



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 961 999 960  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: GEARBULK SHIPPING AS  
Forretningsadresse: Ytrebygdsvegen 215  
5258 BLOMSTERDALEN

### 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: Stian Lie  
Dato for fastsettelse av årsregnskapet: 18.06.2021

### 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, 23.06.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	2	25 787 000	26 801 000
<b>Sum inntekter</b>		<b>25 787 000</b>	<b>26 801 000</b>
<b>Kostnader</b>			
Varekostnad	3	5 844 000	6 323 000
Lønnskostnad	4	9 841 000	9 430 000
Avskrivning	5	3 005 000	3 309 000
Annen driftskostnad	4	415 000	40 000
<b>Sum kostnader</b>		<b>19 105 000</b>	<b>19 102 000</b>
<b>Driftsresultat</b>		<b>6 683 000</b>	<b>7 699 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		765 000	583 000
<b>Sum finansinntekter</b>		<b>765 000</b>	<b>583 000</b>
Annen finanskostnad		3 676 000	3 736 000
<b>Sum finanskostnader</b>		<b>3 676 000</b>	<b>3 736 000</b>
<b>Netto finans</b>		<b>-2 911 000</b>	<b>-3 153 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>3 771 000</b>	<b>4 546 000</b>
Skattekostnad på ordinært resultat	6		18 000
<b>Ordinært resultat etter skattekostnad</b>		<b>3 771 000</b>	<b>4 528 000</b>
<b>Årsresultat</b>		<b>3 771 000</b>	<b>4 528 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital	7	-71 000	4 528 000
<b>Sum overføringer og disponeringer</b>	7	<b>3 771 000</b>	<b>4 528 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Skip, rigger, fly og lignende	5	43 030 000	46 035 000
<b>Sum varige driftsmidler</b>		<b>43 030 000</b>	<b>46 035 000</b>
<b>Sum anleggsmidler</b>		<b>43 030 000</b>	<b>46 035 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>		<b>162 000</b>	<b>147 000</b>
<b>Fordringer</b>			
Andre fordringer	10	11 193 000	7 455 000
<b>Sum fordringer</b>		<b>11 193 000</b>	<b>7 455 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
<b>Sum bankinnskudd, kontanter og lignende</b>	9	<b>1 038 000</b>	<b>1 605 000</b>
<b>Sum omløpsmidler</b>		<b>12 394 000</b>	<b>9 207 000</b>
<b>SUM EIENDELER</b>		<b>55 424 000</b>	<b>55 241 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	7, 8	513 000	513 000
Annen innskutt egenkapital	7	760 000	760 000
<b>Sum innskutt egenkapital</b>		<b>1 273 000</b>	<b>1 273 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	7		3 771 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum opptjent egenkapital</b>			<b>3 771 000</b>
<b>Sum egenkapital</b>		<b>1 273 000</b>	<b>5 045 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	6	135 000	164 000
<b>Sum avsetninger for forpliktelser</b>		<b>135 000</b>	<b>164 000</b>
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	12	36 217 000	40 753 000
Øvrig langsiktig gjeld		2 077 000	1 038 000
<b>Sum annen langsiktig gjeld</b>		<b>38 294 000</b>	<b>41 790 000</b>
<b>Sum langsiktig gjeld</b>		<b>38 429 000</b>	<b>41 955 000</b>
<b>Kortsiktig gjeld</b>			
Sertifikatlån	12	4 536 000	4 316 000
Leverandørgjeld		516 000	103 000
Betalbar skatt	6	34 000	41 000
Annen kortsiktig gjeld	10, 11	10 636 000	3 783 000
<b>Sum kortsiktig gjeld</b>		<b>15 721 000</b>	<b>8 243 000</b>
<b>Sum gjeld</b>		<b>54 151 000</b>	<b>50 197 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>55 424 000</b>	<b>55 241 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 556207

#### Enheten

Organisasjonsnummer: 961 999 960  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: GEARBULK SHIPPING AS  
Forretningsadresse: Ytrebygdsvegen 215  
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Brønnøysundregistrene, 29.07.2021



Organisasjonsnr: 961 999 960  
GEARBULK SHIPPING AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	2	25 787 000	26 801 000
<b>Sum inntekter</b>		<b>25 787 000</b>	<b>26 801 000</b>
<b>Kostnader</b>			
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Lønnskostnad	4	9 841 000	9 430 000
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<b>Sum finansinntekter</b>		<b>765 000</b>	<b>583 000</b>
Annen finanskostnad		3 676 000	3 736 000
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Organisasjonsnr: 961 999 960  
GEARBULK SHIPPING AS

## BALANSE

**Beløp i: NOK** **Note** **2020** **2019**

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

#### Varige driftsmidler

Skip, rigger, fly og  
lignende

5

43 030 000

46 035 000

Sum varige driftsmidler

43 030 000

46 035 000

Sum anleggsmidler

43 030 000

46 035 000

#### Omløpsmidler

#### Varer

Sum varer

162 000

147 000

#### Fordringer

Andre fordringer

10

11 193 000

7 455 000

Sum fordringer

11 193 000

7 455 000

#### Bankinnskudd, kontanter og lignende

Sum bankinnskudd,  
kontanter og lignende

9

1 038 000

1 605 000

Sum omløpsmidler

12 394 000

9 207 000

**SUM EIENDELER**

**55 424 000**

**55 241 000**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

#### Innskutt egenkapital

Aksjekapital

7, 8

513 000

513 000

Annen innskutt egenkapital

7

760 000

760 000

Sum innskutt egenkapital

1 273 000

1 273 000

#### Opptjent egenkapital

Annen egenkapital

7

3 771 000

Sum opptjent egenkapital

3 771 000

Sum egenkapital

1 273 000

5 045 000

#### Gjeld

#### Langsiktig gjeld

Utsatt skatt

6

135 000

164 000

Sum avsetninger for  
forpliktelser

135 000

164 000



<b>Annen langsiktig gjeld</b>			
Obligasjonslån	12	36 217 000	40 753 000
Øvrig langsiktig gjeld		2 077 000	1 038 000
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Organisasjonsnr: 961 999 960  
GEARBULK SHIPPING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
8

#### Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinary shares	533400.00	0.96	513345.00

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Skipsaksjeselskapet Gearbulk AS	533400.00	100.00%	Ordinary shares

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>
	533400.00	100.00%

Group financial statement of Skipsaksjeselskapet Gearbulk AS is available at the main office in Bergen.

Note  
4

#### Lønn og ytelser

The Company has no employees.

There has not been any remuneration to management or board of directors. No loans or guarantees have been given to the managing Director or Board of Directors.

Note

#### Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	8092000.00	10513000.00

<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	8092000.00	10513000.00

Note

#### Antall årsverk i regnskapsåret



Virksomheten har hatt følgende antall årsverk:  
0.00



## Gearbulk Shipping AS

### Cash flow statement

Amounts in 1000 USD	Note	2020	2019
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		3 771	4 546
Taxes paid		-41	-54
Depreciation and write-down of vessels		2 850	2 824
Depreciation and write down of dry-docking and bunkers		136	445
Depreciation and write down of fleet performance equipment		18	40
Changes in inventories		-16	37
Changes in receivables		-3 724	-1 639
Changes in trade creditors		413	-48
Changes in other current balance sheet items		2 996	-536
Net cash flow from operating activities		<u>6 405</u>	<u>5 615</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>			
Repayment or increase of long term loans		1 040	-312
Repayment of principal portion of capital leases		-4 316	-3 847
Dividends paid		-3 700	0
Net cash flow from financing activities		<u>-6 976</u>	<u>-4 160</u>
Effects of change in exchange rates and cash equivalents		5	20
Net change in cash and cash equivalents		-567	1 475
Cash and cash equivalents at 01.01		<u>1 605</u>	<u>130</u>
Cash and cash equivalents at 31.12		<u>1 038</u>	<u>1 605</u>



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note - 1 Accounting Principles

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

##### *Operating revenue*

Operating revenues are recognized as income at all time of delivery and the risk and control has been transferred. Revenues relating to net pool distribution and time charter income are recognized on an earned basis, once the services has been performed. All other revenues are recognized once the services has been performed.

##### *Balance sheet classification*

Current assets and current liabilities relates to items which is due within one year from the date of purchase. Other balance sheet items are classified as fixed assets/long term-liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to temporary. Long-term liabilities 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 on the basis of individual assessments.

##### *Inventories*

Inventories of lube oil and paint are valued at the lowest of cost (on the basis of the FIFO method) and net selling price.

##### *Currency*

Functional currency is US Dollar. Transaction in foreign currency are translated at the rate applicable at the time of the transaction. Monetary items in foreign currency are translated into USD using the year-end exchange rate.

##### *Fixed assets*

Fixed assets are valued at historical cost less accumulated depreciation. Depreciation is recognised on a straight-line basis over the remaining expected useful life of each asset, adjusted for the residual value. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period.

Improvements are capitalized and depreciated in pace with the asset involved. Docking costs are capitalized and depreciated over the period to the next scheduled dry-docking.

If carrying value of fixed assets exceeds the estimated recoverable amount, the assets is written down to the recoverable amount. The recoverable amount is greater of the net realized value and value in use. In assessing value in use, the discounted estimated future cash flows from the assets are discounted are used.



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

#### *Leases*

Assets acquired under capital leases are capitalized as property, plant and equipment in the Balance Sheet and the corresponding liability is included in capital leases obligations. The amount capitalized is the lower of the fair value of the asset or the present value of future minimum lease payments. The capital value of the asset is depreciated in accordance with Note 5. Lease payments are treated as consisting of capital element and interest cost, the capital element reducing the obligation to the lessor and the interest cost being expensed over the period of the lease.

Lease payments in respect of assets under operating leases are expensed in the period incurred, except where the lease payment is fixed over a number of periods, in which case the expense is calculated based on the average charge over the period for which the lease payment is fixed.

#### *Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated on all differences between the book value and the tax value of assets and liabilities at the year end. Deferred tax is calculated at 22 percent of temporary differences and the tax effect of tax losses carried forward.

Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

The company is subject to the Norwegian tonnage tax scheme pursuant to chapter 8 of the Taxation Act.

#### *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*

The management has been used estimates and assumption in the preparation of the financial statements that have effect on the reported amount 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 in accordance with the generally accepted accounting principles in Norway.

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

### Note 2 - Operating income

The operating revenue in 2019 was net pool revenues based on the Group's vessel participation Gearbulk Group's pooling of vessels, managed by Gearbulk Pool Ltd. In addition, the operating revenue in 2019 also consist of TC hire income relating to the chartering out of two vessels to High Heat Tankers Pte Ltd.

In 2020 the operating revenue for the periode 01.01.2020 to 30.06.2020 was net pool distribution from GB Pool Ltd. From 01.07.2020 to 31.12.2020 the operating revenue was Open hatch and Bulk pool distribution from G2 Ocean AS. This due to new set-up and being pool participant directly in G20 pools. In addition, the operating revenue in 2020 also consist of TC hire income relating to the chartering out two vessels to High Heat Tankers Pte Ltd.

Gearbulk Shipping AS also entered into a new TC agreement for the vessel Great Wodds from 21.12.2020. And for Great Sea and Great Crystal in 2021.



## Gearbulk Shipping AS

### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 3 - Vessel Operating expenses

<i>Vessel operating expenses consist of</i>	<b>2020</b>	<b>2019</b>
Crew cost	3 115	3 229
Provision and consumables	821	872
Spares and maintenance	900	1 328
Insurance	175	52
Other vessel operating expenses	833	842
<b>Total</b>	<b>5 844</b>	<b>6 323</b>

#### Note 4 - Payroll, auditor's remuneration, other operating expenses

The Company has no employees.

##### Management remuneration

There has not been any remuneration to management or board of directors. No loans or guarantees have been given to the managing Director or Board of Directors.

<i>Auditor fee has been divided as follows</i>	<b>2020</b>	<b>2019</b>
Audit fee	8	11

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

#### Note 5 - Tangible assets

Amounts in 1000 USD

	Vessels	Docking	Bunkers plant etc	Fleet Performance plans etc	Total
Acquisition cost 01.01.	64 284	1 378	59	201	65 921
Acquisition cost 31.12.	64 284	1 378	59	201	65 921
Acc.depreciation 31.12.	-13 518	-1 096	-46	-201	-14 861
Acc.write-downs 31.12.	-8 030	0	0	0	-8 030
<b>Net carrying amount at 31.12.</b>	<b>42 736</b>	<b>282</b>	<b>12</b>	<b>0</b>	<b>43 030</b>
Depreciation for the year	2 850	129	7	18	3 005
Useful economic life	25 years	1,5-5 years	1,5-5 years	1,5-5 years	

Recoverable amount of vessels and docking is based on value in use.

The Company do not own vessels, and all vessels in this Note are vessels held under capital leases. See Note 12.



### Gearbulk Shipping AS

#### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 6 - Income taxes

Amounts in 1000 USD

The Company is subject to the Norwegian tonnage tax rules in accordance with Chapter 8 of the Taxation Act. Payable tonnage tax for 2020 is USD 41 363 (2019: 16 045).

<i>Income tax expenses</i>	<b>2020</b>	<b>2019</b>
Tax payable	34	41
Too much/little allocated in previous year(s)	0	18
Change in deferred tax	-34	-41
Total income tax expense	<u>0</u>	<u>18</u>
<i>Tax base estimation</i>	<b>2020</b>	<b>2019</b>
Ordinary result before tax	<u>3 771</u>	<u>4 546</u>
Tax base	<u>3 771</u>	<u>4 546</u>
Expected tax cost 22%	830	1 000
<i>Temporary differences outlined</i>	<b>2020</b>	<b>2019</b>
Financial loss carried forward	-1 995	-1 335
Profit loss account	<u>613</u>	<u>745</u>
	<u>-1 382</u>	<u>-590</u>
Deferred income tax liability (22%)	-304	-130
Off balance sheet	<u>439</u>	<u>294</u>
Deferred income tax liability in balance sheet	<u>135</u>	<u>164</u>

#### Note 7 - Owners equity

Amounts in 1000 USD

	<b>Share capital</b>	<b>Other paid-in capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Owners equity 01.01.	513	760	3 771	5 045
Profit for the year	0	0	3 771	3 771
Extraordinary dividend during the year	0	0	-3 700	-3 700
Dividend	0	0	-3 843	-3 843
Owners equity 31.12.	<u>513</u>	<u>760</u>	<u>0</u>	<u>1 273</u>



## Gearbulk Shipping AS

### Notes to the accounts for 2020

Amounts in 1000 USD

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

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	533 400	0,96	513

Share capital consists of 533 400 shares at NOK 6. The share capital is accounted for in USD at the prevailing rate at the time of investment.

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Skipsaksjeselskapet Gearbulk AS	533 400	100 %	100 %

Group financial statement of Skipsaksjeselskapet Gearbulk AS is available at the main office in Bergen.

#### Note 9 - Bank deposit

There is no restricted cash as of December 31, 2020 (2019:USD 0 mill).

#### Note 10 - Intercompany balance group company and associate

Amounts in 1000 USD

<i>Receivables</i>	2020	2019
Skipsaksjeselskapet Gearbulk AS (group company)	3 349	1 814
Gearbulk Pool Ltd (group company)	4 427	316
High Heat Tankers Pte Ltd (affiliate company)	0	18
Gearbulk Shipowning Ltd (group company)	2 312	4 453
G2 Ocean AS (affiliate company)	282	0
GB Norway AS (group company)	14	0
Other receivables	809	854
Total	<u>11 193</u>	<u>7 455</u>
<i>Payables</i>	2020	2019
Skipsaksjeselskapet Gearbulk AS (group company) dividend 2020	3 843	0
Gearbulk SO Ship Management Ltd (group company)	5 647	2 573
Gearbulk Norway AS (group company)	0	35
GB MGT Swiss AG (group company)	95	0
Other liabilities (ref note 11)	1 051	1 175
Total	<u>10 636</u>	<u>3 783</u>



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 11 - Short term liabilities

	2020	2019
Accrued expenses	265	386
Deferred income	583	580
Related parties	5 742	2 614
Other short term liabilities	203	203
Dividend Skipsaksjeselskapet Gearbulk (group Company)	3 843	0
Total	<u>10 636</u>	<u>3 783</u>

#### Note 12 - Capital Lease

In October 2018 the Company entered into long-term bareboat charter arrangements for Merlin Arrow and, which were classified as capital lease.

In December 2017, the Company entered into long-term bareboat charter arrangement for Sunbird Arrow and Kingbird Arrow, which were classified as capital leases.

No purchase clause is agreed for any of the three time charter agreements entered into by the Company. None of the Company's time charter agreements include any variable hire elements, hence no variable hire expense is recognized. None of the time charter agreements include clauses limiting dividends, refinancing, debt issuance or restrictions to enter into new time charter agreements.

#### Future minimum lease payments as of December 31, 2020 are as follows:

(US Dollars in thousands)

	2020
2021.....	7 598
2022.....	7 541
2023.....	10 623
2024.....	5 465
2025 .....	5 311
Thereafter .....	<u>18 581</u>
Sum	<u>55 119</u>
Less: Amounts representing future finance cost	-14 366
<b>Present value of minimum capital lease payment</b>	<u><b>40 753</b></u>
Less: current portion	-4 536
<b>Long-term capital lease obligation</b>	<u><b>36 217</b></u>

#### Note 13 - Going concern

The Gearbulk Group's overall liquidity position has improved during 2020, following the implementation of 6

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## **Gearbulk Shipping AS**

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### **Notes to the accounts for 2020**

Amounts in 1000 USD

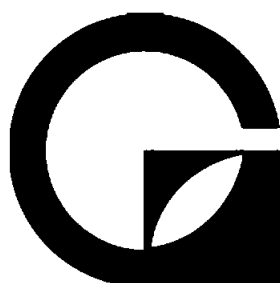
month Pay As You Earn (PAYE) period, refinancing and extension of the DNB loan. Shareholder loan from MOL (49% owner) and the Oshima private bond loan. In addition sea and shore cost saving programs have reduced the Group's cost base, and together with strong improvement of market conditions in first half of 2021, as well as expected end of Covid -19 pandemic, these efforts provide forecast of positive result and liquidity in 2021.

The Group management and board of the Company believe that the renegotiated hire rates (Time charter and Bareboat) are now at sustainable levels, and accordingly do not currently plan for any additional measures. Management further notes that the Group and the commodity industry is facing a potential commodity cycle, which has the potential to create a further positive upside to liquidity and results.

The Board of the Company is of the opinion that, to the best of its knowledge, based on information available at the date of this paper, and assuming no significant unforeseen events occurring, for the reasons detailed herein and the supporting analysis undertaken, that the GB Group and the Company is able to continue as a going concern basis in accordance with the Accounting Act § 3-3a.



# **GEARBULK SHIPPING AS**



**Financial Statements  
Year ended 31 December 2020**



## Board of directors' report 2020

### Gearbulk Shipping AS

#### The Company and the business

Gearbulk Shipping AS is a wholly owned subsidiary of the parent company Skipsaksjeselskapet Gearbulk AS. Gearbulk Shipping AS is undertaking shipping related activities and holds three vessels under capital leases; one open hatch vessel and two liquid pitch vessels. The main office is located in Bergen.

#### Financial result and development

Gearbulk Shipping's revenue in 2020 was USD 25.8 million (2019: USD 26.8 million). The 2020 net profit after tax amounted to USD 3.8 million (2019: USD 4.5 million).

The Company's total assets as per year end 2020 amounted to USD 55.4 million (2019: USD 55.2 million). The cash and cash-equivalent amounted to USD 1.0 million as per 31 December, 2020 (31 December, 2019: USD 1.6 million).

Current assets as per year end 2020 amounted to USD 12.4 million (2019: USD 9.2 million) and current liabilities amounted to USD 15.7 million at year end 2020 (2019: USD 8.2 million).

The equity ratio was 2.3 % as per 31 December, 2020 (2019: 31 December, 2019: 9.1 %).

#### Going concern assumption

The Gearbulk Group's overall liquidity position has improved during 2020, following the implementation of 6 month Pay As You Earn (PAYE) period, refinancing and extension of the DNB loan. Shareholder loan from MOL (49% owner) and the Oshima private bond loan. In addition sea and shore cost saving programs have reduced the Group's cost base, and together with strong improvement of market conditions in first half of 2021, as well as expected end of Covid -19 pandemic, these efforts provide forecast of positive result and liquidity in 2021.

The Group management and board of the Company believe that the renegotiated hire rates (Time charter and Bareboat) are now at sustainable levels, and accordingly do not currently plan for any additional measures. Management further notes that the Group and the commodity industry is facing a potential commodity cycle, which has the potential to create a further positive upside to liquidity and results.

The Board of the Company is of the opinion that, to the best of its knowledge, based on information available at the date of this paper, and assuming no significant unforeseen events occurring, for the reasons detailed herein and the supporting analysis undertaken, that the GB Group and the Company is able to continue as a going concern basis in accordance with the Accounting Act § 3-3a.

#### Liquidity and financing

Differences between net operating result and the cash flow from operational activities is mainly resulting from depreciations and change in working capital. The liquidity position and the financing of the company for the next 12 months are assessed to be sufficient given the Company's revenue from participation in G2 Ocean Open Hatch and Bulk pool.

#### Financial risk

The Company is exposed to risks related to the market, availability of financing, interest, credit, exchange rate, fluctuations in the bunker price and operational risk through its engagement as a vessel owner.

The risks related to the market, fluctuations in the bunker price, currency and credit are sought to be reduced through commercial agreements with G2 Ocean AS and High Heat Tankers Pte. Ltd.



Operational risk is sought to be reduced through technical management agreement with Gearbulk Norway AS which operates as the technical manager for the vessels in the Gearbulk Group. The financial risk is reduced through the Company's financial structure and the available credit facilities.

**Work environment, equal opportunities and discrimination**

The company has no employees and there are no female representatives in the Board of Directors. The company's ambition is to exercise full gender equality and has incorporated a policy aiming to avoid any discrimination.

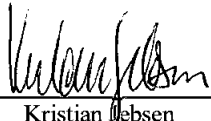
**The external environment**

Shipping activity in general may lead to pollution or other accidents. The Company's vessels are equipped in accordance with international legislation and requirements. There have not been any material accidents or events during 2020 which caused pollution.

**Statement regarding the outlook for the company**

The Company's vessels are operated within the G2 Ocean AS' Open Hatch and Bulk pool and High Heat Tankers Pte. Ltd. The revenue in G2 Ocean AS and High Heat Tankers Pte Ltd is depending on the development of general market conditions for respective shipping segments.

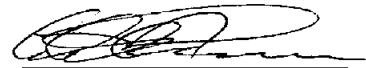
Bergen, June 18 2021  
Board of Gearbulk Shipping AS



Kristian Jebsen  
Director



Hans Petter Aas  
Chairman



Ketil Andreassen  
Director



Sjur Gjerde  
Managing Director



## Gearbulk Shipping AS

### Income statement

Amounts in 1000 USD

	Note	2020	2019
<b>Revenue</b>			
Operating revenue	2	<u>25 787</u>	<u>26 801</u>
<b>Operating expenses</b>			
Vessel operating	3	5 844	6 323
Other time charter cost	4	9 841	9 430
Depreciation of tangible and intangible fixed assets	5	3 005	3 309
Other operating expenses	4	415	40
Total operating expenses		<u>19 105</u>	<u>19 102</u>
Operating result		<u>6 683</u>	<u>7 699</u>
<b>Financial income and expenses</b>			
Other financial income		765	583
Other financial expenses		<u>3 676</u>	<u>3 736</u>
Net financial items		<u>-2 911</u>	<u>-3 153</u>
Ordinary result before tax		<u>3 771</u>	<u>4 546</u>
Tax on ordinary result	6	<u>0</u>	<u>18</u>
<b>Net profit or loss for the year</b>		<u><b>3 771</b></u>	<u><b>4 528</b></u>
<b>Allocated as follows</b>			
Transferred to/from other equity	7	-71	4 528
Dividends	7	<u>3 843</u>	<u>0</u>
Total allocations		<u>3 771</u>	<u>4 528</u>



**Gearbulk Shipping AS**

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**Balance sheet as of December 31**

Amounts in 1000 USD

	Note	2020	2019
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Vessels	5	<u>43 030</u>	<u>46 035</u>
Total tangible assets		<u>43 030</u>	<u>46 035</u>
Total fixed assets		<u>43 030</u>	<u>46 035</u>
<b>Current assets</b>			
Inventories		<u>162</u>	<u>147</u>
<i>Receivables</i>			
Receivables related parties	10	<u>11 193</u>	<u>7 455</u>
Total accounts receivable		<u>11 193</u>	<u>7 455</u>
Cash and cash equivalents	9	<u>1 038</u>	<u>1 605</u>
Total current assets		<u>12 394</u>	<u>9 207</u>
Total assets		<u>55 424</u>	<u>55 241</u>



## Gearbulk Shipping AS

### Balance sheet as of December 31


Amounts in 1000 USD	Note	2020	2019
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	7, 8	513	513
Other paid-in capital	7	760	760
Total paid-in capital		<u>1 273</u>	<u>1 273</u>
<i>Retained earnings</i>			
Other equity	7	0	3 771
Total retained earnings		<u>0</u>	<u>3 771</u>
Total equity		<u>1 273</u>	<u>5 045</u>
<b>Liabilities</b>			
<i>Provisions</i>			
Deferred tax liability	6	135	164
Total provisions		<u>135</u>	<u>164</u>
<i>Other long-term liabilities</i>			
Capital leases	12	36 217	40 753
Other long-term liabilities		2 077	1 038
Total other long term liabilities		<u>38 294</u>	<u>41 790</u>
<i>Current liabilities</i>			
Capital leases	12	4 536	4 316
Trade creditors		516	103
Tax payable	6	34	41
Other short-term liabilities related parties	10, 11	10 636	3 783
Total current liabilities		<u>15 721</u>	<u>8 243</u>
Total liabilities		<u>54 151</u>	<u>50 197</u>
Total equity and liabilities		<u>55 424</u>	<u>55 241</u>

The Board of Gearbulk Shipping AS  
Bergen, 18 June 2021

  
Kristian Ebsen  
Board member

  
Sjur Gjerde  
General manager

  
Hans Petter Aas  
Chairman

  
Ketil Andreassen  
Board member



## Gearbulk Shipping AS

### Cash flow statement

Amounts in 1000 USD

	Note	2020	2019
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		3 771	4 546
Taxes paid		-41	-54
Depreciation and write-down of vessels		2 850	2 824
Depreciation and write down of dry-docking and bunkers		136	445
Depreciation and write down of fleet performance equipment		18	40
Changes in inventories		-16	37
Changes in receivables		-3 724	-1 639
Changes in trade creditors		413	-48
Changes in other current balance sheet items		2 996	-536
Net cash flow from operating activities		<u>6 405</u>	<u>5 615</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>			
Repayment or increase of long term loans		1 040	-312
Repayment of principal portion of capital leases		-4 316	-3 847
Dividends paid		-3 700	0
Net cash flow from financing activities		<u>-6 976</u>	<u>-4 160</u>
Effects of change in exchange rates and cash equivalents		5	20
Net change in cash and cash equivalents		-567	1 475
Cash and cash equivalents at 01.01		<u>1 605</u>	<u>130</u>
Cash and cash equivalents at 31.12		<u>1 038</u>	<u>1 605</u>



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note - 1 Accounting Principles

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

##### *Operating revenue*

Operating revenues are recognized as income at all time of delivery and the risk and control has been transferred. Revenues relating to net pool distribution and time charter income are recognized on an earned basis, once the services has been performed. All other revenues are recognized once the services has been performed.

##### *Balance sheet classification*

Current assets and current liabilities relates to items which is due within one year from the date of purchase. Other balance sheet items are classified as fixed assets/long term-liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to temporary. Long-term liabilities 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 on the basis of individual assessments.

##### *Inventories*

Inventories of lube oil and paint are valued at the lowest of cost (on the basis of the FIFO method) and net selling price.

##### *Currency*

Functional currency is US Dollar. Transaction in foreign currency are translated at the rate applicable at the time of the transaction. Monetary items in foreign currency are translated into USD using the year-end exchange rate.

##### *Fixed assets*

Fixed assets are valued at historical cost less accumulated depreciation. Depreciation is recognised on a straight-line basis over the remaining expected useful life of each asset, adjusted for the residual value. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period.

Improvements are capitalized and depreciated in pace with the asset involved. Docking costs are capitalized and depreciated over the period to the next scheduled dry-docking.

If carrying value of fixed assets exceeds the estimated recoverable amount, the assets is written down to the recoverable amount. The recoverable amount is greater of the net realized value and value in use. In assessing value in use, the discounted estimated future cash flows from the assets are discounted are used.



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

#### *Leases*

Assets acquired under capital leases are capitalized as property, plant and equipment in the Balance Sheet and the corresponding liability is included in capital leases obligations. The amount capitalized is the lower of the fair value of the asset or the present value of future minimum lease payments. The capital value of the asset is depreciated in accordance with Note 5. Lease payments are treated as consisting of capital element and interest cost, the capital element reducing the obligation to the lessor and the interest cost being expensed over the period of the lease.

Lease payments in respect of assets under operating leases are expensed in the period incurred, except where the lease payment is fixed over a number of periods, in which case the expense is calculated based on the average charge over the period for which the lease payment is fixed.

#### *Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated on all differences between the book value and the tax value of assets and liabilities at the year end. Deferred tax is calculated at 22 percent of temporary differences and the tax effect of tax losses carried forward.

Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

The company is subject to the Norwegian tonnage tax scheme pursuant to chapter 8 of the Taxation Act.

#### *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*

The management has been used estimates and assumption in the preparation of the financial statements that have effect on the reported amount 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 in accordance with the generally accepted accounting principles in Norway.

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

### Note 2 - Operating income

The operating revenue in 2019 was net pool revenues based on the Group's vessel participation Gearbulk Group's pooling of vessels, managed by Gearbulk Pool Ltd. In addition, the operating revenue in 2019 also consist of TC hire income relating to the chartering out of two vessels to High Heat Tankers Pte Ltd.

In 2020 the operating revenue for the periode 01.01.2020 to 30.06.2020 was net pool distribution from GB Pool Ltd. From 01.07.2020 to 31.12.2020 the operating revenue was Open hatch and Bulk pool distribution from G2 Ocean AS. This due to new set-up and being pool participant directly in G2O pools. In addition, the operating revenue in 2020 also consist of TC hire income relating to the chartering out two vessels to High Heat Tankers Pte Ltd.

Gearbulk Shipping AS also entered into a new TC agreement for the vessel Great Wodds from 21.12.2020. And for Great Sea and Great Crystal in 2021.



## Gearbulk Shipping AS

### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 3 - Vessel Operating expenses

<i>Vessel operating expenses consist of</i>	<b>2020</b>	<b>2019</b>
Crew cost	3 115	3 229
Provision and consumables	821	872
Spares and maintenance	900	1 328
Insurance	175	52
Other vessel operating expenses	833	842
<b>Total</b>	<b>5 844</b>	<b>6 323</b>

#### Note 4 - Payroll, auditor's remuneration, other operating expenses

The Company has no employees.

##### *Management remuneration*

There has not been any remuneration to management or board of directors. No loans or guarantees have been given to the managing Director or Board of Directors.

<i>Auditor fee has been divided as follows</i>	<b>2020</b>	<b>2019</b>
Audit fee	8	11

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

#### Note 5 - Tangible assets

Amounts in 1000 USD

	<b>Vessels</b>	<b>Docking</b>	<b>Bunkers plant etc</b>	<b>Fleet Performance plans etc</b>	<b>Total</b>
Acquisition cost 01.01.	64 284	1 378	59	201	65 921
Acquisition cost 31.12.	64 284	1 378	59	201	65 921
Acc.depreciation 31.12.	-13 518	-1 096	-46	-201	-14 861
Acc.write-downs 31.12.	-8 030	0	0	0	-8 030
<b>Net carrying amount at 31.12.</b>	<b>42 736</b>	<b>282</b>	<b>12</b>	<b>0</b>	<b>43 030</b>
Depreciation for the year	2 850	129	7	18	3 005
Useful economic life	25 years	1,5-5 years	1,5-5 years	1,5-5 years	

Recoverable amount of vessels and docking is based on value in use.

The Company do not own vessels, and all vessels in this Note are vessels held under capital leases. See Note 12.



## Gearbulk Shipping AS

### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 6 - Income taxes

Amounts in 1000 USD

The Company is subject to the Norwegian tonnage tax rules in accordance with Chapter 8 of the Taxation Act. Payable tonnage tax for 2020 is TUSD 41 (2019: TUSD 16).

<i>Income tax expenses</i>	<b>2020</b>	<b>2019</b>
Tax payable	34	41
Too much/little allocated in previous year(s)	0	18
Change in deferred tax	-34	-41
Total income tax expense	<u>0</u>	<u>18</u>
<i>Tax base estimation</i>	<b>2020</b>	<b>2019</b>
Ordinary result before tax	3 771	4 546
Tax base	<u>3 771</u>	<u>4 546</u>
Expected tax cost 22%	830	1 000
<i>Explanation to difference</i>	<b>2019</b>	<b>2018</b>
Expected income taxes, statutory tax rate 22%	830	1 000
Impact from tonnage scheme	-830	-1 000
Too much/little allocated in previous year(s)	0	18
Income tax expense	<u>0</u>	<u>18</u>
<i>Temporary differences outlined</i>	<b>2020</b>	<b>2019</b>
Financial loss carried forward	-1 995	-1 335
Profit loss account	613	745
	<u>-1 382</u>	<u>-590</u>
Deferred income tax liability (22%)	-304	-130
Off balance sheet	439	294
Deferred income tax liability in balance sheet	<u>135</u>	<u>164</u>

#### Note 7 - Owners equity

Amounts in 1000 USD

	Share capital	Other paid-in capital	Retained Earnings	Total
Owners equity 01.01.	513	760	3 771	5 045
Profit for the year	0	0	3 771	3 771
Extraordinary dividend during the year	0	0	-3 700	-3 700
Dividend	0	0	-3 843	-3 843
Owners equity 31.12.	<u>513</u>	<u>760</u>	<u>0</u>	<u>1 273</u>



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

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

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	533 400	0,96	513

Share capital consists of 533 400 shares at NOK 6. The share capital is accounted for in USD at the prevailing rate at the time of investment.

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Skipsaksjeselskapet Gearbulk AS	533 400	100 %	100 %

Group financial statement of Skipsaksjeselskapet Gearbulk AS is available at the main office in Bergen.

#### Note 9 - Bank deposit

There is no restricted cash as of December 31, 2020 (2019:USD 0 mill).

#### Note 10 - Intercompany balance group company and associate

Amounts in 1000 USD

<i>Receivables</i>	2020	2019
Skipsaksjeselskapet Gearbulk AS (group company)	3 349	1 814
Gearbulk Pool Ltd (group company)	4 427	316
High Heat Tankers Pte Ltd (affiliate company)	0	18
Gearbulk Shipowning Ltd (group company)	2 312	4 453
G2 Ocean AS (affiliate company)	282	0
GB Norway AS (group company)	14	0
Other receivables	809	854
Total	<u>11 193</u>	<u>7 455</u>
<i>Payables</i>	2020	2019
Skipsaksjeselskapet Gearbulk AS (group company) dividend 2020	3 843	0
Gearbulk SO Ship Management Ltd (group company)	5 647	2 573
Gearbulk Norway AS (group company)	0	35
GB MGT Swiss AG (group company)	95	0
Other liabilities (ref note 11)	1 051	1 175
Total	<u>10 636</u>	<u>3 783</u>

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## Gearbulk Shipping AS

### Notes to the accounts for 2020

Amounts in 1000 USD

#### Note 11 - Short term liabilities

	2020	2019
Accrued expenses	265	386
Deferred income	583	580
Related parties	5 742	2 614
Other short term liabilities	203	203
Dividend Skipsaksjeselskapet Gearbulk (group Company)	3 843	0
Total	<u>10 636</u>	<u>3 783</u>

#### Note 12 - Capital Lease

In October 2018 the Company entered into long-term bareboat charter arrangements for Merlin Arrow and, which were classified as capital lease.

In December 2017, the Company entered into long-term bareboat charter arrangement for Sunbird Arrow and Kingbird Arrow, which were classified as capital leases.

No purchase clause is agreed for any of the three time charter agreements entered into by the Company. None of the Company's time charter agreements include any variable hire elements, hence no variable hire expense is recognized. None of the time charter agreements include clauses limiting dividends, refinancing, debt issuance or restrictions to enter into new time charter agreements.

#### Future minimum lease payments as of December 31, 2020 are as follows:

(US Dollars in thousands)

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2021.....	7 598
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2024.....	5 465
2025 .....	5 311
Thereafter .....	18 581
Sum	<u>55 119</u>
Less: Amounts representing future finance cost	-14 366
<b>Present value of minimum capital lease payment</b>	<u><b>40 753</b></u>
Less: current portion	-4 536
<b>Long-term capital lease obligation</b>	<u><b>36 217</b></u>

#### Note 13 - Going concern

The Gearbulk Group's overall liquidity position has improved during 2020, following the implementation of 6 month Pay As You Earn (PAYE) period, refinancing and extension of the DNB loan. Shareholder loan from MOL (49% owner) and the Oshima private bond loan. In addition sea and shore cost saving programs have reduced the Group's cost base, and together with strong improvement of market conditions in first half of 2021, as well as expected end of Covid -19 pandemic, these efforts provide forecast of positive result and liquidity in 2021.



## Gearbulk Shipping AS

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### Notes to the accounts for 2020

Amounts in 1000 USD

The Group management and board of the Company believe that the renegotiated hire rates (Time charter and Bareboat) are now at sustainable levels, and accordingly do not currently plan for any additional measures. Management further notes that the Group and the commodity industry is facing a potential commodity cycle, which has the potential to create a further positive upside to liquidity and results.

The Board of the Company is of the opinion that, to the best of its knowledge, based on information available at the date of this paper, and assuming no significant unforeseen events occurring, for the reasons detailed herein and the supporting analysis undertaken, that the GB Group and the Company is able to continue as a going concern basis in accordance with the Accounting Act § 3-3a.



To the General Meeting of Gearbulk Shipping AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Gearbulk Shipping AS, which comprise the balance sheet as at 31 December 2020, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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#### *Basis for Opinion*

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

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#### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except 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.

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T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



Independent Auditor's Report - Gearbulk Shipping AS



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*Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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*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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

*Report on Other Legal and Regulatory Requirements*

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*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 and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

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*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.

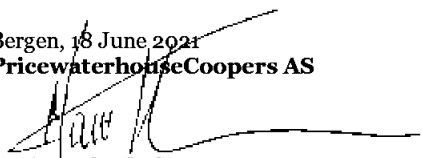
(2)



Independent Auditor's Report - Gearbulk Shipping AS



Bergen, 18 June 2021  
**PricewaterhouseCoopers AS**

  
Marius Kaland Olsen  
State Authorised Public Accountant



**Norwegian Directorate of Taxes**

Inquiries to  
Torstein Kinden Helleland

Your date  
24.08.2015

Our date  
16.09.2015

Telephone  
22078139

Your reference  
Anders Hagen

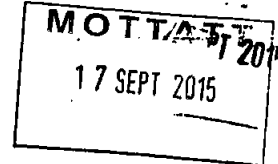
Our reference  
2015/839383

GEARBULK POOL LTD  
Postboks 1925 Damsgård  
5828 BERGEN

**Permission to prepare the annual accounts and directors' report in English language**

With reference to your letter of 28 August 2015, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the following companies;

<b>Gearbulk Bergen AS</b>	<b>org. nr. 996 210 065</b>
<b>Gearbulk Ltd</b>	<b>org. nr. 929 784 308</b>
<b>Gearbulk Management Ltd</b>	<b>org. nr. 914 961 939</b>
<b>Gearbulk Norway AS</b>	<b>org. nr. 996 101 061</b>
<b>Gearbulk Pool Ltd</b>	<b>org. nr. 914 961 858</b>
<b>Gearbulk Shipping AS</b>	<b>org. nr. 961 999 960</b>
<b>Skipsaksjeselskapet Gearbulk AS</b>	<b>org. nr. 989 761 617</b>



**Conclusion**

Based on a total evaluation, the view of The Directorate of Taxes is that the companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

**Background**

The companies in the Gearbulk Holding Group are owned by Gearbulk Holding Ltd, Bermuda. The Gearbulk Holding Group is an international group of companies which owns and operates a modern fleet of open hatch vessels. The Group is highly international in the sense that it operates throughout the world. The Group uses English as working language. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Postal address  
Postboks 9200 Grønland  
0134 Oslo

Visiting address: Telephone  
See [www.skatteetaten.no](http://www.skatteetaten.no) 800 80 000  
Org.nr: 996250318 Telefax  
E-mail: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost) 22 17 08 60



**Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

*"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the companies are owned by a foreign company. The working language is English, and English is the preferred language for internal and external communication. Further, the companies operate in an international branch.

Please state "our reference" (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad  
Senior Adviser  
Rettsavdelingen, foretaksskatt  
Norwegian Directorate of Taxes

Torstein Kinden Helleland

*This document has been electronically approved and contains therefore no handwritten signatures*