



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Janne Foyen
Dato for fastsettelse av årsregnskapet:	27.03.2023

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, 30.06.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	27 381 489	23 993 237
Sum inntekter		27 381 489	23 993 237
Kostnader			
Lønnskostnad	2,3	13 926 580	13 331 752
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	239 221	224 895
Annen driftskostnad	2,6	12 470 789	10 346 971
Sum kostnader		26 636 590	23 903 618
Driftsresultat		744 899	89 619
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	458 829	921 164
Inntekt på andre investeringer	7	21 422	-7 247
Annen renteinntekt		26 453	2 924
Annen finansinntekt			146 080
Sum finansinntekter		506 704	1 062 921
Annen finanskostnad		500 250	
Sum finanskostnader		500 250	
Netto finans		6 454	1 062 921
Ordinært resultat før skattekostnad		751 353	1 152 540
Skattekostnad på ordinært resultat	12	265 475	138 660
Ordinært resultat etter skattekostnad		485 878	1 013 880
Årsresultat		485 878	1 013 880
Overføringer og disponeringer			
Overføring til/fra fond		485 878	1 013 880
Sum overføringer og disponeringer		485 878	1 013 880



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	230 447	273 096
Sum immaterielle eiendeler		230 447	273 096
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	561 029	705 182
Sum varige driftsmidler		561 029	705 182
Finansielle anleggsmidler			
Investering i datterselskap	5	3 858 285	3 858 285
Investeringer i tilknyttet selskap	7	21 422	
Andre fordringer		156 111	168 920
Sum finansielle anleggsmidler		4 035 818	4 027 205
Sum anleggsmidler		4 827 294	5 005 483
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	8	449 076	291 030
Konsernfordringer		6 093 266	4 457 701
Sum fordringer		6 542 342	4 748 731
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	1 894 662	1 911 575
Sum bankinnskudd, kontanter og lignende		1 894 662	1 911 575
Sum omløpsmidler		8 437 004	6 660 306
SUM EIENDELER		13 264 298	11 665 789

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	6 675 521	6 189 642
Sum opptjent egenkapital		6 675 521	6 189 642
Sum egenkapital		6 959 321	6 473 442
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	840 417	1 076 624
Andre avsetninger for forpliktelser	7	0	357 340
Sum avsetninger for forpliktelser		840 417	1 433 964
Annen langsiktig gjeld			
Sum langsiktig gjeld		840 417	1 433 964
Kortsiktig gjeld			
Leverandørgjeld		206 071	115 235
Betalbar skatt	12	247 667	43 143
Skyldige offentlige avgifter		1 480 082	1 123 638
Kortsiktig konserngjeld	8	1 274 082	874 920
Annen kortsiktig gjeld		2 256 658	1 601 447
Sum kortsiktig gjeld		5 464 560	3 758 383
Sum gjeld		6 304 977	5 192 347
SUM EGENKAPITAL OG GJELD		13 264 298	11 665 789



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	27 381 489	23 993 237
Sum inntekter		27 381 489	23 993 237
Kostnader			
Lønnskostnad	2,3	18 552 585	17 230 467
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	287 074	284 405
Annen driftskostnad	2,6	6 762 358	5 696 956
Sum kostnader		25 602 017	23 211 828
Driftsresultat		1 779 472	781 409
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	0	0
Inntekt på andre investeringer	7	21 422	-7 247
Annen renteinntekt		40 281	9 365
Annen finansinntekt			189 051
Sum finansinntekter		61 703	191 169
Annen finanskostnad		598 683	
Sum finanskostnader		598 683	
Netto finans		-536 980	191 169
Ordinært resultat før skattekostnad		1 242 492	972 578
Skattekostnad på ordinært resultat	12	598 907	389 707
Ordinært resultat etter skattekostnad		643 585	582 871
Årsresultat		643 585	582 871
Overføringer og disponeringer			
Overføring til/fra fond		643 585	582 871
Sum overføringer og disponeringer		643 585	582 871



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	230 784	273 612
Sum immaterielle eiendeler		230 784	273 612
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	666 067	853 183
Sum varige driftsmidler		666 067	853 183
Finansielle anleggsmidler			
Investering i datterselskap	5	0	0
Investering i annet foretak i samme konsern	7	21 422	
Andre fordringer		156 111	168 920
Sum finansielle anleggsmidler		177 533	168 920
Sum anleggsmidler		1 074 384	1 295 715
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	8	41 129	43 446
Andre fordringer		532 758	402 446
Konsernfordringer		6 093 266	4 457 701
Sum fordringer		6 667 153	4 903 593
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	3 010 469	2 962 163
Sum bankinnskudd, kontanter og lignende		3 010 469	2 962 163
Sum omløpsmidler		9 677 622	7 865 756
SUM EIENDELER		10 752 006	9 161 471



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10,11	283 800	283 800
Sum innskutt egenkapital		283 800	283 800
Opptjent egenkapital			
Annen egenkapital	10	4 493 984	3 871 158
Sum opptjent egenkapital		4 493 984	3 871 158
Sum egenkapital		4 777 784	4 154 958
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	840 417	1 076 624
Andre avsetninger for forpliktelser	7	0	357 340
Sum avsetninger for forpliktelser		840 417	1 433 964
Annen langsiktig gjeld			
Sum langsiktig gjeld		840 417	1 433 964
Kortsiktig gjeld			
Leverandørgjeld		211 709	121 416
Betalbar skatt	12	387 159	146 611
Skyldige offentlige avgifter		1 618 500	1 242 721
Kortsiktig konserngjeld	8	0	0
Annen kortsiktig gjeld		2 916 437	2 061 801
Sum kortsiktig gjeld		5 133 805	3 572 549
Sum gjeld		5 974 222	5 006 513
SUM EGENKAPITAL OG GJELD		10 752 006	9 161 471



SAGA WELCO AS

Directors Report 2022

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

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

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

As of December 31, 2022, the Saga Welco core fleet consisted of 49 Open Hatch Gantry Craned vessels nominated by the Pool Participants. Saga Shipholding (Norway) AS supplies 33 vessels and Westfal-Larsen Shipping AS supplies 16 vessels to the Pool. Saga Welco serves customers in South America, North America, Europe, and Asia. The company from time to time periodically charter in vessels to meet cargo demands or contractual commitment. Those chartered-in vessels are mostly semi-Open Hatch Jib Craned vessels.

Saga Welco AS's market focus will continue to be the transportation of wood pulp from South America to major destinations worldwide. During 2022, inflationary pressure, supply side disruptions, and weak Chinese demand were global issues facing the pulp and paper industry. China has been the engine room for market pulp growth for decades, however this has cooled in recently as the country has grappled with the resurgence of the COVID-19 pandemic. Despite this, and in conjunction with the country scrapping its "Zero-COVID-19" policy, pulp shipments have been in an upward trajectory in the latter stages of 2022. As a result, exports are starting to become increasingly viable as the domestic market remains weak. The most dominant factor affecting 2022, however, was inflationary pressure which caused substantial increases in logistic, energy, and chemical costs. This, in turn, put pressure on pulp producers' production costs, and resulted in pulp prices reaching their highest recorded level in nominal terms. Furthermore, supply side issues in 2022 contributed to high pulp prices as a result of reduced supply and the highest downtime recorded in 5 years. This downtime was mainly due to legacy maintenance projects that were delayed during the early onset of the Covid-19 pandemic. Additionally, geopolitical factors, such as the war in Ukraine, led to less birch supply into Europe with a shift in trade flows and higher energy costs affecting the underlying production price of pulp. Overall, global shipments of forest products, including pulp, decreased an estimated 5.7 percent during 2022.

The IMF estimates that global growth will fall from 3.4 percent in 2022 to 2.9 percent for 2023, representing 0.9 percent lower growth than the historical average of 3.8 percent. The main cause remains the rising interest rates, as central banks try to combat inflation, and Russia's war in Ukraine, which continues to weigh on the global economy. Growth is expected to pick up in China as the country removes its "Zero COVID-19" policy, with the IMF estimating China's GDP to expand 5.2



percent during 2023. However, China faces considerable headwinds with contraction in the real-estate sector, shrinking labor force, and diminishing returns to capital investment. As a result, growth will depend on China boosting declining productivity growth in the coming years according to the IMF. Furthermore, the IMF anticipates the U.S. GDP to grow by 1.4 percent during 2023, following the 2.0 percent growth witnessed in 2022. The main contributor is the robust consumption and investment figures observed in the latter part of 2022, along with a robust labor market and strong consumer balance sheets. The IMF predicts similar gains for the euro zone, with the bloc forecasted to witness 0.7 percent growth during 2023. The impacting factors supporting the growth forecast are Europe's adaptation of higher energy costs at a faster pace than expected, and the easing of energy prices. Overall, the IMF has highlighted select upside and downside risks for global economic growth. The upsides include the possibility of sustained demand growth, particularly for tourism, and an easing of labor market pressures in advanced economies helping to cool inflation. However, the larger downside risks include widespread COVID-19 outbreaks, particularly in China, and further worsening of China's real estate sector. Furthermore, intensifications in the war in Ukraine can spike energy and food prices.

During 2022, we witnessed the unwinding effect of the COVID-19 pandemic, as most countries relaxed their COVID-19 related restrictions and global economic headwinds as central banks combated inflation. As a result of the unwinding of restrictions, port congestion decreased substantially during 2022 and eventually fell below the 5-year average. This decrease consequently increased the global dry bulk fleet productivity, reversing what has been a forceful market driver due to excessive port times. Furthermore, the global economic and monetary policy turmoil with rising interest rates, spiraling energy costs and, consequently, demand sink has taken its toll. As a result, tonne-miles from major bulks are estimated to have decreased 2% for 2022, with minor bulks fearing worse as tonne-miles decreased 4% compared to 2021. The 2022 dry bulk market showed similar traits as 2021 with a strong start to the year. However, and in parallel with easing port congestion and rising interest rates, the BDI weakened and eventually fell below the 2021 levels and has continued to weaken into quarter 1 2023. Overall, the BDI averaged 1,934 points for 2022, representing a 34.3% decrease since 2021. The smaller dry bulk segments of Supramax and Handysize outperformed the large vessel segments during the year, with the average of the 10 T/C routes for the BSI 58 noting a 6% premium over the comparable Panamax Index.

According to preliminary estimates China's GDP grew only 3% in 2022 compared to 2021, well below their official target of 5.5% growth and representing its slowest growth since the mid-1970's. The slow growth is mainly due to the Chinese economy struggling under tight pandemic restrictions that were removed during late 2022. However, the struggling real-estate sector continues to be a concern into 2023 and remains a challenge for the Chinese government. The introduction of the "three red lines" policy in 2021 to control growing debt levels amongst real estate developers, has caused a slowdown as new house starts have fallen 40% since 2021. Consequently, real-estate projects have been frozen, and the government has had to provide directed stimulus packages to complete already started real-estate projects. However, demand for construction related materials has fallen drastically with crude steel production falling 9.8 percent compared to 2021. Outside of China, steel production fell 6.5% for the year, with Europe the weakest producer due to soaring energy costs and leading to an 11.5% drop in output for 2022. The outlook for 2023 challenging to predict but it seems industry consensus for steel output is for a return to growth. Overall, global steel demand is predicted to stabilize during the first half of 2023, before picking up with the global economy during the second half of the year. As a result, global output is predicted to climb 1.8 percent during 2023



The challenges of congestion and logistics disruptions in supply chains has placed considerable limitations on planning and scheduling. This has reversed in the short term with a shift to reduced congestion globally, albeit still with some issues related to labor shortages and disputes. At the same time the Saga Welco fleet utilization for 2023 has been planned basis the scheduled commencement of the new UPM pulp volume exports as from mid-2023. The current weakening of the general dry markets is expected to recover during 2023 but for the initial period prior to the startup of the new UPM volumes the capacity exposed to market related trades are being affected by the downturn in the short term. In such a volatile and challenging market, Saga Welco AS's contract portfolio with its major customers will increase in the middle of 2023 and will serve to provide a stable and consistent critical mass of front haul cargo base. At the same time there is consensus that the general dry markets will recover during 2023 and the parameters of supply and demand for deep sea ocean transportation will continue to be positive. Saga Welco remains well positioned in the market for transportation of wood pulp, with a continued long term contractual commitment to leading pulp producers.

In the opinion of the Directors, the consolidated accounts provide a true and fair view of the assets and liabilities, as well as the financial position and earnings, of the Company and its subsidiaries (the Group) as of 31 December 2022, and for the year then ended. The financial statements have been prepared under the assumption of going concern. After closing the books, no significant developments have taken place that should influence the accounts.

The Company has no cost related to research and development in 2022.

The company have started the work with the transparency act and aim to finalize the work within the time limits. The final report will be published on our website.

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

There were 119 full time employees in the Saga Welco AS group companies (the Group) at year end, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Sao Paulo and Rio de Janeiro. The number of full-time employees is up by 2 from January 1st, 2022.

The Group encourages full equality of opportunities and treatment between women and men, and has incorporated a policy without any gender discrimination. Of the Group's 119 employees, 36 are women. The Board of Directors of the Company consists of six men. The Board has not found it necessary to take specific actions to promote gender equality or prevent discrimination.

The absence ratio in Norway has been 1,8 % and no specific actions related to the working environment have been required.

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

The Group profit for the year was USD 644,000, while the Company showed a profit of USD 486,000, which the Directors suggest should be transferred to other equity.



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

Tokyo, March 27th, 2023

Ulrich Müller

(Chairman)

Tom Henning Rasmussen

(Board member)

Bent J. S. Pettersen

(Board member)

Takeshi Kishi

(Board member)

Richard C. Beyer

(Board member)

Fumitake Shishido

(Board member)

Fumitake Shishido

(President / CEO)



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To the General Meeting of Saga Welco AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Saga Welco AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Saga Welco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

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Statsautorisererte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	MoIde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Slavanger	Usteinvik
Bode	Knavik	Stord	Ålesund
Drammen	Kristiansand	Straume	



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 legal requirements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty



exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Sandefjord, 30 March 2023
KPMG AS

Frode Bohlin Lea
State Authorised Public Accountant



Skattedirektoratet

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

HESNES HOLDING AS
Postboks 104 Borgheim
3163 NØTTERØY

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

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

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

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



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Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland
Torstein Kinden Helleland



Saga Welco AS

Financial Statement 2022



Saga Welco AS
Financial Accounts 2022

Balance Sheet at 31.12 (all figures in 1000 USD)

Parent company			Consolidated Group	
2 022	2 021	Note	2022	2021
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
230	273	12	231	274
230	273		231	274
<i>Deferred tax assets</i>				
<i>Total intangible fixed assets</i>				
<i>Tangible fixed assets</i>				
561	705	4	666	853
561	705		666	853
<i>Office equipment and vehicles</i>				
<i>Total tangible fixed assets</i>				
<i>Financial fixed assets</i>				
3 858	3 858	5	-	-
21	-	7	21	-
156	169		156	169
4 036	4 027		178	169
<i>Investments in subsidiaries</i>				
<i>Share of equity in Saga Welco Pool</i>				
<i>Other long term receivables</i>				
<i>Total financial fixed assets</i>				
4 827	5 005		1 074	1 296
Total fixed assets				
Current assets				
<i>Receivables</i>				
41	43	8	41	43
6 093	4 458		6 093	4 458
408	248		533	402
6 542	4 749		6 667	4 904
<i>Short term receivables group</i>				
<i>Short term Saga Welco Pool</i>				
<i>Other receivables</i>				
<i>Total receivables</i>				
1 895	1 912	9	3 010	2 962
<i>Bank deposits, cash in hand, etc.</i>				
8 437	6 660		9 678	7 866
Total current assets				
13 264	11 666		10 752	9 161
TOTAL ASSETS				



Saga Welco AS
Financial Accounts 2022

Balance Sheet at 31.12 (all figures in 1000 USD)

Parent company		Note	Consolidated Group	
2022	2021		2022	2021
EQUITY AND LIABILITIES				
Equity				
<i>Paid-in capital</i>				
284	284	10,11	284	284
284	284		284	284
<i>Retained earnings</i>				
6 676	6 190	10	4 494	3 871
6 676	6 190		4 494	3 871
6 959	6 473		4 778	4 155
Liabilities				
<i>Provisions</i>				
-	357	7	-	357
840	1 077	3	840	1 077
840	1 434		840	1 434
<i>Current liabilities</i>				
206	115		212	121
1 480	1 124		1 619	1 243
248	43	12	387	147
1 274	875	8	-	-
2 257	1 601		2 916	2 062
5 465	3 758		5 134	3 573
6 305	5 192		5 974	5 007
13 264	11 666		10 752	9 161

Ulrich Müller
(Chairman)

Takeshi Kishi
(Board member)

Tokyo, March 27th, 2023

Tom Henning Rasmussen
(Board member)

Richard C. Bayer
(Board member)

Bernd S. Petersen
(Board member)

Fumitake Shishido
(President/CEO & Board member)



Saga Welco AS
Financial Accounts 2022

Cash Flow statement (all figures in 1000 USD)

Parent company			Consolidated Group	
2022	2021		2022	2021
		Cash flow from operations:		
751	1 153	Profit before Tax	1 242	973
-18	-71	Taxes paid	-122	-144
5	4	(Profit) loss on sale of fixed assets	2	4
239	225	Depreciation and write down fixed assets	287	284
-21	7	Share of (profit), loss in Saga Pool	-21	7
-459	-921	Income from subsidiaries	-	-
-	-	Currency exchange differences	-215	-258
-79	-3	Change in Accounts receivables	2	-28
91	-90	Change in Accounts payable	90	-87
-1 636	-1 263	Change in intercompany	-1 636	-1 263
1 108	829	Changes in other balance sheet items	877	478
-19	-130	Net cash flow from operations	508	-33
		Cash flow from investments:		
-100	-115	Investments in tangible fixed assets	-102	-118
-357		Cash call to Saga Welco (Pool)	-357	
0	13	Sales of tangible fixed assets		13
459	921	Dividend from subsidiaries	-	-
2	820	Net cash flow from investments	-459	-105
-17	690	Net Cash flow for the year	48	-138
1 912	1 222	Cash and bank deposits 1.1	2 962	3 100
1 895	1 912	Cash and bank deposits 31.12	3 010	2 962



Saga Welco AS
Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Accounting principles

Subsidiaries

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

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

Associated companies and partnerships

For consolidation purposes, the equity method is used for valuation and presentation of these investments.

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

Currency translation

Parent company Saga Welco AS is using USD as recording and presentation currency.

All transactions in other currencies are converted using the exchange rate on the day of the transaction.

Hedging

(all figures in USD 1,000)

The Group's operating income is in USD. As a hedge against possible currency losses a part of this income is sold in the forward exchange market. As of 31.12.22 the company has an unrealized loss forward exchange contract of USD 511.

Forward exchange contracts per 31.12

(all figures in USD 1,000)

Forward Contract	Due	MTM value 31.12
FX Forward USDNOK/CAD/EUR/JPY	1-6 mnd	-355
FX Forward USDNOK/CAD/EUR/JPY	6-12 mnd	-161
FX Forward USDNOK/CAD/EUR/JPY	12-24 mnd	4
Total loss		-511

As of 31.12.22 the Company has a realized loss on forward exchange contracts of USD 624.

Classification

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

General valuation principles

Administration fees are recognised consecutively in the contract period.

Current Assets

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

Cash and Cash Equivalents

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



Saga Welco AS Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Fixed assets

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

Depreciation

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

Deferred tax and tax expense

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

Note 1 - Administration fee per geographical area - Parent Company

(all figures in USD 1,000)

	America	Asia	Europe	Total
Administration fee	7 908	3 867	15 606	27 381

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

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

	Parent Company	
	2022	2021
Payroll	10 982	10 564
Social security costs	1 350	1 185
Pension costs	1 240	1 280
Other costs	355	303
Payroll and related cost	13 927	13 332

Number of employees as per 31.12. 84 82

Benefits

(all figures in USD 1,000)

The consignment fee invoiced from Saga Shipholding AS in 2022 for the services provided by our President/CEO was USD 0.5 mill.

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

	Consolidated Group	
	2022	2021
Payroll	14 231	13 221
Social security costs	2 038	1 781
Pension costs	1 798	1 805
Other costs	485	423
Total Payroll and related cost	18 553	17 230

No of employees yearend 119 117

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



Saga Welco AS Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Audit

(all figures in USD 1,000)

The audit fee in 2022 for the parent company and for the consolidated group was USD 66.

The fee for other services provided by the auditor for the parent company and for the consolidated group was USD 89.

Note 3 - Pension assets and -liabilities etc.

(all figures in USD)

The pension schemes for most Norwegian employees have been accounted for in the financial statements in accordance with the Norwegian Accounting Standard for pension costs. The company's pension schemes is defined as contribution plan and includes 45 employees. The company's contribution plan is booked based on the accounting principle of congruence. The annual contribution is treated as an cost in the accounts. The company has no further obligation after the contributions are paid.

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

Parent Company

Pension costs related to defined benefit plans

(all figures in USD)

	2022	2021
Net present value of benefits earned during the year	89 432	155 979
Interest cost on pension liabilities	9 585	11 895
Actual return on plan assets	-258 305	-378 835
Actuarial (gain) loss allocated to net income	20 701	38 763
Accrued payroll taxes	13 961	23 670
Net pension cost	-124 625	-148 528

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

	2022	2021
<i>Accumulated pension obligations</i>		
Effect of future increases in salary	-	-
Estimated pension liability	737 430	946 579
Unrecognised net actuarial loss (gain)	-	-
Payroll taxes	103 978	133 045
Net pension liabilities	841 408	1 079 624

Economic assumptions:

Discount rate	3,00 %	1,50 %
Expected increase in salaries	3,50 %	2,50 %
Expected increase in pensions	3,25 %	2,25 %
Expected increase in G	3,25 %	2,25 %
Expected return on plan assets	N/A	N/A

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



Saga Welco AS
Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Note 4 - Tangible fixed assets and intangible fixed assets

Tangible fixed assets and intangible fixed assets - Parent company

(all figures in USD 1,000)

	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition				
Acquisition cost 01.01	289	1 045	719	2 054
+ additions	94	6	0	100
- disposals and scrapping	-	-77	0	-77
Currency exchange differences	-7	-13	-9	-29
Acquisition cost 31.12	376	962	710	2 047
Accumulated depreciation				
Accumulated depreciation at 01.01	-232	-848	-268	-1 348
+ disposals and scrapping	-	77	-	77
- depreciation for the year	-30	-102	-108	-239
Currency exchange difference	8	12	4	24
Accumulated depreciation and impairment at 31.12	-254	-938	-372	-1 486
Net book value as of 31.12.	122	24	338	561

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

Tangible fixed assets and intangible fixed assets - consolidated

(all figures in USD 1,000)

	Fittings and fixtures	Office equipment	Vehicles	Total
Acquisition and depreciation				
Acquisition cost 01.01	506	1 279	905	2 690
+ additions	94	8	0	102
- disposals and scrapping	-2	-81	0	-83
Currency exchange differences	-2	-13	-7	-22
Acquisition cost 31.12	596	1 193	898	2 687
Accumulated depreciation				
Accumulated depreciation at 01.01	-441	-1 049	-347	-1 837
+ disposals and scrapping	2	81	0	83
- depreciation for the year	-31	-113	-143	-287
Currency exchange difference	2	13	5	19
Accumulated depreciation and impairment at 31.12.	-468	-1 068	-485	-2 021
Net book value as of 31.12.	128	125	413	666

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



Saga Welco AS
Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Note 5 - Subsidiaries
(all figures in USD 1,000)

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

Subsidiaries	Business office	Total equity	Profit (loss)	Book Value
Saga Welco Italy S.r.l.u	Livorno	294	20	176
Saga Welco Rio Ltda.	Rio de Janeiro	1 056	583	3 466
Saga Welco Tokyo Inc	Tokyo	327	26	215
Total Balance Sheet Value				3 858

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



Saga Welco AS Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Note 6 - Operating lease commitments

The group leases office space under operating lease agreements expiring in years 2023 through 2027. Annual rent expense under all operating leases is approximately USD 0.8 mill.

Future maximum lease payments are in the amount of USD 1.3 mill.

Note 7 - Share of Saga Welco Pool

(all figures in USD 1,000)

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

	2022	2022
	<i>Book value USD</i>	<i>Tax value NOK</i>
1% share of the equity in Saga Welco Pool per. 01.01:	-357	-2 928
Cash call to Saga Welco (Pool) in 2022	357	3 305
Currency adjustment	-	-372
1% share of result in Saga Welco Pool	21	206
Net assets 31.12	21	211

Note 8 - Other receivables

(all figures in USD 1,000)

Related Parties

	2022	2021
Saga Shipholding (Norway) AS	-	-
Westfal Larsen Shipping AS	41	43
Total short term receivable group	41	43

Subsidiaries

	2022	2021
Saga Welco Livorno Srlu	278	178
Saga Welco Rio Ltda.	898	607
Saga Welco Tokyo Inc	98	90
Total short term liabilities group	1 274	875

Note 9 - Restricted bank deposits

Due employee taxes to Norway of NOK 9,808,528 are included in the Cash and Bank deposit balance for the group.



Saga Welco AS
Financial Accounts 2022

Notes - Parent Company and Consolidated Group

Note 10 - Equity

Equity
(all figures in USD 1,000)

Parent company	Share capital	Other equity	Total
Equity 01.01	284	6 190	6 474
Profit for the year		486	486
Equity 31.12	284	6 676	6 959
Consolidated Group			
Equity 01.01			4 155
Profit for the year			644
Exchange differences (Currency)			-21
Other equity 31.12			4 778

Note 11 - Share capital and shareholders information
(all figures in USD 1,000)

Shareholders as per 31.12.2022	Number of shares	Proportion of shares	Proportion of votes
Armadora AS	2 500	50,00 %	50,00 %
NYK Holding (Europe) B.V	2 500	50,00 %	50,00 %
Total	5 000	100,00 %	100,00 %

The company's total number of shares are 5,000, par value NOK 500, per share.
All shares have the same rights to dividend.



Saga Welco AS
Financial Accounts 2022

Notes - Parent Company and Consolidated Group

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

Parent company			Consolidated group	
2022	2021	Specification of income tax expense:	2022	2021
2 143 584	371 029	Current income tax payable	5 351 200	2 533 499
410 283	821 446	Changes in deferred tax	410 283	817 980
2 553 867	1 192 475	Tax on profit/(loss)	5 761 483	3 351 479
22 %	22 %	Tax rate, income/loss		
22 %	22 %	Tax rate, temporary differences		

Parent company			Other countries	
2022	2021	Allocation of income tax expense between Norway and other countries:	2022	2021
2 553 867	1 192 475	Tax on profit/(loss)	0	0

Consolidated group			Other countries	
2022	2021	Allocation of income tax expense between Norway and other countries:	2022	2021
2 553 867	1 192 475	Tax on profit/(loss)	3 207 616	2 159 004

Parent company			Consolidated group	
2022	2021	Specification of current income tax payable:	2022	2021
2 441 997	371 029	This year's payable income tax expense	3 817 388	1 293 109
2 441 997	371 029	Current income tax payable in the balance sheet	3 817 388	1 293 109

Parent company			Reconciliation from nominal to real income tax rate:	
2022	2021			
7 228 021	9 911 850	Profit/(loss) before taxation		
1 590 165	2 180 607	Estimated income tax according to nominal tax rate		
		The tax effect of the following items:		
182 983	129 342	Other non-deductible expenses or taxable income		
1 019 689	-1 117 474	Expenses not deductible for tax calculation or income not taxable		
		Effect of changes in tax rules and rates		
-238 970		Changes in last years expense		
2 553 867	1 192 475	Income tax expense		
35 %	12 %	Effective income tax rate		

Parent company

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

	2022		2021	
	Benefit	Liability	Benefit	Liability
Fixed assets	50 220		57 874	
Investment in SW Pool		-117 284		-26 484
Pension liabilities		-1 823 032		-2 089 081
Current liabilities		-382 109		-351 013
Total	50 220	-2 322 425	57 874	-2 466 578
Net deferred benefit/liability in the balance sheet	-	-2 272 205	-	-2 408 703

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