



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 915 835 694  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: EASTERN BULK AS  
Forretningsadresse: Strandveien 17  
1366 LYSAKER

### Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

### 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: Stein Hedemark  
Dato for fastsettelse av årsregnskapet: 12.10.2020

### Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert  
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

*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, 13.10.2021



## Resultatregnskap

Beløp i: USD	Note	2019	2018
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		116 530 754	156 844 670
<b>Sum inntekter</b>		<b>116 530 754</b>	<b>156 844 670</b>
<b>Kostnader</b>			
Varekostnad		39 977 462	52 969 061
Annen driftskostnad		79 572 847	102 387 583
<b>Sum kostnader</b>		<b>119 550 309</b>	<b>155 356 644</b>
<b>Driftsresultat</b>		<b>-3 019 555</b>	<b>1 488 026</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern			10 991
Annen finansinntekt		142 918	68 887
<b>Sum finansinntekter</b>		<b>142 918</b>	<b>79 878</b>
Rentekostnad til foretak i samme konsern		75 808	11 383
Annen finanskostnad		157 501	105 861
<b>Sum finanskostnader</b>		<b>233 309</b>	<b>117 244</b>
<b>Netto finans</b>		<b>-90 391</b>	<b>-37 366</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-3 109 946</b>	<b>1 450 660</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-3 109 946</b>	<b>1 450 660</b>
Skattekostnad på ekstraordinære poster			318 719
<b>Årsresultat</b>		<b>-3 109 946</b>	<b>1 131 941</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-3 109 946	1 131 941
<b>Sum overføringer og disponeringer</b>		<b>-3 109 946</b>	<b>1 131 941</b>



## Balanse

Beløp i: USD	Note	2019	2018
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern			560 573
<b>Sum finansielle anleggsmidler</b>			<b>560 573</b>
<b>Sum anleggsmidler</b>		<b>0</b>	<b>560 573</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Bunkers		3 266 632	4 158 384
<b>Sum varer</b>		<b>3 266 632</b>	<b>4 158 384</b>
<b>Fordringer</b>			
Kundefordringer		4 690 644	3 027 499
Andre fordringer		1 942 425	538 366
<b>Sum fordringer</b>		<b>6 633 069</b>	<b>3 565 865</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		1 865 246	1 498 908
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 865 246</b>	<b>1 498 908</b>
<b>Sum omløpsmidler</b>		<b>11 764 947</b>	<b>9 223 157</b>
<b>SUM EIENDELER</b>		<b>11 764 947</b>	<b>9 783 730</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		12 102	12 102
Annen innskutt egenkapital		-2 966 609	143 337
<b>Sum innskutt egenkapital</b>		<b>-2 954 507</b>	<b>155 439</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>Sum egenkapital</b>		<b>-2 954 507</b>	<b>155 439</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld		4 222 207	3 076 739
<b>Sum annen langsiktig gjeld</b>		<b>4 222 207</b>	<b>3 076 739</b>
<b>Sum langsiktig gjeld</b>		<b>4 222 207</b>	<b>3 076 739</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		5 556 039	1 871 667
Annen kortsiktig gjeld		4 941 208	4 679 885
<b>Sum kortsiktig gjeld</b>		<b>10 497 247</b>	<b>6 551 552</b>
<b>Sum gjeld</b>		<b>14 719 454</b>	<b>9 628 291</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>11 764 947</b>	<b>9 783 730</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Journalnummer: 2020 971520

#### Enheten

Organisasjonsnummer: 915 835 694  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: EASTERN BULK AS  
Forretningsadresse: Strandveien 17  
1366 LYSAKER

#### Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

#### 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: Stein Hedemark  
Dato for fastsettelse av årsregnskapet: 12.10.2020

#### Grunnlag for avgivelse

År 2019: Årsregnskap er elektronisk innlevert.  
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019.

*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, 26.11.2020

---

#### Brønnøysundregistrene

Postadresse: Postboks 900, 8910 Brønnøysund  
Telefoner: Opplysningstelefonen 75 00 75 00 Administrasjonen 75 00 75 09 Telefaks 75 00 75 05  
E-post: firmapost@brreg.no Internett: www.brreg.no  
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 915 835 694  
EASTERN BULK AS

## RESULTATREGNSKAP

Beløp i: USD	Note	2019	2018
<b>RESULTATREGNSKAP</b>			
Inntekter			
Salgsinntekt		116 530 754	156 844 670
Sum inntekter		116 530 754	156 844 670
Kostnader			
Varekostnad		39 977 462	52 969 061
Annen driftskostnad		79 572 847	102 387 583
Sum kostnader		119 550 309	155 356 644
Driftsresultat		-3 019 555	1 488 026
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern			10 991
Annen finansinntekt		142 918	68 887
Sum finansinntekter		142 918	79 878
Rentekostnad til foretak i samme konsern		75 808	11 383
Annen finanskostnad		157 501	105 861
Sum finanskostnader		233 309	117 244
Netto finans		-90 391	-37 366
Ordinært resultat før skattekostnad		-3 109 946	1 450 660
Ordinært resultat etter skattekostnad		-3 109 946	1 450 660
Skattekostnad på ekstraordinære poster			318 719
Årsresultat		-3 109 946	1 131 941
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-3 109 946	1 131 941
Sum overføringer og disponeringer		-3 109 946	1 131 941



Organisasjonnr: 915 835 694  
EASTERN BULK AS

## BALANSE

Beløp i: USD Note 2019 2018

### BALANSE - EIENDELER

#### Anleggsmidler

##### Innmaterielle eiendeler

##### Finansielle anleggsmidler

Lån til foretak i samme  
konsern

560 573

Sum finansielle  
anleggsmidler

560 573

Sum anleggsmidler

0

560 573

#### Omløpsmidler

##### Varer

Bunkers

3 266 632

4 158 384

Sum varer

3 266 632

4 158 384

##### Fordringer

Kundefordringer

4 690 644

3 027 499

Andre fordringer

1 942 425

538 366

Sum fordringer

6 633 069

3 565 865

Bankinnskudd, kontanter  
og lignende

Bankinnskudd, kontanter  
og lignende

1 865 246

1 498 908

Sum bankinnskudd,  
kontanter og lignende

1 865 246

1 498 908

Sum omløpsmidler

11 764 947

9 223 157

SUM EIENDELER

11 764 947

9 783 730

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Selskapskapital

12 102

12 102

Annen innskutt egenkapital

-2 966 609

143 337

Sum innskutt egenkapital

-2 954 507

155 439

Sum egenkapital

-2 954 507

155 439

#### Gjeld

##### Langsiktig gjeld

Annen langsiktig gjeld

4 222 207

3 076 739

Øvrig langsiktig gjeld



Sum annen langsiktig gjeld	4 222 207	3 076 739
Sum langsiktig gjeld	4 222 207	3 076 739
Kortsiktig gjeld		
Leverandørgjeld	5 556 039	1 871 667
Annen kortsiktig gjeld	4 941 208	4 679 885
Sum kortsiktig gjeld	10 497 247	6 551 552
Sum gjeld	14 719 454	9 628 291
SUM EGENKAPITAL OG GJELD	11 764 947	9 783 730



Organisasjonnr: 915 835 694  
EASTERN BULK AS

**NOTEOPPLYSNINGER - SELSKAP** - alle poster oppgitt i hele tall

**Note**

**Regnskapsprinsipper**

Årsregnskapet er satt opp etter regnskapsloven. Regnskapsreglene for små foretak er fulgt.

**Note**

**Antall aksjer og aksjeeiere**

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	100.00	121.02	12102.00

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Tidships Services AS	100.00	100.00%	Ordinære aksjer

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	100.00	100.00%	

**Note**

**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>
----------------	-------------	---------------------	----------------------

**Note**

**Ytelser til revisjon**

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	15390.00	16907.00

<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
		938.00

<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	15390.00	17845.00

**Note**



Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Konsernregnskapet inngår i konsolideringen til morselskap: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Tidships Services AS	Lysaker, Norge



**Eastern Bulk AS**

---

## **Annual report 2019**

**Board of directors' report**

**Annual accounts**

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

**Auditors' report**



## EASTERN BULK AS DIRECTORS REPORT 2019

Eastern Bulk AS (the "**Company**") is engaged in the transportation of commodities on the high seas. The Company's registered office is at Lysaker in the municipality of Bærum in Norway.

The Company is a wholly owned subsidiary of Tidships Services AS (formerly Eastern Bulk Holding AS, "**TS**") and constitutes, together with its sister company, Eastern Bulk Carriers AS ("**EBC**") and TS, the Eastern Bulk Group (the "**EB Group**").

### Group Overview

The Group operates between 20 and 40 Supramax/Ultramax vessels on an annual basis. The fleet is consisting of chartered tonnage on a variety of charter commitments. Four ships are chartered from Stove Shipping and Stove Friendship, companies controlled by Tidships, the holding company of the Group.

The EB Group combine cargo contract operation with ordinary spot fixing of the fleet in order to maximise the use of the ships and reduce ballasting. The EB Group have operated its chartered tonnage and its contract cargoes through its subsidiaries Eastern Bulk and Eastern Bulk Carriers.

The EB Group has a competitive fleet of efficient and well-maintained vessels, predominantly in the Supramax/Ultramax range. The involvement in these segments currently consists of long and short term chartered in tonnage. The EB Group engages in short- (up to six months), medium (six to twelve months) and long term (more than twelve months) chartering contracts. The majority are short term to medium term.

The EB Group operate from offices in Oslo (HQ) and Melbourne, Australia, where we are able to service and develop our long term relationships with large international customers.


### The EB Group's Operations in 2019

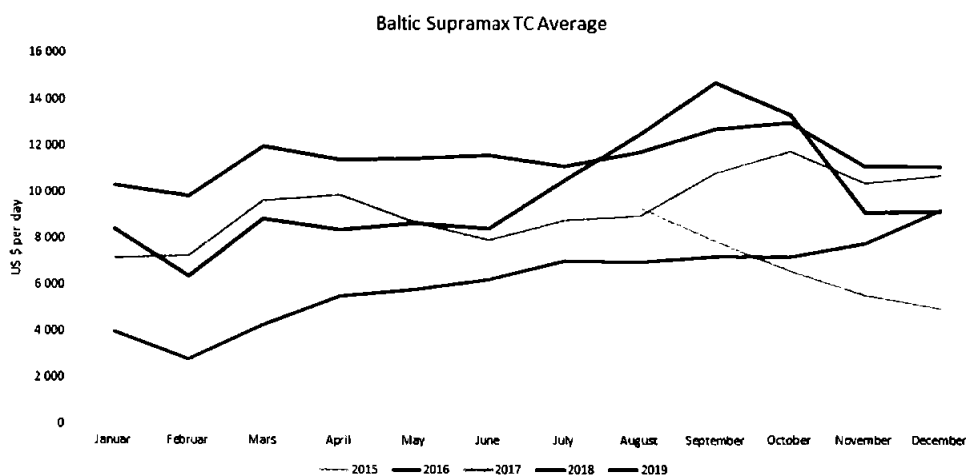
#### The Market

After two years with stable markets, 2019 turned out to be a more volatile market. The dry bulk market came off to a slow start in 2019 and the average BSI58 for the first 6 months was \$ 8.204 while the third quarter saw a strong increase in rates followed by a weaker fourth quarter as often seen in this market. The index for the whole year ended on 9.948, which was 13% down compared to 2018.

The industry continued to focus on preparing for the IMO 2020 sulphur cap on marine fuels, which was introduced 1.1.2020 and the transition went according to plan. Many of the larger vessels were fitting scrubbers, while the majority of the handy sized vessels switched to low sulphur fuels.



 EASTERN BULK | BOARD OF DIRECTORS 2019 – EB GROUP



## Operational Performance

The EB Group carried about **10 million** tons of cargo, which was in line with 2018. The largest cargo was grain followed by coal and clinker. The ships discharged in more than 223 different ports worldwide.

## Financials 2019

The Company generated revenues for 2019 of USD 116.530.754. The operating result for 2019 was a loss of USD 3.019.555

The net result the year was a loss of USD 3.109.946.

The Company's equity at year-end was negative with USD 2.954.507. This is supplemented by a long-term, subordinated loan provided by the shareholders to the Company in the amount of USD 4.2 million.

In accordance with §3-3a of the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared under a going concern assumption.

The Board is of the opinion that the accounts give a true and accurate representation of the Company's assets, liabilities, financial position and results as a whole as of 31.12.2019.

## Operational risk

The two main risks associated with the Company's business are the development of the rates for chartering in supramax and ultramax vessels and the world-wide demand for freight services in these segments.

The Company manages these risks by adjusting its freight capacity and its commitments to provide freight services based on its market expectations. The exposure related to any long-term charters of vessels is reduced by freight forward contracts when this is deemed to be beneficial.



## EASTERN BULK | BOARD OF DIRECTORS 2019 – EB GROUP

The Company is exposed to counterparty risk. The Company seeks to reduce this by monitoring the financial solidity of its counterparties closely.

Other operating risks are managed by entering into industry standard insurance schemes.

### **Financial risk**

The Company's currency exposure is limited. Both revenue and cost are primarily, denominated in USD. The Company thus takes no specific actions to reduce its exposure to currency risk.

### **Organization - Work environment – equal opportunities**

The Company and the Group cares about people, human rights, labour rights, safety and welfare. The Group continuously work to improve its working environment. The Group has 18 employees whereof 7 are females (40%). The Group aims to be fully equal between men and woman and no discrimination. No specific actions are taken regarding equal opportunities between the sexes.

The Board of Directors expresses its appreciation of the work done by all the employees during 2019.

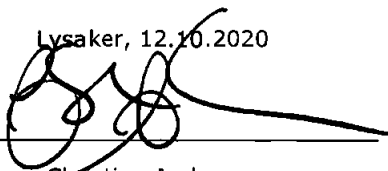
### **Impact of the environment**

The Company's activities consist of chartering and operating dry bulk vessels for the transportation of products such as minerals, cement, bauxite, steel, grains and coal. The chartering and operating of the Company's vessels fully comply with international rules and standards in the jurisdictions and sectors in which the Group operates its fleet.

### **Future Development**

2020 started typically with a slow and negative trend in January followed by a careful improvement at the end of February after Chinese New Year's festivities and into early March. The positive trend came however to a sudden end when the Covid-19 virus spread world wide and many countries declared lockdowns to gain control. The shipping market was quickly and heavily affected and eventually bottomed out during second half of April. Since then it has made a good recovery, with the Baltic Supramax index currently (20. Aug) above USD 10,000. Looking ahead we expect continued volatility due to the prevailing Covid-19 and unsettled political tension between US and China. On the positive side, we see reduced delivery of new tonnage and Chinese stimuli of their economy, which is supporting demand for dry bulk commodities. Conclusively, we are expecting the remaining of the year to stay around current level, if not higher.

Lysaker, 12.10.2020



Christian Andersen

Chairman



### Eastern Bulk AS

---

#### Income statement

All numbers in USD

	Note	2019	2018
<b>Revenue</b>			
Sales revenue		116 530 754	156 844 670
Voyage expenses		39 977 462	52 969 061
Total revenue		<u>76 553 292</u>	<u>103 875 609</u>
<b>Operating expenses</b>			
Chartering expenses		76 431 292	99 568 965
Other operating expenses	5, 9	3 141 555	2 818 618
Total operating expenses		<u>79 572 847</u>	<u>102 387 583</u>
Operating result		<u>-3 019 555</u>	<u>1 488 026</u>
<b>Financial income and expenses</b>			
Interest income from group companies		0	10 991
Other financial income	3	142 918	68 887
Interest paid to group companies		75 808	11 383
Other financial expenses	3	157 501	105 861
Net financial items		<u>-90 391</u>	<u>-37 366</u>
Ordinary result before tax		<u>-3 109 946</u>	<u>1 450 660</u>
Tax on ordinary result	12	<u>0</u>	<u>318 719</u>
<b>Net profit or loss for the year</b>		<u>-3 109 946</u>	<u>1 131 941</u>
<b>Allocated as follows</b>			
Transferred to other equity	7	<u>-3 109 946</u>	<u>1 131 941</u>

---



**Eastern Bulk AS**

---

**Balance sheet as of December 31**

All numbers in USD

	Note	2019	2018
<b>Fixed assets</b>			
<i>Financial assets</i>			
Loans to group companies	4	0	560 573
Total financial assets		0	560 573
Total fixed assets		0	560 573
<b>Current assets</b>			
Bunkers		3 266 632	4 158 384
Inventories	6	3 266 632	4 158 384
<i>Receivables</i>			
Trade receivables	2	4 690 644	3 027 499
Other receivables	2, 4	1 942 425	538 366
Total accounts receivable		6 633 069	3 565 865
Cash and cash equivalents		1 865 246	1 498 908
Total current assets		11 764 947	9 223 157
Total assets		11 764 947	9 783 730

---




## Eastern Bulk AS

### Balance sheet as of December 31

All numbers in USD	Note	2019	2018
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	7, 8	12 102	12 102
Total paid-in capital		12 102	12 102
<i>Retained earnings</i>			
Other equity	7	-2 966 609	143 337
Total retained earnings		-2 966 609	143 337
Total equity		-2 954 507	155 439
<b>Liabilities</b>			
<i>Other long-term liabilities</i>			
Other long-term liabilities	2, 4	4 222 207	3 076 739
Total other long term liabilities		4 222 207	3 076 739
<i>Current liabilities</i>			
Trade creditors	2, 4	5 556 039	1 871 667
Other short-term liabilities	4	4 941 208	4 679 885
Total current liabilities		10 497 247	6 551 552
Total liabilities		14 719 454	9 628 291
Total equity and liabilities		11 764 947	9 783 730

31 December 2019  
Lysaker, 12 October 2020



Christian Styve Andersen  
Chairman



**Eastern Bulk AS**

**Cash flow statement**

All numbers in USD

	Note	2019	2018
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		-3 109 946	1 450 660
Changes in inventories, trade receivables and trade payables		2 912 979	-1 700 915
Changes in other current balance sheet items		-1 142 736	0
Net cash flow from operating activities		<u>-1 339 703</u>	<u>-250 255</u>
<b>Cash flow from investing activities</b>			
Net cash flow from investing activities		<u>0</u>	<u>0</u>
<b>Cash flow from financing activities</b>			
Issuance of new long term debt		1 145 468	2 261 444
Repayment of long term loans		560 573	0
Group contribution received/paid		0	-1 385 732
Net cash flow from financing activities		<u>1 706 041</u>	<u>875 712</u>
Net change in cash and cash equivalents		366 338	625 457
Cash and cash equivalents at 01.01		<u>1 498 908</u>	<u>873 451</u>
Cash and cash equivalents at 31.12		<u>1 865 246</u>	<u>1 498 908</u>



## Eastern Bulk AS

---

### Notes to the accounts for 2019

All numbers in USD

#### Note - 1 Accounting Principles

The accounts have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The main accounting principles are described below.

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

#### *Sales revenue*

Revenue and expenses related to a vessel's voyages are accrued based on the number of days before and after the end of each accounting period.

#### *Balance sheet classification*

Current assets and current liabilities include items that falls due within one year, the first year's repayment of long-term debt as well as items associated with the business flows. Current assets are reported at the lowest level of cost price and market value.

#### *Trade and other receivables*

Trade receivables and other receivables are recognised at face value less any provisions for losses. Provision for losses are made after an individual evaluation of each receivable.

#### *Foreign currency translation*

Monetary items, receivables and liabilities in the balance sheet denominated in other than USD are recorded at 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.

#### *Short term investments*

Financial current assets, listed shares and bonds included in a trading portfolio and traded on a regular basis, are recorded at market value. Financial current assets used for hedging are evaluated according to portfolio method.

#### *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. 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. Operational leasing costs are reported as an expense on a straight line basis over the term of the lease. 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*

Eastern Bulk is applicable for ordinary corporate taxation. The tax expenses in the profit and loss accounts include both taxes payable for the period and changes in deferred taxes. The change in the deferred tax reflects changes in future tax liabilities and assets as a result of timing differences between the tax and the accounts.

Deferred tax liabilities / deferred tax assets within the same tax system are recorded on a net basis.

---



## Eastern Bulk AS

---

### Notes to the accounts for 2019

All numbers in USD

Deferred tax asset is recorded only if the future utilization is probable.

#### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

#### *Use of estimates*

Preparing the annual accounts in accordance with GAP requires the management to use estimates and assumptions affecting the amounts reported in accounts with notes.

Eastern Bulk AS has used estimates supported by Clarkson's forward rates to calculate the effect of straddling voyages

#### *Bunkers*

Inventories are valued at the lower of historical cost price according to the "first in first out" principle and estimated market value.

#### *Portfolio considerations*

Physical and financial freight contracts entered into for the purpose of achieving gains through short-term fluctuations in market rates are managed and valued as a single portfolio. The portfolio is valued at the lower of acquisition cost and fair market value. Both physical and financial freight contracts are valued against the forward curves as of December 31. The fair market value of these contracts also includes estimated future losses due to counterparty risk. Loss provisions are made to the extent that the fair market value of the portfolio is negative. Any positive value exceeding acquisition cost is not recognized.

### Note 2 - Debts and receivables

#### *Other long term liabilities*

Debt to group companies	-3 648 165	-3 076 739
Debt to associated companies	-574 042	0
Total	<u>-4 222 207</u>	<u>-3 076 739</u>

#### *Current receivables*

Trade receivables	4 690 644	3 027 499
Revenue not yet invoiced	1 942 425	538 366
Total	<u>6 633 069</u>	<u>3 565 865</u>

#### *Other current liabilities*

Trade creditors	-5 556 039	-1 871 667
Deferred income	-2 572 242	-3 821 978
Accrued voyage cost	-680 544	-1 100 662
Accrued expenses	-400 467	-300 000
Other short term liabilities	-1 287 954	542 756
Total	<u>-10 497 246</u>	<u>-6 551 551</u>

### Note 3 - Other financial income and expenses

---



## Eastern Bulk AS

---

### Notes to the accounts for 2019

All numbers in USD

#### Other operating expenses

Professional fees	257 173	78 444
Bad debt	200 000	0
Other administration cost	<u>2 684 382</u>	<u>2 740 174</u>
	<u>3 141 555</u>	<u>2 818 618</u>

### Note 4 - Intercompany balance group company and associate

All numbers in USD

<i>Receivables</i>	<b>2019</b>	<b>2018</b>
Intercompany loans	0	560 573
Other receivables	<u>1 816 977</u>	<u>1 816 977</u>
Total	<u>1 816 977</u>	<u>2 377 550</u>

<i>Payables</i>	<b>2019</b>	<b>2018</b>
Trade creditors	-801 250	-1 279 505
Other short term payables	-1 942 262	-1 362 745
Intercompany debt	<u>-4 222 207</u>	<u>-3 076 739</u>
Total	<u>-6 965 719</u>	<u>-5 718 989</u>

### Note 5 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

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

The company had no employees in 2019

*Auditor fee has been divided as follows*

Statutory audit fee	15 390	16 907
Other services	0	938

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

The board of directors did not receive any remuneration in 2019

### Note 6 - Bunker inventories

The bunker inventory on board our vessels are Very Low Sulphur Fuel Oil and Low Sulphur Marine Gas Oil. The bunker inventory is reported at cost price.

---



## Eastern Bulk AS

---

### Notes to the accounts for 2019

All numbers in USD

#### Note 7 - Owners equity

All numbers in USD

	Share capital	Other equity	Total
Owners equity 01.01.2019	12 102	143 337	155 439
Profit for the year	0	-3 109 946	-3 109 946
Owners equity 31.12.2019	12 102	-2 966 609	-2 954 507

#### Note 8 - Share capital and shareholder information

Share capital:

Number of shares	Face value	Book value
100	121,02	12 102

Share capital NOK 100.000/USD 12.102

Shareholders per 31.12:

	Ownership share	Voting rights
Eastern Bulk Holding AS	100 %	100 %

#### Note 9 - Related parties

The company is using Ro Sommernes as legal advisor, a law firm where the former Chairman of the Board is partner. All transactions are made at market terms.

The company is using the service of an affiliated company, the ship broker Lorentzen & Stemoco AS' services on a regular basis. All transactions are made at market terms. The Chairman of the Board of Lorentzen&Stemoco is also Chairman of the Board in Eastern Bulk AS

Tidships Services AS, the parent company is delivering administrative and other services to the company. The company paid a management fee of USD 2,134,400 in 2019. The Management agreement is made at market terms.

#### Note 10 - Financial market risk

All numbers in USD

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

---



## Eastern Bulk AS

---

### Notes to the accounts for 2019

All numbers in USD

#### *Exchange rate risk*

The functional currency of all the company is USD. With the exception of cost of administration are all revenue and operating costs 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.

#### **Note 11 - Leasing contracts**

The company's committed lease agreements on vessels is limited to maximum 2 years. Total commitment for 2020 is USD 22.3 million allocated on 2.401 vessel days. The lease agreements are classified as operational leases.

#### **Note 12 - Income taxes**

All numbers in USD

Foreløpig alle tall i NOK

<i>Tax base estimation</i>	<b>2019</b>
Ordinary result before tax	-3 109 946
Currecny effect	-584 545
Tax base	<u>-3 694 491</u>
 <i>Temporary differences outlined</i>	 <b>2019</b>
Accumulated tax carry forward loss before group contribution	<u>-3 694 491</u>
Net temporary differences	-3 694 491
Temporary differences not included in deferred tax asset	<u>-3 694 491</u>
Total	<u>0</u>

#### **Note 13 - Subsequent events**

In March 2020, the outbreak of the COVID-19 virus was declared a global pandemic by the WHO. The effects of the virus on the global economy and our business are negative, but it is uncertain how this will impact our 2020 results.



To the Annual Shareholders' Meeting of  
Eastern Bulk AS

BHL DA  
Elias Smiths vei 24  
1337 Sandvika

Org. nr.: 992 768 061

Telefon: 66 05 59 00  
E-post: [ta@bhl.no](mailto:ta@bhl.no)  
Internett: [www.bhl.no](http://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 Eastern Bulk AS, showing a loss of USD 3 109 946. The financial statements which comprise the balance sheet as at December 31, 2019, the profit and loss account, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Eastern Bulk AS at December 31, 2019, 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.

#### Other Information

Management is responsible for the other information. The other information comprises the Boards Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



BHL DA is a member firm of the "audit firm group" network Nexia International Limited. Nexia International Limited does not deliver services or issue opinions or reports. Nexia International Limited is the member firm of the Nexia International network (including those members which do not carry a name similar to that of the word NEXIA) and not part of it. Nexia International Limited does not accept any responsibility for the omission of any act or omission to act by, or the inaction of, any of its member firms or those firms under the supervision of any of its member firms. Nexia International Limited does not accept liability for any loss arising from any action taken, or omitted to be taken, on the basis of the content of this publication or any documentation and external links provided. The trademarks NEXIA, NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are used by Nexia International Limited under license. Nexia International Limited is not a financial institution. Nexia International Limited is not a member firm of the Nexia International network of firms, and the responsibility for the other information is not a member firm of the Nexia International network.



*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 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 the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption is consistent with the financial statements and complies with the law and regulations.

#### *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.

#### **Other matters**

This report replaces our auditors report previously issued and dated 31<sup>th</sup> August 2020, which was issued at the end of the statutory deadline for holding the annual general assembly. At that time the Board of Directors had not yet issued the complete statutory financial statements.

Sandvika, 12. October 2020

**BHL DA**

Thomas Andersen  
Statsautorisert revisor



Skatteetaten

Vår dato 10.07.2018	Din dato 04.07.2018	Saksbehandler Jeanette Munkvold Skovholt
800 80 000 Skatteetaten.no	Din referanse Stein Hedemark	Telefon 90076012
Org.nr 996250318	Vår referanse 2012/451120	Postadresse Postboks 9200 Grønland 0134 Oslo

EASTERN BULK HOLDING AS  
Postboks 132  
1325 LYSAKER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 4. juli 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- Eastern Bulk Holding AS, org.nr. 991 851 925
- Eastern Bulk AS, org.nr. 915 835 694
- Eastern Bulk Carriers AS, org.nr. 968 860 577

Skattedirektoratet gir på bakgrunn av en konkret vurdering ovenstående selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Fra søknaden gjengis:

*Selskapet inngår i en større selskapsgruppe som omfatter Stove Shipping AS (som eier og driver et antall bulkskip), Lorentzen & Stemoco AS (som driver skipsmegling) og Rederi AB Dalen (som driver investeringsvirksomhet).*

*Selskapets heleide datterselskaper, Eastern Bulk AS og Eastern Bulk Carriers AS, opererer bulkskip i su pramax-segmentet. Dette segmentet omfatter skip i størrelsesordenen 40.000-60.000 dwt. Flåten er innleid, dels for lange og dels for kortere perioder.*

*Konsernet driver virksomhet innenfor internasjonal sjøveis transport av varer innenfor tørrlast. Kundene er i all hovedsak internasjonale og det etterspørres regelmessig regnskapsinformasjon om selskapet på engelsk og all kommunikasjon med kunder og leverandører foregår på engelsk.*

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

**Skattedirektoratets vurdering**

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

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene inngår i en større selskapsgruppe der bransjen er internasjonal. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Kari-Alice Frønsdal  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*

Side 2 / 2