

Eagle Bulk Europe A/S

Bredgade 30, 3, 1260 København K

Company reg. no. 40 71 70 56

Annual report

16 August 2019 - 31 December 2020

The annual report was submitted and approved by the general meeting on the 28 June 2021.

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

Today, the board of directors and the executive board have presented the annual report of Eagle Bulk Europe A/S for the financial year 16 August 2019 - 31 December 2020.

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 2020 and of the company's results of activities in the financial year 16 August 2019 – 31 December 2020.

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.

Copenhagen, 28 June 2021

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

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 16 August 2019 to 31 December 2020, 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 2020 and of the results of the company's activities for the financial year 16 August 2019 - 31 December 2020 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 international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. 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

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, 28 June 2021

Deloitte

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

Kim Takata Mücke

State Authorised Public Accountant
mne10944

Company information

The company

Eagle Bulk Europe A/S
Bredgade 30, 3
1260 København K

Company reg. no. 40 71 70 56

Financial year: 16 August - 31 December
1st financial year

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

The principal activities of the company

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

Development in activities and financial matters

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

Accounting policies

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

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

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

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.

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

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.

Accounting policies

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.

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

All amounts in DKK.

<u>Note</u>	16/8 2019 - 31/12 2020
Gross profit	4.895.250
1 Staff costs	-4.644.513
Operating profit	250.737
Other financial costs	-3.190
Pre-tax net profit or loss	247.547
2 Tax on profit for the year	-72.820
Net profit or loss for the year	174.727
Proposed appropriation of net profit:	
Transferred to retained earnings	174.727
Total allocations and transfers	174.727

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Assets	
Non-current assets	
3 Other receivables	60.552
Total investments	<u>60.552</u>
Total non-current assets	<u>60.552</u>
Current assets	
Receivables from group enterprises	1.155.927
Other receivables	37.612
Prepayments and accrued income	119.182
Total receivables	<u>1.312.721</u>
Cash on hand and demand deposits	<u>176.425</u>
Total current assets	<u>1.489.146</u>
Total assets	<u>1.549.698</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Equity and liabilities	
Equity	
Contributed capital	400.000
Retained earnings	174.727
Total equity	<u>574.727</u>
Liabilities other than provisions	
Trade payables	77.298
Income tax payable	12.820
Other payables	884.853
Total short term liabilities other than provisions	<u>974.971</u>
Total liabilities other than provisions	<u>974.971</u>
Total equity and liabilities	<u>1.549.698</u>
4 Contingencies	
5 Related parties	

Statement of changes in equity

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
Profit for the year	0	0	174.727	174.727
Contributed capital paid during the year	<u>0</u>	<u>-300.000</u>	<u>300.000</u>	<u>0</u>
	<u>400.000</u>	<u>0</u>	<u>174.727</u>	<u>574.727</u>

Notes

All amounts in DKK.

	16/8 2019 - 31/12 2020
1. Staff costs	
Salaries and wages	4.178.779
Pension costs	447.479
Other costs for social security	18.255
	<u>4.644.513</u>
 Average number of employees	 <u>3</u>
2. Tax on profit for the year	
Tax for the year	72.820
	<u>72.820</u>
	 <u>31/12 2020</u>
3. Other receivables	
Deposits	60.552
	<u>60.552</u>
4. Contingencies	
Contingent liabilities	
Rent liabilities	
The company has a rent obligation. On 31 December 2020 the total obligation were DKK 60.552	
5. 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	