



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stian Lie
Dato for fastsettelse av årsregnskapet: 14.06.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 15.09.2023



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	64 395 000	43 853 000
Annen driftsinntekt	2	7 894 000	0
Sum inntekter		72 289 000	43 853 000
Kostnader			
Avskrivninger	5	2 638 000	2 295 000
Driftskostnader skip	3	6 831 000	6 612 000
Leiekostnader skip	4	17 160 000	18 175 000
Annen driftskostnad	4	1 751 000	1 271 000
Sum kostnader		28 380 000	28 353 000
Driftsresultat		43 909 000	15 500 000
Finansinntekter og finanskostnader			
Annen finansinntekt		665 000	143 000
Sum finansinntekter		665 000	143 000
Annen finanskostnad		2 953 000	3 075 000
Sum finanskostnader		2 953 000	3 075 000
Netto finans		-2 288 000	-2 932 000
Ordinært resultat før skattekostnad		41 621 000	12 568 000
Skattekostnad	6	0	0
Ordinært resultat etter skattekostnad		41 621 000	12 568 000
Årsresultat		41 621 000	12 568 000
Overføringer og disponeringer			
Ordinært utbytte	7	41 621 000	13 841 000
Overført annen egenkapital	7	0	-1 273 000
Sum overføringer og disponeringer		41 621 000	12 568 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip	5	41 656 000	43 006 000
Sum varige driftsmidler		41 656 000	43 006 000
Sum anleggsmidler		41 656 000	43 006 000
Omløpsmidler			
Varer			
Varelager		1 057 000	235 000
Sum varer		1 057 000	235 000
Fordringer			
Fordringer nærstående parter	8	2 563 000	1 729 000
Sum fordringer		2 563 000	1 729 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd	9	38 092 000	13 360 000
Sum bankinnskudd, kontanter og lignende		38 092 000	13 360 000
Sum omløpsmidler		41 712 000	15 324 000
SUM EIENDELER		83 368 000	58 330 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	7,10	513 000	513 000
Annen innskutt egenkapital	7	0	0
Sum innskutt egenkapital		513 000	513 000



Balanse

Beløp i: USD	Note	2022	2021
Sum egenkapital		513 000	513 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	75 000	104 000
Sum avsetninger for forpliktelser		75 000	104 000
Annen langsiktig gjeld			
Leieforpliktelser	11	27 059 000	33 856 000
Annen langsiktig gjeld		0	2 587 000
Sum annen langsiktig gjeld		27 059 000	36 443 000
Sum langsiktig gjeld		27 134 000	36 547 000
Kortsiktig gjeld			
Betalbar skatt	6	19 000	26 000
Kortsiktig konserngjeld	10,12	48 785 000	16 875 000
Leieforpliktelser	11	6 797 000	3 781 000
Leverandørgjeld		120 000	588 000
Sum kortsiktig gjeld		55 721 000	21 270 000
Sum gjeld		82 855 000	57 817 000
SUM EGENKAPITAL OG GJELD		83 368 000	58 330 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 657375

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: GEARBULK SHIPPING AS
Forretningsadresse: Ytrebygdsvegen 215
5258 BLOMSTERDALEN

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

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Grunnlag for avgivelse

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Brønnøysundregistrene, 08.08.2023



Organisasjonsnr: 961 999 960
GEARBULK SHIPPING AS

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	64 395 000	43 853 000
Annen driftsinntekt	2	7 894 000	0
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Netto finans		-2 288 000	-2 932 000
Ordinært resultat før skattekostnad			
Skattekostnad	6	41 621 000	12 568 000
		0	0
Ordinært resultat etter skattekostnad		41 621 000	12 568 000
Årsresultat		41 621 000	12 568 000
Overføringer og disponeringer			
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Organisasjonsnr: 961 999 960
GEARBULK SHIPPING AS

BALANSE

Beløp i: USD

Note	2022	2021
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BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Skip	5	41 656 000	43 006 000
Sum varige driftsmidler		41 656 000	43 006 000

Sum anleggsmidler		41 656 000	43 006 000
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Omløpsmidler

Varer

Varelager		1 057 000	235 000
Sum varer		1 057 000	235 000

Fordringer

Fordringer nærstående parter	8	2 563 000	1 729 000
Sum fordringer		2 563 000	1 729 000

Bankinnskudd, kontanter og lignende

Bankinnskudd	9	38 092 000	13 360 000
Sum bankinnskudd, kontanter og lignende		38 092 000	13 360 000

Sum omløpsmidler		41 712 000	15 324 000
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SUM EIENDELER		83 368 000	58 330 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital	7,10	513 000	513 000
Annen innskutt egenkapital	7	0	0
Sum innskutt egenkapital		513 000	513 000

Sum egenkapital		513 000	513 000
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Gjeld

Langsiktig gjeld

Utsatt skatt	6	75 000	104 000
Sum avsetninger for forpliktelser		75 000	104 000

Annen langsiktig gjeld			
Leieforpliktelser	11	27 059 000	33 856 000



Annen langsiktig gjeld		0	2 587 000
Sum annen langsiktig gjeld		27 059 000	36 443 000
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Kortsiktig gjeld			
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SUM EGENKAPITAL OG GJELD		83 368 000	58 330 000



Organisasjonsnr: 961 999 960
GEARBULK SHIPPING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Gearbulk Shipping AS

Annual report 2022

Annual accounts

- **Board of Director's report**
- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report



Gearbulk Shipping AS

Board of directors' report 2022

Gearbulk Shipping AS

The Company and the business

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

Financial result and development

Gearbulk Shipping's revenue in 2022 was USD 72.3 million (2021: USD 43.9 million). The 2022 net profit after tax amounted to USD 41.6 million (2021: USD 12.6 million).

The Company's total assets as per year end 2022 amounted to USD 83.4 million (2021: USD 58.3 million). The cash and cash-equivalent amounted to USD 38.1 million as per 31 December, 2022 (31 December, 2021: USD 13.4 million).

Current assets as per year end 2022 amounted to USD 41.7 million (2021: USD 15.3 million) and current liabilities amounted to USD 55.7 million at year end 2022 (2021: USD 21.3 million).

The equity ratio was 0.6 % as per 31 December, 2022 (2021: 31 December 0.9%).

Going concern assumption

The Gearbulk Group's overall liquidity position has improved during 2022, following the strong improvement in the dry bulk market. The Group management and board of the Company believe that the Time charter and Bareboat hire rates are at sustainable levels, and accordingly do not currently plan for any additional measures. Management further notes that the Group and the commodity industry is facing a softening bulk market compared with 2022, but still better than the period before 2022.

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

Liquidity and financing

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

Financial risk

The Company is exposed to risks related to the market, availability of financing, interest, credit, exchange rate, fluctuations in the bunker price and operational risk through its engagement as a vessel owner. The risks related to the market, fluctuations in the bunker price, currency and credit are sought to be reduced through commercial agreements with G2 Ocean AS and High Heat Tankers Pte. Ltd.

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

Work environment, equal opportunities and discrimination

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



Gearbulk Shipping AS

The external environment

Shipping activity in general may lead to pollution or other accidents. The Company's vessels are equipped in accordance with international legislation and requirements. There have not been any material accidents or events during 2022 which caused pollution.

Transparency Act and annual report

Gearbulk Group's annual Transparency Report for 2022 is made available on the Company's home page www.gearbulk.com.

Directors and Officers insurance policy

The Gearbulk Group has a Director & Officers insurance providing financial protection for the Board of Directors and the CEO up to a certain threshold and providing financial protection for Gearbulk Shipping AS and other group companies from reimbursement costs to indemnify Board of Directors and the CEO for their losses, as well as from defense costs associated with lawsuits and investigations.

Statement regarding the outlook for the company

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

Bergen, June 14 2022
Board of Gearbulk Shipping AS

Kristian Jebsen
Director

Hans Petter Aas
Chairman

Ketil Andreassen
Director

Sjur Gjerde
Managing Director



Gearbulk Shipping AS

Income statement

Amounts in 1000 USD

	Note	2022	2021
Revenue			
Operating revenue	2	64 395	43 853
Other income	2	7 894	0
		<u>72 289</u>	<u>43 853</u>
Operating expenses			
Vessel operating expenses	3	6 831	6 612
Time charter expenses	4	17 160	18 175
Depreciation of tangible and intangible fixed assets	5	2 638	2 294
Other operating expenses	4	1 751	1 271
Total operating expenses		<u>28 380</u>	<u>28 352</u>
Operating result		<u>43 909</u>	<u>15 500</u>
Financial income and expenses			
Other financial income		665	143
Other financial expenses		2 953	3 075
Net financial items		<u>-2 288</u>	<u>-2 932</u>
Ordinary result before tax		<u>41 621</u>	<u>12 568</u>
Tax expense	6	-	-
Net profit or loss for the year		<u>41 621</u>	<u>12 568</u>
Allocated as follows			
Transferred to/from other equity	7	-	-1 273
Dividends	7	41 621	13 841
Total allocations		<u>41 621</u>	<u>12 568</u>



Gearbulk Shipping AS

Balance sheet as of December 31

Amounts in 1000 USD

	Note	2022	2021
Fixed assets			
<i>Tangible assets</i>			
Vessels	5	<u>41 656</u>	<u>43 006</u>
Total tangible assets		<u>41 656</u>	<u>43 006</u>
Total fixed assets		<u>41 656</u>	<u>43 006</u>
Current assets			
Inventories		<u>1 057</u>	<u>235</u>
<i>Receivables</i>			
Receivables related parties & other current assets	8	<u>2 563</u>	<u>1 729</u>
Total accounts receivable		<u>2 563</u>	<u>1 729</u>
Cash and cash equivalents	9	<u>38 092</u>	<u>13 360</u>
Total current assets		<u>41 712</u>	<u>15 324</u>
Total assets		<u>83 368</u>	<u>58 330</u>



Gearbulk Shipping AS

Balance sheet as of December 31

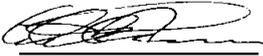
Amounts in 1000 USD	Note	2022	2021
Equity			
<i>Paid-in capital</i>			
Share capital	7, 10	513	513
Other paid-in capital	7	0	0
Total paid-in capital		<u>513</u>	<u>513</u>
Total equity		<u>513</u>	<u>513</u>
Liabilities			
<i>Provisions</i>			
Deferred tax liability	6	<u>75</u>	<u>104</u>
Total provisions		<u>75</u>	<u>104</u>
<i>Other long-term liabilities</i>			
Capital leases	11	27 059	33 856
Other long-term liabilities		-	2 587
Total other long term liabilities		<u>27 059</u>	<u>36 443</u>
<i>Current liabilities</i>			
Capital leases	11	6 797	3 781
Trade creditors		120	587
Tax payable	6	19	26
Other short-term liabilities related parties	10, 12	48 785	16 875
Total current liabilities		<u>55 721</u>	<u>21 269</u>
Total liabilities		<u>82 855</u>	<u>57 817</u>
Total equity and liabilities		<u>83 368</u>	<u>58 330</u>

December 31st 2022
Bergen, June 14th 2023


Kristian Ebsen
Board member


Sjur Gjerde
General manager


Hans Petter Aas
Chairman


Ketil Andreassen
Board member



Gearbulk Shipping AS

Cash flow statement

Amounts in 1000 USD

	Note	2022	2021
Cash flow from operating activities			
Ordinary result from tax		41 621	12 568
Taxes paid		-75	-34
Depreciation		2 638	2 294
Changes in inventories		-822	-73
Changes in receivables		-834	9 465
Changes in trade creditors		-467	71
Changes in other current balance sheet items		1 581	-7 602
Net cash flow from operating activities		43 642	16 689
Cash flow from investing activities			
Purchase of tangible assets*		-1 288	-2 270
Net cash flow from investing activities		-1 288	-2 270
Cash flow from financing activities			
Repayment or increase of long term loans		-	509
Repayment of principal portion of capital leases		-3 781	-4 536
Dividends paid		-13 841	-
Merger with Skipsaksjeselskapet Gearbulk AS		-	1 929
Net cash flow from financing activities		-17 622	-2 097
Net change in cash and cash equivalents		24 732	12 322
Cash and cash equivalents as of 01.01		13 360	1 038
Cash and cash equivalents as of 31.12		38 092	13 360



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note - 1 Accounting Principles

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

Operating revenue

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

Balance sheet classification

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

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

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated based on individual assessments.

Inventories

Inventories of lube oil and paint are valued at the lowest of cost and net selling price.

Currency

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

Fixed assets

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

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

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



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Leases

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

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

Income tax

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

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

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

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The management has been used estimates and assumption in the preparation of the financial statements that have effect on the reported amount in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date in accordance with the generally accepted accounting principles in Norway.

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

Note 2 - Operating income

In 2022 and 2021 the operating revenue comprised Open hatch and Bulk pool distribution from G2 Ocean AS, in addition to the time charter income from chartering out the two IMO tanker vessels Kingbird Arrow and Sunbird Arrow to High Heat Tankers Pte Ltd.

In 2022, Gearbulk Shipping AS recognized a total gain of USD 7.9 million from sale of a time charter-in contract (including the embedded purchase option) and the corresponding time charter-out contract for the vessel Bulk Polaris. The gain is recognized as other income in the income statement for 2022.



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note 3 - Vessel Operating expenses

<i>Vessel operating expenses consist of</i>	2022	2021
Crew cost	3 593	3 523
Provision and consumables	1 044	880
Spares and maintenance	1 189	1 580
Insurance	162	53
Other vessel operating expenses	843	575
Total	6 831	6 612

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

The Company has no employees.

Management remuneration

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

<i>Auditor fee has been divided as follows</i>	2022	2021
Audit fee	17	26

VAT is not included in the auditor fees.

Note 5 - Tangible assets

Amounts in 1000 USD

	Vessels	Docking	Bunkers Offhire	Fleet Performance plans etc	Total
Acquisition cost 01.01.	56 410	1 776	80	862	59 128
Purchased tangibles	0	917	64	307	1 288
Disposals	0	-282	-7	0	-289
Acquisition cost 31.12.	56 410	2 411	138	1 169	60 128
Acc.depreciation 31.12.	-16 900	-1 203	-55	-313	-18 471
Acc.write-downs 31.12.	0	0	0	0	0
Net carrying amount at 31.12.	39 510	1 208	82	856	41 656
Depreciation for the year	1 903	632	22	81	2 638
Useful economic life	30 years	1,5-5 years	1,5-5 years	1,5-5 years	

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

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



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note 6 - Income taxes

Amounts in 1000 USD

The Company is subject to the Norwegian tonnage tax rules in accordance with Chapter 8 of the Taxation Act. Payable tonnage tax for 2022 is USD 62 522 (2021: 64 432).

<i>Income tax expenses</i>	2022	2021
Tax payable	18	26
Change in deferred tax	-18	-26
Total income tax expense	<u>0</u>	<u>0</u>
<i>Tax base estimation</i>	2022	2021
Ordinary result before tax	41 621	12 568
Tax base	<u>41 621</u>	<u>12 568</u>
Expected tax cost 22%	9 157	2 765
<i>Temporary differences</i>	2022	2021
Losses carried forward	-8 480	-6 720
Profit loss account	340	475
	<u>-8 140</u>	<u>-6 246</u>
Deferred income tax liability (22%)	-1 791	-1 374
Tax deficit not incl in calculation of deferred tax	1 866	1 478
Deferred income tax liability in balance sheet	<u>75</u>	<u>104</u>



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note 7 - Owners equity

Amounts in 1000 USD

	Share capital	Other paid-in capital	Retained Earnings	Total
Owners equity 01.01.	513	0	0	513
Profit for the year	0	0	41 621	41 621
Dividend	0	0	-41 621	-41 621
Owners equity 31.12.	513	0	0	513

Note 8 - Intercompany balance with group and associated companies

Amounts in 1000 USD

<i>Receivables</i>	2022	2021
Gearbulk Pool Ltd (group company)	0	148
High Heat Tankers Pte Ltd (affiliate company)	50	42
Gearbulk Shipowning Ltd (group company)	73	0
G2 Ocean AS (affiliate company)	0	0
GB Norway AS (group company)	0	43
Other receivables	2 416	1 496
Total intercompany receivables	<u>2 563</u>	<u>1 729</u>
<i>Payables</i>	2022	2021
Gearbulk Shipowning Ltd (group company)	4 519	1 000
Gearbulk Holding AG*	41 621	13 841
Gearbulk Pool Ltd	840	-
Gearbulk Norway AS	112	-
G2 Ocean AS	510	-
GB MGT Swiss AG (group company)	-	87
Other liabilities (ref note 11)	1 183	1 946
Total intercompany payables	<u>48 785</u>	<u>16 875</u>

* Dividend 2022

Note 9 - Bank deposits

There is no restricted cash as of December 31, 2022 (2021: USD 0 mill).



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note 10 - Equity

Share capital:

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

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

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Gearbulk Holding AG (Switzerland)	533 400	100 %	100 %

The Group financial statement of Gearbulk Holding AG is available at the main office in Switzerland (Zentrum Staldenbach 5, 8808 Pfaffikon, Schwyz, Switzerland).

Note 11 - Capital Lease

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

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

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

Future minimum lease payments as of December 31, 2022 are as follows:

(US Dollars in thousands)

2023.....	9 944
2024.....	4 612
2025.....	4 599
2026	4 599
2027	4 460
Thereafter	15 650
Sum	<u>43 238</u>
Less: Amounts representing future finance cost (interest)	-9 382
Present value of minimum capital lease payment	<u>33 856</u>
Less: current portion	-6 797
Long-term capital lease obligation	<u>27 059</u>



Gearbulk Shipping AS

Notes to the accounts for 2022

Amounts in 1000 USD

Note 12 - Short term liabilities

	2022	2021
Accrued expenses	423	473
Deferred income	583	583
Related parties*	47 602	15 617
Other short term liabilities	177	202
Total	<u>48 785</u>	<u>16 875</u>

*Dividend 2022 USD 41 621 052.

Note 13 - Going concern

The Gearbulk Group's overall liquidity position has continued to improve during 2022, following the strong improvement of market conditions. The company also forecast a strong 2023 result due to the continued market in 2023. Management further notes that the Group and the shipping industry is facing a potential commodity cycle, which has the potential to create a further positive upside to liquidity and result for Gearbulk Shipping AS.

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



To the General Meeting of Gearbulk Shipping AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Gearbulk Shipping AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for Opinion

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

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførersekskap



- contains the information required by applicable statutory requirements.

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.

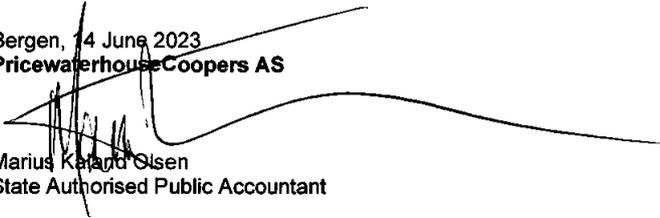
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise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

Bergen, 14 June 2023
PricewaterhouseCoopers AS


Marius Ketland Olsen
State Authorised Public Accountant



Norwegian Directorate of Taxes

Inquiries to
Torstein Kinden Helleland

Your date
24.08.2015

Our date
16.09.2015

Telephone
22078139

Your reference
Anders Hagen

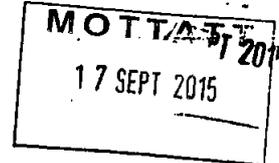
Our reference
2015/839383

GEARBULK POOL LTD
Postboks 1925 Damsgård
5828 BERGEN

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

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

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



Conclusion

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

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

Background

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

Postal address
Postboks 9200 Grønland
0134 Oslo

Visiting address:
See www.skatteetaten.no
Org.nr: 996250318
E-mail: skatteetaten.no/sendepost

Telephone
800 80 000
Telefax
22 17 08 60



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

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

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

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

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

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

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

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

Best regards

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Torstein Kinden Helleland

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