

Eagle Bulk Europe A/S

Nyhavn 43B 1., 1051 København K

Company reg. no. 40 71 70 56

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 23 June 2023.

Constantine George Tsoutsoplides
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 statement

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 2022.

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 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

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 at the Annual General Meeting.

København K, 23 June 2023

Executive board

Constantine George Tsoutsoplides Mathias Frederik Grønvald

Board of directors

Gary Scott Vogel

Chairman

Constantine George
Tsoutsoplides

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 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on 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 "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 in preparing the financial statements unless 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 a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance opinion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 23 June 2023

Deloitte

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

Brian Schmit Jensen

State Authorised Public Accountant
mne40050

Company information

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 3rd financial year
Board of directors	Gary Scott Vogel, Chairman Constantine George Tsoutsoplides Bo Westergaard Jensen
Executive board	Constantine George Tsoutsoplides Mathias Frederik Grønvald
Auditors	Deloitte, Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
Parent company	Eagle Shipping International (USA) LLC

Management's review

Description of key 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 12.567.463 against DKK 5.666.181 last year. Income or loss from ordinary activities after tax totals DKK 498.663 against DKK 264.028 last year. 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 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 last year, and the annual report is presented in DKK.

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.

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

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.

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

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.

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.

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.

Accounting policies

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 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	12.567.463	5.666.181
1 Staff costs	-11.875.525	-5.286.060
Depreciation and impairment of property, land, and equipment	-30.534	-9.829
Operating profit	661.404	370.292
Other financial income	1.512	4
Other financial costs	-9.783	-9.964
Pre-tax net profit or loss	653.133	360.332
2 Tax on profit for the year	-154.470	-96.304
Net profit or loss for the year	498.663	264.028
Proposed distribution of net profit:		
Transferred to retained earnings	498.663	264.028
Total allocations and transfers	498.663	264.028

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
3 Leasehold improvements	51.501	82.035
Total property, plant, and equipment	<u>51.501</u>	<u>82.035</u>
4 Other receivables	140.744	150.050
Total financial assets	<u>140.744</u>	<u>150.050</u>
Total non-current assets	<u>192.245</u>	<u>232.085</u>
Current assets		
Receivables from group enterprises	4.386.025	556.595
Deferred tax assets	796	0
Income tax receivables	28.854	0
Other receivables	125.606	110.265
Prepayments	99.666	157.731
Total receivables	<u>4.640.947</u>	<u>824.591</u>
Cash on hand and demand deposits	<u>885.825</u>	<u>353.377</u>
Total current assets	<u>5.526.772</u>	<u>1.177.968</u>
Total assets	<u>5.719.017</u>	<u>1.410.053</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	400.000	400.000
Retained earnings	937.418	438.755
Total equity	<u>1.337.418</u>	<u>838.755</u>
Provisions		
Provisions for deferred tax	0	1.880
Total provisions	<u>0</u>	<u>1.880</u>
Liabilities other than provisions		
Trade payables	220.441	158.367
Income tax payable	0	19.424
Other payables	4.161.158	391.627
Total short term liabilities other than provisions	<u>4.381.599</u>	<u>569.418</u>
Total liabilities other than provisions	<u>4.381.599</u>	<u>569.418</u>
Total equity and liabilities	<u>5.719.017</u>	<u>1.410.053</u>
5 Contingencies		
6 Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	400.000	174.727	574.727
Retained earnings for the year	0	264.028	264.028
Equity 1 January 2022	400.000	438.755	838.755
Retained earnings for the year	0	498.663	498.663
	400.000	937.418	1.337.418

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	10.981.492	4.447.030
Pension costs	859.932	813.826
Other costs for social security	34.101	25.204
	<u>11.875.525</u>	<u>5.286.060</u>
Average number of employees	<u>4</u>	<u>3</u>
2. Tax on profit for the year		
Tax for the year	157.146	94.424
Adjustment of deferred tax for the year	-2.676	1.880
	<u>154.470</u>	<u>96.304</u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
3. Leasehold improvements		
Cost 1 January 2022	91.864	0
Additions during the year	0	91.864
Cost 31 December 2022	<u>91.864</u>	<u>91.864</u>
Depreciation and write-down 1 January 2022	-9.829	0
Amortisation and depreciation for the year	-30.534	-9.829
Depreciation and write-down 31 December 2022	<u>-40.363</u>	<u>-9.829</u>
Carrying amount, 31 December 2022	<u>51.501</u>	<u>82.035</u>
4. Other receivables		
Deposits	140.744	150.050
	<u>140.744</u>	<u>150.050</u>

Notes

All amounts in DKK.

5. Contingencies

Contingent liabilities

Rent liabilities

The company has a rent obligation. On 31 December 2022 the total obligation were DKK 281.488.

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