

# **Eagle Bulk Europe A/S**

**Nyhavn 43B 1., 1051 København K**

**Company reg. no. 40 71 70 56**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 2 June 2022.

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Frank Christopher De Costanzo  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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Today, the board of directors and the executive board have presented the annual report of Eagle Bulk Europe A/S for the financial year 1 January - 31 December 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København K, 2 June 2022

### **Executive board**

Frank Christopher De Constanzo   Mathias Frederik Grønvald

### **Board of directors**

Gary Scott Vogel  
Chairman

Frank Christopher De Constanzo   Bo Westergaard Jensen

## **Independent auditor's report on extended review**

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### **To the shareholders of Eagle Bulk Europe A/S**

#### **Opinion**

We have performed an extended review of the financial statements of Eagle Bulk Europe A/S for the financial year 1 January to 31 December 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the extended review of the financial statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen, 2 June 2022

### **Deloitte**

State Authorised Public Accountant  
Company reg. no. 33 96 35 56

### **Kim Takata Mücke**

State Authorised Public Accountant  
mne10944

## Company information

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### **The company**

Eagle Bulk Europe A/S  
Nyhavn 43B 1.  
1051 København K

Company reg. no. 40 71 70 56

Financial year: 1 January - 31 December

### **Board of directors**

Gary Scott Vogel, Chairman  
Frank Christopher De Constanzo  
Bo Westergaard Jensen

### **Executive board**

Frank Christopher De Constanzo  
Mathias Frederik Grønvald

### **Auditors**

Deloitte, Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 København S

### **Parent company**

Eagle Shipping International (USA) LLC

## **Management commentary**

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### **The principal activities of the company**

The company's principal activity is to undertake shipping business and other business related here to.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 5.666.181 against DKK 4.895.250 last year. Income from ordinary activities after tax totals DKK 264.028 against DKK 174.727 last year. Management considers the net profit for the year satisfactory.

## **Accounting policies**

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The annual report for Eagle Bulk Europe A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK. Last year was the company's first financial year and consequently, the comparative figures in the income statement comprise the period 16 August 2019 – 31 December 2020.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.



## Accounting policies

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### Income statement

#### **Gross profit**

Gross profit comprises the revenue and external costs.

Revenue comprise management fee. Income from management and administration services is recognized concurrently with delivery of services.

Other external costs comprise costs incurred for sales, administration and premises.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, as well as surcharges and reimbursements under the advance tax scheme, etc.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

## **Accounting policies**

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The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Leasehold improvements**

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 3 years.

### **Investments**

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Receivables**

Receivables are measured at amortised cost less provisions for expected credit losses.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement

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All amounts in DKK.

<u>Note</u>	1/1 2021 - 31/12 2021	16/8 2019 - 31/12 2020
<b>Gross profit</b>	<b>5.666.181</b>	<b>4.895.250</b>
1 Staff costs	-5.286.060	-4.644.513
Depreciation and impairment of property, land, and equipment	-9.829	0
<b>Operating profit</b>	<b>370.292</b>	<b>250.737</b>
Other financial income	4	0
Other financial costs	-9.964	-3.190
<b>Pre-tax net profit or loss</b>	<b>360.332</b>	<b>247.547</b>
2 Tax on profit for the year	-96.304	-72.820
<b>Net profit or loss for the year</b>	<b>264.028</b>	<b>174.727</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	264.028	174.727
<b>Total allocations and transfers</b>	<b>264.028</b>	<b>174.727</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
3 Leasehold improvements	82.035	0
Total property, plant, and equipment	<u>82.035</u>	<u>0</u>
4 Other receivables	150.050	60.552
Total investments	<u>150.050</u>	<u>60.552</u>
<b>Total non-current assets</b>	<b><u>232.085</u></b>	<b><u>60.552</u></b>
<b>Current assets</b>		
Receivables from group enterprises	556.595	1.155.927
Other receivables	110.265	37.612
Prepayments and accrued income	<u>157.731</u>	<u>119.182</u>
Total receivables	<u>824.591</u>	<u>1.312.721</u>
Cash on hand and demand deposits	<u>353.377</u>	<u>176.425</u>
<b>Total current assets</b>	<b><u>1.177.968</u></b>	<b><u>1.489.146</u></b>
<b>Total assets</b>	<b><u>1.410.053</u></b>	<b><u>1.549.698</u></b>

## Statement of financial position at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	400.000	400.000
Retained earnings	438.755	174.727
<b>Total equity</b>	<b>838.755</b>	<b>574.727</b>
<b>Provisions</b>		
Provisions for deferred tax	1.880	0
<b>Total provisions</b>	<b>1.880</b>	<b>0</b>
<b>Liabilities other than provisions</b>		
Trade payables	158.367	77.298
Income tax payable	19.424	12.820
Other payables	391.627	884.853
Total short term liabilities other than provisions	569.418	974.971
<b>Total liabilities other than provisions</b>	<b>569.418</b>	<b>974.971</b>
<b>Total equity and liabilities</b>	<b>1.410.053</b>	<b>1.549.698</b>
<b>5 Contingencies</b>		
<b>6 Related parties</b>		

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Contributed capital not paid</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 16 August 2019	400.000	300.000	-300.000	400.000
Retained earnings for the year	0	0	174.727	174.727
Contributed capital paid for the year	0	-300.000	0	-300.000
Contributed capital paid for the year	<u>0</u>	<u>0</u>	<u>300.000</u>	<u>300.000</u>
Equity 1 January 2021	400.000	0	174.727	574.727
Retained earnings for the year	<u>0</u>	<u>0</u>	<u>264.028</u>	<u>264.028</u>
	<u><b>400.000</b></u>	<u><b>0</b></u>	<u><b>438.755</b></u>	<u><b>838.755</b></u>

## Notes

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All amounts in DKK.

	1/1 2021 - 31/12 2021	16/8 2019 - 31/12 2020
	<u>                    </u>	<u>                    </u>
<b>1. Staff costs</b>		
Salaries and wages	4.447.030	4.178.779
Pension costs	813.826	447.479
Other costs for social security	25.204	18.255
	<u><b>5.286.060</b></u>	<u><b>4.644.513</b></u>
Average number of employees	<u>3</u>	<u>3</u>
<b>2. Tax on profit for the year</b>		
Tax for the year	94.424	72.820
Adjustment of deferred tax for the year	1.880	0
	<u><b>96.304</b></u>	<u><b>72.820</b></u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>3. Leasehold improvements</b>		
Cost 1 January 2021	0	0
Additions during the year	91.864	0
<b>Cost 31 December 2021</b>	<u><b>91.864</b></u>	<u><b>0</b></u>
Depreciation and writedown 1 January 2021	0	0
Amortisation and depreciation for the year	-9.829	0
<b>Depreciation and writedown 31 December 2021</b>	<u><b>-9.829</b></u>	<u><b>0</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>82.035</b></u>	<u><b>0</b></u>
<b>4. Other receivables</b>		
Deposits	150.050	60.552
	<u><b>150.050</b></u>	<u><b>60.552</b></u>



## Notes

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All amounts in DKK.

### 5. Contingencies

#### Contingent liabilities

Rent liabilities

The company has a rent obligation. On 31 December 2021 the total obligation were DKK 619.077.

### 6. Related parties

#### Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Eagle Bulk Shipping Inc., 300 First Stamford Place, 5th Floor Stamford, Connecticut, USA