



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 922 918 791
Organisasjonsform: Aksjeselskap
Foretaksnavn: STOVE FRIEND AS
Forretningsadresse: Strandveien 17
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Ole Stangeland
Dato for fastsettelse av årsregnskapet: 08.07.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 01.03.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Driftsinntekter		3 678 195	399 906
Sum inntekter		3 678 195	399 906
Kostnader			
External services and subcontracts		1 080 494	115 401
Dep. of tangible and intangible fixed assets	2	899 177	76 785
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	-500 000	500 000
Other operating expenses	4	1 067 073	290 365
Sum kostnader		2 546 744	982 551
Driftsresultat		1 131 451	-582 645
Finansinntekter og finanskostnader			
Annen finansinntekt	5	44 329	43 944
Sum finansinntekter		44 329	43 944
Rentekostnad til foretak i samme konsern	7	185 345	20 720
Annen finanskostnad	5	490 844	567 158
Sum finanskostnader		676 189	587 878
Netto finans		-631 860	-543 934
Ordinært resultat før skattekostnad		499 591	-1 126 579
skattekostnad	10	0	4 234
Ordinært resultat etter skattekostnad		499 591	-1 130 813
Årsresultat		499 591	-1 130 813
Overføringer og disponeringer			
Overføring til annen egenkapital		499 591	-1 130 813
Sum overføringer og disponeringer		499 591	-1 130 813



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip	2	20 975 885	21 375 062
Sum varige driftsmidler		20 975 885	21 375 062
Sum anleggsmidler		20 975 885	21 375 062
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		1 021 366	0
Andre fordringer		4 444	5 751
Sum fordringer		1 025 810	5 751
Bankinnskudd, kontanter og lignende			
bankinnskudd		902 911	1 328 163
Sum bankinnskudd, kontanter og lignende		902 911	1 328 163
Sum omløpsmidler		1 928 721	1 333 914
SUM EIENDELER		22 904 606	22 708 976
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8,9	3 417	3 417
Annen innskutt egenkapital	9,12	-631 222	-1 130 813
Sum innskutt egenkapital		-627 805	-1 127 396
Sum egenkapital		-627 805	-1 127 396



Balanse

Beløp i: USD	Note	2020	2019
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6,11	10 740 928	11 574 031
Annen langsiktig gjeld	3,6,7	10 981 719	10 825 887
Sum annen langsiktig gjeld		21 722 647	22 399 918
Sum langsiktig gjeld		21 722 647	22 399 918
Kortsiktig gjeld			
Leverandørgjeld		25 637	53 966
Betalbar skatt	10	11 961	5 473
Annen kortsiktig gjeld	3,7	1 772 166	1 377 015
Sum kortsiktig gjeld		1 809 764	1 436 454
Sum gjeld		23 532 411	23 836 372
SUM EGENKAPITAL OG GJELD		22 904 606	22 708 976



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 609718

Enheten

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Organisasjonsform: Aksjeselskap
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Bekreftet av representant for selskapet: Jan Ole Stangeland
Dato for fastsettelse av årsregnskapet: 08.07.2021

Grunnlag for avgivelse

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År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

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Brønnøysundregistrene, 14.08.2021



Organisasjonsnr: 922 918 791
STOVE FRIEND AS

RESULTATREGNSKAP

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Driftsinntekter		3 678 195	399 906
Sum inntekter		3 678 195	399 906
Kostnader			
External services and subcontracts		1 080 494	115 401
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Årsresultat		499 591	-1 130 813
Overføringer og disponeringer			
Overføring til annen egenkapital		499 591	-1 130 813
Sum overføringer og disponeringer		499 591	-1 130 813



Organisasjonsnr: 922 918 791
STOVE FRIEND AS

BALANSE

Beløp i: USD Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Skip 2 20 975 885 21 375 062
Sum varige driftsmidler 20 975 885 21 375 062

Sum anleggsmidler 20 975 885 21 375 062

Omløpsmidler

Varer

Fordringer

Kundefordringer 1 021 366 0
Andre fordringer 4 444 5 751
Sum fordringer 1 025 810 5 751

Bankinnskudd, kontanter og lignende

bankinnskudd 902 911 1 328 163
Sum bankinnskudd,
kontanter og lignende 902 911 1 328 163

Sum omløpsmidler 1 928 721 1 333 914

SUM EIENDELER 22 904 606 22 708 976

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital 8,9 3 417 3 417
Annen innskutt egenkapital 9,12 -631 222 -1 130 813
Sum innskutt egenkapital -627 805 -1 127 396

Sum egenkapital -627 805 -1 127 396

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Gjeld til
kredittinstitusjoner 6,11 10 740 928 11 574 031
Annen langsiktig gjeld 3,6,7 10 981 719 10 825 887
Sum annen langsiktig gjeld 21 722 647 22 399 918

Sum langsiktig gjeld 21 722 647 22 399 918



Kortsiktig gjeld			
Leverandørgjeld		25 637	53 966
Betalbar skatt	10	11 961	5 473
Annen kortsiktig gjeld	3,7	1 772 166	1 377 015
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Sum gjeld		23 532 411	23 836 372
SUM EGENKAPITAL OG GJELD		22 904 606	22 708 976



Organisasjonsnr: 922 918 791
STOVE FRIEND AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

Note - 1 Accounting Principles The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD). Sales revenue Sales revenues are recognized at the time of delivery. Sales revenues and expenses related to a vessel's voyage are accrued based on the number of days before and after the end of each accounting period. Balance sheet classification Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors. Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value. Fixed assets are valued by the cost of acquisition, in the case of non-incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value. Trade and other receivables Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated based on individual assessments. Bunkers Bunkers are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Foreign currency translation Foreign currency transactions are translated using the year end exchange rates. Profit and loss items in foreign currency are recorded at the exchange rates prevailing at the time of the transaction. Both realized and unrealized gains and losses are included under financial items in the profit and loss statement. Reporting and functional currency is USD. Property, plant and equipment Non-current assets are reported at cost less accumulated ordinary depreciation and write downs. Depreciation is calculated on a linear method based on the cost price of the asset and vessels are depreciated based on 25 years of economic lifetime adjusted for scrap value. Periodical maintenance is depreciated over 5 years. Non-current assets are written down to the value of the expected cash flow generated by the assets unless the reduction in value is assumed to be temporarily. The write down can be reversed if the conditions for the write down have been reversed. Leasing The company distinguishes between financial and operational leasing. Benefits and liabilities on ships which are treated as financial leases are capitalized and classified as long-term assets and liabilities. The interest element in the lease will be included as interest expense and the capital element will be reported as amortization on debt. The lease obligation reported, will be the balance of the principal. Income tax The company is under the Norwegian tonnage tax regime since 2019. Use of estimates The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates. Contingent losses that are probable and quantifiable is expensed as occurred. Voyage expenses Voyage expenses are expenses



that can be related to a specific voyage. Technical cost, owner insurance and more general expenses are classified as operating cost.

Note

4

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00

The company has no employees. Expenses for external services and subcontracts are payroll expenses related to seafarers who are employed by a third party. The Company buys administrative services from Tidships Services AS.

Note

4

Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note

4

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	7132.00	0.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	7132.00	0.00

VAT is not included in the figures of auditor's fee.

Note



4

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

0.00

Note

10

Skattekostnad

Resultatført skatt på ordinært resultat

Skattepliktig inntekt

Betalbar skatt i balansen

Stove Friend AS is under Norwegian tonnage tax regime from 2019. The tonnage tax is accounted for under Other operating expenses and amounted to USD 11.961 in 2020 (USD 1.239 in 2019).



Vår dato 30.01.2020	Din/Deres dato 13.01.2020	Saksbehandler Nazneen Pervez Soltvedt
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 40728717
Org.nr 974761076	Vår referanse 2020/5055811	Postadresse Postboks 9200 Grønland 0134 OSLO

STOVE SHIPPING AS
Postboks 132
1325 LYSAKER

Att. Stein Hedemark, Eastern Bulk Holding AS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 13. januar 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Stove Friendship AS	org.nr. 817 078 052
Stove Friend AS	org.nr. 922 918 791
Stove Tide AS	org.nr. 922 918 643
Stove Bulk AS	org.nr. 912 842 355

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Stove Friendship AS er eid av to utenlandske selskaper. Stove Friend AS og Stove Tide AS er 100 % eid av Stove Friendship AS. Videre er Stove Bulk AS hovedsakelig eiet av norske profesjonelle eiere. Selskapene driver virksomhet knyttet til internasjonal shipping. Kunder og leverandører er hovedsakelig internasjonale. Engelsk er selskapets arbeidsspråk.

Skattekontorets 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



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

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

Det er etter skattekontorets 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 skattekontoret lagt særlig vekt på at selskapene er eid av utenlandske selskaper og norske profesjonelle eiere. Videre er det vektlagt at selskapene driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse 2020/5055811 ved henvendelse i saken.

Med hilsen

Nazneen Pervez Soltvedt
skattejurist
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Legally signed by
Thomas Andersen
08.07.2021

To the Annual Shareholders' Meeting of
Stove Friend AS

BHL DA
Elias Smiths vei 24
1337 Sandvika

Org. nr.: 992 768 061

Telefon: 66 85 59 00
E-post: ta@bhl.no
Internett: www.bhl.no

Medlemmer av
Den norske Revisorforening

Ansvarlig revisor:
Thomas Andersen

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stove Friend AS, showing a profit of USD 499 591. The financial statements which comprise the balance sheet as at December 31, 2020, the profit and loss account, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stove Friend AS at December 31, 2020, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included 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 laws and regulations, 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements 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 ability to continue as a going concern, disclosing, as applicable, matters related to going



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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 the 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, 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 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 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 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 fair presentation.

We communicate with those charged with governance 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.



Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Sandvika, 8. July 2021

BHL DA

Denne beretningen er elektronisk signert

Thomas Andersen
Statsautorisert revisor



Stove Friend AS

Annual report 2020

Annual accounts

- Income statement**
- Balance sheet**
- Notes**

Auditors' report



Stove Friend AS

Income statement

All numbers in USD

	Note	2020	2019
Revenue			
Sales revenue		<u>3 678 195</u>	<u>399 906</u>
Operating expenses			
External services and subcontracts		1 080 494	115 401
Depreciation of tangible and intangible fixed assets	2	899 177	76 785
Write-down on tangible and intangible fixed assets	2	-500 000	500 000
Other operating expenses	4	<u>1 067 073</u>	<u>290 365</u>
Total operating expenses		<u>2 546 744</u>	<u>982 551</u>
Operating result		<u>1 131 451</u>	<u>-582 645</u>
Financial income and expenses			
Other financial income	5	-44 329	-43 944
Interest paid to group companies	7	185 345	20 720
Other financial expenses	5	<u>490 844</u>	<u>567 158</u>
Net financial items		<u>-631 860</u>	<u>-543 934</u>
Ordinary result before tax		<u>499 591</u>	<u>-1 126 579</u>
Tax on ordinary result	10	<u>0</u>	<u>4 234</u>
Net profit or loss for the year		<u>499 591</u>	<u>-1 130 813</u>
Allocated as follows			
Uncovered losses	9	<u>499 591</u>	<u>-1 130 813</u>



Stove Friend AS

Balance sheet as of December 31

All numbers in USD

	Note	2020	2019
Fixed assets			
<i>Tangible assets</i>			
Ships, rigs and aircrafts etc.	2	20 975 885	21 375 062
Total tangible assets		<u>20 975 885</u>	<u>21 375 062</u>
Total fixed assets		<u>20 975 885</u>	<u>21 375 062</u>
Current assets			
<i>Receivables</i>			
Trade receivables		1 021 366	0
Other receivables		4 444	5 751
Total accounts receivable		<u>1 025 810</u>	<u>5 751</u>
Cash and cash equivalents		<u>902 911</u>	<u>1 328 163</u>
Total current assets		<u>1 928 721</u>	<u>1 333 914</u>
Total assets		<u>22 904 606</u>	<u>22 708 976</u>



Stove Friend AS

Balance sheet as of December 31

All numbers in USD	Note	2020	2019
Equity			
<i>Paid-in capital</i>			
Share capital	8, 9	3 417	3 417
Total paid-in capital		<u>3 417</u>	<u>3 417</u>
<i>Retained earnings</i>			
Other equity	9, 12	-631 222	-1 130 813
Total retained earnings		<u>-631 222</u>	<u>-1 130 813</u>
Total equity		<u>-627 805</u>	<u>-1 127 396</u>
Liabilities			
<i>Other long-term liabilities</i>			
Liabilities to financial institutions	6, 11	10 740 928	11 574 031
Other long-term liabilities	3, 6, 7	10 981 719	10 825 887
Total other long term liabilities		<u>21 722 647</u>	<u>22 399 918</u>
<i>Current liabilities</i>			
Trade creditors		25 637	53 966
Tax payable	10	11 961	5 473
Other short-term liabilities	3, 7	1 772 166	1 377 015
Total current liabilities		<u>1 809 764</u>	<u>1 436 454</u>
Total liabilities		<u>23 532 411</u>	<u>23 836 372</u>
Total equity and liabilities		<u>22 904 606</u>	<u>22 708 976</u>

31 December 2020

Lysaker, 5 July 2021


Nils Kloumann Selte
Board member


Jan Ole Stangeland
Chairman



Stove Friend AS

Notes to the accounts for 2020

All numbers in USD

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD).

Sales revenue

Sales revenues are recognized at the time of delivery. Sales revenues and expenses related to a vessel's voyage are accrued based on the number of days before and after the end of each accounting period.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incidentally reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated based on individual assessments.

Bunkers

Bunkers are valued at the lower of cost or market value. Cost is estimated using the FIFO method.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates. Profit and loss items in foreign currency are recorded at the exchange rates prevailing at the time of the transaction. Both realized and unrealized gains and losses are included under financial items in the profit and loss statement. Reporting and functional currency is USD.

Property, plant and equipment

Non-current assets are reported at cost less accumulated ordinary depreciation and write downs. Depreciation is calculated on a linear method based on the cost price of the asset and vessels are depreciated based on 25 years of economic lifetime adjusted for scrap value. Periodical maintenance is depreciated over 5 years. Non-current assets are written down to the value of the expected cash flow generated by the assets unless the reduction in value is assumed to be temporarily. The write down can be reversed if the conditions for the write down have been reversed.

Leasing

The company distinguishes between financial and operational leasing. Benefits and liabilities on ships which are treated as financial leases are capitalized and classified as long-term assets and liabilities. The interest element in the lease will be included as interest expense and the capital element will be reported as amortization on debt. The lease obligation reported, will be the balance of the principal.

Income tax

The company is under the Norwegian tonnage tax regime since 2019.



Stove Friend AS

Notes to the accounts for 2020

All numbers in USD

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Voyage expenses

Voyage expenses are expenses that can be related to a specific voyage. Technical cost, owner insurance and more general expenses are classified as operating cost.

Note 2 - Tangible assets

	Vessels, riggs, planes etc planes etc	Running equipment, tools etc	Total
Acquisition cost 01.01.2020	21 892 856	160 884	22 053 740
Acquisition cost 31.12.2020	21 892 856	160 884	22 053 740
Acc.depreciation 31.12.2020	-941 104	-136 752	-1 077 856
Net carrying amount at 31.12.2020	20 951 752	24 132	20 975 884
Depreciation for the year	-867 000	-32 177	-899 177
Write-downs for the year	500 000	0	500 000
Useful economic life	25	5	

The Company reversed a write-down from 2019 of USD 500 000 on vessel Stove Friend per year end 2020, as the indicators of writedown was no longer present. The current market value of the vessel is higher than book value.

Note 3 - Related parties

The company transact business with the following related parties, being companies in which Tidships AS has significant interest: Tidships Services AS, Eastern Bulk Carriers AS, Stove Tide AS, Stove Friendship AS.

The Company charter out the vessel Stove Friend on a long term TC contract with charterer Eastern Bulk Carriers AS.

Note 4 - External services, Remuneration and auditor's fee

The total number of employees in the company during the year: 0 labour year.



Stove Friend AS

Notes to the accounts for 2020

All numbers in USD

The company has no employees. Expenses for external services and subcontracts are payroll expenses related to seafarers who are employed by a third party.

The Company buys administrative services from Tidships Services AS.

<i>Auditor fee has been divided as follows</i>	2020	2019
Statutory audit fee	7 132	0

VAT is not included in the figures of auditor's fee.

Note 5 - Other financial income and expenses

	2020	2019
<i>Other financial income</i>		
Interest income	2 624	187
Currency gain	41 705	43 757
	<u>44 329</u>	<u>43 944</u>
<i>Other financial cost</i>		
Mortgage loan interest expenses	-446 134	-74 345
Currency loss	-8 872	-489 764
Other financial cost	-35 887	-3 049
	<u>-490 893</u>	<u>-567 158</u>

Note 6 - Debts and receivables

	2020	2019
<i>Long term liabilities due in more than 5 years</i>		
Liabilities to financial institutions	-10 740 928	-11 574 031
Other long term liabilities	-10 981 719	-10 825 887
Total	<u>-21 722 647</u>	<u>-22 399 918</u>

The company's mortgage is in USD and the outstanding loan balance was USD 11.666.668 at year end. A pledge is given in the company's vessel, insurance, revenue and bank accounts as security for the loan. The book value of the vessel including grabs is USD 20.475.885. The loan expires 30.11.2024

Note 7 - Intercompany balance group company and associate

	2020	2019
<i>Payables</i>		
Other short term payables	-950 339	-370 610
Intercompany loans	-8 559 011	-8 423 305
Loans from associated companies	-2 422 708	-2 402 581



Stove Friend AS

Notes to the accounts for 2020

All numbers in USD

Total	<u>-11 932 058</u>	<u>-11 196 496</u>
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Note 8 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Share capital	30 000	0,116	3 480

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Stove Friendship AS	30 000	100 %	100 %

Stove Friendship AS is per year end owned 50 % by Tidships AS and 50% by Canica AS. In 2021, Tidships AS sold its 50% share in Stove Friendship AS to Canica AS. Also refer to note 13 Subsequent events.

Note 9 - Owner's equity

	Share capital	Other equity	Total
Owners equity 01.01.	3 417	-1 130 813	-1 127 396
Profit for the year	0	499 591	499 591
Owner's equity 31.12.	<u>3 417</u>	<u>-631 222</u>	<u>-627 805</u>

Note 10 - Income taxes

Stove Friend AS is under Norwegian tonnage tax regime from 2019. The tonnage tax is accounted for under Other operating expenses and amounted to USD 11.961 in 2020 (USD 1.239 in 2019).

Tax base estimation	2020	2019
Financial income	2 965	195
Financial expenses	-84 614	-8 610
Taxable currency gain	<u>5 232</u>	<u>27 660</u>
Tax base	<u>-76 417</u>	<u>19 245</u>
This year's tax expense	0	4 234

Note 11 - Financial market risk

The company use derivative instruments to manage financial market risk.



Stove Friend AS

Notes to the accounts for 2020

All numbers in USD

Interest risk

The company's loans in USD are based on LIBOR while loans in NOK is based on NIBOR and any change in these will impact the cost of borrowing. The company has not hedged this risk.

Exchange rate risk

The functional currency of all group companies is USD. Except administration cost, all revenue and operating costs are in USD. Part of the revenue is converted to NOK to cover administrative expenses. Due to limited risk related to currency, the company is not hedging any of its currency positions.

There will always be a credit risk related to the company's business. Stove Friend AS is monitoring the financial solidity of its counterparties and historically the credit losses have been moderate.

The company's loans are in USD and NOK and the company is exposed to changes in the NOK/USD rates on the NOK denominated loans. The company has not hedged this risk.

Note 12 - A going concern

The company's equity was negative with \$0.6 million per 31.12.20. The company is partly financed by the shareholders with subordinated loans of \$10.9 million per 31.12.20. The market outlook for the segment where the company's vessel operate is considered positive. Based on the support from the shareholders and the market outlook, the annual accounts are prepared based on the principle of going concern.

Note 13 - Subsequent events

On the 4th of June 2021, Tidships AS sold its 50 shares in Stove Friendship AS to its 50% co-shareholder Canica AS.

The Company plans to drydock the vessel Stove Friend in Q3 2021, with estimated costs of US\$ 750 000.