



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 820 616 812
Organisasjonsform: Aksjeselskap
Foretaksnavn: BTG ARROW II AS
Forretningsadresse: Zander Kaaes gate 7
5015 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Nils Per Hellesund
Dato for fastsettelse av årsregnskapet: 04.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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

Brønnøysundregistrene, 30.06.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	3,4	3 000	4 000
Sum kostnader		3 000	4 000
Driftsresultat		-3 000	-4 000
Finansinntekter og finanskostnader			
Annen finansinntekt	6	13 000	0
Sum finansinntekter		13 000	0
Rentekostnad til foretak i samme konsern		155 000	56 000
Annen finanskostnad	6	11 000	1 000
Sum finanskostnader		166 000	57 000
Netto finans		-153 000	-57 000
Ordinært resultat før skattekostnad		-156 000	-61 000
Skattekostnad på ordinært resultat	7	0	0
Ordinært resultat etter skattekostnad		-156 000	-61 000
Årsresultat		-156 000	-61 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-156 000	-61 000
Sum overføringer og disponeringer		-156 000	-61 000



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Andre fordringer	3,8	11 502 000	3 958 000
Sum finansielle anleggsmidler		11 502 000	3 958 000
Sum anleggsmidler		11 502 000	3 958 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	9	344 000	0
Sum fordringer		344 000	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	32 000	13 000
Sum bankinnskudd, kontanter og lignende		32 000	13 000
Sum omløpsmidler		376 000	13 000
SUM EIENDELER		11 878 000	3 971 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	25 000	25 000
Overkurs		1 359 000	1 596 000
Annen innskutt egenkapital			-82 000
Sum innskutt egenkapital		1 384 000	1 539 000
Sum egenkapital		1 384 000	1 539 000



Balanse

Beløp i: USD	Note	2020	2019
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	3	9 717 000	2 155 000
Sum annen langsiktig gjeld		9 717 000	2 155 000
Sum langsiktig gjeld		9 717 000	2 155 000
Kortsiktig gjeld			
Leverandørgjeld	12	285 000	0
Kortsiktig konserngjeld	3	333 000	74 000
Annen kortsiktig gjeld	12	159 000	203 000
Sum kortsiktig gjeld		777 000	277 000
Sum gjeld		10 494 000	2 432 000
SUM EGENKAPITAL OG GJELD		11 878 000	3 971 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 601346

Enheten

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Brønnøysundregistrene, 11.08.2021



Organisasjonsnr: 820 616 812
BTG ARROW II AS

RESULTATREGNSKAP

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
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BTG ARROW II AS

BALANSE

Beløp i: USD Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Andre fordringer 3,8 11 502 000 3 958 000

Sum finansielle
anleggsmidler 11 502 000 3 958 000

Sum anleggsmidler 11 502 000 3 958 000

Omløpsmidler

Varer

Fordringer

Andre fordringer 9 344 000 0

Sum fordringer 344 000 0

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 10 32 000 13 000

Sum bankinnskudd,
kontanter og lignende 32 000 13 000

Sum omløpsmidler 376 000 13 000

SUM EIENDELER 11 878 000 3 971 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 11 25 000 25 000

Overkurs 1 359 000 1 596 000

Annen innskutt egenkapital -82 000

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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Langsiktig konserngjeld 3 9 717 000 2 155 000

Sum annen langsiktig gjeld 9 717 000 2 155 000

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BTG ARROW II AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei



BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

1. General information

BTG Arrow II AS (the "Company") was established in 2018 and is fully owned by KGJ Bulk Holding AS, a subsidiary of Kristian Gerhard Jebsen Skipsrederi AS ("KGJS"). KGJS presents consolidated financial statements, which include the financial statements of the Company. The Company is located in Bergen, Norway.

The Company had one Kamsarmax dry bulk new-building of 82 400 dwt on order, delivered from the yard 15 January 2021.

2. Accounting principles

a. Basis of preparation

The Company prepares its financial statements according to "Simplified International Financial Reporting Standards" (IFRS) as dealt with in The Norwegian Accounting Act and Regulations dated 18 December 2020. This principally implies that all calculations and measurement methods are carried out in accordance with IFRS, while presentation and notes follow the Norwegian Accounting Act and Norwegian GAAP. The Company employs the simplifying rules relating to dividends and group contributions as regulated in The Norwegian Accounting Act.

The accounting year equals the calendar year and the items of the income statement are classified by their nature.

b. Changes in accounting principles and errors

The impact of changes in accounting principles and correction of significant errors in previous annual accounts are reported directly to equity. Comparative figures are revised accordingly.

c. Currency

The financial statements are presented in US Dollars (USD) as the Company operates in an international market where the functional currency is USD. Transactions in non-USD currencies are recorded at the exchange rate on the date of the transaction. Monetary items and debt in non-USD currencies are converted to USD at the rate of exchange prevailing at the reporting date. Currency gains and losses are recognised on the income statement classified as financial items.

d. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable. Accounting estimates are employed in the financial statements to determine reported amounts, including the useful life and disposal value of vessels. Actual results could differ from those estimates.

e. Classification of assets and liabilities

Assets are classified as current assets when:

- the asset is expected to be disposed of or consumed within 12 months of the reporting date
- the asset is held for trading
- the asset is cash or cash equivalents, except for items having restrictions to be exchanged within 12 months of the reporting date.

All other assets are classified as non-current assets.

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

Liabilities are classified as current liabilities when:

- the liability is expected to be settled within 12 months of the reporting date
- the liability is held for trading
- the Company does not have an unconditional right to postpone settlement of the liability until at least 12 months after the reporting date.

All other liabilities are classified as non-current liabilities.

f. Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or principally enacted at the reporting date. Management periodically evaluates the tax positions with respect to situations in which applicable tax regulations are subject to interpretation and on this basis establishes provisions for payable tax amounts.

Deferred income tax is provided for all temporary variances arising between the tax bases of assets and liabilities compared to the carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary variances can be utilised.

Both payable tax and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity. In cases where the equity transaction is considered a distribution and the source of the distribution is earlier years' net profit, the tax effect of the distribution should be recognised as tax expense in the year in which the distribution is recognised.

The Company is registered under the Norwegian tax legislation for shipping companies. The shipping tax-regulations include a tonnage tax and taxation of a company's net financial income and certain parts of the equity. Other ordinary net income is not taxable. Taxation under the shipping tax rules requires compliance to certain requirements.

g. Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and any impairment charges. Historical cost includes purchase price, capitalised interest and other expenses directly related to the investment.

Vessels residual value, which generally arises at the end of their useful life, is estimated based on the current estimated demolition value. Vessels residual value and useful life are assessed on an annual basis and changes will affect future depreciation cost.

Depreciation of assets is calculated using the straight-line method based on their estimated useful lives and residual values. Any component of a non-current asset that is significant to the total cost of the assets is depreciated separately over their estimated useful lives. Components with similar useful lives are included as a single component. Vessels book values are divided into two components; vessels and periodic maintenance.

Vessels are considered to have a total useful life of 25 years. Periodic maintenance costs are amortised over the period until the next periodic maintenance. The periodic maintenance occur with intervals of either 30 months or 60 months dependant on survey and vessels condition. Day-to-day repairs and maintenance cost are charged to the income statement during the period incurred. The costs of major renovations and periodic maintenance are included in the asset's carrying amount when it is probable the Company will derive future economic benefits in excess of the originally assessed standard performance of the assets. At the time of investment in a new vessel, a portion of the purchase price is defined as periodic maintenance and depreciated as other periodic maintenance.

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NOTES TO THE FINANCIAL STATEMENTS

A vessel's useful life is reviewed annually and where new estimate vary from previous estimate depreciation is adjusted accordingly.

When vessels are sold or disposed of, any gain or loss from the disposal is reported in the income statement. Profit or loss equals the variance between sales price and book value less any sales expenses.

When a new-building contract is signed, the payments made to the yard, capitalised interest and other costs directly related to the building of the vessel is recorded as other non-current receivables. Depreciation are done when vessels are available for use.

h. Impairment of assets

Assets that are subject to depreciation are reviewed for impairment at each reporting date, or when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Fair value reduced by estimated sale costs is made up of an attainable sale price less expenses to an independent third party. The recoverable amount is calculated for each cash-generating unit (CGU).

The Company has ordered one bulk carrier, which is categorised as one CGU.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses which are reported in previous year's income statement are reversed when succeeding events indicates that the cause of the write down is no longer valid. The reversal is classified in income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are: trade receivables, cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus transaction costs.

The Company classifies its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Equity instruments at fair value through other comprehensive income
- Derivatives at fair value through income statement

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows and,
- The contractual terms of the financial asset give rise to cash flows as payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

The Company's financial assets at amortised cost includes trade receivables and other current deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price, ref note 2 j.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held with the objective of both collecting contractual cash flows and selling, and,
- The contractual terms of the financial asset give rise to cash flows as payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses/reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to income statement.

The Company currently holds no investments in quoted instruments which would classify under this category.

Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never reclassified to income statement. Dividends are recognised as other financial income in the income statement when the right to receive payment arise. Dividends representing a recovery of part of the cost of the financial asset are instead recorded as other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Company currently holds no non-listed equity investments which would classify under this category.

Derivatives at fair value through income statement

Derivatives are recognised in the balance sheet at their fair value. Changes in the fair value are currently recorded in the income statement in the period in which the change in fair value occurs. Classification depends on the nature of the derivative.

The Company currently holds no derivatives which would classify under this category.

Derecognition of financial assets

A financial asset or a part of a financial asset/group of similar financial assets is derecognised when:

- The right to receive cash flows from the asset have expired, or
- The Company has transferred its rights or has assumed an obligation to pay the received cash flows in full to a third party; and either
 - I. the Company has transferred substantially all the risks and rewards of the asset, or
 - II. the Company has transferred control of the asset

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables or as derivatives. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method if this is considered to be significant. Gains and losses are recognised in income statement when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included as finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECL) for all instruments not held at fair value. If there is no substantial increase in credit risk since initial recognition, the ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures facing a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure. Credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. A provision for impairment of trade receivables is established when a loss is expected and indications that the Company will not be able to collect all amounts due in accordance with the original terms of the receivables are identified.

The Company considers a financial asset in default when contractual payments are considerably past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of fair value

Fair value of financial instruments actively traded are valued based on quoted prices for identical instruments. Fair value of financial instruments not actively traded are valued based on models or other valuations methodologies observable for similar instruments.

j. Accounts receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. The interest factor is ignored if insignificant. A provision for impairment of trade receivables is established

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

when a loss is expected and indications that the Company will not be able to collect all amounts due in accordance with the original terms of the receivables are identified, ref note 2 i.

k. Cash and cash equivalents

Cash and cash equivalents include cash and cash deposits held at banks.

l. Equity

Ordinary shares are classified as equity. Transaction costs related to equity transactions, including any tax effect of the transaction costs, are charged directly to equity.

m. Contingent assets, liabilities and provisions

Contingent liabilities are defined as:

- Possible liabilities resulting from past events, but where its existence relies on future events
- Liabilities which are not accounted for as it is not likely that such liabilities will result in a cash outflow
- Liabilities which cannot be measured reliably.

Any major contingent liabilities are disclosed in notes to the accounts. Contingent assets will not be recorded in the accounts, but included as a note if it is likely that the Company will benefit from such assets.

Contingent liabilities and provisions are recognised in the accounts when it is deemed the Company has a lawful obligation that can be measured reliably and it is likely with a more than 50% probability that settlement will take place. Contingent liabilities and provisions are reviewed at each reporting date and adjusted to best estimate. When timing is insignificant, the liability is reported at the estimated cost of release from the liability. Otherwise, when timing is significant for the amount of the liability, the liability is recognised at fair value. Any increase over time in the amount of the liability is reported as interest costs.

n. Events after the reporting date

New information about the Company's financial standing at the reporting date is included in the financial statements. Events occurring after the reporting date that have no impact on the Company's financial position at the reporting date, but which have a significant impact on future periods, are presented in notes to the accounts.

o. Statement of cash flows

The statement of cash flows presents the total cash flow divided into operational activities, investment activities and financing activities. The statement is prepared using the indirect model and reflects the individual activities' impact on the cash reserve.

3. Related parties

In the normal course of its business, the Company enters into a number of transactions with related parties. Related parties comprise principal owners of the Company and companies controlled by those owners, management of the Company and companies in which the Company can exercise significant influence over their management or operating policies.

a. Transactions relating to management services:

KGJS and companies within its group provide the Company with administrative services and project services related to the new-building and charges management fees. These costs amounted to USD 110 000 in 2020 (2019;USD 59 400) and is recorded in income statement as general and administrative expenses and in the balance sheet as other non-current receivables.

b. Transactions relating to financial items:

KGJS has provided the yard with guarantee for payment of the new-building contract price. KGJS charges the Company a guarantee fee of 1% p.a. of the remaining balance of payments to the yard. Total guarantee

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NOTES TO THE FINANCIAL STATEMENTS

fees due to KGJS amounted to USD 333 000 in 2020 (2019; USD 298 000). The amount due to affiliates falls due when the vessel is in operation and the Company has available cash.

The Company has entered into a loan agreement of USD 9.7 mill. with its shareholder. Interest is charged based on Libor interest levels plus a margin of 2 % per annum. Interests calculated amounted to USD 155 000 in 2020 (2019; USD 56 000), recorded in the income statement as interests expenses.

c. Receivables/payables with related parties:

For the years ended 31 December (in US Dollar thousands)	2020	2019
Non-current liabilities	9 717	2 155
Current liabilities	333	74
Total	10 050	2 230

4. General and administrative expenses

General and administrative expenses consist of expenses for administrative services delivered by KGJS, lawyers, auditors and others.

For the years ended 31 December (in US Dollar thousands)	2020	2019
Administrative services	1	1
Statutory audit fees	2	2
Total	3	4

5. Salaries, benefits and number of employees

The Company purchases all of its services from KGJS or its subsidiaries and other vessel managers and agents. Such services are covering both seagoing personnel and all administrative services. As a consequence, the Company has no employees. There is no remuneration to the Company's board members.

6. Other financial items

For the years ended 31 December (in US Dollar thousands)	2020	2019
Currency gains	13	0
Currency losses	-11	-1
Net other financial items	2	-1

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

7. Taxes

For the year ended 31 December (in US Dollar thousands)	2020	2019
Changes in deferred tax.....	47	- 82
Deferred tax assets expensed.....	- 47	82
Total tax expense/(income)	0	0

Reconciliation of nominal and effective tax rate:

For the year ended 31 December (in US Dollar thousands)	2020	2019
Net income/(loss) before tax.....	- 156	- 61
Estimated tax expense (22%).....	- 34	- 13
Difference between estimated and actual tax expense.....	34	13
Total tax expense/(income)	0	0

Specification of differences between estimated and actual tax expense:

For the year ended 31 December (in US Dollar thousands)	2020	2019
Non-taxable operating result in accordance with shipping taxation	- 1	1
Effect of shipping taxation – financial items.....	175	- 65
Deferred tax assets expensed.....	- 47	82
Currency transaction and other permanent differences.....	- 92	- 4
Total difference between estimated and actual tax expense	34	13

Tax calculations are based on financial statements in US Dollars converted to Norwegian Kroner using varying rates of exchange for both balance sheet and income statement. The currency transaction differences arise when converting the Norwegian kroner tax calculation to US Dollar in the specification.

Summary of temporary differences:

For the year ended 31 December (in US Dollar thousands)	2020	2019
Revaluation account.....	701	0
Recorded taxable deficit.....	- 1 171	- 685
Total basis for deferred tax(+)/tax assets(-)	- 470	- 685

For the year ended 31 December (in US Dollar thousands)	2020	2019
Changes in deferred tax(+)/ taxassets (-).....	47	- 82
Non-recorded deferred tax(+)/ taxassets (-) - shipping taxation....	- 103	- 151

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

8. Non-current receivables

For the years ended 31 December (in US Dollar thousands)	2020	2019
Duc from shipyard.....	9 668	3 218
Other receivables.....	1 833	740
Total	11 502	3 958

The Company had one Kamsarmax dry bulk new-building of 82 400 dwt on order, delivered from the yard 15 January 2021. The bulk carrier has an expected economic life of 25 years from delivery. In 2020 total instalment of USD 6.5 mill. was paid to the yard.

9. Other current assets

For the years ended 31 December (in US Dollar thousands)	2020	2019
Prepaid expenses.....	286	0
Other receivables.....	58	0
Total	344	0

10. Cash and cash equivalents

For the years ended 31 December (in US Dollar thousands)	2020	2019
Cash in bank.....	32	13
Total	32	13

11. Share capital and shareholder information

At 31 December 2020 the share capital of the Company consists of one class of 1 000 ordinary shares at NOK 200 each.

Ownership structure	Number of shares	Share of ownership	Voting rights
KGJ Bulk Holding AS	1 000	100.0%	100.0%

12. Other current liabilities

For the years ended 31 December (in US Dollar thousands)	2020	2019
Trade payables.....	285	31
Other accruals.....	160	171
Total	445	202

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

13. Risk management and other hedging activities

Risk management

a. Credit risk

The Company is exposed to credit risk in the event of failure of counter-parties to meet their obligations under a trading transaction. The Company's theoretical risk is the cost of replacement at current market prices of such transactions in the event of default by counter-parties. However, counter-parties are established with high credit ratings, and management believes that the possibility of non-performance by the counter-parties is remote. The Company therefore regards its maximum exposure to credit risk as being the carrying amount of instalments paid to the yard. However, the prepaid instalments are all secured by refund guarantees from a first class international bank. The Company does not believe it is exposed to any material concentrations of credit-risk.

b. Liquidity risk

The Company's strategy is to have adequate liquid assets either in form of cash and/or available credit facilities at all times. The Company has capital commitments related to its new-building program, ref note 14.

c. Market risk

Market risk comprises interest rate- and currency risk, and other price risks. The Company has no financial derivatives of which the fair value would fluctuate because of changes in other prices.

d. Interest rate risk

The Company is exposed to interest rate risk for debt with floating interest rates. The Company may enter into hedging instruments in order to hedge portions of its exposure to the floating interest rates. Realised gains or losses associated with such instruments are currently recorded as interest expenses.

e. Currency risk

The Company incurs operating expenses in Norwegian Kroner. The Company may enter into hedging instruments in order to hedge portions of its exposure to floating currency rates on forecast expenditures in Norwegian Kroner. Realised gains or losses associated with currency rate changes on forward currency contracts are recorded as other financial income/(expenses). At the reporting date the Company has no non-current monetary assets or liabilities in non-USD currencies.

Financial derivatives and hedging

At 31 December 2020 and 2019, the Company has neither financial derivatives nor hedging contracts.

14. Commitments and contingencies

Commitments:

The Company had one Kamsarmax dry bulk new-building of 82 400 dwt on order, delivered in January 2021 with following contractual obligations:

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BTG ARROW II AS

NOTES TO THE FINANCIAL STATEMENTS

For the years ended 31 December (in US Dollar thousands)	2020	2019
Capital commitments:		
Paid to yard.....	9 668	3 218
Due within one year.....	22 512	28 962
Due within two to five years.....	0	0
Total yard payments*	32 180	32 180
Financing:		
Equity from shareholders.....	7 180	32 180
External financing.....	25 000	0
Total	32 180	32 180

* KGJS has provided the yard with guaranties for payment of the contract price related to the new-building, ref note 3b.

The contracted obligation reflects the remaining amount payable to the yard during the period until delivery.

The Company has financed the vessel through financial lease agreement. The lease period is 7 years with purchase options from year 3. The Company shall purchase the vessel from the lease owners at the end of charter period provided that the lease is not terminated prior to end of year 7.

Contingencies:

The Company maintains insurance coverage for its activities consistent with industry practice. In the course of 2020 the Company has not been involved in any incidents, which have resulted in material loss or liability to the Company.

15. Covid-19

The Covid-19 pandemic developed rapidly in 2020 and the measures taken by various governments to contain the virus has had a negative effect on the global economy, including the international shipping industry. Travel restrictions imposed by governments around the world have created hurdles to crew changes and repatriation of seafarers, which has led to significant concerns for the safety of seafarers. Supply chain disruptions, shortage of workforce, port restrictions and implementation of social distancing measures in ports and shipyards have caused delays.

The daily operations of the Company have not been negatively impacted.

Depending on the duration of the Covid-19 pandemic and any corresponding impact on the global market, the Company might experience negative impact on business and results. However, the exact impact is uncertain and cannot be predicted.

16. Subsequent events

On 15 January 2021 the Company took delivery of its newbuilding, BTG Apo, which commenced trading with BTG Pool AS upon delivery. The vessel is financed through a lease arrangement, ref note 14.

There has not been any other events that would materially impact the financial statements for 2020 after 31 December 2020.



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BTG ARROW II AS

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other equity	Total equity
	USD 000	USD 000	USD 000	USD 000
Equity at 31.12.2019.....	25	1 596	- 82	1 540
Net income/(loss) 2020.....	0	0	- 156	- 156
Reclassification of other equity.....	0	- 237	237	0
Equity at 31.12.2020.....	25	1 359	0	1 384



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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 20.03.2018	Vår dato 03.04.2018
Telefon 22078139	Deres referanse Nicholas Nunn	Vår referanse 2018/449006

KRISTIAN GERHARD JEBSEN SKIPSREDERI AS
Postboks 423, Marken
5832 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 20. mars 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper.

BTG Arrow I AS org.nr. 920 616 771
BTG Arrow II AS org.nr. 820 616 823

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskapene 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

Selskapene er 100 % indirekte eid av Kristian Gerhard Jebsen Skipsrederi AS. Selskapene er nystiftet. Kristian Gerhard Jebsen Skipsrederi AS med datter- og datterdatterselskaper er tidligere gitt dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk. Det er opplyst at konsernets arbeidsspråk er engelsk. Konsernet er av internasjonal karakter innenfor skipsfart og dette innebærer at selskapet må utarbeide engelsk versjon av konsernregnskapet samt for en rekke tilhørende datterselskaper for å tilfredsstille kravene til sine bankforbindelser, kunder, leverandører etc. De norske versjonene utarbeides kun for å tilfredsstille regnskapsloven.

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:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr. 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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, 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. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernet er av internasjonal karakter innenfor skipsfart og at dette innebærer at selskapet må utarbeide engelsk versjon av konsernregnskapet samt for en rekke tilhørende datterselskaper for å tilfredsstille kravene til sine bankforbindelser, kunder, leverandører etc. Det er videre lagt vekt på at konsernets arbeidsspråk er engelsk. De øvrige konsernselskapene har dispensasjon til å benytte engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



BTG ARROW II AS

STATEMENT OF CASH FLOWS

		31 December 2020	31 December 2019
	Notes	USD 000	USD 000
Cash flows from operating activities:			
Net income/(loss) before tax.....		- 156	- 61
Changes in trade creditors.....		285	0
Changes in other current assets/liabilities.....	9,12	- 386	196
Net cash provided by operating activities.....		<u>- 257</u>	<u>135</u>
Cash flows from investing activities:			
Investments in non-current assets.....	8	-7 544	-2 106
Net cash provided by/(used in) investing activities.....		<u>-7 544</u>	<u>-2 106</u>
Cash flows from financing activities:			
Loans from group companies.....	3	7 820	1 963
Net cash provided by/(used in) financing activities.....		<u>7 820</u>	<u>1 963</u>
Net increase/(decrease) in cash and cash equivalents.....		19	- 7
Cash and cash equivalents at beginning of year.....		<u>13</u>	<u>20</u>
Cash and cash equivalents at end of year.....		<u><u>32</u></u>	<u><u>13</u></u>





To the General Meeting of BTG Arrow II AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BTG Arrow II AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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.

*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - BTG Arrow II AS



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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.

Bergen, 8 March 2021
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Gabrielsen, Fredrik	BANKID_MOBILE	2021-03-08 11:11

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