



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stein Hedemark  
Dato for fastsettelse av årsregnskapet: 28.06.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 29.04.2021



### Resultatregnskap

Beløp i: USD	Note	2018	2017
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Netto fraktinntekter	1	103 965 192	75 236 846
Andre inntekter		-89 584	1 837 561
<b>Sum inntekter</b>		<b>103 875 608</b>	<b>77 074 407</b>
<b>Kostnader</b>			
Sum driftskostnader		102 387 583	73 035 383
<b>Sum kostnader</b>		<b>102 387 583</b>	<b>73 035 383</b>
<b>Driftsresultat</b>		<b>1 488 025</b>	<b>4 039 024</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		39 717	14 495
<b>Sum finansinntekter</b>		<b>39 717</b>	<b>14 495</b>
Andre finanskostnader		37 102	29 017
Valutatap		39 981	53 142
<b>Sum finanskostnader</b>		<b>77 083</b>	<b>82 159</b>
<b>Netto finans</b>		<b>-37 366</b>	<b>-67 664</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 450 659</b>	<b>3 971 360</b>
Skattekostnad på ordinært resultat		318 719	
<b>Ordinært resultat etter skattekostnad</b>		<b>1 131 940</b>	<b>3 971 360</b>
<b>Årsresultat</b>		<b>1 131 940</b>	<b>3 971 360</b>
<b>Overføringer og disponeringer</b>			
Ovf til annen egenkapital		1 131 940	3 971 360
<b>Sum overføringer og disponeringer</b>		<b>1 131 940</b>	<b>3 971 360</b>



## Balanse

Beløp i: USD	Note	2018	2017
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Lån til tilknyttet selskap og felles kontrollert virksomhet		560 573	
<b>Sum finansielle anleggsmidler</b>		<b>560 573</b>	
<b>Sum anleggsmidler</b>		<b>560 573</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Bunkers	1	4 158 384	6 426 610
<b>Sum varer</b>		<b>4 158 384</b>	<b>6 426 610</b>
<b>Fordringer</b>			
Forskuddsbetalt hyre	1	0	2 888 774
Andre fordringer	2	4 793 002	5 942 998
Konsernfordringer		579 665	
<b>Sum fordringer</b>		<b>5 372 667</b>	<b>8 831 772</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd	7	1 498 908	873 452
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 498 908</b>	<b>873 452</b>
<b>Sum omløpsmidler</b>		<b>11 029 959</b>	<b>16 131 834</b>
<b>SUM EIENDELER</b>		<b>11 590 532</b>	<b>16 131 834</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	5	12 102	12 102
<b>Sum innskutt egenkapital</b>		<b>12 102</b>	<b>12 102</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		143 337	78 413
Udekket tap		0	0
<b>Sum opptjent egenkapital</b>		<b>143 337</b>	<b>78 413</b>
<b>Sum egenkapital</b>		<b>155 439</b>	<b>90 515</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	3	4 462 475	1 640 458
<b>Sum annen langsiktig gjeld</b>		<b>4 462 475</b>	<b>1 640 458</b>
<b>Sum langsiktig gjeld</b>		<b>4 462 475</b>	<b>1 640 458</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		68 765	4 340 343
Kortsiktig konserngjeld	3	19 202	2 363 105
Annen kortsiktig gjeld	4	6 884 652	7 697 414
<b>Sum kortsiktig gjeld</b>		<b>6 972 619</b>	<b>14 400 862</b>
<b>Sum gjeld</b>		<b>11 435 094</b>	<b>16 041 320</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>11 590 533</b>	<b>16 131 835</b>



**EASTERN BULK AS**  
**DIRECTORS REPORT**  
**2018**

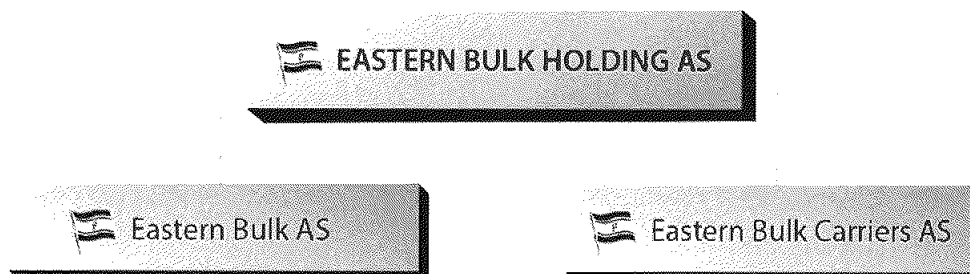
Eastern Bulk AS (the "**Company**") is engaged in the transportation of commodities on the high seas. The Company's registered office is at Lysaker in the municipality of Bærum in Norway.

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

**Group Overview**

The Group operates between 20 and 40 Supramax/Ultramax vessels on an annual basis. The fleet is consisting of owned/chartered tonnage on a variety of charter commitments. The cargo contract operation is combined with ordinary spot fixing of the fleet in order to maximise the use of the ships and reduce ballasting. The Group increased its activities in all sectors in 2018. The Group operates its chartered tonnage and its contract cargoes through its subsidiaries Eastern Bulk and Eastern Bulk Carriers.

**EASTERN BULK GROUP**



The Group has a competitive fleet of efficient and well-maintained vessels, predominantly in the Supramax/Ultramax range. The involvement in these segments currently consists of vessels in commercial management and a mixture of long and short term chartered in tonnage. The Group engages in short- (up to six months), medium (six to twelve months) and long term (more than twelve months) leases. The majority of leases are short term to medium term. The Group operate from offices in Oslo (HQ) and Dubai, where we are able to service and develop our long term relationships with large international customers. During 2019 the international office in Dubai will be moved to Melbourne, Australia.

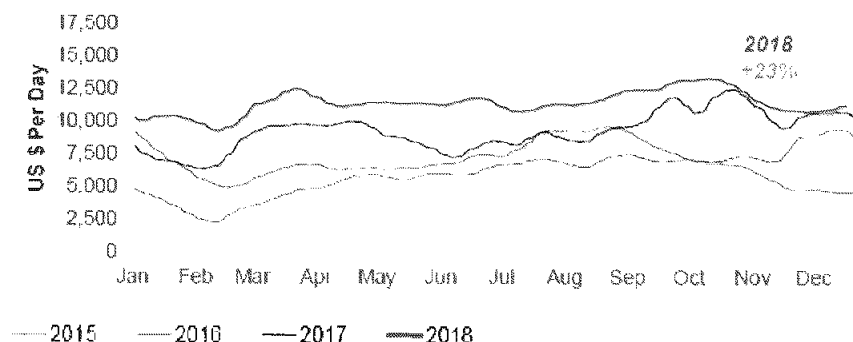
**The Group's Operations in 2018**

The dry bulk market continued to improve in 2018, however, sentiment in the markets turned negative towards the end of the year. Global dry bulk demand improved through the year on the back of solid growth in global industrial production. The average BSI 58 was \$11 482 per day for 2018, up 25% from 2017.



The industry prepares for IMO 2020 sulphur cap on marine fuels. Supply-side plans and pricing assessments gradually emerge as larger vessels race to fit scrubbers.

## Baltic Supramax 10 TC Average



The Group carried about **10 million** tons of cargo, compared to 6.5 million ton of cargo in 2017, of which the majority for 2018 was coal, grain, fertilisers and other normal bulk commodities and discharged in more than 223 different ports worldwide.

### The Company's Annual Accounts

The Company generated operating revenues for 2018 of USD 103,875,608. The operating result for 2018 was a profit of USD 1,488,026.

The overall result for the year was a profit of USD 1,131,941.

The Company's equity at year-end was USD 155,438. This is supplemented by a long-term, subordinated loan provided by EBH to the Company in the amount of USD 3,076,739.

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

The Board is of the opinion that the accounts give a true and accurate representation of the Company's assets, liabilities, financial position and results as a whole as of 31.12.2018.

### Operational risk

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

The Company manages this risk by adjusting the freight capacity it charters in and the commitments made to provide freight services based on its expectation for the development in these markets. The exposure related to any long-term charters of vessels is reduced by freight forward contracts when this is deemed to be beneficial to the Company.

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



First half of 2019 has been soft, but the general outlook is positive and this is driven by historical low newbuilding levels and continued strong demand for the categories of bulk typically carried by Supramanx/Ultramax vessels.

The IMO 2020 regulations is expected to have a positive effect on the industry as increased fuel prices can reduce the speed of the fleet and also contribute to more scrapping of old vessels which are less fuel efficient.

Global economic activity is expected to stay solid in 2019 despite a slowing growth momentum. Particular downside risks revolve around the political landscape, which increasingly is characterized by high levels of protectionism and uncertainty. In the midst of this uncertainty, the final outcome of the US-Sino trade war will be a deciding factor for 2019.

Lysaker, 28 June 2019

The Board of Directors Eastern Bulk AS

Erling Lind  
Chairman of the board

Kristin Tidemand  
Board member



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

#### **Financial risk**

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

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

The Company and the Group cares about people, human rights, labour rights, safety and welfare. The Group continuously work to reduce sick leave and to improve its working environment. The Company has no employees whilst the Group employed 20 staff whereof 10 are females (50%) at year-end 2018. The Group aims to treat men and woman equally in all respects and believes that this principle is adherent to.

#### **Impact of the environment**

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

#### **Future Development**

First half of 2019 has been soft, but the general outlook is positive and this is driven by historical low newbuilding levels and continued strong demand for the categories of bulk typically carried by Supramanx/Ultramax vessels.

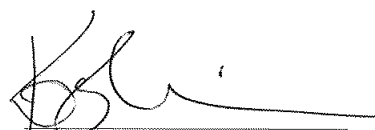
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Global economic activity is expected to stay solid in 2019 despite a slowing growth momentum. Particular downside risks revolve around the political landscape, which increasingly is characterized by high levels of protectionism and uncertainty. In the midst of this uncertainty, the final outcome of the US-Sino trade war will be a deciding factor for 2019.

Lysaker, 28 June 2019

The Board of Directors Eastern Bulk AS

\_\_\_\_\_  
Erling Lind  
Chairman of the board

  
\_\_\_\_\_  
Kristin Tidemand  
Board member



## EASTERN BULK AS

## Profit and Loss Account 1.1 - 31.12


	<u>Notes</u>	<u>2018</u>	<u>2017</u>
		<u>USD</u>	<u>USD</u>
<b><u>Operating revenues</u></b>			
Freight / Time charter revenues		156,934,254	116,761,384
Voyage expenses		-52,969,061	-41,524,538
Other income		-89,584	1,837,561
Provision future loss	12	0	0
Total operating revenues		<u>103,875,608</u>	<u>77,074,407</u>
<b><u>Operating expenses</u></b>			
Chartering expenses		-99,568,965	-69,754,201
Personnel cost	8	-2,200,000	-2,690,505
Other operating cost	11	-618,618	-590,677
Total operating expenses		<u>-102,387,583</u>	<u>-73,035,383</u>
<b>Operating profit</b>		<u>1,488,026</u>	<u>4,039,025</u>
<b><u>Financial income and expenses</u></b>			
Interest income		51,124	16,467
Interest expenses		-11,406	-1,972
Net currency gain /loss		-39,981	-53,142
Other financial income/loss		-37,102	-29,017
Net financial income / -expenses		<u>-37,366</u>	<u>-67,664</u>
<b>Profit / -loss before taxes</b>		<u>1,450,660</u>	<u>3,971,360</u>
Taxes	14	<u>-318,719</u>	<u>0</u>
<b>Profit / -loss for the year</b>		<u>1,131,941</u>	<u>3,971,360</u>
<b><u>Allocation of profit / -loss</u></b>			
Transfer from /to other equity		<u>-1,131,941</u>	<u>3,971,360</u>
<b>Total</b>		<u>-1,131,941</u>	<u>3,971,360</u>



## EASTERN BULK

## BALANCE SHEET 31. DECEMBER

ASSETS	Notes	2018 USD	2017 USD
<b>Fixed assets</b>			
Deferred tax asset		0	0
Long Term receivable Group/Affiliated comp		560,573	0
<b>Total tangible fixed assets</b>		<b>560,573</b>	<b>0</b>
<b>Current assets</b>			
Bunkers	1	4,158,384	6,426,610
Accounts receivable	1	3,027,292	3,891,563
Prepaid charter hire	1	0	2,888,174
Short term receivables Group/Affiliated comp	3	579,665	0
Other short term receivables	2	1,765,711	2,051,435
Bank	7	1,498,968	823,452
<b>Total current assets</b>		<b>11,029,957</b>	<b>16,179,834</b>
<b>TOTAL ASSETS</b>		<b>11,590,532</b>	<b>16,179,834</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital	5,6	12,102	12,102
<b>Retained earnings</b>			
Uncovered loss		141,311	28,413
<b>Total equity</b>	5	<b>155,438</b>	<b>90,514</b>
<b>LIABILITIES</b>			
<b>Long term debt</b>			
Loan from Group/Affiliated companies	3	4,462,475	1,640,458
<b>Short term debt</b>			
Payable taxes	14	0	0
Short term debt Group/Affiliated companies	3	19,202	2,363,105
Accounts payable		68,765	4,340,343
Other short term debt	4	5,883,657	7,091,413
<b>Total current liabilities</b>		<b>6,972,619</b>	<b>14,400,862</b>
<b>Total debt</b>		<b>11,435,094</b>	<b>16,041,319</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,590,532</b>	<b>16,179,834</b>

  
Erling Ljørd  
Styreleder

Lysaker, 28 June 2019

  
Kristin Tidemand  
Styremedlem



	<u>2018</u>	<u>2017</u>
	USD	USD
<b><u>CASH FLOW FROM OPERATIONS</u></b>		
Net result before tax	1,450,660	3,971,360
Income tax paid	0	0
Depreciation	0	0
Change in working capital	-1,700,915	-1,886,256
<b>Net cash flow from operations</b>	<u>-250,255</u>	<u>2,085,104</u>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Investments in non-current assets	0	0
Investments in market based funds	0	0
<b>Net cash flow from investing activities</b>	<u>0</u>	<u>0</u>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Group contribution	-1,385,732	0
New long term debt	2,261,444	-2,336,022
New equity	0	0
<b>Net cash flow from financing activities</b>	<u>875,708</u>	<u>-2,336,022</u>
Net change in cash during the period	625,456	-250,918
Cash and cash equivalents 1.1	<u>873,452</u>	<u>1,124,370</u>
Cash and cash equivalents 31.12	<u>1,498,908</u>	<u>873,452</u>



## Notes to the Accounts

### Note 1 – Accounting principles

The accounts have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD).

- a) **Revenue recognition**  
Revenue and expenses related to a vessel's voyages are accrued based on the number of days before and after the end of each accounting period.
- b) **Classification of assets and liabilities**  
Current assets and current liabilities include items that falls due within one year, the first year's repayment of long-term debt as well as items associated with the business flows. Current assets are reported at the lowest level of cost price and market value.
- c) **Bunkers**  
Inventories are valued at the lower of historical cost price according to the "first in first out" principle and estimated market value.
- d) **Cash flow statements**  
The cash flow statements are presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with original maturities of three months or less.
- e) **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 the exchange rates prevailing at the time of the transaction. Both realized and unrealized gains and losses are included under financial items in the profit and loss statement.
- f) **Investments**  
Financial current assets, listed shares and bonds included in a trading portfolio and traded on a regular basis, are recorded at market value. Financial current assets used for hedging are evaluated according to portfolio method.
- g) **Receivables**  
Trade receivables and other receivables are recognised at face value less any provisions for losses. Provision for losses are made after an individual evaluation of each receivable.
- h) **Taxes**  
The Company is subject to ordinary corporate taxation. The tax expenses in the profit and loss accounts include both taxes payable for the period and changes in deferred taxes. The change in the deferred tax reflects changes in future tax liabilities and assets as a result of timing differences between the tax and the accounts.  
Deferred tax liabilities / deferred tax assets within the same tax system are recorded on a net basis. Deferred tax asset is recorded only if future utilization is probable.
- i) **Portfolio considerations**  
Physical and financial freight contracts entered into for the purpose of achieving gains through short-term fluctuations in market rates are managed and valued as a single portfolio. The portfolio is valued at the lower of acquisition cost and fair market value. Both physical and financial freight contracts are valued against the forward curves as of December 31. The fair market value of these contracts also includes estimated future losses due to counterparty risk. Loss provisions are made to the extent that the fair market value of the portfolio is negative. Any positive value exceeding acquisition cost is not recognized.
- j) **Leasing**  
The company distinguishes between financial and operational leasing. Operational leasing costs are reported as an expense on a straight line basis over the term of the lease. Benefits and liabilities on ships which are treated as operational leases are capitalized and classified as long term assets and liabilities. The interest element in the lease will be included as interest expense and the capital element will be reported as amortization on debt. The lease obligation reported, will be the balance of the principal.
- k) **Non-current assets**  
Non-current assets are reported at cost less accumulated ordinary depreciation and write downs. Depreciation is calculated on a linear method based on the cost price of the asset. Non-current assets are written down to the value of the expected cash flow generated by the assets unless the reduction in value is assumed to be temporarily. The write down can be reversed if the conditions for the write down have been reversed.



## l) Financial assets

Financial assets are reported at market value except financial assets used for hedging purposes (FFA) which will be valued in accordance with a portfolio view.

### Note 2. Other short term receivables

	2018	2017
Agents prepaid	0	17,953
Bunkers drawn by charterers	1,140,040	0
Laytime	625,671	2,033,482
Other short term receivables	USD 1,765,711	2,051,435

### Note 3. Group/affiliated receivables/(liabilities)

	2018	2017
Group companies long term receivable	560,573	-1,640,458
Group companies long term debt	-4,462,475	0
Group companies short term	579,665	-2,363,105
Affiliated companies short term	-19,202	0
Total group/affiliated	USD -3,341,438	-4,003,563

### Note 4. Other short term liabilities

	2018	2017
Accrued expenses	USD -1,421,189	-1,000,636
Accrued voyage costs	" -5,463,464	-6,696,778
Other short term liabilities	USD -6,884,652	-7,697,414

### Note 5. Equity

	<i>Share capital</i>	<i>Other equity</i>	<i>Total equity</i>
Share capital 1.1	12,102	78,413	90,514
New equity	0	0	0
Result for the year	0	1,131,941	1,131,941
Group contribution	0	-1,067,017	-1,067,017
Equity 31.12	12,102	143,337	155,438

### Note 6. Shares and shareholders

Share capital	Number of shares	Nominal value	Reported share capital
NOK 100.000	100	1000	NOK 100.000/USD 12.102

All shares are owned by Eastern Bulk Holding AS. There is only one class of shares.

### Note 7. Currency

Non-current assets, current assets and other short term debt in NOK is converted into USD at an exchange rate of 8,69 which was the USD/NOK exchange rate 31.12.18

The company held USD 1,498,908 in cash as of 31.12.18.

### Note 8. Related parties

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



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

Eastern Bulk Holding AS, the parent company is delivering administrative and other services to the company. The company paid a management fee of USD 2,200,000 in 2018. The Management agreement is made at market terms.

#### **Note 9. Financial market risk**

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

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

#### **Note 10. Employees**

The company had no employees in 2018.

#### **Note 11. Remuneration board of directors and auditor**

		<b>2018</b>	<b>2017</b>
Audit cost	USD	16,907	9,571
Other services	"	938	680
	USD	<u>17,845</u>	<u>10,251</u>

The board of directors did not receive any remuneration in 2018.

#### **Note 12. Use of estimates**

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

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

Based on these assumptions, the value of future contracts is positive and no loss provision is made.

#### **Note 13. Lease agreement**

The company's committed lease agreements on vessels is limited to maximum 2 years. Total commitment for 2019 is USD 23 million allocated on 1.985 vessel days. The lease agreements are classified as operational leases.

#### **Note 14. Taxes**

The company is under ordinary corporate tax regime  
No tax expense charged to the accounts

<b>Tax payable</b>	USD
Profit before tax	1,450,660
Non-deductible representation cost	0
Currency revaluation	-23,413
Group contribution received 2016	0
Group contribution given	-1,385,732
Carry forward tax loss	-41,514
taxable income	<u>0</u>
Tax payable 2018	0



**Deferred tax 31.12.2018**

Deferred tax is calculated based on temporary differences on:

	<b>2018</b>
	USD
Carry forward tax loss	0
Basis deferred tax	0
Deferred tax 31.12.2018	0



To the Annual Shareholders' Meeting of  
**Eastern Bulk AS**

BHL DA  
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1337 Sandvika

Org. nr.: 992 768 061

Telefon: 66 85 59 00  
E-post: ta@bhl.no  
Internett: [www.bhl.no](http://www.bhl.no)

Medlemmer av  
Den norske Revisorforening

Ansvarlig revisor:  
Thomas Andersen

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Eastern Bulk AS showing a profit of USD 1 131 941. The financial statements which comprise the balance sheet as at December 31, 2018, the profit and loss account 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 present fairly, in all material respects, the financial position of Eastern Bulk AS at December 31, 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### *Basis for Opinion*

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the Boards Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



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*Responsibilities of the Board of Directors for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

#### **Report on Other Legal and Regulatory Requirements**

##### *Opinion on the Board of Directors' report*

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

##### *Opinion on Registration and Documentation*

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

Sandvika, 28. June 2019

**BHL DA**

Thomas Andersen  
Statsautorisert revisor



Skatteetaten

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

EASTERN BULK HOLDING AS  
Postboks 132  
1325 LYSAKER

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

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

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

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

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

### Bakgrunn

Fra søknaden gjengis:

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

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

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

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

**Skattedirektoratets vurdering**

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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Kari-Alice Frønsdal  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

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

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