



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 979 993 609
Organisasjonsform: Aksjeselskap
Foretaksnavn: WESTERN BULK CARRIERS AS
Forretningsadresse: Henrik Ibsens gate 100
0255 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kenneth Thu
Dato for fastsettelse av årsregnskapet: 25.04.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 21.07.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Gross revenue	1	955 635 000	861 185 000
Voyage expenses		-311 285 000	-264 860 000
Sum inntekter		644 350 000	596 325 000
Kostnader			
T/C expenses		591 744 000	564 583 000
Other vessel expenses		1 260 000	1 109 000
Administration expenses	2,3,4	25 474 000	26 300 000
Provision for future loss	5	0	-680 000
Sum kostnader		618 478 000	591 312 000
Driftsresultat		25 872 000	5 013 000
Finansinntekter og finanskostnader			
Annen renteinntekt		143 000	37 000
Sum finansinntekter		143 000	37 000
Annen rentekostnad		92 000	121 000
Gain/(loss) on foreign exchange		637 000	369 000
Other financial items		89 000	106 000
Sum finanskostnader		818 000	596 000
Netto finans		-675 000	-559 000
Ordinært resultat før skattekostnad		25 197 000	4 454 000
Tax income/expense	6	1 063 000	736 000
Ordinært resultat etter skattekostnad		24 134 000	3 718 000
Årsresultat		24 134 000	3 718 000
Overføringer og disponeringer			
Ordinært utbytte	4	10 000 000	15 000 000
To/(from) other equity		14 134 000	-11 282 000
Sum overføringer og disponeringer	7	24 134 000	3 718 000



Resultatregnskap

Beløp i: USD	Note	2022	2021
---------------------	-------------	-------------	-------------



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investment in financial assets	8	0	530 000
Sum finansielle anleggsmidler		0	530 000
Sum anleggsmidler		0	530 000
Omløpsmidler			
Varer			
Bunker stocks	9	23 916 000	19 731 000
Sum varer		23 916 000	19 731 000
Fordringer			
Accounts receivable	10	17 745 000	14 677 000
Other receivables		0	59 000
Konsernfordringer	4	38 656 000	36 729 000
Sum fordringer		56 401 000	51 465 000
Bankinnskudd, kontanter og lignende			
Bank deposits	10	2 449 000	2 792 000
Sum bankinnskudd, kontanter og lignende		2 449 000	2 792 000
Sum omløpsmidler		82 766 000	73 988 000
SUM EIENDELER		82 766 000	74 518 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		37 000	37 000
Sum innskutt egenkapital		37 000	37 000



Balanse

Beløp i: USD	Note	2022	2021
Opptjent egenkapital			
Other equity		31 308 000	17 174 000
Sum opptjent egenkapital		31 308 000	17 174 000
Sum egenkapital	7	31 345 000	17 211 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	83 000	116 000
Sum avsetninger for forpliktelser		83 000	116 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		83 000	116 000
Kortsiktig gjeld			
Leverandørgjeld		6 920 000	5 950 000
Taxes Payable	6	1 081 000	755 000
Utbytte		10 000 000	15 000 000
Kortsiktig konserngjeld	4	18 195 000	25 628 000
Other payable		15 140 000	8 238 000
Short term interest-bearing debt	10	2 000	1 620 000
Sum kortsiktig gjeld		51 338 000	57 191 000
Sum gjeld		51 421 000	57 307 000
SUM EGENKAPITAL OG GJELD		82 766 000	74 518 000



Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 03.05.2011	Vår dato 11.05.2011
Telefon 22077325	Deres referanse Trine Angell-Hansen	Vår referanse 2011/494740

Kjelstrup & Wiggen AS
Henrik Ibsens gate 20
0255 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Western Bulk Carriers AS, org. nr: 979 993 609

Det vises til deres brev av 3. mai 2011. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Western Bulk Carriers AS.

Bakgrunn

Western Bulk Carriers AS er et heleid datterselskap av Western Bulk Chartering AS som igjen eies av Western Bulk AS. De to sistnevnte selskapene er i vedtak fra Skattedirektoratet av 1. oktober 2010 innvilget dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk. Western Bulk Carriers AS har fra 1. januar 2011 overtatt all virksomheten fra søsterselskapet Western Bulk Carriers KS. Dette siste selskapet er også innvilget dispensasjon fra norsk språk i samme vedtak som er nevnt ovenfor. Western Bulk konsernet driver virksomhet innen shipping. Selskapet er operatør og befrakter, og disponerer kommersielt i 2010 mellom 69 – 95 skip som opererte over hele verden. Engelsk språk benyttes i hovedsak ved all kommunikasjon og rapportering både intern i selskap, og eksternt mot forretningspartnere.

Skattedirektoratets vurdering og konklusjon

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 skjært 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.

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



2011/494740 Side 2 av 2

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

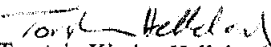
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet virksomhet er i en internasjonal bransje og arbeidsspråket er engelsk. Alle sentrale aktører innen den bransje selskapet jobber, antas å måtte beherske og benytte engelsk språk. Selskapet inngår i et konsern hvor overliggende to eierledd alt er innvilget dispensasjon fra språkkravet.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Western Bulk Carriers AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Hoelstad



To the General Meeting of Western Bulk Carriers AS

RSM Norge AS

Ruseløkkveien 30, 0251 Oslo
Pb 1312 Vikka, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

Independent Auditor's Report

www.rsmnorge.no

Opinion

We have audited the financial statements of Western Bulk Carriers AS (the Company) showing a profit of USD 24 134 051. The financial statements comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for Opinion

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

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/ is a member of Den norske Revisorforening.

Penneo Dokumentnøkkel: NFW04-E3CJH-B7ZMU-GMOJ-DMF8E-KEECU



Independent Auditor's Report 2022 for Western Bulk Carriers AS



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Oslo, 25 April 2023
RSM Norge AS

Cecilie Tronstad
State Authorised Public Accountant
(This document is signed electronically)

Penneo Dokumentnøkkel: NFW04-ES3JH-B7ZMU-GMOJ-DMF8E-KEECU



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Cecilie Tronstad

Statsautorisert revisor

Serienummer: 9578-5999-4-1466689

IP: 188.95.xxx.xxx

2023-04-26 18:42:02 UTC



Penneo Dokumentnøkkel: NFWQ4-E3CJH-B7ZMU-GMOJ-DMF8E-KEECU

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>



Western Bulk Carriers AS The Board of Directors' Report 2022

Western Bulk Carriers AS is a leading dry bulk operator in the Handysize to Supramax dry bulk vessel segment. During 2022 the Company operated an average of 62 vessels worldwide, same as in 2021. The Company has no employees and is located in Oslo, Norway.

Ownership Structure

The company is owned 100% by Western Bulk Chartering AS.

Market Development

The dry bulk market experienced a contradiction of two halves in 2022. The first half is easily remembered as the best market in a decade when the outbreak of war in Ukraine and western sanctions on Russia brought vast disruptions to the global trade. Ton-mile demand for Pacific coal leapt two to three folds in the period as Europe scrambled to replace Russian coal with US, South Africa, and Pacific supplies. Seaborne demand for steel and fertilizers was also boosted as surging energy prices forced producers in Europe to cut production and stock up with imports.

However, the initial positive impacts from the long-haul trades were soon outweighed by the surging costs and demand disruptions in Asia since late Q2. Asian coal buyers were quickly priced out of the market and surging raw material prices also prompted countries such as China and India to soft ban exports of iron ore, steel, and fertilizers, removing large amounts of seaborne volume. The outbreak of the mortgage strike across China in July was probably the last straw that crushed hope of recovery and led to much weaker Chinese demand throughout the rest of the year.

The impact of the above events is clearly reflected in the development of freight rates. The quarterly average of Baltic Supramax Index leapt 51% year on year in Q1 2022 to USD 25,155 / day and climbed further to reach USD 28,900 / day in Q2. However, the quarterly average fell significantly in the second half of 2022 to an average at USD 14,836 / day over Q4, almost half of the rate just a few months earlier. The Baltic Supramax Index (BSI) ended 2022 at USD 11.685/day, compared to USD 25.188/day by the end of 2021.

Financial Performance

Western Bulk Carriers AS was well positioned to benefit from the market volatility seen in 2022 by staying loyal to the strategy of utilizing the company's risk capacity in the short-term market. Increased focus on operations as a key value driver has also contributed significantly to the results and strengthened the company's relationship with customers and vessel owners. The company recorded a profit of USD 24.1 million after tax in 2022 compared to a profit of USD 3.7 million in 2021. The turnover, expressed as gross freight revenues, increased from USD 861.2 million in 2021 to USD 955.6 million in 2022. The balance sheet total was USD 82.7 million at the end of 2022 compared to USD 74.5 million the year before. The equity ratio was 38 % as of 31.12.2022 compared to 23% as of 31.12.2021. The Board of Directors will propose a dividend for 2022 of USD 10 million to the Annual General Meeting.

Financial Risk

The company's credit risk mainly relates to freight payable from our counterparts for voyages being performed. Such freight is mainly due at commencement of the voyage, and if not paid, the company will in most cases have a lien on the cargo.

The company's liquidity risk is mainly related to timing of cash in- and outflows and the company continuously monitors its cash reserve and available liquidity to ensure sufficient liquidity is available to meet the known obligations of its operations.

Market Risk

Western Bulk Carriers AS measures its market risk on a daily basis through a well established risk control and monitoring system. The risk system sets absolute limits to the level of exposure taken by the company such as being long/short on vessels relative to contract coverage, being long/short on geographical areas, vessel sizes and trade routes, utilising options on cargoes and vessels etc. The company is not necessarily seeking to minimise the market risk, but rather to quantify and measure it to be able to take calculated positions in the market. The company actively uses derivatives such as freight forward agreements, bunker swaps and other financial instruments to hedge its market exposure.



Environment

Western Bulk Carriers AS' activities consist of chartering and operation of dry bulk vessels for the transportation of products such as minerals, timber, cement, bauxite, steel products, grains, coal and more. The chartering and operation of chartered-in vessels fully comply with international rules and standards in the jurisdictions and sectors in which they operate.

Future Development

Despite the seasonal slowdown during the Chinese New Year holidays, the market is expected to improve thereafter driven by better economic prospects in China and Southeast Asia. However, the upside is likely limited given much weaker growth in the US and Europe amid poor prospects for Ukraine grain exports.

The growth of global dry bulk trade is expected to reach 1.6% in 2023, a significant improvement from the -1.3% contraction in 2022. Meanwhile, the global dry bulk fleet is projected to grow at a higher rate of about 2.6% and is likely to put continued pressure on the drybulk market in the near term. However, some improvements in the drybulk market are expected through the course of 2023 thanks to demand recovery in Asia and potential tightening of fleet supply due to speed reduction and higher demolitions.

Transparency Act

The Norwegian Transparency Act came into force on 1 July 2022. This implements OECD guidelines and UN guiding principles on business and Human Rights for Norwegian enterprises. In 2022 the Group has implemented a review of suppliers and a supplier code of conduct. The detail of the supplier review and its results will be published on our website in an annual statement in accordance with the terms of the Transparency Act within 30 June 2023.

Directors & Officers Liability Insurance

The Kistefos Group maintains a Directors & Officers liability insurance issued by Ryan Speciality Group Sweden AB which covers companies owned or controlled by Kistefos Group and which includes the Western Bulk group of companies. The insurance covers the liability of directors, employees exercising managerial or supervisory functions and the general counsel for wrongful acts or omissions committed (or allegedly committed) for and on behalf of the company. The policy covers claims made in relation to civil claims, employment practices, regulatory investigations and proceedings, criminal proceedings and the company's securities.

In accordance with §3-3a of the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimated results for 2023 and the company's long term strategy.

Result for the Year and Allocations

The Board recommends the following allocation of the year's net result:

Dividend	USD	10 000 000
To/(from) other equity	USD	14 134 051
Total allocations	USD	24 134 051

Oslo, 25. April 2023

Hans Aasnæs
Chairman of the Board/CEO



Western Bulk Carriers AS

PROFIT AND LOSS STATEMENT

(USD 1.000)

	Note	2022	2021
Gross revenues	1	955 635	861 185
Voyage expenses		-311 285	-264 860
Freight revenues on T/C-basis		644 350	596 325
T/C expenses		-591 744	-564 583
Other vessel expenses		-1 260	-1 109
Administration expenses	2, 3, 4	-25 474	-26 300
Provision for future loss	5	-	680
Operating expenses		-618 478	-591 313
Operating profit/(loss)		25 872	5 013
Net interest income		143	37
Net interest expense		-92	-121
Gain/(loss) on foreign exchange		-637	-369
Other financial items		-89	-105
Net finance		-675	-559
Profit/(loss) before tax		25 197	4 454
Tax income/(expense)	6	-1 063	-736
Profit for the year		24 134	3 718
Allocations:			
Dividend	4	10 000	15 000
To/(from) other equity		14 134	-11 282
Total allocations	7	24 134	3 718



Western Bulk Carriers AS

BALANCE SHEET

(USD 1.000)

ASSETS	Note	2022	2021
Non current assets			
Investment in financial assets	8	-	530
Total non current assets		-	530
Current assets			
Accounts receivable	10	17 744	14 677
Receivables from group companies	4	38 656	36 729
Other receivables		0	59
Bunker stocks	9	23 916	19 731
Bank deposits	10	2 449	2 792
Total current assets		82 766	73 988
TOTAL ASSETS		82 766	74 518
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		37	37
Total paid-in capital		37	37
Retained earnings			
Other equity		31 308	17 174
Total retained earnings		31 308	17 174
TOTAL SHAREHOLDERS' EQUITY	7	31 345	17 211
LIABILITIES			
Long term liabilities			
Deferred tax liability	6	83	116
Total long term liabilities		83	116
Short term liabilities			
Accounts payable		6 921	5 950
Other payable		15 140	8 238
Taxes payable	6	1 081	755
Short term interest-bearing debt	10	2	1 620
Provision Dividend		10 000	15 000
Liabilities to group companies	4	18 195	25 628
Total short term liabilities		51 338	57 191
TOTAL LIABILITIES		51 421	57 307
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		82 766	74 518

Oslo, 25. April, 2023

Hans Aasnes
Chairman of the Board/CEO



Western Bulk Carriers AS

CASH FLOW STATEMENT

(USD 1.000)

CASH FLOW FROM OPERATIONS	2022	2021
Profit/(loss) before tax	25 197	4 454
Tax paid	-732	-522
Changes in bunker stocks	-4 185	-5 999
Changes in current receivables and current liabilities	4 825	-1 648
Net cash flow from/(to) operating activities	25 104	-3 715
CASH FLOW FROM INVESTMENTS		
Sale of other shares and units		
Investments in financial assets	530	100
Net cash flow from investments	530	-13 466
CASH FLOW FROM FINANCING ACTIVITIES		
Group contribution paid		
Changes in short term debt	-1 618	-7 900
Paid dividend	-15 000	-
Change in receivable from group companies	-1 927	-13 566
Change in liabilities to group companies	-7 433	23 578
Net cash flow from financing activities	-25 978	15 678
Net change in liquidity during the year	-343	-1 502
Liquid assets as of 01.01.	2 792	4 293
Liquid assets as of 31.12.	2 449	2 792



Western Bulk Carriers AS

Notes 2022

ACCOUNTING PRINCIPLES

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway. The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD) 1.000. The annual accounts have been prepared on a going concern basis.

Reporting currency and functional currency

Based on historical figures, almost 100% of freight income, operating expenses for the vessels, bank deposits, receivables, accounts payable, and external financing are denominated in USD. The functional currency for the company is therefore USD.

Foreign currency 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 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. The following exchange rates have been used as of 31.12.2022:

USD/NOK 9,8573

Classification of assets and liabilities

Current assets and current liabilities include items that fall due within one year as well as items associated with the business flows. Other items are defined as fixed assets/long term liabilities.

Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, and are presented net of commissions. Revenues 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. A voyage is defined as starting after unloading the previous voyage (discharge-to-discharge). Hence the voyage result is also accrued with the inclusion of actual number of days resulting from the period of ballast, waiting for orders and loading the vessel. Although the company has major freight contracts covering several accounting years, accounting is based on individual voyages.

Use of estimates

In accordance with generally accepted accounting principles, the company's management must make estimates and assumptions that influence the value of assets and liabilities in the balance sheet and the amount of revenues and expenses included in the accounts during the accounting period. The actual figures may vary from these estimates. When preparing the accounts, best estimates based on information available at the time the accounts are prepared, are used.

Bunkers, other inventory and receivables

Inventories are valued at the lower of historical cost price according to "first in first out" principle and estimated market value. Receivables are recorded at nominal value less expected losses.

Taxes

The tax expense in the profit and loss accounts includes both taxes payable for the period and changes in deferred taxes. The change in deferred tax reflects changes in future tax liabilities and assets as a result of timing differences between the tax and the accounts. Deferred tax is the tax that relates to the accumulated result, but is paid in a subsequent period. Deferred tax/deferred tax assets have been calculated on net positive temporary differences between accounting and tax-based balance sheet values and which are reversed within a reasonable period of time together with the deferred tax asset related to tax losses carried forward.

**Contingent loss/gain**

Provisions have been made for contingent losses that are likely and quantifiable. Contingent gains are not recorded.

Financial instruments and hedge accounting

The company has defined a hedging strategy and applies financial instruments such as freight derivatives, bunker derivatives and currency derivatives to hedge future results. In accordance with the Norwegian Accounting Act §4-1 no. 5, profit/(loss) on hedging contracts are recognised in the same period as the profit/(loss) related to the hedged object is recognised for all derivatives entered into as part of the hedging policy. The company has classified the hedges as cash flow for accounting purposes. The market value of the derivatives are kept off-balance until realised. Option premiums paid/received and for any cleared derivatives the settlement paid or received are recognised as current assets and liabilities respectively, until maturity of the derivative when gain/loss is recognized in the profit and loss statement or whenever the assets are considered impaired. Impairment is recognised for the amount by which the market-to-market value of the company's total contract portfolio (TCs, COAs, FFAs and bunker hedges) is negative. If the negative amount exceeds the assets related to the portfolio, including any prepaid amounts for derivatives, an accrual for the liabilities are made. Profit and loss from derivatives is classified as T/C expenses for freight derivatives, voyage expenses for bunker derivatives and as gain/(loss) on foreign exchange for currency derivatives.

Cash flow statement

The cash flow statement is based on the indirect method. Restricted bank deposits are recorded as cash equivalents. Shares are considered to have a high price risk and are not classified as cash equivalents.

Subsequent events

New information related to events that existed on the balance sheet date has been included in the estimates. Important events taking place after the balance sheet date are described in the notes.

Changes in accounting principles

There are no material changes in the accounting principles for the periods presented.



Western Bulk Carriers AS

Notes 2022

Note 1 - Revenues (USD 1.000)

	2022	2021
By business area		
Chartering and Operation	955 635	861 185
Total	955 635	861 185
Geographical distribution		
Singapore	138 223	105 223
U.S.A.	112 562	82 216
Norway	39 147	24 169
Switzerland	90 937	77 469
U.A.E.	56 353	33 601
U.K.	53 803	43 698
Panama	44 320	19 674
Germany	40 191	16 249
Morocco	27 776	10 174
Channel Islands	23 599	24 161
France	23 291	55 614
Chile	20 591	11 135
Denmark	18 948	20 242
Malta	18 251	26 211
Japan	17 745	18 423
Luxembourg	17 078	12 233
Korea, Republic	15 813	12 545
Latvia	13 170	7 172
Barbados	13 033	10 859
Hong Kong	12 498	12 470
Other	158 304	238 147
Total	955 635	861 685

The geographical distribution of revenues has been based on the customer's (charterer's) location.

Note 2 - Administrative expenses

The Company has no employees. All employees in the Norwegian activity of the Western Bulk Chartering Group are employed by the management company Western Bulk Management AS. Consequently Western Bulk Carriers AS is not obliged to have mandatory occupational pension scheme according to the Act relating mandatory occupational pensions. Western Bulk Management AS performs management and agency services for Western Bulk Carriers AS and receives a fee for these services based on arm's length terms.

Note 3 - Remuneration to the Auditor

Auditor (USD 1.000)	2022	2021
Statutory audit	30	29
Tax advice	0	0
Other services outside the audit scope	3	3
Total	33	32

Note 4 - Intra-group balances and transactions with related parties

At the end of the year, the company had the following amounts outstanding from/(to) group companies:

Intra-group balances (USD 1.000):	2022	2021
Western Bulk Chartering AS *	23 732	8 914
Western Bulk Pte. Ltd.	671	2 713
Western Bulk Management AS	-13 434	-15 351
Western Bulk Carriers (Seattle) Inc.	-324	-241
Western Bulk (Chile) Ltda	-140	66
Western Bulk (Denmark) ApS	-45	-
Net receivables/(liabilities) from group companies	10 461	-3 899

*) Western Bulk Chartering AS and subsidiaries entered into a cash pool structure in 2019 where Western Bulk Chartering AS is the Group Account Holder. As per 31.12.2022, Western Bulk Carriers AS had a net receivable due to the Group Account Holder of USD 22.719.537. The Board of Directors will propose a dividend for 2022 of USD 10 million to the Annual General Meeting. The proposed dividend is included in the table above.



Western Bulk Carriers AS

Notes 2022

The amounts presented are net receivables/liabilities per counterpart, while balance sheet presents gross amounts.

The company has transactions with related companies and all transactions have been carried out as part of the ordinary operations and at arms-length prices. The most significant transactions are as follows:

Agency service fee to Western Bulk Management AS amounting to USD 10.5 million and to Western Bulk Chile Ltd amounting to USD 1,1 million
Management service fee to Western Bulk Management AS amounting to USD 12.4 million.



Western Bulk Carriers AS

Notes 2022

Note 5 - Contingencies and provisions

Provisions for disputes

The Company is involved in several disputes, including lawsuits, both as defendant and plaintiff. Based upon the Company's own views as well as opinions received from lawyers, provisions based on best estimate have been made in respect of the Company's total exposure. The actual outcomes of these disputes are unknown, and it could take several years before the disputes and claims are finally settled. Consequently, there are uncertainties related to the estimates for provisions, which, depending on the outcome of each case, could prove to be insufficient to cover potential liabilities.

Due to ongoing disputes, the Company chooses not to disclose details of accruals. The total amount provided for where the Company has uninsured exposure in litigation is USD 7.8 million as of 31.12.2022 compared to USD 4.0 million as of 31.12.2021.

Write-offs and losses

Provisions of USD 2.1 million related to the market value of various legacy contracts across the Group has been made as of 31.12.2022. Remaining provision of USD 0.9 million from 2021 was reversed during 2022.

Impairment provisions

As of 31.12.2022 the Company's forward book of contracts has a positive value and no general provision for future loss has been made.

Note 6 - Tax

(USD 1.000)

The tax expense for the year consists of:	2022	2021
Tax payable	-407	-89
Under provision of taxes payable for previous years	-1	1
Tonnage tax	-675	-677
Changes in deferred tax	21	29
Total tax income/(expense)	-1 063	-736
Net taxable financial income	-	-
Net taxable income	1 851	403
Utilization of tax loss carried forward	-	-
Basis for tax payable	1 851	403
Tax payable 22%	407	-
Tonnage tax	675	677
Translation differences	-1	78
Tax payable	1 081	755
Gain account for deferral	377	527
Tax loss carried forward	-	-
Total temporary differences	377	527
Deferred tax liability/(asset) 22%	83	116

Note 7 - Equity

(USD 1.000)

	Share capital	Other paid-in equity	Other equity	Total
Equity as of 01.01.2022	37	-	17 174	17 211
Proposed dividend			-10 000	-10 000
Profit/(loss) for the year			24 134	24 134
Equity as of 31.12.2022	37	-	31 308	31 345

Western Bulk Carriers AS is 100% owned by Western Bulk Chartering AS, and the share capital consists of 1 share with nominal value NOK 300 000. The Board of Directors will propose a dividend for 2022 of USD 10 million to the Annual General Meeting.



Western Bulk Carriers AS

Notes 2022

Note 8 - Shares in subsidiaries and other companies
(USD 1.000)

	Business office	Ownership share/ voting share	Book value (USD)
Western Bulk Carriers AS has the following ownership as of 31.12.2022			
C-Bulk KS	Oslo, Norway	10 %	-
Investments in shares			-

Note 9 - Financial instruments

Dry-bulk freight market

Western Bulk Carriers AS is exposed to the global market for dry bulk freight, and its results will vary with freight rates, depending on its positioning in the market. The company may at times have a surplus or a shortage of chartered tonnage, relative to its cargo commitments. In addition, Western Bulk Carriers AS utilizes freight derivatives to hedge or adjust its exposures in the physical freight market. Its net position will generally be non-zero, and as a consequence it is exposed to changes in freight rates for the net surplus/shortage of vessels.

Operational risk

The company is exposed to its ability to maintain a high utilization rate for its fleet and the ability to operate the vessels in the most efficient and economical manner. This depends on the skills of its chartering and operations personnel, as well as at the general conditions in the freight market. The company has credit and counterpart risk related to its business, and has well-established policies for monitoring counterpart performance and credit approval procedures. The credit approval procedure is based on both external rating services and internal investigations.

Bunker prices

Fluctuation in fuel oil prices is another substantial risk for Western Bulk Carriers AS, as fuel costs constitute a significant part of voyage costs. Exposures are created when future freight rates are set without indexation to fuel prices. The company hedges its exposures in the fuel oil market using fuel and crude oil swaps and options.

Foreign currency instruments

The main part of revenues, costs and borrowings are in USD.

Bunkers instruments

The company hedges its bunkers exposure related to freight contracts. The mark-to-market value of the contracts as of 31.12.2022 amounted to USD -2,1 million.

	Market value MUSD
Bunker hedges (swaps and options) 2023	-2,1
Total	-2,1

Freight instruments

As of 31.12.2022 the company had entered into FFA contracts (forward freight agreements) and freight options for the period 2023-2024. The mark-to market value of the contracts as of 31.12.22 amounted to USD 3,8 million.

	Market value MUSD
FFA (forward freight agreements incl. options) 2023	3,7
FFA (forward freight agreements incl. options) 2024	0,1
Total	3,8



Western Bulk Carriers AS

Notes 2022

Note 10 - Guarantee commitments and pledged assets

Western Bulk Carriers AS has entered into a USD 20 million Revolving Credit Facility together with Western Bulk Pte Ltd as borrowers and guarantors and together with Western Bulk Chartering AS as guarantor. The facility is secured with joint guarantees of up to USD 24 million per guarantor and a first priority pledge over the borrowers' accounts receivables and certain bank accounts. Outstanding amount for the Company regarding this agreement as of 31.12.22 was nil.

Western Bulk Carriers AS has entered into a USD 10 million Frame agreement for extended payment of bunker invoices together with Western Bulk Pte Ltd as borrowers and guarantors and together with Western Bulk Chartering AS as guarantor. The joint corporate guarantees amounts to USD 12 million per guarantor. Outstanding amount for the Company regarding this agreement as of 31.12.22 was nil.

Western Bulk Carriers AS has entered into a USD 2 million Common Terms Agreement for Bank Guarantees together with Western Bulk Pte Ltd as Obligors and together with Western Bulk Chartering AS as Customer. Any bank guarantees shall be secured by a 100% cash deposit on a Guarantee Deposit account. USD 0.7 million in bank guarantees were issued under the Agreement as per 31.12.22.

Western Bulk Carriers AS has pledged the same assets as under the RCF as security for the parent company Western Bulk Chartering AS' USD 10 million Overdraft Facility.

Western Bulk Carriers AS is VAT-registered together with the following companies:

Western Bulk Management AS
Western Bulk Carriers KS
Western Bulk Chartering AS

All companies are jointly and severally liable for any debt towards the public authorities.

Note 11 - Commitments

Long Term TC contracts

Vessels chartered in on time charter for a period represents a commitment to pay hire. The minimum nominal hire payable represents a lease commitment of USD 91,6 million exclusive of optional periods.

	2023	2024	2025	Beyond	Total
Nominal Hire Commitment (USD 1,000)	88 131	3 491	-	-	91 622
Vessel Hire Days	5 467	224	-	-	5 691
Average Rate USD/Day	16 121	15 585	n.a.	n.a.	16 100
Vessel Equivalent/year	15	0,6	n.a.	n.a.	n.a.

Note 12 - Estimates

Since a number of voyage related income and expenses are finalized a while after the voyage is completed, these are estimated until final invoices have been issued or received. As the accounts are based on a number of estimates, the 2022 profit and loss statement has been positively impacted by USD 2.2 million due to the difference between estimated and actual expenses related to previous voyages. The 2021 profit and loss statement had a negative adjustment of USD 2.0 million for prior period voyages.

Note 13 - Group relationship

Western Bulk Carriers AS is included in the consolidated financial statements of Western Bulk Chartering AS. These financial statements are available by request to Western Bulk Chartering AS, PB 2868 Solli, 0230 OSLO.

Note 14 - Subsequent events

There are no material events subsequent to the balance sheet date of 31.12.2022.