 094	5 789	6 128	28	55
						402	994
Interest payable	2 843	2 573	2 288	2 010	1 693	2 903	14
							309
Total liabilities	8 207	7 790	7 382	7 799	7 821	31	70
						305	303

The company's debt to credit institutions is secured by mortgages over vessels. As of 31 December 2023 the debt was USD 55 994 thousand. Recognised value of vessels furnished as security for mortgage debt was USD 70 678 thousand. Average fixed interest rate is 5,33%. The interest is fixed over the remaining life of the underlying debt which is 7 years.

Note 13 Financial risk

Financial risk

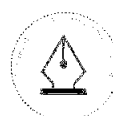
The company was established as a Single Purpose Entity in conjunction with a long-term fixed rate financing scheme with maturity in April 2031 where the assets are concluded on long-term time charters. The company therefore has no interest rate risk or exposure towards changes in fuel prices. The company also has limited currency risk due to income and expenses are mainly in USD.

Credit risk

The company's credit risk is mainly related to payments of charter hire from charterer, but the probability for default related to this is assessed to be low.

Liquidity risk

The liquidity risk for the company is mainly related to potential default of debt service payments and operating expenses as they fall due. The company's strategy to minimize the risk for default is to



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have substantial liquidity available at any time, whereof some liquidity may be offset in US T-bills.

Note 14 Financial assets and liabilities

Fair value of financial instruments

For cash and cash equivalents and current liabilities the carrying amount is considered to be the best estimate of fair value for these instruments due to the short maturity date. Receivables are measured at nominal value, and carrying amount is considered the best estimate of fair value due to short maturity date and valid terms.

Fair value of Non-current interest bearing debt is assessed to USD 51.494.127, whereas the book value is USD 55.994.078. Fair value is calculated by adjusting the fixed interest rate with Risk Free interest rate (USD 10YR Government Bonds) at the time of valuation.

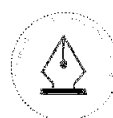
Note 15 Financial assets and liabilities: Information on the balance sheet

The table below give an overview of the carrying value of the company's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding the company's financial risk.

31/12/2023, Figures in USD 1000	Note	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total	Included in net interest bearing debt
Assets					
Trade receivable and other current assets	9	-	926	926	-
Restricted deposits	10	-	6 057	6 057	-
Unrestricted cash	10	-	6 830	6 830	-
Total financial assets		-	13 813	13 813	-
Liabilities					
Interest bearing non-current liabilities	12		50 630	50 630	50 630
Current portion of debt	12		5 364	5 364	5 364
Deferred cost	12		(840)	(840)	(840)
Trade payables and other current liabilities	9		1 779	1 779	-
Total financial liabilities		-	56 933	56 933	55 154

Note 16 Events after balance sheet day

Recent incidents of militia attacks on the merchant fleet in the Red Sea has led to rerouting of vessels around the Cape of Good Hope instead of transiting the Suez Canal but we have only experienced limited impacts from this so far. No other circumstances have arisen after the end of the financial year over and above those described in the foregoing that are of significance for assessment of the company and that are not stated in the annual accounts with the accompanying notes.



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