



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: 04.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 21.06.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Gross revenue	1	861 185 000	396 502 000
Voyage expenses		-264 860 000	-176 659 000
Sum inntekter		596 325 000	219 843 000
Kostnader			
T/C expenses		564 583 000	207 415 000
Other vessel expenses		1 109 000	1 033 000
Administration expenses	8, 9	26 300 000	10 638 000
Provision for future loss	10	-680 000	-430 000
Sum kostnader		591 312 000	218 656 000
Driftsresultat		5 013 000	1 187 000
Finansinntekter og finanskostnader			
Annen renteinntekt		37 000	533 000
Gain/loss on foreign exchange		-369 000	190 000
Sum finansinntekter		-332 000	723 000
Annen rentekostnad		121 000	202 000
Other financial items		106 000	68 000
Sum finanskostnader		227 000	270 000
Netto finans		-559 000	453 000
Ordinært resultat før skattekostnad		4 454 000	1 640 000
Tax income/expense	4	736 000	410 000
Ordinært resultat etter skattekostnad		3 718 000	1 230 000
Årsresultat		3 718 000	1 230 000
Overføringer og disponeringer			
Ordinært utbytte		15 000 000	0
To/(from) other equity		-11 282 000	1 230 000
Sum overføringer og disponeringer		3 718 000	1 230 000



Resultatregnskap

Beløp i: USD	Note	2021	2020
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Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investment in financial assets	6	530 000	630 000
Sum finansielle anleggsmidler		530 000	630 000
Sum anleggsmidler		530 000	630 000
Omløpsmidler			
Varer			
Bunker stocks	3	19 731 000	13 732 000
Sum varer		19 731 000	13 732 000
Fordringer			
Accounts receivable		14 677 000	8 601 000
Other receivables		59 000	16 000
Konsernfordringer	2	36 729 000	23 163 000
Sum fordringer		51 465 000	31 780 000
Bankinnskudd, kontanter og lignende			
Bank deposits	5	2 792 000	4 294 000
Sum bankinnskudd, kontanter og lignende		2 792 000	4 294 000
Sum omløpsmidler		73 988 000	49 806 000
SUM EIENDELER		74 518 000	50 436 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		37 000	37 000
Annen innskutt egenkapital		17 174 000	28 456 000



Balanse

Beløp i: USD	Note	2021	2020
Sum innskutt egenkapital		17 211 000	28 493 000
Sum egenkapital		17 211 000	28 493 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4	116 000	150 000
Sum avsetninger for forpliktelser		116 000	150 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		116 000	150 000
Kortsiktig gjeld			
Leverandørgjeld		5 950 000	3 062 000
Taxes Payable	4	755 000	515 000
Utbytte		15 000 000	
Kortsiktig konserngjeld	2	25 628 000	2 050 000
Other payable		8 238 000	6 646 000
Short term interest-bearing debt	5	1 620 000	9 520 000
Sum kortsiktig gjeld		57 191 000	21 793 000
Sum gjeld		57 307 000	21 943 000
SUM EGENKAPITAL OG GJELD		74 518 000	50 436 000



Western Bulk Carriers AS The Board of Directors' Report 2021

Western Bulk Carriers AS is a leading dry bulk operator in the Handysize to Supramax dry bulk vessel segment. During 2021 the Company operated an average of 62 vessels worldwide, up from 56 in 2020. 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 Baltic Supramax Index (BSI) ended 2021 at USD 25.188/day, compared to USD 11.424/day by the end of 2020.

Financial Performance

Market volatility was significantly higher in 2021 than previous years. Throughout the year, Western Bulk Carriers AS was well positioned to benefit from an increase in market rates, and by staying loyal to the strategy of utilizing the company's risk capacity in the short-term market, the company also proved an ability to turn positions and benefit from a market decline in November and December. The high market volatility between the Atlantic and the Pacific basins also provided increased arbitrage opportunities for geographical positioning of vessels. 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 gain of USD 3.7 million after tax in 2021 compared to a gain of USD 1.2 million in 2020. The turnover, expressed as gross freight revenues, increased from USD 396.5 million in 2020 to USD 861.2 million in 2021. The balance sheet total was USD 74.5 million at the end of 2021 compared to USD 50.4 million the year before. The equity ratio was 43 % as of 31.12.2021 compared to 56% as of 31.12.2020. The Board of Directors will propose a dividend for 2021 of USD 15 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 cashreserve 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

The drybulk market has been witnessing profound and long-lasting changes since the war between Russia and Ukraine. In the near term, the north Atlantic market could continue to face strong headwinds due to military conflicts and trade disruptions. In contrast, the Pacific market is expected to benefit from the demand shift from EU due to sanctions on Russia. However, the highly inflated commodity prices and freight looks hardly sustainable and could face significant corrections if there is de-escalation in Ukraine or severe demand destruction across the globe. The drybulk fleet is expected to expand 2.2% in 2022 while the Supramax fleet is projected to grow about 2%. Meanwhile, ton-mile demand growth is expected to slow down significantly to 1.9% in 2022 from a strong 4.1% growth in 2021. Overall, the global drybulk market is projected to be in broad balance in 2022 but with heightened uncertainties surrounding the outcome of the war.

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 2022 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	15 000 000
To/(from) other equity	USD	-11 281 711
Total allocations	USD	3 718 289

Oslo, 4. May 2022

Hans Aasmæs
Chairman of the Board/CEO



Western Bulk Carriers AS

PROFIT AND LOSS STATEMENT

(USD 1.000)

	Note	2021	2020
Gross revenues	1	861 185	396 502
Voyage expenses		-264 860	-176 659
Freight revenues on T/C-basis		596 325	219 843
T/C expenses		-564 583	-207 415
Other vessel expenses		-1 109	-1 033
Administration expenses	8, 9	-26 300	-10 638
Provision for future loss	10	680	430
Operating expenses		-591 313	-218 656
Operating profit/(loss)		5 013	1 187
Net interest income		37	533
Net interest expense		-121	-202
Gain/(loss) on foreign exchange		-369	190
Other financial items		-105	-68
Net finance		-559	453
Profit/(loss) before tax		4 454	1 640
Tax income/(expense)	4	-736	-410
Profit/(loss) for the year		3 718	1 230
Allocations:			
Dividend		15 000	-
To/(from) other equity		-11 282	1 230
Total allocations		3 718	1 230



Western Bulk Carriers AS

BALANCE SHEET

(USD 1.000)

ASSETS	Note	2021	2020
Non current assets			
Investment in financial assets	6	530	630
Total non current assets		530	630
Current assets			
Accounts receivable		14 677	8 601
Receivables from group companies	2	36 729	23 163
Other receivables		59	16
Bunker stocks	3	19 731	13 732
Bank deposits	5	2 792	4 294
Total current assets		73 988	49 806
TOTAL ASSETS		74 518	50 436
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		37	37
Total paid-in capital		37	37
Retained earnings			
Other equity		17 174	28 456
Total retained earnings		17 174	28 456
TOTAL SHAREHOLDERS' EQUITY	7	17 211	28 492
LIABILITIES			
Long term liabilities			
Deferred tax liability	4	116	150
Total long term liabilities		116	150
Short term liabilities			
Accounts payable		5 950	3 062
Other payable		8 238	6 648
Taxes payable	4	755	515
Short term interest-bearing debt	5	1 620	9 520
Provision Dividend		15 000	-
Liabilities to group companies	2	25 628	2 050
Total short term liabilities		57 191	21 794
TOTAL LIABILITIES		57 307	21 944
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		74 518	50 436

Oslo, 4. May 2022

Hans Aasnes
Chairman of the Board/CEO



Western Bulk Carriers AS

CASH FLOW STATEMENT

(USD 1.000)

CASH FLOW FROM OPERATIONS	2021	2020
Profit/(loss) before tax	4 454	1 640
Tax paid	-522	-1 037
Changes in bunker stocks	-5 999	6 389
Changes in current receivables and current liabilities	-1 648	-11 157
Net cash flow from/(to) operating activities	-3 715	-4 164
CASH FLOW FROM INVESTMENTS		
Sale of other shares and units		
Investments in financial assets	100	
Change in receivable from group companies	-13 566	5 159
Net cash flow from investments	-13 466	5 159
CASH FLOW FROM FINANCING ACTIVITIES		
Group contribution paid		
Changes in short term debt	-7 900	1 662
Change in liabilities to group companies	23 578	-428
Net cash flow from financing activities	15 678	1 234
Net change in liquidity during the year	-1 502	2 228
Liquid assets as of 01.01.	4 293	2 065
Liquid assets as of 31.12.	2 792	4 293



WESTERN BULK CARRIERS AS

Notes 2021

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 31.12.2021:

USD/NOK 8,8194

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 2021

Note 1 - Revenues

(USD 1.000)

	2021	2020
By business area		
Chartering and Operation	861 185	396 502
Total	861 185	396 502
Geographical distribution		
Singapore	105 223	48 283
U.S.A.	82 216	37 596
Switzerland	77 469	47 602
France	55 614	26 120
Norway	24 169	14 615
U.K.	43 698	15 379
U.A.E.	33 601	33 490
Belarus	31 965	16 571
Malta	26 211	14 576
Turkey	24 654	7 280
Channel Islands	24 161	6 874
Denmark	20 242	4 636
Panama	19 674	7 201
Japan	18 423	1 570
Germany	16 249	7 909
Isle of Man	13 089	1 652
Korea, Republic	12 545	2 613
Hong Kong	12 470	8 026
Cyprus	12 291	3 125
Luxembourg	12 233	4 603
Other	195 488	86 781
Total	861 686	396 502

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

Note 2 - 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):	2021	2020
Western Bulk Chartering AS *	8 914	22 578
Western Bulk Pte. Ltd.	2 713	413
Western Bulk Management AS	-15 351	-1 668
WBC Seattle INC	-241	-50
WB Chile LTDA	66	-166
WBC VI AS	-	6
Net receivables/(liabilities) from group companies	-3 899	21 113

*) 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 31.12.2021, Western Bulk Carriers AS had a net receivable due to the Group Account Holder of USD 33.949.259. The Board of Directors will propose a dividend for 2021 of USD 15 million to the Annual General Meeting. The proposed dividend is included in the table above.

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 11.6 million and to Western Bulk Chile Ltd amounting to USD 0,5 million
Management service fee to Western Bulk Management AS amounting to USD 13.7 million.



WESTERN BULK CARRIERS AS

Notes 2021

Note 3 – 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 31.12.2021 amounted to USD -0.5 million.

	Market value MUSD
Bunker hedges (swaps and options) 2022	-0,5
Total	-0,5

Freight instruments

As of 31.12.2020 the company had entered into FFA contracts (forward freight agreements) and freight options for the period 2022-2023. The mark-to market value of the contracts as of 31.12.21 amounted to USD -12.5 million.

	Market value MUSD
FFA (forward freight agreements incl. options) 2022	-12,5
FFA (forward freight agreements incl. options) 2023	-0,0
Total	-12,5

Note 4 – Tax

(USD 1.000)

The tax expense for the year consists of:	2021	2020
Tax payable	-89	84
Under provision of taxes payable for previous years	1	-1
Tonnage tax	-677	-531
Changes in deferred tax	29	37
Total tax income/(expense)	-736	-410
Net taxable financial income	-	-
Net taxable income	403	-381
Utilization of tax loss carried forward	-	-
Basis for tax payable	403	-381
Tax payable 22%	-	-
Tonnage tax	677	531
Translation differences	78	-16
Tax payable	755	515
Gain account for deferral	527	681
Tax loss carried forward	-	-
Total temporary differences	527	681
Deferred tax liability/(asset) 22%	116	150



WESTERN BULK CARRIERS AS

Notes 2021

Note 5 - 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. USD 1.0 million was temporarily restricted in the Collection Account connected to this facility as of 31.12.2021. Outstanding amount for the Company regarding this agreement as of 31.12.21 was USD 1.6 million.

Western Bulk Carriers AS has entered into a USD 15 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 guarantor. The facility amount was reduced to USD 5 million in January 2020. The joint corporate guarantees amounts to USD 18 million per guarantor. Outstanding amount for the Company regarding this agreement as of 31.12.21 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 0.8 million in bank guarantees were issued under the Agreement as per 31.12.21.

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. The facility was entered into in June 2020 to replace the reduced facility amount for the bunker purchase 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
WBC I AS
WB Barging AS
WBC VI AS

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

Note 6 - 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 31.12.2021			
C-Bulk KS	Oslo, Norway	10 %	
-shares			23
-loan			507
Investments in shares			530

Note 7 - Equity

(USD 1.000)

	Share capital	Other paid-in equity	Other equity	Total
Equity as of 01.01.2021	37	-	28 456	28 492
Proposed dividend			-15 000	-15 000
Profit/(loss) for the year			3 718	3 718
Equity as of 31.12.2021	37	-	17 174	17 211

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 2021 of USD 15 million to the Annual General Meeting.

Note 8 - 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.



WESTERN BULK CARRIERS AS

Notes 2021

Note 9 - Remuneration to the Auditor

Auditor (USD 1.000)	2021	2020
Statutory audit	29	24
Tax advice	0	-
Other services outside the audit scope	3	2
Total	32	25

Note 10 - 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 4.0 million as of 31.12.2021 compared to USD 1.9 million as of 31.12.2020.

Write-offs and losses

The provision of USD 2.0 million related to the market value of various legacy contracts across the Group has been reduced by USD 1.1 million during 2021. Remaining provision of USD 0.9 million will be reversed during 2022.

Impairment provisions

As of 31.12.2021 the Company's forward book of contracts has a positive value, and no general provision for future loss has been made. The provision as per 31.12.2020 was USD 0.7 million.

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 46 million exclusive of optional periods.

	2022	2023	2024	2025	Beyond	Total
Nominal Hire Commitment (USD 1,000)	27 773	6 865	3 430	-	-	38 068
Vessel Hire Days	2 028	459	221	-	-	2 708
Average Rate USD/Day	13 695	14 956	15 518	n.a.	n.a.	14 057
Vessel Equivalent/year	5,6	1,3	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 2021 profit and loss statement has been negatively impacted by USD 2.0 million due to the difference between estimated and actual expenses related to previous voyages. The 2020 profit and loss statement had a negative adjustment of USD 2.1 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

The escalating situation following Russia's invasion of Ukraine has had limited impact on Western Bulk Carriers AS, and is not expected to have negative impact in the near term. There are no other material events subsequent to the balance sheet date of 31.12.2021.



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.

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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.

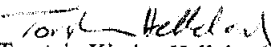
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet virksomhet er i en internasjonal bransje og arbeidsspråket er engelsk. Alle sentrale aktører innen den bransje selskapet jobber, antas å måtte beherske og benytte engelsk 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



RSM Norge AS

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To the General Meeting of Western Bulk Carriers AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Western Bulk Carriers AS showing a profit of USD 3 718 289. The financial statements comprise the balance sheet as at 31 December 2021, 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 2021, 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 laws and regulations 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 legal requirements.

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Independent Auditor's Report 2021 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, 9 May 2022
RSM Norge AS

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

Penneo Dokumentnøkkel: GNEW7-S4SE3-VIL6Y-OMFLE-AL3AJ-APNTA



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Cecilie Tronstad

State Authorized Public Accountant

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