

Information document



Western Bulk Chartering AS

(A private company limited by shares incorporated under the laws of Norway)

Admission to trading of shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Western Bulk Chartering AS (the "**Company**" or "**Western Bulk**" and, together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs ASA. ("**Euronext Growth Oslo**").

All information is given as at the date of this document.

The Company's issued and outstanding share capital is NOK 1,661,485.75, divided into 33,229,715 shares, each with a par value of NOK 0.05 (the "**Shares**").

The Shares have been approved for admission to trading on the Euronext Growth and it is expected that the Shares will start trading on or about 20 September 2021 under the ticker code "WEST". All of the issued Shares rank pari passu with one another and each Share carries one vote.

Euronext Growth Oslo is a market operated by Euronext. Companies on Euronext Growth Oslo, multilateral trading facility (MTF) are not subject to the same rules as companies on a Regulated Market (a main market). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing on Euronext Growth Oslo may therefore be higher than investing in a company on a Regulated Market. **Investors should take this into account when making investment decisions.**

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71.

The present Information Document has been drawn up under the responsibility of the Issuer. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext Growth Oslo.

This information document does not constitute an offer to buy, subscribe or sell any of the securities described herein, and no securities are being offered or sold pursuant hereto.

Investing in the Company involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 1 ("Risk Factors") and Section 3.4 ("Cautionary note regarding forward-looking statements") when considering an investment in the Company and its Shares.

Euronext Growth advisors

Arctic Securities AS



DNB Bank ASA



The date of this Information Document is 16 September 2021

IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company in connection with the Admission. The purpose of the Information Document is to provide information about the Company and its business. This Information Document has been prepared solely in the English language.

The Euronext Growth Oslo is subject to the rules in the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (the "**Norwegian Securities Trading Act**") and the Norwegian Securities Trading Regulations of 29 June 2007 no 876 (as amended) (the "**Norwegian Securities Trading Regulation**") that apply to such marketplaces. These rules apply to companies admitted to trading on Euronext Growth Oslo, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Euronext Expand. Euronext Growth Oslo is not a regulated market.

For definitions of terms used throughout this Information Document, please refer to Section 14 ("Definitions and glossary of terms").

The Company has engaged Arctic Securities AS and DNB Markets, a part of DNB Bank ASA, as its advisors in connection with its Admission of the Company's Shares on Euronext Growth Oslo (the "**Euronext Growth Advisors**"). This Information Document has been prepared to comply with the Admission to Trading Rules for Euronext Growth Oslo (the "**Euronext Growth Admission Rules**") and the Content Requirements for Information Documents for Euronext Growth Oslo (the "**Euronext Growth Content Requirements**"). Oslo Børs ASA has not approved or reviewed this Information Document or verified its content.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisors in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisors.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth regulations. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document in certain jurisdictions may be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (*Nw.: Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. Please refer to Section 1 ("Risk factors").

INFORMATION TO DISTRIBUTORS

Solely for the purpose of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets on financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public company limited by shares and incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association. The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

Although certain Group companies are incorporated in the United States, all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company in the United States or to enforce judgments obtained in U.S. courts against the Company, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

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1. **RISK FACTORS**

1.1 General

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Information Document, including the Financial Information and related notes. The risks and uncertainties described in this Section 1 ("Risk factors") are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 1 ("Risk factors") are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The order in which the risk are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 1 ("Risk factors") is as of the date of this Information Document.

1.2 Risks relating to the Group's business and the industry in which it operates

1.2.1 The dry bulk sector

The dry bulk shipping market is highly competitive. This competitive market may, at some point of time in the future, be of hindrance for the Group's ability to fully realize its ambitions for growth, and/or have a material adverse effect on the Group's overall business. Factors determining the degree of competitiveness in the dry bulk market include but are not limited to, low barriers to entry, lack of transparency, highly fragmented market with many small market participants and access to financing.

Historically, the shipping industry, including the dry bulk market in which the Group operates, has been highly cyclical, experiencing volatility in profitability and asset values. These cycles are mainly driven by changes in the level and pattern of global economic growth, the highly competitive nature of the global shipping industry and changes in the supply of and demand for vessel capacity. While the Group generally benefits from increased market volatility there is a risk that the Group may be wrongly positioned for a market increase or decline. Such events may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity. Downturns in the global economy can also lead to a significant decline in world trade, which in turn results in decreased freight volumes and may result in rate adjustments in the shipping industry and in the demand for maritime and logistics services. This may lead to fewer opportunities for the Group to extract an arbitrage margin.

The outbreak of Covid-19 has had a significant negative impact on global trade and economic activity, and it is difficult to predict the continued impact it may have on the world economy going forward. The outbreak of Covid-19 has led to governmental shutdowns of cities, borders and companies to close business operations. The impact of such measures and potential further measures are difficult to predict, but they have had and are likely to continue to have a negative effect on the general economy, and this may in turn have negative consequences for the Group's business operations, especially in relation to measures concerning shipping, logistics and transportation. For instance, port immigration restrictions were implemented as a measure and quarantine requirements related to Covid-19 in such ports have caused significant challenges for required crew changes.

The main drivers of demand growth are outside of the Group's control. For example, short-term variances in growth rates of demand for agricultural commodities are often a result of seasonal variations, variations which can be further

augmented by irregularities in weather patterns. Random shocks to the economy beyond the Group's control could also impact the growth in demand for transportation of dry bulk commodities, both positively and negatively. If the Group were to be positioned with an overweight of tonnage a negative shock in demand for dry bulk transportation could result in lack of employment for the Group's vessels causing idle time and lay-up of vessels and a corresponding loss of revenues. Similarly, if the Group was to have an overweight of cargo commitments a sharp increase in the market could cause losses as the Group would have to charter in vessels at higher rates to cover existing commitments. Large market fluctuations can also lead to cash flow risk as the Group uses derivatives (forward freight agreements) where negative variances in mark to market value are compensated daily by margin calls.

The fleet serving the dry bulk market is large and with diverse ownership. Owing to the long life span of ships, as well as the long construction period, the global fleet size cannot adapt as quickly to changes in the market as the demand side does. In periods of high market rates, there is a risk that vessel orders will surpass future demand growth for seaborne transportation, which may have a long-lasting effect on the market balance once the ships are delivered. Over time, during such periods of oversupply, the fleet productivity goes down, vessels spend longer times idle (in port/bunkering/ballasting), and the average speed of the fleet is reduced. In order for fleet productivity to increase again, there must be an increase in demand and/or increase in the scrapping of vessels. Factors influencing ship-owners to scrap their vessels depend on a number of parameters, including but not limited to, age of the vessel, technical advances (e.g. within the area of fuel efficiency), scrap prices and the freight market. The prevailing freight market influences both present earnings for the vessel, and the present possibilities for locking in the future income of the vessel for a given period. The Group's positioning in the dry bulk market could potentially cause losses for the Group when market rates change, due to being long/short on tonnage and freight contracts ("**Contracts of Affreightment**" or "**COAs**"). These risks are mitigated through Group internal processes and monitoring. The Group provides cargo services through COAs of various durations, or through single voyages fixed in the spot market.

Should the freight market levels remain depressed for a prolonged period, either due to lack of demand for seaborne commodities and/or continued oversupply of vessels, the Group could suffer as lower markets imply lower margins, making it more difficult to produce positive net results and maintaining a healthy balance sheet. Further, a prolonged low market period could render the Group's significant TC and purchase options out of the money, adversely affecting the Group's ability to realize its ambitions for further fleet growth.

1.2.2 Bunker fuel price risk

The fluctuation of bunker fuel prices, in particular increasing bunker fuel price, is an area of concern, with high oil prices continuing into 2022. The corresponding increase in voyage costs makes it more challenging to increase Net TC results. Increasing bunker prices may also lead to higher working capital requirements, which may have a negative effect on the Company's liquidity.

To reduce the risk of fluctuations in bunker fuel prices the Group has policies in place that require the use of bunker fuel swaps or options to hedge the inherent fuel oil exposure in its freight contracts.

Bunker fuel hedging contracts only exist for a small number of major ports, such as Singapore and Rotterdam. This means that the hedging contracts will settle against bunker fuel prices in these ports, and not against actual bunker prices achievable in the ports the Group Companies will need to perform its bunker purchases. In addition, it is not possible to either exactly quantify the fuel need for a certain future voyage or to purchase hedging instruments for non-standard volumes. This means that the Group will be subject to basis risk, i.e. the risk that the Group's underlying exposure will not exactly match the exposure of the hedging contract put in place. This basis risk may from time to time be significant, even though the size and diversification of the Group's operations mean that the risk is relatively small in aggregate and over time.

1.2.3 Inherent risk and insurance

The Group procures insurance against risks commonly insured against by vessel operators, war risks insurance and charterer's protection and indemnity insurance (which covers third party liability and includes environmental damage and pollution insurance). The Group also carries Freight Defence & Demurrage insurance which is a specialised form of legal costs insurance. This allows the Group to mitigate the costs of defending claims or pursuing recovery of losses.

There is no assurance that the Group companies are adequately insured against all risks or that the insurers will pay a particular claim. Even if the insurance coverage is adequate to cover incurred losses, the potential business interruption and damage to customer relationships can adversely impact the Group's performance. The Group's insurance policies also contain deductibles, limitations and exclusions which, although they represent standards in the shipping industry, may nevertheless increase the Group's costs or decrease their recovery in the event of a loss.

1.2.4 Capital markets

Adverse changes in global capital markets and liquidity together with regulation of financial markets could impact the Group's results. For instance reduced liquidity could impact the availability of derivative instruments currently used by the Group to hedge some its freight rate and fuel oil price risks.

Limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause the Company's current or prospective customers to make reductions in future capital budgets and spending. Such adjustments could reduce demand for the Company's products and services. A tightening of the credit markets may also affect the solvency of the Company's counterparties which could impact the performance and payment of the counterparties' obligations under the current or future contracts of the Company or their ability to obtain adequate financing causing them to terminate existing Contracts of Affreightment.

1.2.5 War, civil unrest and political instability

Civil unrest, war, military tension and terrorist attacks have among other things caused instability in the world's financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic markets in which the Group operates (or may operate in the future). This has contributed to high levels of volatility in prices of various commodities, and in particular the price of oil.

Instability may cause disruption to financial and commercial markets and contribute to even higher level of uncertainty and volatility. In addition, acts of terrorism and threats of armed conflicts in or around various areas in which the Group operates (or may operate in the future) could limit or disrupt the Group's markets and operations, including by causing disruptions from evacuation of personnel, situations of prolonged force majeure or the cancellation of contracts. Armed conflicts, political unrest, terrorism may have a significant adverse effect on the markets in which the Group operates and thereby impact the Group's business and results of operations in the future.

1.2.6 Operational and other errors

The vessels chartered in by the Group are subject to perils particular to marine operations, including capsizing, grounding, collision and loss and damage from severe weather or storms. The vessels may also be subject to other unintended accidents. Such circumstances may result in loss of or damage to the relevant vessel, operational downtime, damage to property, including cargo and other vessels and damage to the environment or persons or for damages connected with future time charter contracts which cannot be fulfilled. As an operator the Group is unlikely to be primarily responsible for such events. However, there remain risks that such events may lead to the Group being held liable for substantial amounts by injured parties, their insurer and public governments. In particular environmental laws and regulations are often stringent and may expose the Group to liability for the conduct of or conditions caused by others, or for acts by the Group that were in compliance with all applicable laws at the time such actions were taken.

The occurrence of the above-mentioned events may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity, and there can be no assurance that the Group's insurance will fully compensate any such potential losses and/or expenses.

1.2.7 Maritime claimants could arrest vessels chartered by the Group

In some circumstances crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against vessels chartered in by the Group for unsatisfied debts, claims or damages. In many jurisdictions a maritime lien holder may enforce its lien by arresting a vessel through judicial proceedings. The arrest or attachment of one or more of the vessels chartered in by the Group could interrupt the cash flow of the charterer and/or the Group and require the Group to pay a significant amount of money to have the arrest lifted.

The Group might suffer reputational damage from its chartered vessels becoming subject to a maritime lien, which could affect the company unfavourably whether the maritime lien holders' claim is justified or not. This could lead to the deterioration of existing customer relationships, and/or the Group's ability to attract new customers, both factors which are important for the Group's ability to continue to run and grow their business.

1.2.8 Risks in general inherent in international operations

The Group's chartered vessels are operated and chartered to charterers operating from various countries and operated internationally. As a result, and as the Company continues to increase its fleet and customer base, the Group encounters the following risks, among others:

- i. Exchange rate fluctuations;
- ii. Difficulties in collecting amounts owed;
- iii. Domestic and foreign tax policies;
- iv. Laws and regulations, interpretations and court decisions under legal systems, which are not always fully developed; and/or
- v. Compliance with new environmental laws or regulations.

1.2.9 Counterparty risk

The Group deals with a significant number of counterparties, including cargo clients, tonnage providers, operators, brokers, agents, and suppliers. This subjects the Group to significant counterpart risk. The Group has a diversified exposure; dealing with a wide range of counterparts, across different segments, commodities, and geographies. There is a risk of counterparts failing to meet their obligations to the Group in general or in the event of an operational incident. In the event of such an incident, should the parties not be able to reach a commercial agreement or settlement, there is a risk that the Group might have to engage in arbitration and/or litigation to collect their dues. Furthermore, international sanctions have become more comprehensive and complex over the years, which has impacted the shipping industry and restricted business with certain counterparties and/or trades.

Active use of risk management plays an important role in the Group's business model. The Group has developed a strong risk management culture that emphasizes risk awareness in all decision makings, and it operates with clearly defined risk appetite and mandate. It has implemented policies and procedures, including internal control routines to mitigate the risks and the potential consequences. A dedicated Counterparty Risk Team is responsible for identifying, assessing, and monitoring the Group's counterparty risk on a daily basis. Counterparts are subject to risk based due diligence, where factors taken into consideration depend on the risk profile of the counterparty, trade, and contract exposure. The team also assesses country, vessel, and cargo risk. For counterparties and/or trades that are potentially subject to sanction risk, a more comprehensive assessment is carried out. This entails not only assessing the contractual counterparty, but also other parties directly or indirectly involved in the trade.

1.2.10 Risks related to customers

The Group has a diversified cargo customer base, but in order to continue the ongoing business and to ensure the prospected growth strategy, the Group must continue its strong and long relationships with current customers in addition to attracting new customers. However, it is not given that the Group will be able to continue its existing customer relationships, nor that it will be able to attract new customers. This could, for instance, be a result of reduced competitiveness, making it harder for the Group to offer competitive pricing on its freight services. Moreover, if the Company's reputation is harmed, customers may decide to stay away from the Group even if it can offer competitive freight rates. This may have a material adverse effect on the Group's future income.

1.2.11 Risk of fraudulent behavior from third parties and/or employees

Third parties acting as agents for the Group and/or employees of the Group could engage in fraudulent behaviour against the Group on their own, or that of others' initiative, making them act against the interest of the Group. Such actions could include, but are not limited to, document fraud, port bribes, fraudulent commission agreements and facilitation payments. Whether deliberate or not, such actions could potentially put the Group at risk for both legal liabilities and reputational damage.

1.3 Legal and regulatory risks

1.3.1 Risks related to legal proceedings

In the ordinary course of its activities the Group may become involved in litigation or other formal dispute resolution processes which may be expensive, lengthy, disruptive to business operations and require significant attention from the Group's employees and management. Costs and write-downs associated with legal proceedings could have a material adverse effect on the Group's financial condition, results of operations and cash flows. Moreover, legal proceedings, particularly those resulting in judgments or findings against the Group, may harm its reputation and competitiveness in the market. The Group carries insurance against usual risks inherent in the shipping sector and also legal costs as set out above.

1.3.2 Risks related to compliance with laws and regulations

The Group is subject to laws and regulations in several jurisdictions in which it operates. Such laws and regulations may be subject to change and interpretation, and any changes in legal and regulatory regimes within the relevant jurisdictions may have an adverse effect on the Group. In addition, compliance with safety and other vessel requirements imposed by international regulations and industry requirements may be costly and could reduce the Group's cash flows and income. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out operations, or in which its employees are located. Any failure to comply with applicable laws, regulations and other requirements now or in the future may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil and/or criminal liability as well as negative publicity, which could harm the Group's business and reputation. Furthermore, changes in laws, regulations and requirements may impose more onerous obligations on the Group and limit its profitability, including increasing the costs associated with the Group's compliance with such laws and regulations. More specifically, the Group's activities may to a large extent be governed by the fiscal legislation of the jurisdictions in which it operates. Thus, the Group is exposed to risks regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. In addition, the Group is, to a certain extent, exposed to different rules of freight duty and withholding tax.

1.3.3 Risks related to sanctions

Economic sanctions can be relevant for participants in the shipping industry, such as prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU or other jurisdictions. Vessel owners or other parties that the Group enters into contracts with may be affiliated with persons or entities that are subject of such sanctions. Although the Group believes that it is in compliance with applicable sanctions laws and regulations, there is a risk that it may not be in compliance with such laws and regulations in the future, particularly as the relevant sanctions restrictions are often ambiguous and change regularly. Any such violation could result in fines or other penalties, criminal sanctions or suspension or termination of the Group's operations, which could severely affect the Group's ability to access certain markets and conduct its business. Furthermore, such circumstances could result in some investors deciding, or being required, to divest their investment or not to invest in the Group.

1.4 Risks related to Company's financial situation

1.4.1 Tonnage tax regime

Certain of the Company's subsidiaries operate within the Norwegian tonnage tax regime (see section 11.1 for further details). There is a risk that the Norwegian tonnage tax regime no longer will be applicable to any of the Group companies due to new requirements and/or changes in the Group structure. If the tonnage tax regime were to no longer apply to the Group's income this would have a negative impact on the Group's financial performance. Risks are primarily related to changes in regulation, as well as a forced exit due to breach of the requirements of the regime. Examples of breaches leading to forced exit are lack of ownership in qualifying assets, non-qualifying activities or insufficient share of vessels chartered from EU/EEA flag states.

Western Bulk Pte Ltd in Singapore operates under a scheme that gives tax exemption on qualifying shipping income (see further section 11.1). Western Bulk Pte Ltd's future tax rate in Singapore depends on its ability to remain qualified for the scheme, and on the future development or existence of the scheme. Western Bulk Pte Ltd's approval for this scheme runs until 2025 and can be extended subject to further approval from the relevant authorities. There are no known reasons that would preclude Western Bulk Pte Ltd from participation in the scheme during the current approval period (2015-2025). If Western Bulk Pte Ltd were to be excluded from the scheme or should the scheme end or be amended this could have a negative impact on the Group's financial performance.

1.4.2 Liquidity risk

The Group may be unable to raise sufficient funds in the future to meet its ongoing or future capital and operating expenditure needs. Similarly, the Group may be unable to obtain funding in order for it to further implement its growth strategy or take advantage of opportunities for acquisitions, investments or other business opportunities. There can be no assurance that any funding will be available to the Group on sufficiently attractive terms or at all. Available sources of funding may be affected by general market conditions, if the Group faces an economic downturn in its main markets, or if the creditworthiness of the Group is weakened. Furthermore, the Group is exposed to liquidity risk through margin calls in the use of derivatives when market rates change significantly over a short period of time.

If financing available to the Group is insufficient to meet its financing needs, the Group may be forced to reduce or delay capital expenditures, sell assets at unanticipated times and/or at unfavourable prices, seek additional equity capital or restructure or refinance its debt. There can be no assurance that such measures would be successful or adequate to meet the Group's financing needs or would not result in the Group being placed in a less competitive position. If any of these risks materialise, it could have a material adverse effect on the Group's business, financial positions and profits.

1.4.3 Covenants compliance and change of control provisions

If the Group is unable to comply with restrictions and covenants in its debt financing agreements or in future debt financing agreements, there could be a default under the terms of those agreements. The Group's ability to comply with such restrictions and covenants is dependent on its future performance and may be affected by events beyond its control. If a default occurs under these agreements, lenders could terminate their commitments to lend or accelerate the outstanding loans and declare all amounts borrowed due and payable. If such an event occurs, there is a risk that the Group's assets may be insufficient to repay its outstanding indebtedness in full, and the Group may be unable to find alternative financing.

The Group's existing financing agreements contain change of control provisions under which the lenders may demand immediate payment of all outstanding amounts if any person or group of persons acting in concert, other than Christen Sveaas, gains direct or indirect negative control over the Company, including by the right to cast more than 33% of the maximum number of votes that might be cast at a general meeting in the Company, appoint or remove all or the majority of the directors or similar in the Company, having the power to give directors with respect to the operating and financial policies of the Company or holding more than 33% of the share capital. If such change of control occurs and the lenders exercise their right to demand repayment, there is a risk that the Group's assets may be insufficient to repay its outstanding indebtedness in full, and the Group may be unable to find alternative financing.

1.4.4 Exchange rate fluctuations

The functional currency of the Group is USD as the majority of the Group's transactions are denominated in USD. Currency risks arise with transactions that are completed in other currencies than USD, including administrative expenses and debt financing in other currencies than USD. The Group uses financial derivatives to reduce the currency exposure. However, there can be no assurance that such measures would be sufficient, which may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

1.4.5 Credit risks

The Group's customer base implies a material source of credit risk. Any downturn in the financial markets and economic activity may result in higher volume of late payments from the Group's customers and outstanding receivables, which may materially affect the Group's financial condition.

1.5 Risks relating to the Shares and the Admission

1.5.1 An active trading market for the Shares may not develop

While the Shares are currently registered on the NOTC-list, they have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facility. No assurance can be given that an active trading market for the Shares will develop on Euronext Growth Oslo, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

1.5.2 The Company will incur increased costs as a result of being listed on Euronext Growth Oslo

As a company with its shares listed on Euronext Growth Oslo, the Company will be required to comply with Oslo Børs' reporting and disclosure requirements for companies listed on Euronext Growth Oslo. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the aforementioned requirements and other rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Euronext Growth Oslo will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings and investor relations. In addition, the Board of Directors and Management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with shares listed on Euronext Growth Oslo, which may entail that less time and effort can be devoted to other aspects of the business.

1.5.3 The price of the Shares may fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the healthcare industry, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies, and such changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares. Further, major sales of shares by major shareholders could also negatively affect the market price of the Shares.

1.5.4 Risks related to the majority shareholders and majority shareholder rights

Kistefos Equity Holdings AS is and will be the majority shareholder of the Company following the admission to trading of the Shares on Euronext Growth Oslo. Kistefos Equity Holdings AS will, as the majority shareholder, be able to make decisions regarding the company with which other shareholders may disagree. Any conflict or disagreement between the majority shareholder and other shareholders could lead to disputes and/or result in other shareholders selling their shares in the Company. A conflict or disagreement between shareholders could cause disruption to the Company's business activities and planned activities going forward and thereby result in loss of customers and/or revenues with the potential for negative effect on the price of the Company's shares, loss of shareholders and/or decreased liquidity in the Company's shares.

1.5.5 Future issue of Shares or other securities could dilute holdings and/or materially affect price

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

1.5.6 Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be priced in Norwegian Kroner (NOK), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

1.5.7 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

1.5.8 Investors could be unable to exercise voting rights for Shares in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares at the Company's general meeting unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to the general meeting. There is no assurance that beneficial owners of the Shares will receive the notice to a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

1.5.9 Transfer subject to restrictions under the laws of the United States and other jurisdictions

None of the Shares have been registered under the U.S. Securities Act of 1933 (as amended) (the "**U.S. Securities Act**") or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or right offerings.

2. **RESPONSIBILITY FOR THE INFORMATION DOCUMENT**

This Information Document has been prepared solely in connection with the Admission of the Company on Euronext Growth Oslo.

We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

16 September 2021

The Board of Directors of Western Bulk Chartering AS


Bengt Arve Rem (Sep 16, 2021 15:55 GMT+2)

Bengt A. Rem
Chairman



Erik Borgen
Board member


Tord S. Meling (Sep 16, 2021 10:50 GMT+2)

Tord Meling
Board member

3. GENERAL INFORMATION

3.1 Other important investor information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Growth Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Growth Advisors assume no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Growth Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

3.2 Presentation of financial and other information

The Company's audited consolidated financial statements for the financial years ended 31 December 2020 and 2019 (the "**Annual Financial Statements**") have been prepared in accordance with the Norwegian Generally Accepted Accounting Principles ("**NGAAP**") and the Norwegian Accounting Act of 17 July 1998 No.56 (*Nw. Regnskapsloven*) ("**Norwegian Accounting Act**"). The Annual Financial Statements have been audited by RSM Norge AS. The Company has also prepared unaudited consolidated interim financial statements for the six-month period ended 30 June 2021 (the "**Interim Financial Statements**").

The Company presents the financial information in USD. Please refer to section 8 "Selected financial and other information" for further information.

The Annual Financial Statements for the financial years ended 31 December 2020 and 2019 are included in this Information Document at Appendix B and C respectively, and the Interim Financial Statements are included at Appendix D.

3.3 Industry and market data

In this Information Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Information Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to

the limitations described above and to a variety of other factors, including those described in Section 1 "Risk factors" and elsewhere in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

3.4 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to section 1 "Risk Factors".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

4. **REASONS FOR THE ADMISSION**

The Company believes the Admission will:

- enhance the Company's profile with investors, business partners, suppliers and customers;
- allow for a trading platform and more liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Company's future growth and value creation;
- provide better access to capital markets;
- further allow for growth and scale on investments made in recent years; and
- benefit from the prevailing strong dry bulk market conditions.

5. **DIVIDENDS AND DIVIDEND POLICY**

5.1 Dividend policy

This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends. Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS, although the Company prepares its financial statements in USD and its dividend policy refers to amounts in USD.

The Company aims to pay a special dividend for 2021. The minimum amount of such special dividend will be USD 30m based on current expectations for company performance in 2021 and market outlook for 2022. Following that special dividend, the Company aims to pay quarterly dividends on an annual basis of a minimum 80% of its adjusted net profits commencing after the results of the first quarter in 2022, subject to combined working capital and free cash position being sufficient to support such payouts.

There can be no assurances that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Company's board of directors will take into account legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

Dividends may be paid in cash or, in some instances, in kind.

The Company may only distribute dividends to the extent that that it after the distribution has net assets that provide coverage for the Company's share capital and other restricted equity. The calculation shall be based on the balance sheet of the Company's most recent approved annual accounts, it is however the registered share capital at the time of the decision that shall be applied.

Dividends can only be distributed to the extent that the equity is adequate in terms of the risk and scope of the Company's business.

Companies may distribute dividends in respect of the current financial year on the basis of an interim balance sheet to be prepared and audited on the same basis as the annual accounts and approved by the general meeting.

Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the Company and on the basis of a proposal from the board of directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the board of directors. The general meeting may grant the board of directors the authority to distribute dividends.

Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 11 "Taxation".

Holders of Shares will be entitled to dividends resolved to be declared at general meetings held after the Admission.

5.2 Dividend history

The Company has not paid dividends for the preceding five years. As part of a restructuring of the Company in 2016 a renegotiated bond agreement prevented any declaration or payment of dividend, repurchase of shares or other distributions to the Company's shareholders during the term of the bonds. The bond was repaid in full in 2019.

The results in the years of account 2019 and 2020 are set out elsewhere in this Information Document. These results were insufficient to pay dividend.

5.3 Legal and contractual constraints on the distribution of dividends

There are no legal or contractual constraints on the Company with respect to the distribution of dividends other than as stated herein.

6. THE PRIVATE PLACEMENT

6.1 Introduction and details of the Private Placement

On 8 September 2021, the Company announced the completion of a private placement raising gross proceeds of NOK 118.5 million through the issuance of 3,950,000 new Shares at a subscription price of NOK 30 per Share (the "**Private Placement**"). Arctic Securities AS and DNB Markets, a part of DNB Bank ASA, the Euronext Growth Advisors, acted as managers for the Private Placement (the "**Managers**").

In addition, the Managers over-allotted a total of 390,000 existing Shares to applicants in the Private Placement, equalling approximately 10% of the new Shares (the "**Additional Shares**"). In order to permit delivery in respect of such over-allotments made, Kistefos Equity Holdings AS has lent to Arctic Securities AS as stabilisation manager (the "**Stabilisation Manager**"), on behalf of the Managers, a number of existing Shares in the Company equal to the number of Additional Shares. Further, the Company has granted the Stabilisation Manager an option (the "**Greenshoe Option**") to subscribe and have issued, at the subscription price, a number of new Shares equal to the number of Additional Shares allocated in the Private Placement less any shares purchased by the Stabilisation Manager as part of stabilization activities to cover short positions resulting from any over-allotments made in the Private Placement not covered through such share purchases. The Greenshoe Option is exercisable, in whole or in part, by the Stabilisation Manager within a 30-day period commencing at the time trading in the Shares commences on Euronext Growth Oslo.

The application period for the Private Placement took place from 6 September 2021 at 09.00 CEST to 7 September 2021 at 16.30 CEST. Notifications of allocation were distributed on 9 September 2021. Settlement is expected to be completed on 20 September 2021. See Section 6.5 for further information about the settlement.

6.2 Shareholdings following the Private Placement

Following the completion of the Private Placement, the Company has a total of 391 shareholders.

The Company's majority shareholder, Kistefos Equity Holdings AS, owns 22,503,152 Shares, equal to 67.71997% of the Company's share capital following the completion of the Private Placement.

6.3 Use of proceeds

The net proceeds from the Private Placement to the Company is intended to be used for working capital for growth and strengthening of balance sheet, as well as for general corporate purposes.

6.4 Resolution to carry out the Private Placement and issue the new Shares

The Private Placement and the issuance of the new Shares was approved by the Company's general meeting on 14 September 2021.

6.5 Settlement and issuance of the new Shares

The new Shares allocated in the Private Placement will be settled through a normal delivery-versus-payment transaction on 20 September 2021. The delivery-versus-payment settlement was facilitated by a pre-funding agreement between the Company and the Managers. The share capital increase for the new Shares was registered in the Norwegian Register of Business Enterprises on 16 September 2021.

6.6 Dilution

The Private Placement resulted in an immediate dilution of approximately 12.9% for shareholders of the Company who did not participate in the Private Placement.

6.7 Lock-up

In connection with the Private Placement, customary lock-up undertakings were given by Kistefos Equity Holdings AS, Ojada AS and the Company and the members of the Management and Board of Directors of the Company which will restrict, subject to certain conditions, their ability to, without the prior written consent of the Euronext Growth Advisors, issue, sell or dispose of any Shares, as applicable, during the period from the date of such lock-up agreements entered into on or about 5 September 2021 and until (and including) the date falling 12 months (Board of Directors, members of the Management and the Company) and 6 months (Kistefos Equity Holdings AS and Ojada AS), respectively, after the first day of Admission to trading on Euronext Growth, Oslo.

7. BUSINESS OVERVIEW

This section of the Information Document is an overview of the Company and the Group's business as at the date of this Information Document. The overview below contains forward-looking statement that are based on the Company's plans, forecasts and estimates. This section should be read together with the other sections of this Information Document and in particular section 3.4 "Cautionary note regarding forward-looking statements" and section 1 "Risk Factors".

7.1 Introduction

The Group is a world-leading operator within the Handy and Supra dry cargo segment, with a global trading pattern and the experienced staff and robust systems required to handle the large diversity in commodity types, trading routes and operating conditions that these segments offer. The Group combines operational expertise in dry bulk shipping with portfolio and risk management techniques and approaches adapted from the financial industry.

The Group transports commodities for its customers worldwide, and to do this, the Group charters in vessels from the market, both on spot basis and for longer time periods. Through its size and access to market liquidity, the Group can offer its customers flexibility, competitive pricing and reliable services. At the same time, the Group uses its informational advantage to take limited, short-term positions in the freight market and to capture arbitrage opportunities. The Group strives to constantly optimise its portfolio of cargo contracts and vessels and use optionality actively to do this.

Based on the presence in different markets worldwide, the Group has built a broad and well-diversified supplier and customer base. As of this date, the Group operates a fleet of around 110-150 chartered in vessels to transport around 35 million mts of cargo on an annual basis for more than 300 cargo customers worldwide.

Given the diversity and complexity of the markets in which the Group operates, it has chosen to build a flat and decentralized organizational structure where most of the decision-making authority rests with its commercial teams. The decision-making authority is distributed down to seven independent business units with geographical mandates, and the units are based throughout the Company's five global offices in Oslo, Singapore, Santiago, Seattle and Casablanca. The Company's headquarters are located in Oslo, and the Company currently has around 112 employees across 30 different nationalities.

7.2 History and important events

The history of the Group started in 1982, when it was established under the names Western Bulk Shipping and Western Bulk Carriers. In February 2016, Bulk Invest ASA (formerly known as Western Bulk ASA) sold its subsidiary Western Bulk Chartering AS to Kistefos AS. Following this transaction, the Company is now a privately owned, independent chartering company.

Below is a brief overview of the history of the Group, including important events.

Year	Important events
1998	Kistefos AS established when Mr. Christen Sveeas merged his various investment vehicles into one company
2006	Kistefos AS increased ownership share to 96.6% in Western Bulk ASA
2013	Initial public offering of Western Bulk ASA and listing of shares on Oslo Børs
2016	Delisting of the shares in Western Bulk ASA from Oslo Børs and acquisition of 100% of the shares in Western Bulk Chartering AS
2019	New strategy of Western Bulk Chartering AS implemented

At the time of the listing of Western Bulk ASA on Oslo Børs in 2013, the group consisted of Western Bulk Chartering and Western Bulk Shipholding. In 2015 and at the beginning of 2016, Western Bulk Shipholding encountered difficulties and Kistefos AS subsequently acquired 100% of the shares in Western Bulk Chartering taking it outside of the current group, which resulted in Western Bulk ASA applying for bankruptcy and delisting from Oslo Børs in 2016. Following this, Western Bulk Chartering underwent significant restructuring and recapitalization and has emerged as an independent company.

During 2019-2020, the Company built a new organizational culture with changes in staffing and dedicated employees who buy into the Company's strategy and vision. The Company's new CEO and a Chief Strategy and Transformation Officer were appointed in 2019, marking the start of the new management team of the Group as well as the inclusion of new commercial teams. The Company also took vast steps to become more data driven and improve analytical capabilities, allowing for optimization of fleet deployment and vessel-cargo matching. In addition, the Company is especially focused on building relationships with core vessel owners and cargo customers.

During the first half of 2021, the dry bulk market reached ten-year high levels as trade rebounded with longer ton-miles and disruptions lending market support. The Group has established a substantial portfolio of optional period for the chartered in tonnage for the second half of 2021 and is gradually increasing the volume of vessels from a historically low level in 2020. In the Company's view, its prospects for the full year 2021 are more promising than they have been for several years. See Section 7.8 for further information about the Group's development and expected growth.

7.3 Group organisation

The Company is the parent company for the Group.

Western Bulk Carriers AS, based in Oslo, and Western Bulk Pte. Ltd, based in Singapore, are the primary commercial entities within the Group facing the Group's customers and suppliers. These companies are responsible for all chartering and operational activity within the Group. In addition, Western Bulk Ltda in Chile, Western Bulk Carriers (Seattle) Inc. in the USA and Western Bulk Management AS - West Africa in Morocco provide chartering services and operational support to the Group. These companies operate under agency agreements with Western Bulk Pte. Ltd.

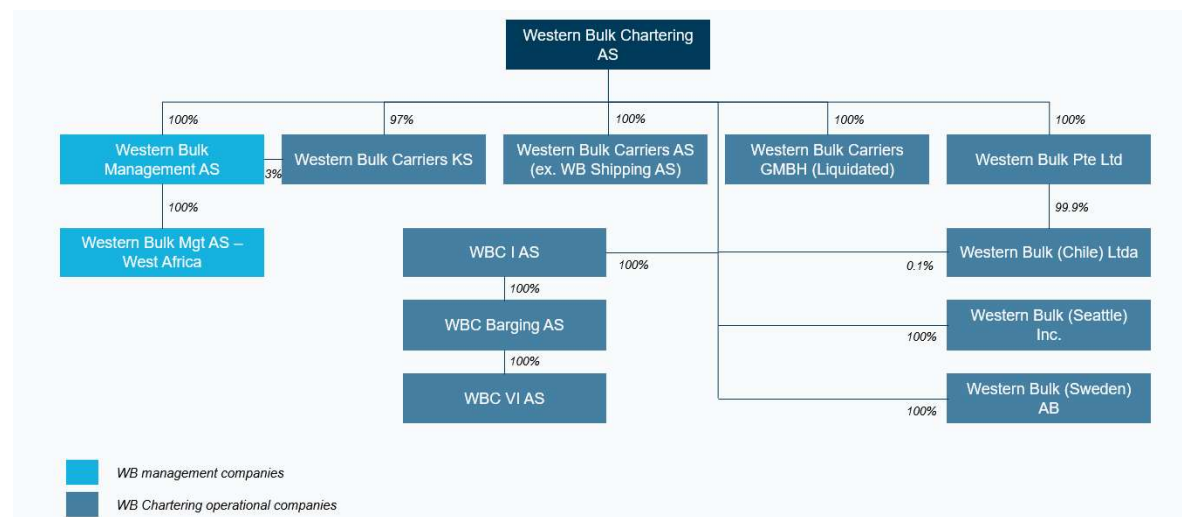
Western Bulk Management AS provides management services to the Group and is the employer of all Group personnel in Norway.

Western Bulk Carriers (Sweden) AB also provides chartering and support services to the Group and is the employer for employees based in Sweden. This company operates under a management services agreement with Western Bulk Management AS.

Western Bulk Carriers GmbH is an entity within the Group that is in the process of being dissolved (on a solvent basis). As at the date of this Information Document the affairs of this subsidiary have been finalised and the final order for dissolution is pending from the German courts.

The Group also contains several dormant subsidiary companies, Western Bulk Carriers KS, WBC I AS, WB Barging AS and WBC VI AS.

All group subsidiaries are wholly owned directly or indirectly by the Company as illustrated in the organisation chart below.



7.4 Principal activities

7.4.1 Business overview

The Group is an asset-light and trading-oriented dry bulk operator, using its shipping experience, customer relationships, market intelligence and trading skills to generate a margin from a high-volume activity. The Group provides vessels and transportation services for commodity producers, consumers and traders world-wide, while providing cargoes and services for vessel owners. Cargo services are provided through freight contracts (Contracts of Affreightment, or COAs) of various durations, or through single voyages fixed in the spot market. To perform the services, the Group takes in vessels mainly on time charter basis but also from time to time on voyage basis, with durations ranging from one single trip (anything from 10 to 100 days) to several years.

Through its customer relationship activities and ability to offer high quality services, and based on its efficient commercial organisation, the Group has been able to build a broad supplier and customer base. The Group has increased its activity and fleet volume significantly over the last few years growing from an average fleet size of about 50-60 vessels in 2007 - 2008 to currently run a fleet of 110-150 vessels. Since 2008 the Group has done business with more than 400 new customers, and the Group currently conducts business with more than 300 individual customers worldwide. On the back of this activity, the Group gains access to significant amounts of market information which enables the Group to identify and act on arbitrage opportunities in the market, and to take small, calculated and controlled exposures to the freight market. As such, the Group utilizes its deal flow and informational advantage to identify and act on various trading opportunities.

A significant part of these opportunities arise from the Group's access to physical optionality, typically the option to extend the duration of a time charter contract at a fixed price, but also other options, such as the option to replace a nominated vessel with another vessel, the option to carry more or less volume, etc. These options give the Group flexibility to constantly optimize its portfolio, and provides upside exposure with limited downside risk.

Dry bulk operation is a volume-driven margin business that requires broad and detailed market insight, systems to effectively distribute information throughout the organisation, highly professional risk management, efficient financial management and operational expertise. In particular, risk management is crucial to protect margins against unexpected losses and to provide a common framework to evaluate commercial decisions on a risk-adjusted basis. The Group has therefore spent significant resources to develop and implement a comprehensive risk management infrastructure including various models to quantify risks, as well as policies and procedures put in place to limit and control market, counterpart and operational risks. This infrastructure is supported by a strong risk management culture that acknowledges risk management as a key capability and a distinct value driver for the organisation.

The Group has very limited direct ownership in tangible assets. Rather, its main assets are its brand name, its systems and its employees.

7.4.2 Business model

The Group is a global dry bulk operator matching cargo with vessels under all market conditions; chartering vessels from various vessel owners and transporting cargo for customers worldwide. The Group has an asset-light business model, combining advanced risk management, market data and analytics to optimize fleet deployment and vessel-cargo matching.



As for cargo owners, the Group provides flexible services accepting both single voyage contracts and long-term contracts. The Group also provides a low cost service compared to establishing in-house capacity, and is able to identify the most relevant vessel for each shipment and thereby reducing the voyage cost for its customers. As for vessels providers, the Group offers access to a large pool of cargo owners in all geographies and cargo types, provides a source of recurring and incoming contracts for vessels and can ensure efficient utilisation of tonnage.

The Group has a global network of trade routes and offices located in strategically important areas. The Group's limited exposure to specific customers and commodities (as further described below) and to different geographies allows the Group to provide competitive freight through sharp pricing and arbitrage opportunities by using its local knowledge of the market and global network, combined with an efficient and flexible model. Below is an overview of the Group's global network and offices, as well as the approximate number of vessels operated by the Group in each region.

The Group has five global offices, all of which are located in strategically important areas in relation to the Group's network of trade routes (Seattle, Casablanca, Santiago, Singapore and Oslo). The strategic placement of the offices allows for:



- An improved fleet utilisation and flexibility;
- Economies of scales and significant business intelligence; and
- Optimisation of fleet operations to reduce fuel consumption and limit emissions from the Group's activities.

7.4.3 Chartered vessels

As of this date, the Group operates around 110 to 150 handysize and ultra-/supramax vessels. The vessels are smaller size bulk vessels, typically allowing for trade in a larger number of commodities, ports and trade lanes than vessels on the larger end of the scale.

Vessel classes	Type	# Vessels ¹	Size in dwt	Commodities traded
Western Bulk	 Handysize	~2,800	20-45,000	> 50 different commodities
	 Ultra-/ Supramax	~3,400	45-65,000	> 50 different commodities
	 Panamax	~2,600	65-95,000	Coal, iron ore and grain
	 Capesize	~1,900	95-400,000	Iron ore and coal

¹ Including vessels in service; Source: Clarksons
Numbers as of H1 2021

Selecting the optimal vessel depends on a range of factors, including vessel specifications, location and distance from cargo, fuel efficiency and charter hire. By using smaller vessels, the Group mediates risks by providing competitive freights across a wide network of customers diversified across different geographies and commodities.

As of this date, the Group does not own any vessels. Vessels are chartered in by the Group from vessel owners, both on spot basis and for longer time periods.

7.4.4 Customers

The Group's current customer group are highly diversified with more than 300 individual cargo customers. No single customer accounts for more than 3.5% of the Group's revenues. The Group discharges from Europe, Far East, North America, India, Africa, Middle East and South America.

The commodities shipped for the cargo owners are also highly diversified. The Group is offering freight of coal, minerals, steel products, agricultural cargo including grains, cement, ferrous ores, fertilizers and other commodities.



7.4.5 Risk control and risk management

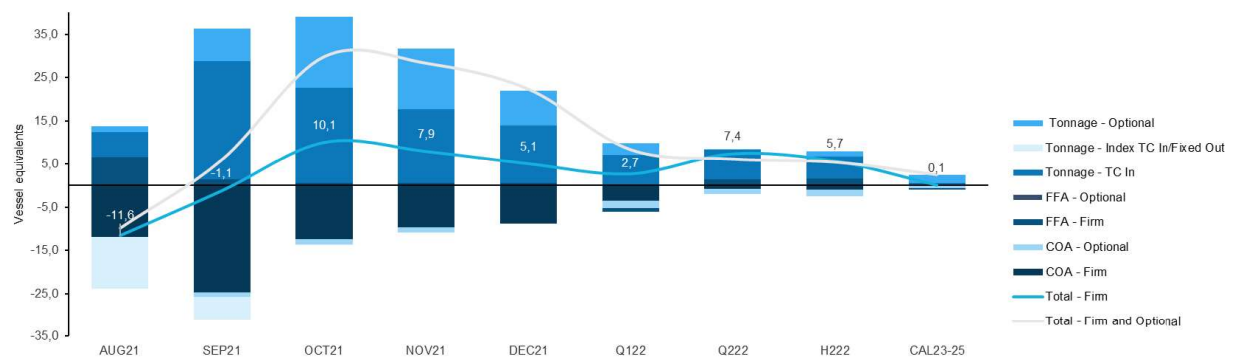
Risk management is a key part of the Group, and fundamentally important for operations. The risk management system includes various models to quantify risks, as well as policies and procedures to limit and control the market, counterparts and operational risks.

The Group operates with a clearly defined risk methodology and appetite, and has implemented a comprehensive infrastructure of models, measures and internal control routines to mitigate risks and their potential consequences. In the Group's risk mitigating infrastructure, its operational expertise in dry bulk shipping is combined with portfolio and risk management techniques and approaches adapted from the financial industry, where external databases and sources are used to improve the quality of the findings related to each third party.

The Group has a dedicated risk management team in place, which continuously monitors the market and counterpart exposures of the Group, both in relation to each of the Group's commercial teams and on an aggregate level.

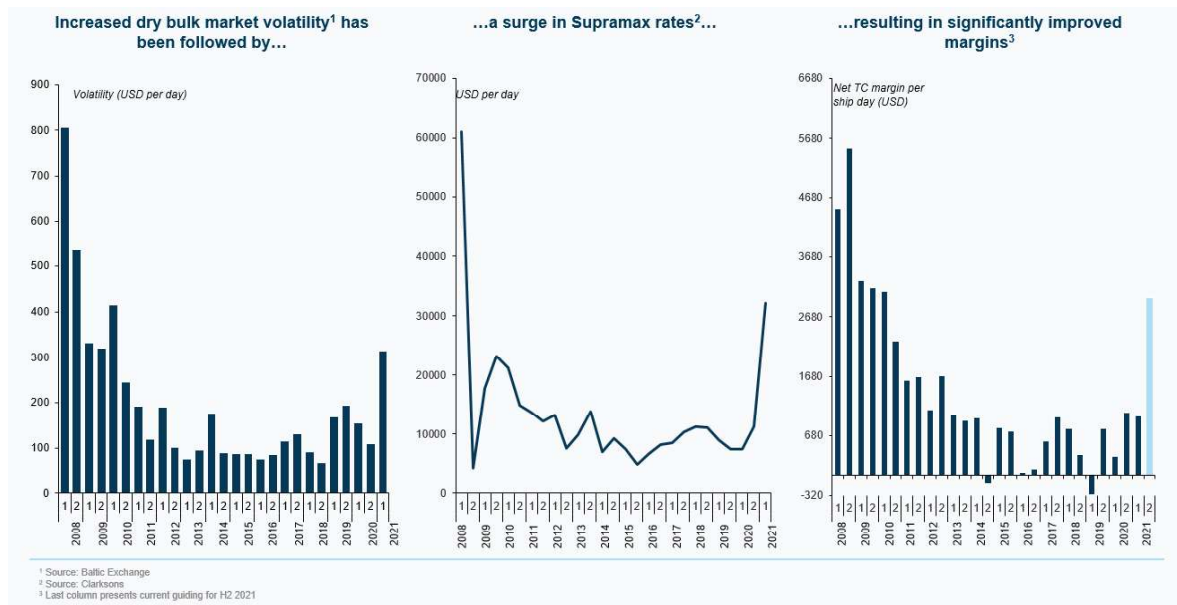
The Group's risk control and management system allows for:

- Data to be quantified daily in order to monitor the market exposure within the Group;
- Close monitoring of the level of exposure taken by the Group on any given time;
- Strong risk management culture that emphasise risk awareness in all decisions; and
- Rapid adjustments to the Group's risk profile if required.

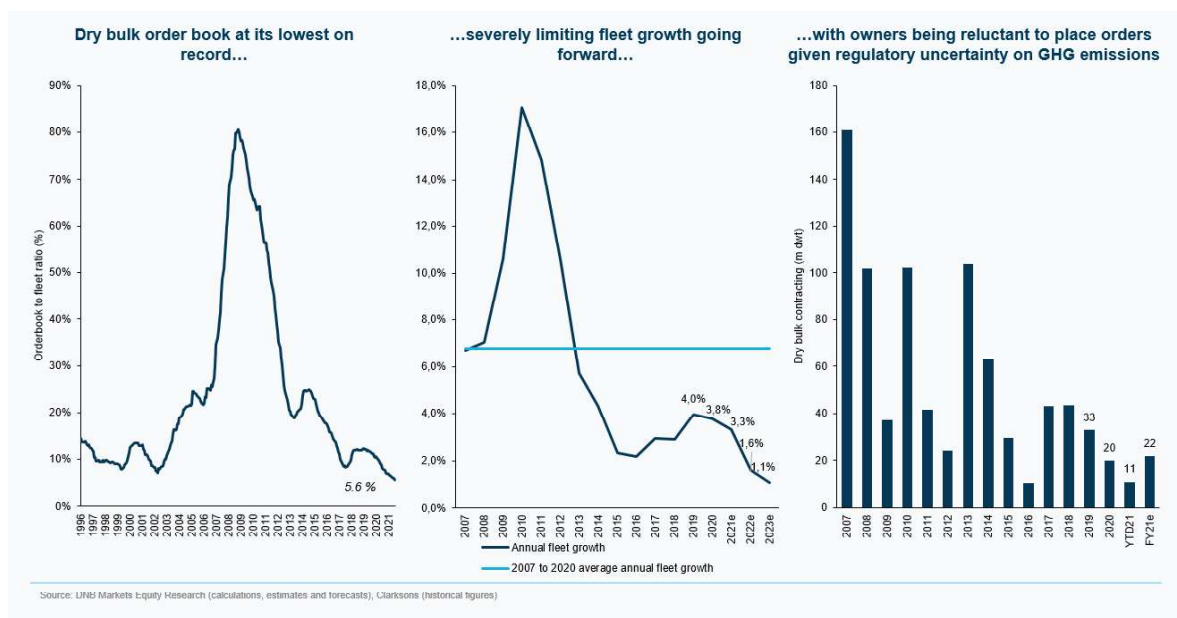


7.5 Principal markets

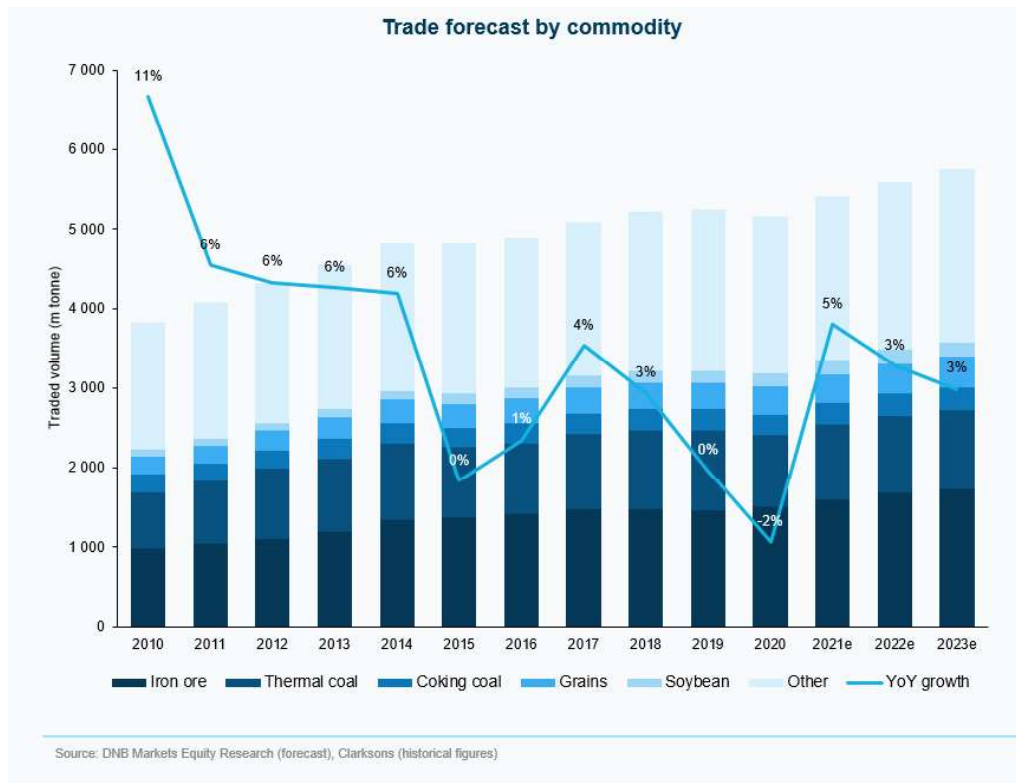
As mentioned, the Group is a global dry bulk operator matching cargo with vessels under all market conditions; chartering vessels from various vessel owners and transporting cargo for customers worldwide. The dry bulk sector has seen a strong development in 2021, with Supramax rates improving from USD ~10,000 per day to more than USD ~30,000 per day. In addition to higher rates, 2021 has seen the highest volatility since 2010. There is currently an optimistic outlook for the dry bulk sector with potential for a prolonged period of heightened market volatility (which is the foundation for increased profitability for the Group). Below it is illustrated how volatility and Supramax rates have developed the past decade, along a graph showing how this is linked to Net TC margins.



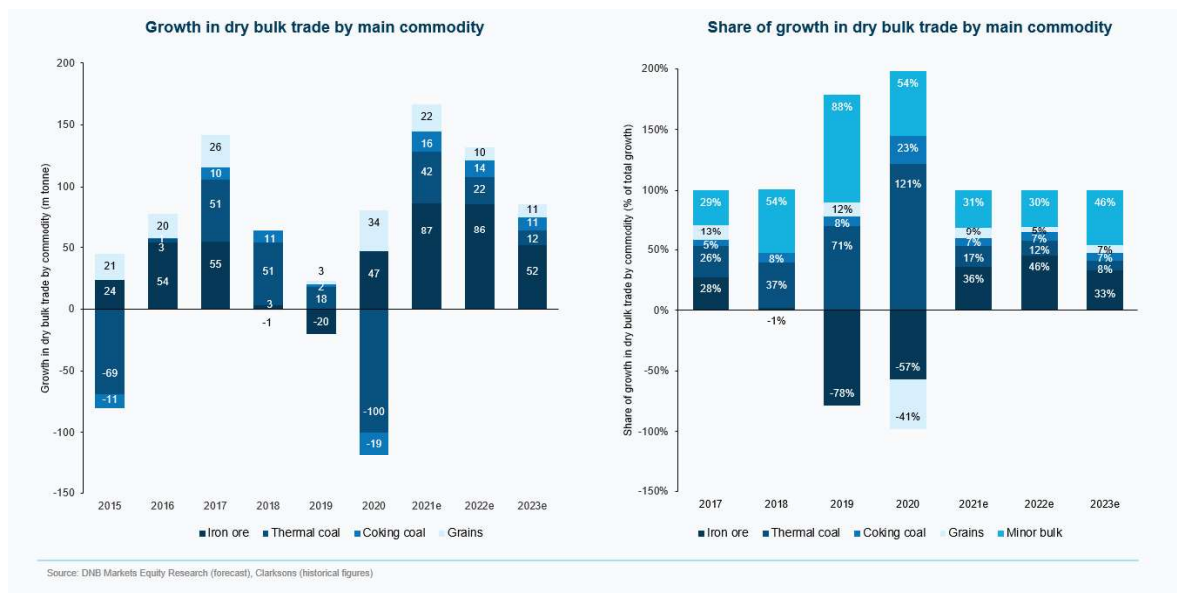
In terms of supply of dry bulk ships, so far in 2021, the dry bulk order book has been at its lowest on record severely limiting fleet growth going forward. This is expected to put upward pressure on rates longer-term. In addition to this, cargo owners are being reluctant to place orders given regulatory uncertainty on GHG emissions. Illustrated below is the development in the dry bulk order book, historical fleet growth and dry bulk contracting during the past decades.



Going forward, it is expected a strong growth in traded volume for main commodities. General global demand for commodities and GDP are expected to rebound after 2020, and high commodity prices is expected to help incentivize further expansion in the production of commodities. The worldwide economic stimulus focused on construction and infrastructure sector may also help promote increased demand for commodities. Below is a trade forecast by commodity until 2023.



A strong demand growth is expected in all main commodity categories going forward, with particular solid growth in minor bulk supporting the smaller, geared vessels. Below is an overview of expected growth in dry bulk trade by main commodity until 2023 and expected share of growth in dry bulk trade by main commodity until 2023. As mentioned, strong growth is expected across all commodities, and minor bulk is expected to increase its share of the overall growth the next few years.



7.6 Responsible business conduct practises

The Group strives to implement and continuously follow responsible business conduct practices and views such practices as key to reducing the environmental impact of marine activities. For example, the Group has set out certain conduct practices within the areas environment, competition, human rights, anti-corruption and labour rights:

- **Environment:** the Group actively supports industry initiatives aimed at making shipping more sustainable, reducing the environmental impact of maritime activities and furthering the IMO emission reduction targets.
- **Human Rights:** throughout its business and in all its dealings, the Group supports, respects and commits to the principles set out in UN's Universal Declaration on Human Rights and the Group ensures no complicity in human rights abuses.
- **Anti-corruption:** the Group conducts its business with integrity. All activities are done in compliance with all applicable laws and regulations. The Company is a member of the Maritime Anti-Corruption Network (MACN) and the chartering subsidiaries of the Company are members of Trace, a globally recognized anti-bribery business association.
- **Competition:** it is the Group's goal to compete in a fair and ethical manner in relation to competitors and the Group will under no circumstances cause or be part of any breach of general or special competition regulations.
- **Labour rights:** the Group commits, at the least, to meet those criteria set by international standards and conventions as they apply to non-discrimination, compensation, labour standards, safe working environment and seafarers.

7.7 Competitive strengths

In the Company's view, the Group's business differs from competitors' businesses (who are dry bulk owners and operators) due to the following key differences:

Western Bulk	Owner Operators
Margin business with high turnover	Seek high margin on fewer assets
Asset light but people and systems heavy	Asset heavy
Operational and financial flexibility	Long term financial leverage
Net debt free and potential for high pay-out ratio	Medium/high leverage with varying dividend models
Moderate and short term exposures	Large and long term exposures
Portfolio management	Every vessel individual profit centre
Decentralised decisions	Centralised decisions

During the recent years, the Company has implemented many deliberate strategic and operational initiatives to regain the historical profitability of its asset light business model. The Company has focused on its development towards a dynamic company where data, systems and colleagues are constantly used to learn and adapt.

The Company's six key focus areas have been and will continue to be going forward:

- client relationships;
- operational excellence;
- cooperation across regions;
- trading excellence;
- data driven decisions; and
- balancing the right number of vessels.

The Company has a broad range of competencies in place to support and safeguard its ongoing business and its business operations going forward, including:

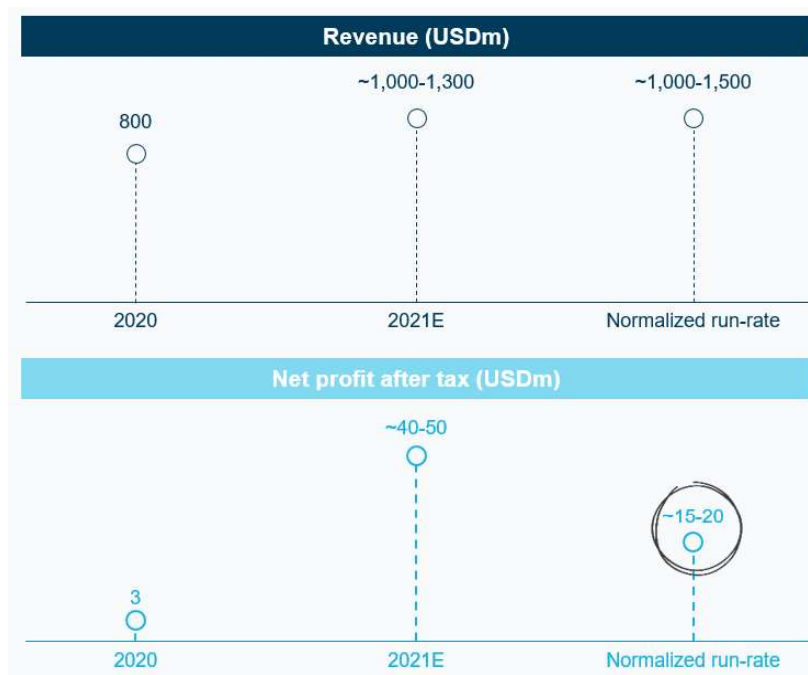
- chartering agreeing on fixtures based on detailed calculations and review of contracts;
- operations optimizing voyage results while ensuring that all commitments are adhered to;
- legal and compliance supporting chartering and operations;
- data analysis reviewing large datasets to identify areas of improvement and best practice;
- technology ensuring a comprehensive infrastructure to support decision making;
- counterparty risk detailed review of counterparts to assess risks; and
- market risk monitoring risk limits, reporting and controlling risk factors.

7.8 Growth opportunities and volatility in the dry bulk market

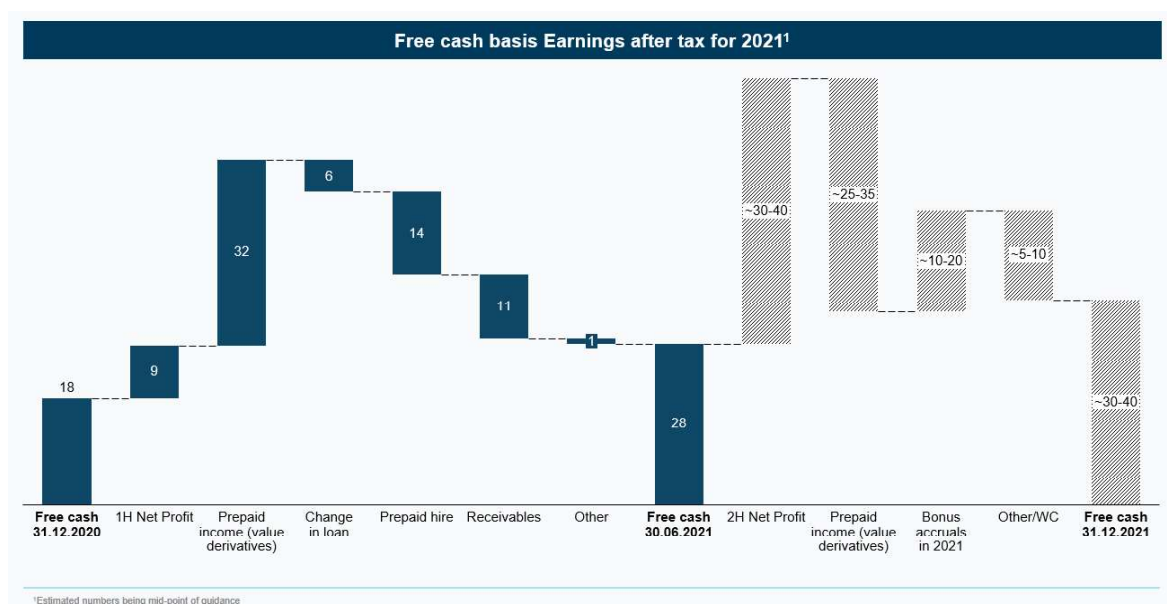
The Company has decided to seek a listing of its Shares on Euronext Growth Oslo in order to accelerate further growth and to benefit from the prevailing strong dry bulk market fundamentals. In addition to the net proceeds from the Private Placement as described above in Section 6, the Company has got a total of approximately USD 49 million in equity injections since 2017 (approximately USD 18 million in 2017, USD 30 million in 2019 and USD 0.6 million in 2020).

Going forward, the Company will continue to have a strong focus on its organisational culture and work for a greater cooperation across teams and its offices. Furthermore, the Company will focus on the continuing development of decision support tools in order to enhance the use of data driven decision making. The Company's plan is also to put in place a new dividend policy in the beginning of 2022.

As of this date, the Company has an optimistic outlook for the dry bulk sector with potential for a prolonged period of heightened market volatility (which is the foundation for increased profitability). The continued global recovery from the Covid-19 pandemic, combined with surging commodity prices, is expected to drive increased activity in the dry bulk market going forward. In addition, a limited fleet growth and historically low order books are causing an enhanced market volatility and increased profitability for the Company. In that regard, below is an overview of the Company's revenues and net profit after tax in 2020, compared to the expected revenues and net profit tax in 2021.

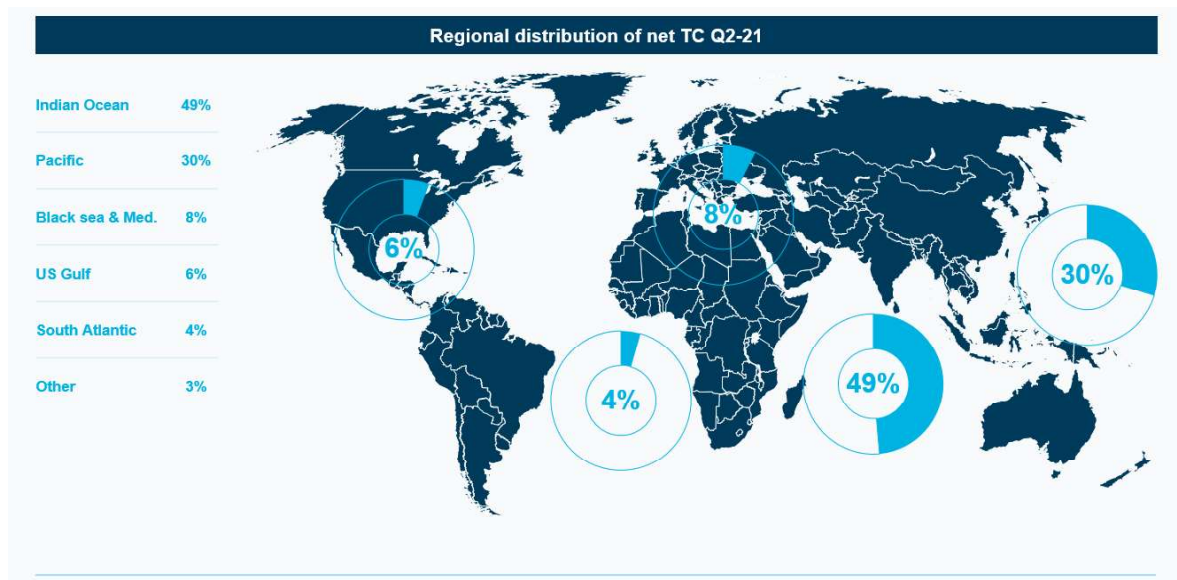


Furthermore, due to a solid year, the Company expects a 2.4x free cash reserve for 2021 as further shown in the overview below.

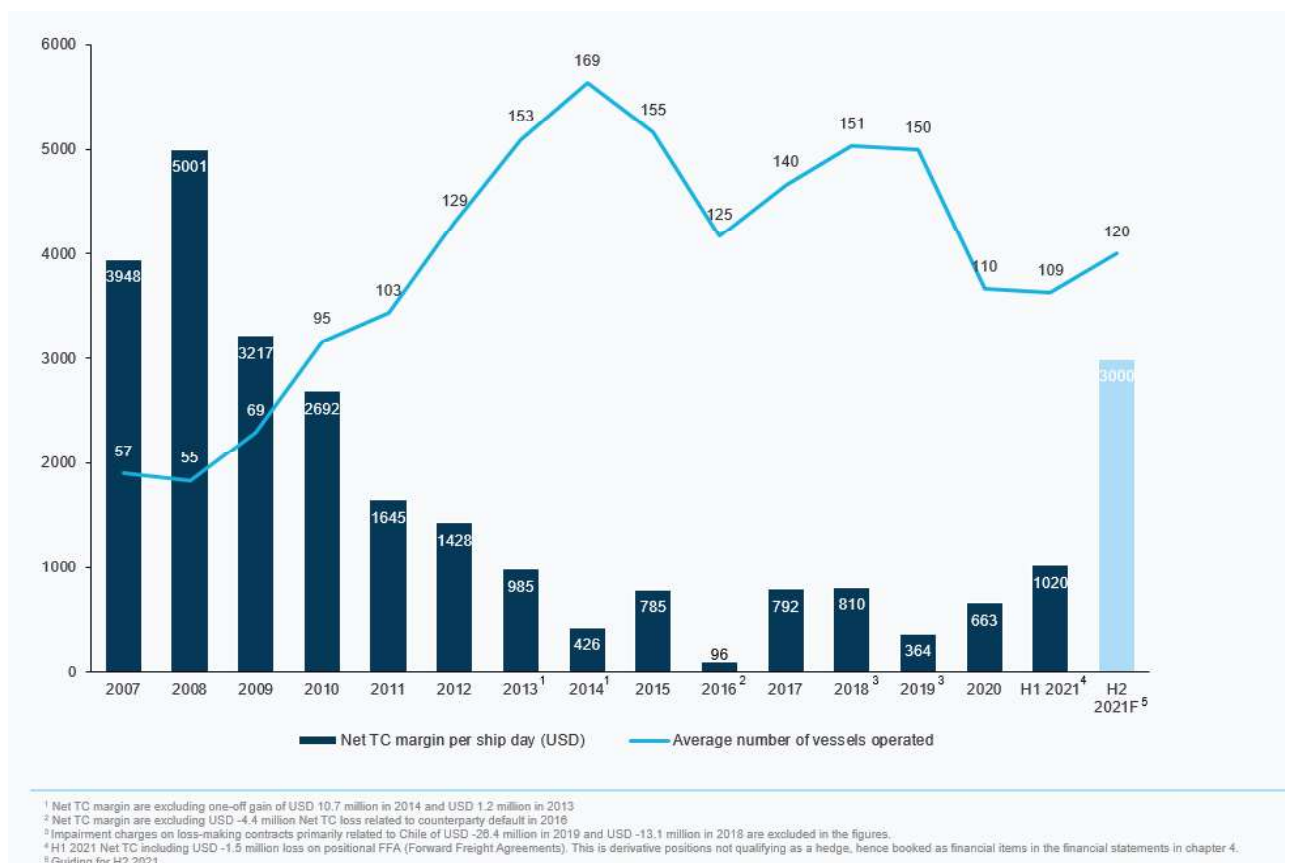


As for financial results, the Company has a historic track record of positive net TC margin (the net time charter margin is a key performance measurement and indicated the average gross trading margin in which the Company is able to obtain from the vessels in its fleet). Increased market volatility in the dry bulk market is expected to drive higher net TC margin as seen from 2007-2010.

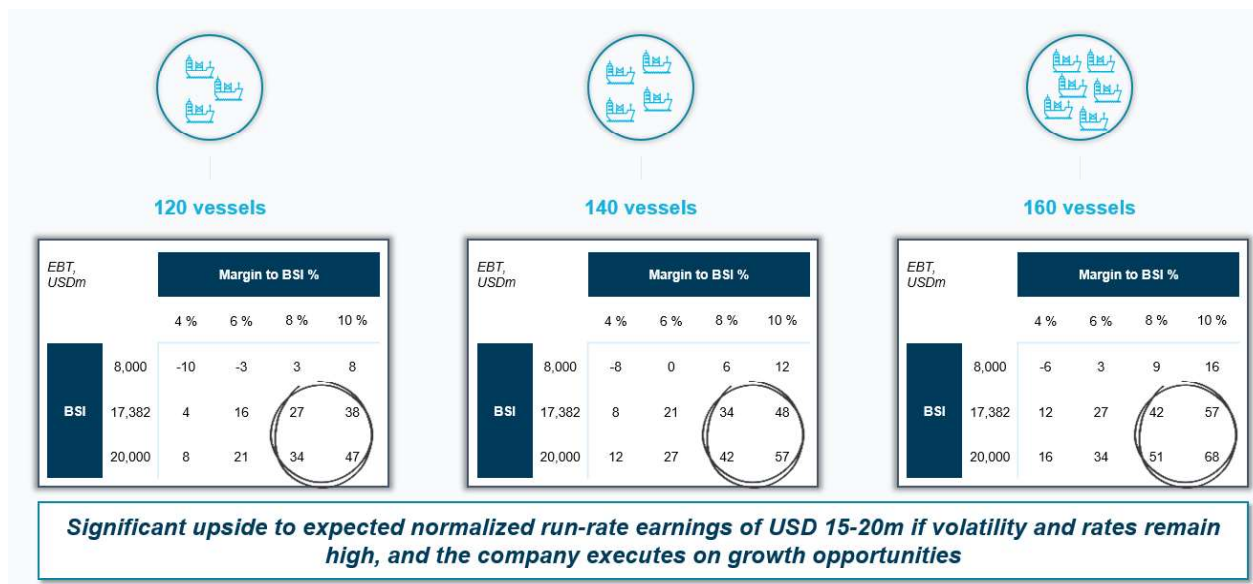
As for so far in 2021, there has been a widespread range in the Company's chartering portfolio. Below is an overview of regional distribution of net TC as of Q2 2021.



Based on the Company's estimates, its organisation allows a scale up to 150-160 vessels from the current 120-130 vessels.

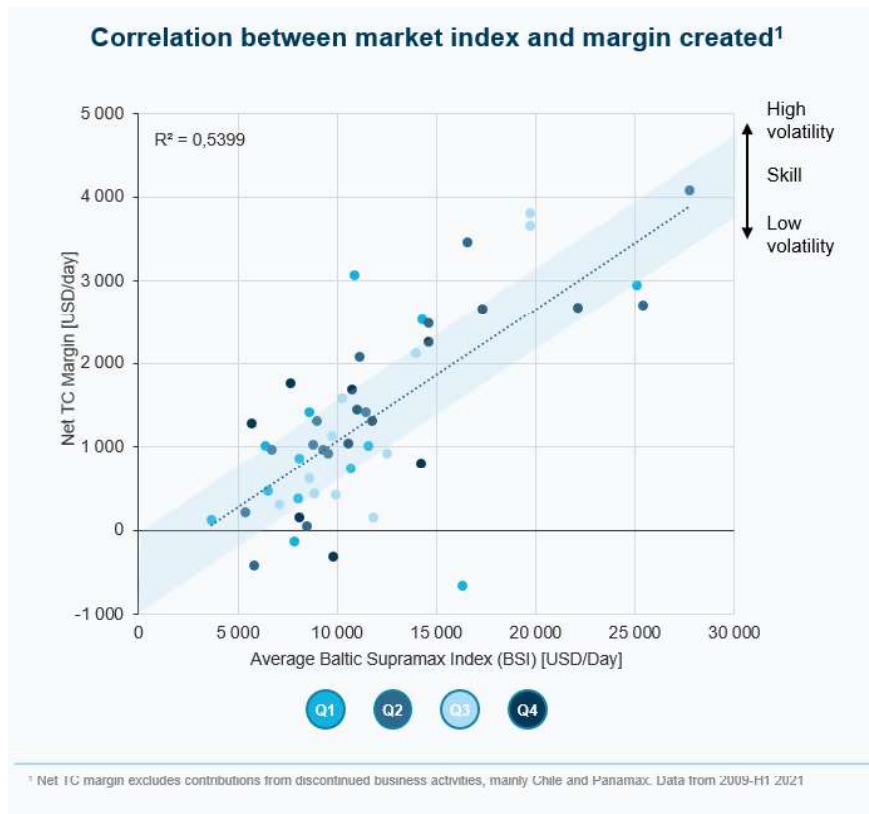


Strong earnings are closely linked to high volatility, strong rates and a large fleet. Below is an overview of margin to BSI in % (Baltic Supramax Index) in relation to number of vessels. As showed, the Company expected a significant upside if volatility and rates remain high and the Company executives it growth opportunities.



The Company actively uses derivatives such as freight forward agreements, bunker swaps and other instruments to hedge its market exposure. Furthermore, the Company's strategy and data-driven decision making allows for calculated positions in the market, and in contrast to traditional owner operators, to take advantage of volatility and make money during both up- and down-turns in the market.

Historically, there has been a clear relationship between the net TC marking and both market level and volatility. Given the asset light business model, the Company benefits from higher market volatility as it provides more opportunities to take strategic market positions, as well as more potential for market mis-pricing that can be captured. Some trade strategies are based on market arbitrage and provide a level of base earnings regardless of market level and volatility. Other strategies make money in falling markets, enabling the Company to make money in flat, falling and rising markets.



Further to the above, increased market volatility and rate direction may lead to higher net margin contributions. Below is an overview of volatility in the dry bulk market from 2008-2021 and how rates have been affected, resulting in significantly improved TC margins.

The Company's profit generation can be split into four main categories:

- Spot-Spot (30-40 vessels):
 - Fixing of spot cargo and spot vessel (or reletting cargo instead of fixing vessel)
 - Based on identified arbitrage opportunities and/or an expectation of short term market volatility
 - Pricing is based on several assumptions such as availability, size and proximity of vessels/cargo, fuel price and consumption, weather, time in port and market expectations
 - Length of market exposure is normally limited to about 10-20 days
- Parceling (10-20 vessels):
 - Two or more cargos are transported on the same vessel
 - Profitability is highly dependent on finding additional top-up cargo to fully utilize the vessel
 - It is a competitive advantage to have access to base cargo
 - There is a more complex operation
- Long/short (60-80 vessels):

- Fixing of vessel for a period that covers more than one trip and/or CoA with more than one cargo lifting
 - Profit generated from foreseeing market development (flat price risk) as well as ability to trade the vessel e.g. through fleet allocation, use of different vessel types, above market trading
 - Forward Freight Market (FFA) used as a supplement to hedge positions
 - Positioning of vessels (Front Haul/Back Haul) causing profit and cash fluctuations
 - Some long/short required to create sufficient market presence, acquire information and flexibility in trading
- Index (10-20 vessels):
 - Pricing of vessel is adjusted in line with the Baltic Supramax Index (BSI)
 - Vessel implicitly hedged
 - Net TC is a result of negotiating favourable index pricing, good trading and operation as well as a flexible owner and good charter party.

7.9 Material contracts

The Company has not entered into any material contracts outside the ordinary course of business.

7.10 Related party transactions

The Company has not entered into any related party transaction in the period covered by the Financial Statements.

Western Bulk Management AS has entered into related party transactions with the members of the Senior Management team in connection with the financing of their purchase of shares in the Company.

7.11 Legal and arbitration proceedings

The Company and companies within the Group are, and in the future may be, involved in disputes, litigation or other legal proceedings arising in the course of its activities.

However, neither the Company nor any of its subsidiaries, are, nor have been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and neither the Company nor any of its subsidiaries are aware of any such proceedings which are pending or threatened.

8. **SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION**

8.1 Introduction and basis for preparation

The Company's Annual Financial Statements for the financial years 2019 and 2020 have been prepared in accordance with the NGAAP. The Annual Financial Statements have been audited by the independent auditor of the Group, RSM Norge AS. The auditor's report does not include any qualifications.

The selected financial information presented in Section 8.3 to Section 8.6 below has been derived from the Company's Annual Financial Statements, and from the Company's Interim Financial Statements for the six-month period ended 30 June 2021 (and together with the Annual Financial Statements the "**Financial Information**"), and should be read in connection with, and is qualified in its entirety by reference to, the Annual Financial Statements included herein as Appendix B and C and to the Interim Financial Statement included in Appendix D.

8.2 Summary of accounting policies and principles

For information regarding accounting principles and the use of estimates and judgements, please see note 1 in the Annual Financial Statements at Appendixes B and C.

8.3 Selected statement of income

The table below sets out selected data from the Group's consolidated audited statement of income for the six-month period ended 30 June 2021 and for the twelve-month periods ended and the years ended 31 December 2020 and 2019.

(USD 1 000)	Six months ended 30.06.2021 <i>(unaudited)</i>	Year ended 31 December	
		2020 <i>(audited)</i>	2019 <i>(audited)</i>
Gross revenues	565 255	778 690	1 062 723
Voyage expenses	-217 715	-358 537	-451 850
Freight revenues on T/C-basis	347 540	420 153	610 873
T/C expenses	-324 822	-391 355	-613 878
Other vessel expenses	-982	-2 062	-3 396
Net T/C result	21 736	26 737	-6 401
Administration expenses	-10 070	-22 918	-25 448
Depreciations	-84	-281	-373
Gain/(loss) on disposal of fixed assets	-29	-	-12
Bad debt provision and write-offs	-	-14	78
Operating profit	11 553	3 524	-32 156
Net interest income	-	269	318
Net interest expense	-300	-833	-2 835
Gain/(loss) on foreign exchange	-95	747	-61
Gain/(loss) on financial assets	-	1	7
Other financial items	-1 868	-346	-810
Net finance	-2 263	-162	-3 381
Profit/(loss) before tax	9 291	3 362	-35 538
Tax income/(expense)	-324	-159	-2 431
Profit/(loss) for the year	8 967	3 203	-37 969

8.4 Selected statement of financial position

The table below sets out selected data from the Group's consolidated audited statement of financial position as of 30 June 2021 and as of 31 December 2020 and 2019.

	Six months ended	Year ended 31 December	
(USD 1 000)	30.06.2021	2020	2019
	(unaudited)	(audited)	(audited)
ASSETS			
Non current assets			
Deferred tax asset	738	740	602
Intangible assets	18	23	135
Property, plant and equipment	375	502	419
Investment in financial assets	630	630	630
Long term receivable	608	-	5
Total non current assets	2 368	1 895	1 789
Current assets			
Accounts receivable	28 967	18 145	32 280
Other receivables	575	634	3 663
Bunker stocks	48 032	28 374	42 583
Bank deposits	41 198	30 297	37 729
Total current assets	118 772	77 450	116 255
TOTAL ASSETS	121 141	79 345	118 045
SHAREHOLDERS' EQUITY AND LIABILITIES			
	Six months ended	Year ended 31 December	
	30.06.2021	2020	2019
	(unaudited)	(audited)	(audited)
Equity			
Paid-in capital			
Share capital	180	174	113
Share premium	17 426	16 430	1 228
Other paid-in capital	-	-	-
Received, but not yet registered capital increase	-	-	14 641
Total paid-in capital	17 606	16 604	15 982
Retained earnings			
Other equity / (uncovered loss)	12 170	3 203	-
Total retained earnings	12 170	3 203	-
TOTAL SHAREHOLDERS' EQUITY	29 776	19 807	15 982

(USD 1 000)	Six months ended	Year ended 31 December	
LIABILITIES	30.06.2021	2020	2019
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Long term liabilities			
Deferred tax liability	152	153	185
Pension liabilities	1 028	1 214	1 747
Other long-term liabilities	-	-	395
Total long term liabilities	1 181	1 367	2 327
Short term liabilities			
Accounts payable	21 687	8 130	10 546
Other payable	17 919	24 574	63 372
Payable derivatives	31 641	661	3 678
Taxes payable	386	601	1 382
Short term Interest-bearing debt	18 177	23 955	20 758
Liabilities to related company	374	251	-
Total short term liabilities	90 184	58 171	99 736
TOTAL LIABILITIES	91 365	59 538	102 063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	121 141	79 345	118 045

8.5 Selected statement of cash flows

The table below sets out selected data from the Group's consolidated audited statement of cash flows for the six-month period ended 30 June 2021 and for the twelve-month periods ended 31 December 2020 and 2019.

(USD 1 000)	Six months ended	Year ended 31 December	
	30.06.2021	2020	2019
	(<i>unaudited</i>)	(<i>audited</i>)	(<i>audited</i>)
CASH FLOW FROM OPERATIONS			
Profit/(loss) before tax	9 291	3 362	-35 538
Taxes paid	-545	-1 150	-1 067
Depreciations	84	281	373
Writedown and provisions	-	-	10 116
Gain/(loss) disposal fixed assets	29	-	-2
Changes in current receivables and current liabilities	7 407	-13 496	14 623
Net cash flow from/(to) operating activities	16 266	-11 003	-11 495
(USD 1 000)	Six months ended	Year ended 31 December	
	30.06.2021	2020	2019
	(<i>unaudited</i>)	(<i>audited</i>)	(<i>audited</i>)
CASH FLOW FROM INVESTMENTS			
Investments in fixed- and intangible assets	-8	-253	-143
Disposal of fixed assets	27	-	42
Investments in/ disposal of financial assets	-	-	-462
Changes in long term receivables	-608	5	5
Net cash flow from investments	-589	-248	-559
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in new short term and long term debt	-5 778	3 196	20 758
Repayment of bond loan	-	-	-31 976
Share capital increase	1 002	623	29 849
Net cash flow from financing activities	-4 776	3 819	18 632
Net change in liquidity during the year	10 901	-7 432	6 577
Liquid assets as of 01.01.	30 297	37 729	31 151
Liquid assets as of end of period	41 198	30 297	37 729
Restricted bank deposits as of end of period	13 735	12 126	13 683
Available liquid assets as of end of period	27 463	18 171	24 046

8.6 Selected statement of changes in equity

Changes in equity are presented in the equity note of the Interim Financial Statement and the Annual Financial Statements as of and for the period ending 30.06.2021 and on 31 December 2020 and 2019, respectively. An overview is set out below.

(USD 1 000)	Number of shares	Share capital	Share premium	Received, but not yet registered capital increase	Retained earnings	Total
Equity as of 31.12.2018	14 145 634	95	20 092	-	3 913	24 101
Share capital increase	3 146 341	18	15 191	14 641	-	29 849
Profit/(loss) for the year	-	-	-34 056	-	-3 913	-37 969
Equity as of 31.12.2019	17 291 975	113	1 228	14 641	-	15 982
Share capital increase	11 103 645	61	15 202	14 641	-	622
Profit/(loss) for the year	-	-	-	-	3 203	3 203
Equity as of 31.12.2020	28 395 620	174	16 430	-	3 203	19 807
Share capital increase	884 095	5	996	-	-	1 002
Profit/(loss) year to date	-	-	-	-	8 967	8 967
Equity as of 30.06.2021	29 279 715	179	17 426	-	12 170	29 775

8.7 Material borrowings

The following table sets out material borrowings within the Group. All borrowings are with DNB Bank ASA.

Debtor	Type of financing	Principal amount outstanding as per 30.06.21	Accrued and unpaid interest as per 30.06.21	Interest rate	Interest period	Maturity date
Western Bulk Chartering AS	Overdraft facility	0	0	US Libor plus 3,0%	90 days	Rolling 364 days
Western Bulk Carriers AS and Western Bulk Pte Ltd	Frame agreement for extended payment loans	USD3,458,429	USD12,361.19	DNB base rate and margin 2,75%	90 days	n/a
Western Bulk Carriers AS and Western Bulk Pte Ltd	Revolving Credit Facility Agreement	USD14,698,632	USD19,776.00	US Libor calculated on weekly basis and margin 1,70%	30 days	n/a

8.8 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Information Document.

9. THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

9.1 Introduction

The general meeting of the Company's shareholders (the "**General Meeting**") is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting. The date of the first annual general meeting following the application for the Admission has not been set, but is expected to be on or about 7 April 2022.

The overall management of the Company is vested with its board of directors (the "**Board of Directors**") and the Chief Executive Officer (the "**CEO**"). In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. Among other responsibilities, the directors are responsible for keeping the Company's accounts in accordance with applicable legislation and regulations and for managing the Company's assets in a responsible manner.

The CEO is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum every fourth month.

9.2 The Board of Directors

The Company's articles of association (the "**Articles of Association**") provide that the Board of Directors shall have a minimum of 1 and a maximum of 7 members.

The current Board of Directors is comprised of the following three members.

Name	Role	Appointment date	Percentage shareholding
Bengt A. Rem	Chairman	4 April 2016	0.200622% ¹
Erik Borgen	Director	4 April 2016	0.200622% ²
Tord Meling	Director	21 December 2016	0.050154% ³

Bengt A. Rem

Bengt A. Rem is the CEO of Kistefos AS which is the majority shareholder in the Company via Kistefos Equity Holding AS. Prior to joining Kistefos in 2015, Mr. Rem was the CEO of Arctic Partners. His previous experience includes Executive Vice President & CFO as well as other leading positions in the industrial investment company Aker ASA, Head of the Department Responsible for Financial Instruments on the Oslo Stock Exchange and state authorized accountant in Arthur Andersen & Co. Mr. Rem holds a Master of Science in Business Administration and Finance from the Norwegian Business School (BI) and is a state authorized public accountant from the Norwegian School of Economics and Business Administration (NHH).

Mr. Rem also currently represents Kistefos on the boards of Advanzia Bank S.A., Oslo Airport City AS and Viking Supply Ships AB.

¹ Mr. Rem's shareholding is held by his wholly owned investment company Borken AS

² Mr. Borgen's shareholding is held by his wholly owned investment company Medici Capital Management AS

³ Mr. Meling's shareholding is held by his wholly owned investment company Bergvegg AS

Erik Borgen

Erik Borgen is an Investment Director at Kistefos AS. Prior to joining Kistefos in 2016, Erik Borgen was a partner at the private equity firm HitecVision. His previous experience includes partner at Arctic Securities AS as well as other positions in leading global investment banking firms like Morgan Stanley and Perella Weinberg Partners. He has previously engaged in projects and activities within the fields of mergers and acquisitions, debt capital markets, IPO's and restructuring. Mr. Borgen holds a MSc in Finance from the Norwegian School of Economics (NHH).

Mr. Borgen also currently represents Kistefos on the boards of Viking Supply Ships AB, Lumarine AS and Previwo AS.

Tord Meling

Tord Meling is an Investment Director at Ojada AS, the Company's second largest shareholder. Mr. Meling has worked more than 10 years in the airline Norwegian ASA, with experience in business development, aircraft financing and corporate finance. He also has experience from Deloitte. Mr. Meling holds an MSc in Finance from the Norwegian School of Economics (NHH).

9.3 Senior Management

The Senior Management currently comprises of the following three members:

Name	Role	Commencement date
Hans Aasnæs	Chief Executive Officer	1 July 2019
Egil Husby	Chief Strategy and Transformation Officer	November 2019 in current role (Employed with the Company since November 2004)
Kenneth Thu	Chief Financial Officer	1 June 2017

Hans Aasnæs

Hans Aasnæs has previously held the position of Senior Vice President at Umoe Group and was a Director of several of the group's subsidiaries. From 2005 to 2013, he served as CEO of Storebrand Asset Management. Mr. Aasnæs is a board member of the Executive Board of Norges Bank. He is also chairman of the board at Nordic Trustee AS and Strand Havfiske AS, as well as a board member of Investinor AS. Mr. Aasnæs is an agricultural economist with an MSc from the Norwegian University of Life Sciences (NMBU), has a Graduate Programme in Economics and Business Administration from the Norwegian School of Economics (NHH) and is a certified financial analyst.

Egil Husby

Egil Husby is responsible for activities aimed at decisions support, business improvement and business transformation, and has been employed in the Group since late 2004. Until 2019 he served as Chief Risk Officer, responsible for risk management, business analysis and technology. Prior to that, he was at Norsk Hydro where he worked with risk management and structuring for Hydro's energy trading activities. Mr. Husby has an MBA from the University of Adelaide and an MSc in mathematical statistics from the Norwegian University of Science and Technology (NTNU).

Kenneth Thu

Kenneth Thu is responsible for finance, market and counterpart risk, accounting, business control, legal and HR. He has a background from retail, energy and management consulting. Before joining Western Bulk in 2017, he was the Acting CFO in Elkjøp Nordic AS, a part of Dixons Carphone Plc. Mr. Thu has also been employed by Expert AS, PA Consulting Group AS and Orkla Brands AS. He holds an MSc in Economics and Business Administration from the Norwegian School of Economics (NHH).

9.4 Shares held by the Senior Management

The Senior Management team all hold shares in the Company. These are held in part directly by the individuals and in part through investment vehicles.

Name	Shareholder	Number of shares	Percentage shareholding
Hans Aasnæs	Øra Industrier AS*	640,000	1.925987%
Hans Aasnæs	Hans Aasnæs	32,637	0.098216%
Egil Husby	Valletua AS**	153,611	0.46227%
Kenneth Thu	KTHU AS	64,000	0.0192599%
Kenneth Thu	Kenneth Thu	8,621	0.025944%

*Øra Industrier AS is 100% owned and controlled by Hans Aasnæs.

**Valletua AS is 100% owned and controlled by Egil Husby.

***KTHU AS is 100% owned and controlled by Kenneth Thu.

9.5 Employee Share Scheme

The Company operates an Employee Share Scheme (the “**ESS**”). The scheme was launched in April 2021. The aim of the scheme is to give all employees and executives of the Company the opportunity to invest in the Company with the objective of achieving continuity and the increased involvement of the employees, as well as to link the interests of the employees with the interests of the shareholders.

The ESS is subject to a shareholder agreement made between Kistefos Equity Holdings AS (the Company’s majority shareholder) the Company and the employee shareholders. The shareholder agreement restricts the sale of shares held under its terms and the voting rights of employee shares purchased through the scheme are controlled by Kistefos.

The total shareholding of employees, including the Senior Management team’s shares listed above, is 952,698 ordinary shares. This represents approximately 3.25% of the shares in the Company. Of these employee shares, 35,637 were held by employees prior to the ESS and 917,061 were subscribed for under the ESS.

9.6 Employees

At the date of this Information Document, the Group has 112 employees.

9.7 Benefits upon termination

The Senior Management are employed on terms that provide benefits on termination of between 6 and 12 months salary. No other benefits are payable on termination other than in accordance with Norwegian law.

With the exception of the Senior Management, no employees of the Group are employed on terms that provide benefits on termination other than in accordance with the law applicable to the relevant contract.

9.8 Corporate governance

Although the Company is not subject to The Norwegian Code of Practice for Corporate Governance, the Board of Directors adhere to good corporate governance standards.

9.9 Conflicts of interests etc.

To the Company's knowledge there are no current actual or potential conflicts of interest between the Company (or any of its subsidiaries) and the private interests or other duties of any of the members of the Board of Directors and Senior Management, including any family relationships between such persons.

No member of the Board of Directors or Senior Management has or has had during the last five years prior to the date of this Information Document:

- i. Any conviction in relation to an offence of fraud;
- ii. Received any official public incrimination and/or sanction by any statutory or regulator authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- iii. Been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

10. SHARE CAPITAL AND SHAREHOLDER MATTERS

10.1 Corporate information

The Company's legal name is Western Bulk Chartering AS. The Company and its subsidiaries collectively trade under the commercial name Western Bulk.

The Company's registered address and principal place of business is Henrik Ibsens Gate 100, 0255 Oslo, Norway and its registration number in the Norwegian Register of Business Enterprises is 892 733 232. The Company's website is www.westernbulk.com.

The Company is a private limited liability that is validly incorporated and existing pursuant to the laws of Norway and in accordance with the Norwegian Private Limited Companies Act. The Company was incorporated on 7 July 2008.

The Shares are registered in book-entry form with the VPS under ISIN NO 0010405780. The Company's register of shareholders in VPS is administrated by the VPS Registrar, Nordea Issuer Services.

The Company's LEI-code is 2138005JUC8BMOEGIG97.

10.2 Share capital and share capital history

10.2.1 General

As of the date of this Information Document, the issued share capital of the Company is NOK 1,680,985.75 divided into 33,619,715 Shares fully paid with a par value of NOK 0.05 and issued in accordance with Norwegian law and are freely transferable⁴. The Shares are registered in the VPS register with ISIN NO 0010691298 and the Registrar of the Company is Nordea Issuer Services.

The Shares are equal in all respects and each Share carries one vote at the Company's general meeting.

10.2.2 Share capital development

The following table presents the historical development in share capital and number of Shares issued by the Company for the period covered by the historical financial information included in this Information Document. All Shares in the Company in this period had a nominal value of NOK 0.05.

Date	New Share volume	New Share capital (NOK)
12 April 2019	17,291,975	864,598.75
19 December 2019	27,860,329	1,393,016.45
23 April 2020	28,395,620	1,419,781.00
31 May 2021	29,279,715	1,463,985.75
14 September 2021	33,619,715	1,680,985.75

The increase on 31 May 2021 was done in order to provide for employees subscribing for shares under the Employee Share Scheme.

The increase on 23 April 2020 was a repair offering. The 149 largest shareholders in the Company that did not participate in the private placement in December 2019 were offered to participate in the offering at same terms as the largest shareholders per 19 December 2019.

⁴ Shares acquired through the Employee Share Scheme and subject to the Shareholders' Agreement remain freely transferable and the restriction on the transfer of the shares is a matter of contract between the parties to the Shareholders' Agreement.

The increase on 19 December 2019 was a debt to equity swap of USD 13.1 million to the main shareholder, Kistefos AS, while the second largest shareholder, Ojada AS injected USD 1.5 million in cash.

10.3 Options

The Company has not granted any options in relation to its Shares.

10.4 Ownership structure

As of the date of this Information Document, the Company has 391 shareholders. The Company's shareholders who as of the date of this Information Document directly or indirectly control more than 5% of the issues Shares are shown in the table below.

Shareholder	Number of Shares	Percentage shareholding
Kistefos Equity Holdings AS	22,503,152,152	67.71997%
Ojada AS	2,776,792	8.356352%

10.5 Authorisation to increase the share capital and to issue Shares and to acquire own Shares

At a general meeting of the Company held 26 March 2021, the Board of Directors of the Company was granted an authorisation to increase the share capital of the Company of up to NOK 100,000 through issuance of new Shares. The authorisation includes the right for the Board of Directors to set aside the pre-emptive rights of the shareholders. The authorisation remains in force until 26 March 2023. As of this date, the Board of Directors has not resolved to increase the Company's share capital pursuant to the authorisation.

At the same general meeting on 26 March 2021, the Board of Directors of the Company was granted an authorisation to acquire Shares in the Company on behalf of the Company with an aggregate nominal value of up to NOK 75,000. The authorisation remains in force until 26 March 2023. As of this date, the Board of Directors has not acquired Shares in the Company pursuant to the authorisation.

10.6 Shareholder rights

10.6.1 General meetings

The shareholders of the Company exercise supreme authority of the Company through a general meeting.

Written notice of general meetings shall be sent to all shareholders with known addresses at least one week prior to the date of the meeting.

A shareholder may attend a general meeting either in person or by proxy appointed at their own discretion. The Articles of Association do not contain provisions obliging shareholders to notify the Company if they wish to participate at a general meeting.

Each outstanding Share represents one vote at the Company's general meeting. No shareholders have different voting rights.

In general, decisions that shareholders are entitled to make may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes are elected. However, certain resolutions require the

approval of at least two-thirds of the votes cast, as well as two-thirds of the share capital represented at the general meeting, including but not limited to resolutions seeking:

- to authorize an increase or reduction of the Company's share capital
- to waive preferential rights in connection with a share issue
- to approve a merger or demerger
- to amend the Company's Articles of Association

There are no quorum requirements for general meetings. Certain types of changes in the rights of the Company's shareholders require the consent of all shareholders or 90% of the votes cast at a general meeting.

In order to be entitled to vote, a shareholder must be registered as the owner of Shares in the VPS or, alternatively, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. The Company may include in its Articles of Association the latest date by which the owner of the Shares must be registered in the VPS in order to vote in the general meeting. The Company has not included such provisions in its Articles of Association. A beneficial owner of Shares registered through a VPS-registered nominee may be refused a vote unless ownership is re-registered in the name of the beneficial owner prior to the relevant general meeting.

10.6.2 Additional issuances and pre-emptive rights

If the Company issues new shares, its Articles of Association must be amended, which requires a two-thirds majority of the votes cast and the share capital represented at a general meeting of shareholders. In connection with an increase in the Company's share capital by a subscription for shares against cash contributions, Norwegian law provides the Company's shareholders with a pre-emptive right to subscribe for the new shares on a pro rata basis based on their current shareholdings in the Company. The pre-emptive right to subscribe for new shares may be waived by a resolution of the Company's shareholders at a general meeting passed by two-thirds of the votes cast, as well as two-thirds of the share capital represented at the general meeting. The general meeting may, with a two-thirds majority vote as described above, authorise the Board of Directors to issue new shares. Such authorisation may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50% of the nominal share capital as at the time the authorisation is registered in the Norwegian Register of Business Enterprises.

To issue shares to shareholders who are residents of the United States upon the exercise of pre-emptive rights, the Company may be required to file a registration statement in the United States under U.S. securities laws.

10.6.3 Right of redemption and repurchase of shares

At the date of this Information Document the Company has not issued any redeemable shares.

A Company's share capital may be reduced by reducing the par value of the shares or by a redemption of shares. Such decision requires the approval of two-thirds of the votes cast at a general meeting, as well as two-thirds of the share capital represented in the general meeting. Redemption of individual shares requires the consent of the holders of the shares to be redeemed.

10.6.4 Shareholder vote on mergers and demergers

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a general meeting passed by two-thirds of the votes cast, as well as two-thirds of the share capital represented at the general meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation must be sent to all shareholders at least two weeks prior to the general meeting.

10.6.5 Minority Rights

Norwegian law contains regulations regarding the rights of minority shareholders, including but not limited to those described in this and preceding and subsequent sections. Any shareholder may petition the courts to have a decision

of the Company's Board of Directors or general meeting declared invalid on grounds that it is in conflict with the Private Limited Companies Act, the Articles of Associations or, for instance, unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 10% or more of the Company's share capital have a right to demand that the Company holds an Extraordinary General Meeting to discuss or resolve specific matters. In addition, any shareholder may demand that the Company places an item on the agenda for a general meeting if the Company is notified in time for such item to be included in the notice of the meeting.

The Articles of Association do not contain stricter provisions than the applicable law with respect to actions necessary to change the rights of shareholders.

10.6.6 Liability of directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the directors act in the best interests of the Company when exercising their powers as directors, and that they generally show loyalty and care towards the Company. The principal task of the directors, in their capacity as directors, is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the shareholders at general meetings to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided to the shareholders when resolving upon the matter. If a resolution to discharge the Company's directors from liability or not to pursue claims against such a person has been passed by a general meeting of the Company's shareholders with a smaller majority than that required to amend the Company's Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to discharge any of the directors from liability or not to pursue claims against the directors is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders cannot pursue such claim in the Company's name.

10.6.7 Distribution of assets on liquidation

A Company may be wound up by a resolution of the Company's shareholders in a general meeting passed by the same number of votes as are required with respect to amendments to the Articles of Association. As a general rule, upon liquidation the Company's assets should be realised, any debt repaid and net profits distributed in cash to the shareholders. In the event of separate classes of shares the shares within each class of shares will rank equally in the event of a return of capital by the Company upon a winding-up or otherwise.

10.6.8 Articles of Association

The Company's Articles of Associations are included in this Information Document at Appendix A.

The Articles of Association were last amended on 14 September 2021.

Objective of the Company

The activities of the Company are the owning, chartering and operation of ships, facilitating and participating in financial transaction and any other activities which are naturally related to those activities including participation in companies engaged in similar activities.

Registered Office

The Company's registered office is in the municipality of Oslo, Norway.

Share capital and nominal value

The Company's share capital is NOK 1,680,985.75 divided into 33,619,715 Shares, each Share with a nominal value of NOK 0.05. The Shares are registered with the Norwegian Central Securities Depository (VPS).

Board of Directors

The Company's Board of Directors is to consist of one to seven members.

Restrictions on transfer of Shares

The Company's Articles of Association do not provide for any restrictions on the transfer of shares nor a right of first refusal for its shareholders. Share transfers are not subject to approval by the Board of Directors.

General Meetings

The ordinary general meetings of shareholders shall approve the annual accounts of the Company and the directors' report, including distribution of dividends. An ordinary general meeting shall further deal with any other matters required by law to be transacted at the general meeting.

Change of shareholder rights

The Articles of Association do not contain provisions with respect to actions necessary to change the rights of shareholders.

10.7 Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise. The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Private Limited Liability Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Private Limited Liability Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

10.8 Shareholder policy

The Company will inform Euronext Growth, the Company's shareholders and the market on an ongoing basis of the Company's development, activities and special events, ensuring that as far as possible the pricing of the Company's Shares reflects the underlying values and expectations on future profits. Such information will, among other things, consist of annual reports, quarterly reports, bulletins, press releases and investor presentations when appropriate.

11. **TAXATION**

11.1 **Taxation of the Company**

The Group's activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating.

The Group's activities are to a large extent subject to favourable tax regulations for the operating profits generated from shipping activities in Norway and Singapore.

The Company's subsidiary Western Bulk Carriers AS operates within the Norwegian tonnage tax regime. Instead of normal tax on general income, a company under the Norwegian tonnage tax regime pays a tonnage tax based on the net tonnage of relevant vessels. The tax regime is available for companies formed in accordance with the Norwegian Private Limited Liability Companies Act, or similar companies resident in the EEA with taxable presence in Norway. In 2017 the EFTA Surveillance Authority approved the Norwegian tonnage tax regime for another ten years. For a company to be eligible for the tonnage tax regime, the company must comply with requirements regarding qualifying assets and activities of the company. As a qualifying asset Western Bulk Carriers AS owns 10 % of C-Bulk KS, consisting of the vessel MV Cygnus. To qualify for the tonnage tax regime, a minimum of 10 % of vessels chartered must be from EU/EEA flag states. YTD June 20% of vessels chartered by Western Bulk Carriers AS were from EU/EEA flag states.

Tonnage taxed companies can only perform activities related to operation of owned and leased vessels. This means that trading of FFAs (Forward Freight Agreements) in tonnage taxed companies cannot reach a volume that entails that such activities should be regarded as a business separate from the operation of owned and leased vessels. For positional FFA trades that can be considered a separate business from the operation of vessels, the FFA trades are made in Western Bulk Chartering AS, booked as financial income/loss and subject to 22% corporate income tax.

The Company's subsidiary Western Bulk Pte Ltd operates within the Singaporean MSI-Approved International Shipping Enterprise Award, which gives tax exemption on qualifying shipping income for 10-year renewable periods. The last approval for this scheme was received by Western Bulk Pte Ltd in 2015. Participation in the scheme should therefore run until 2025 when it may be renewed again subject to approval from the relevant authorities.

11.2 **Taxation in connection with Shares**

Set out below is a summary of certain Norwegian tax matters related to the purchase, holding and disposal of the Shares. The statements below regarding Norwegian taxation are based on the laws in force in Norway as of the date of this Information Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws.

The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to purchase, own or dispose of shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The summary only applies to shareholders who are beneficial owners of the shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

11.2.1 Norwegian shareholders

Taxation of dividends for Norwegian personal shareholders

Dividends from the Company received by shareholders who are individuals resident in Norway for tax purposes ("Norwegian Personal Shareholders") are grossed up with a factor of 1.44 before taxable as ordinary income at a flat

rate of 22% to the extent the dividend exceeds a tax-free allowance, resulting in an effective tax rate of 31.68% ($22 * 1.44 = 31.68$).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "statskasserveksler") with three months maturity plus 0.5% percentage points, after tax. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year. The risk-free interest rate for 2019 was 1.3%. The risk-free interest rate for 2020 was 0.6%. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share the following years.

The Shares will not be qualified for a Norwegian share saving account for Norwegian Personal Shareholders as the shares are listed on Euronext Growth and not Euronext Expand or Oslo Børs.

Taxation of dividends for Norwegian corporate shareholders

Dividends from the Company received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders") are effectively taxed at a rate of 0.66% (3% of net dividend income from such shares is included in the calculation of ordinary income). Ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%. If the Norwegian Corporate Shareholder is a Financial Institution under the Norwegian financial activity tax, the effective rate of tax on dividends is 0.75%.

Capital Gains Tax for Norwegian personal shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a realisation of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Any gain or loss is grossed up with a factor of 1.44 before being taxable at a rate of 22%. The effective tax rate is therefore 31.68%. The gain is subject to tax and the loss is tax-deductible irrespective of the duration of the ownership and the number of shares are realised.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realisation of the share. Unused tax-free allowance connected to a share can be deducted from this capital gain. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled (and may not be set off against gains from realisation of other shares).

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

If a Norwegian Personal Shareholder cease to be a tax resident of Norway certain specific regulations apply with regard to realisation of shares held by such person and the Norwegian Personal Shareholder may be subject to exit taxation of capital gains.

Capital gains tax for Norwegian Corporate Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. Capital gains arising from the realisation of shares qualifying for the participation exemption are not taxable for Norwegian Corporate Shareholders. Losses incurred upon realisation of such shares are not deductible for Norwegian Corporate Shareholders.

Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian personal shareholders. Currently, the marginal wealth tax rate is 0.85% of the value assessed. The value for assessment purposes is 55% of the total tax value of the Company on 1 January of the year preceding the tax assessment year.

Norwegian Corporate Shareholders are not subject to wealth tax.

11.2.2 Non-Norwegian shareholders

Taxation of dividends for Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian personal shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (see above).

If a non-Norwegian personal shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian personal shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Taxation of dividends for Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (or certain similar entities) not resident in Norway for tax purposes are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Non-Norwegian corporate shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to non-Norwegian corporate shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Capital gains tax for Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a non-Norwegian personal shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Capital gains tax for Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are normally not subject to taxation in Norway.

If a Non-Norwegian Shareholder is engaged in business activities in Norway or has business activities managed from Norway, and the shares are effectively connected with such business activities, capital gains realized by such shareholder will generally be subject to the same taxation for the Norwegian taxable presence of the Non-Norwegian Shareholder as for resident Norwegian Shareholders.

Net Wealth Tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

Inheritance Tax

Norway does not impose inheritance tax on assignment of shares by way of inheritance or gift. If any shares of the Company are assigned by way of inheritance or gift, the tax input value of such shares on the part of the originator of such inheritance or gift will be attributed to the recipient of said inheritance or gift (based on continuity). Thus, the heir will, upon realization of the shares, be taxable for any increase in value in the donor's ownership period. However, the principles of continuity only apply if the donor was taxable to Norway.

Duties On Transfer of Shares

No stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares in Norwegian companies. There is no VAT on a transfer of shares in Norway.

12. **SELLING AND TRANSFER RESTRICTIONS**

12.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to trading on Euronext Growth Oslo.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Information Document does not constitute an offer and this Information Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Information Document, the investor may not treat this Information Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Information Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

12.2 Selling restrictions

12.2.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 12.3.1 "United States".

12.2.2 United Kingdom

In the United Kingdom, the issue or sale of any Shares will only be communicated or caused to be communicated in circumstances in which Section 21 (1) of the Financial Services and Markets Act 2000 ("FSMA") does not apply to the Company and in accordance with all applicable provisions of the FSMA with respect to the Shares in, from or otherwise involving the United Kingdom.

12.2.3 European Economic Area

In no member state (each a "Relevant Member State") of the European Economic Area (the "EEA") have Shares been offered and in no Relevant Member State other than Norway will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Euronext Growth Advisors for any such offer; or
- c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation; provided that no such offer of Shares shall result in a requirement for the Company or Euronext Growth Advisors to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of an offering and the shares to be offered, so as to enable an investor to decide to acquire any shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Information Document.

12.2.4 Other jurisdictions

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Shares.

In jurisdictions outside the United States and the EEA where an offering would be permissible, the Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

12.3 Transfer restrictions

12.3.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Information Document.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Euronext Growth Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be

deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares. The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Euronext Growth Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

12.3.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Information Document will be deemed to have represented, warranted and agreed to and with the Euronext Growth Advisors and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Euronext Growth Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified

investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons. For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

13. **ADDITIONAL INFORMATION**

13.1 Admission to Euronext Growth

The Company applied for Admission to Euronext Growth Oslo on 6 September 2021.

The first day of trading on Euronext Growth Oslo is expected to be on or around 20 September 2021.

13.2 Independent auditor

The Company's independent auditor is RSM Norge (company number 982 316 588, with registered address at Filipstad Brygge 1, 0252 Oslo, Norway). The members of RSM Norge are members of The Norwegian Institute of Public Accounts (Den Norsk Revisorforening). RSM Norge have been the Company's independent auditors since 2005⁵.

RSM Norge have not produced, reviewed or audited any other information in this Information Document.

13.3 Advisors

The Company has appointed the following advisors in connection with the Admission.

Euronext Growth Advisors: Arctic Securities AS (company registration number 991 125 175 with registered address at Haakon VIIs Gate 5, 0161 Oslo, Norway)

and

DNB Markets, a part of DNB Bank ASA (company registration number 984 851 006 with registered address at Dronning Eufemias Gate 30, 0191 Oslo, Norway)

Legal Advisors: Advokatfirmaet Wiersholm AS (company registration number 981 371 593 with registered address at Dokkveien 1, 0250 Oslo, Norway)

⁵ RSM Norge were previously known as RSM Hasner Kjelstrup & Wiggen AS and Kjelstrup & Wiggen AS prior to that.

14. DEFINITIONS AND GLOSSARY OF TERMS

The defined terms below shall have the following meaning when used in this Information Document.

Admission	The admission to trading of the Company's shares on Euronext Growth.
AGM.....	Annual general meeting of shareholders.
Articles of Association.....	The Company's articles of association.
Appropriate Channels for Distribution	Has the meaning ascribed to such term under "Important Information".
Board of Directors.....	The board of directors of the Company.
Board Members	The members of the Board of Directors.
CEO	Chief Executive Officer.
Company	Western Bulk Chartering AS.
Corporate Governance Code....	The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018.
EEA.....	The European Economic Area.
EGM.....	Extraordinary general meeting of shareholders.
ESS.....	The Company's Employee Share Scheme.
Euronext Growth Advisors.....	Arctic Securities AS and DNB Markets, a part of DNB Bank ASA.
Euronext Growth Oslo	A multilateral trading facility for equity instruments operated by Oslo Børs ASA.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
EUR	Euro, the lawful common currency of the Member States who have adopted the Euro as their sole national currency.
Financial Statements.....	The audited consolidated annual financial statements of the Group for the years ended 31 December 2019 and 2020 prepared in accordance with NGAAP.
General Meeting	A general meeting of the Company's shareholders.
Group.....	The Company together with its subsidiary.
HSE	Health, security and environment.
Information Document	This Information Document dated 16 September 2021.
Interim Financial Statements....	The Group's unaudited consolidated interim financial statements for the six month period ended 30 June 2021.
ISIN.....	International Securities Identification Number.
NGAAP	The Norwegian Generally Accepted Accounting Principles.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders.....	Holders of shares who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Shareholders ...	Holders of shares that are not residents of Norwegian for purposes of Norwegian law.
Norwegian Accounting Act.....	The Norwegian Accounting Act of 17 July 1998 No.56 (<i>Nw. Regnskapsloven</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007, no. 75 (Norw.: verdipapirhandelloven).
Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulation of 29 June 2007 no. 876 (Norw.: verdipapirforskriften).
Norwegian Shareholders	Holders of shares that are residents of Norway for purposes of Norwegian taxation.

Private Placement	The private placement consisting of 4,340,000 Shares in the Company announced completed on 8 September 2021.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Relevant Member state.....	A member state of the European Economic Area.
Share(s)	The shares of the Company, consisting as of this date of 33,619,715 shares each with a nominal value of NOK 0.05.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VPS.....	The Norwegian Central Securities Depository (<i>Nw. Verdipapirsentralen ASA</i>).

Appendix A
Articles of Association of Western Bulk Chartering AS

VEDTEKTER
FOR
WESTERN BULK CHARTERING AS

(sist endret 14. september 2021)

§1

Selskapets navn er Western Bulk Chartering AS.

§2

Selskapets forretningskontor er i Oslo kommune.

§3

Selskapets virksomhet skal bestå i å eie, leie og drive skip, befraktning og operatørvirksomhet, tilretteleggelse av og deltagelse i finansielle transaksjoner og alt som står i naturlig forbindelse med ovennevnte, herunder deltagelse i selskaper med lignende virksomhet.

§4

Selskapets aksjekapital er NOK 1.661.485,75 fordelt på 33.229.715 aksjer, hver pålydende NOK 0,05. Aksjene skal være registrert i et verdipapirregister.

§5

Selskapets styre skal bestå av minimum 1 og maksimum 7 medlemmer. Selskapets firma tegnes av styrets leder.

§6

Overdragelse av aksjer i selskapet krever ikke samtykke fra styret. Overdragelse av aksjer i selskapet utløser ikke forkjøpsrett for øvrige aksjeeiere i selskapet.

§7

Den ordinære generalforsamling skal behandle og avgjøre:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker som i henhold til loven eller vedtektene hører under generalforsamlingen.

§ 8

Når dokumenter som gjelder saker som skal behandles på generalforsamlinger i selskapet er gjort tilgjengelige for aksjeeierne på selskapets internettsider, kan styret beslutte at dokumentene ikke skal sendes til aksjeeierne. En aksjeeier kan i så fall kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen. Selskapet kan ikke kreve noen form for godtgjøring for å sende dokumentene til aksjeeierne.

ARTICLES OF ASSOCIATION FOR WESTERN BULK CHARTERING AS
(last amended on 14 September 2021)

(Translation into English)

Article 1

The name of the Company is Western Bulk Chartering AS.

Article 2

The Company's registered office is in Oslo municipality.

Article 3

The Company's activities shall consist of owning, chartering and operation of ships, freight services and operating activities, facilitating and participating in financial transactions and any other activities which are naturally related to the above, including participation in companies engaged in similar activities.

Article 4

The Company's share capital is NOK 1,661,485.75 divided into 33,229,715 shares, each of a nominal value of NOK 0.05.

Article 5

The Board of Directors shall have a minimum of 1 and a maximum of 7 members. The Chairman of the Board can sign for the Company.

Article 6

Transfer of shares in the Company does not require the Board of Directors' consent. Transfer of shares in the Company does not trigger a pre-emption right for the other shareholders in the Company.

Article 7

At the ordinary general meeting, the following matters shall be transacted and decided:

1. Approval of the annual accounts and the directors' report, including distribution of dividends.
2. Any other business which, pursuant to law or the Articles of Association, is to be transacted at the general meeting.

When documents relating to matters to be considered at general meetings of the company have been made available to the shareholders on the company's website, the board may decide that the documents shall not be sent to the shareholders. In such case, any shareholder may demand to be sent documents relating to matters to be considered at the general meeting. The company may not demand any form of compensation for sending the documents to the shareholders.

Appendix B
Audited consolidated financial statements
For the year ended 31 December 2020

Annual Report 2020



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Key Figures

Western Bulk Chartering Group				
USD million	Full year '20	Full year '19	Full year '18	
Gross revenues	778.7	1 062.7	1 070.2	
Net TC result ¹⁾	26.7	-6.4	31.6	
Administrative expenses	22.9	25.4	26.4	
EBITDA ¹⁾	3.8	-31.8	5.2	
Net profit after tax ¹⁾	3.2	-38.0	4.2	
Net TC Margin per ship day (USD) ¹⁾	663	-117	573	
Average number of ships operated	110	150	151	
Total assets	79.3	118.0	116.4	
Book equity	19.8	16.0	24.1	
Total liabilities	59.5	102.0	92.3	
Free cash	18.3	24.0	23.0	
Restricted cash	12.0	13.7	8.1	
Total cash	30.3	37.7	31.1	

¹⁾ Impairment charges on loss-making contracts primarily related to Chile of USD -26.4 million in 2019 and USD -13.1 million in FY 2018 are included in the figures.



Group Description



Strong relations with vessel providers as a leading worldwide operator of dry bulk vessels in the Ultramax to Handysize (“geared bulk vessels”) segments. Currently operating a fleet of about 110 vessels.



Western Bulk delivers on our customers needs by identifying the most efficient match of cargo and vessels, combined with focus on consistent service delivery through world class operations.



Offices located in Oslo, Singapore, Seattle, Santiago and Casablanca – headed by an experienced management team. Flat and decentralised organisational culture enables quick response to local market changes. Local presence allows intimate knowledge of cargo and vessels.



More than 300 cargo customers, superior market and business intelligence, operations spread across more than 85 countries, diversified across commodities, and proprietary risk control systems.



Privately owned by approximately 210 shareholders. The Norwegian privately owned investment company, Kistefos AS is the largest shareholder controlling about 81% of the shares. Experienced Board of Directors and support from the main shareholders.



More than 100 employees working in skilled teams developed in-house. Our teams add to our performance, cooperating and supporting each other across functions and regions.

Building an open and cooperative culture with enhanced customer focus

In Western Bulk we have always had a very strong and agile commercial culture where individuals are given delegated responsibility and room to grow with their tasks. Building on this, we have spent 2020 establishing a more open culture where we share knowledge, information and business across offices and teams – making us more than just the sum of our parts. I am pleased to observe that we are now one company where we all work together to achieve our goals.

I strongly believe that we have a lot to gain from intensifying our work to maintain and develop customer relationships – both towards charterers, owners, and brokers. By being a company that puts its honor into always delivering on our customer’s expectations, we believe that we will have a competitive advantage in the years to come.

As part of this we have made several adjustments in our organization the last year. I see our operations managers as one of the key resources delivering on our customer promise. We have therefore enhanced our focus on operations and appointed two Heads of Operations in Singapore and Oslo, respectively. Our goal is to deliver world class operations across the group with consistent high quality both externally towards customers and internally. As part of strengthening our relationships and improving vessel performance we have also established a separate tonnage desk, and a separate function for vessel optimization.

Over time, our ambition is to develop world class competencies and tools for relative pricing of vessels, vessel selection and vessel optimization – adapted to our profile as a vessel operator with a fleet that is primarily fixed in on short term contracts.

We strive to be a dynamic company where we use data, systems, and colleagues to constantly learn and adapt. As part of this we have developed a state-of-the-art cloud-based data infrastructure that combines complex data from various sources for analysis and reporting. On the back of this we are developing decision support tools and tools to simplify the chartering and operations work processes.

In the context of Covid-19 and lockdowns, I am pleased with the organization achieving a full year net profit after tax of USD 3.2 million in 2020. So far in 2021 we have invested in repositioning of vessels and built optionality for the second half of the year.

With our cultural and organizational changes, combined with improved tools for decision making, the prospects for 2021 are promising.



Hans Aasnæs, CEO



Our Values



Agile

Energetic, responsive,
flexible and nimble



Reliable

Dependable, sincere,
humble, steadfast and
attentive



Risk aware

Making informed and
calculated decisions,
mindful of challenges



Entrepreneurial

Curious, adventurous,
ambitious, always
pursuing opportunities



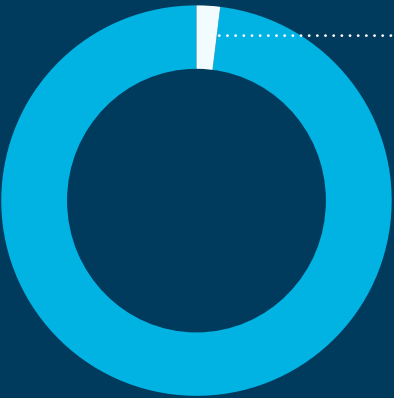
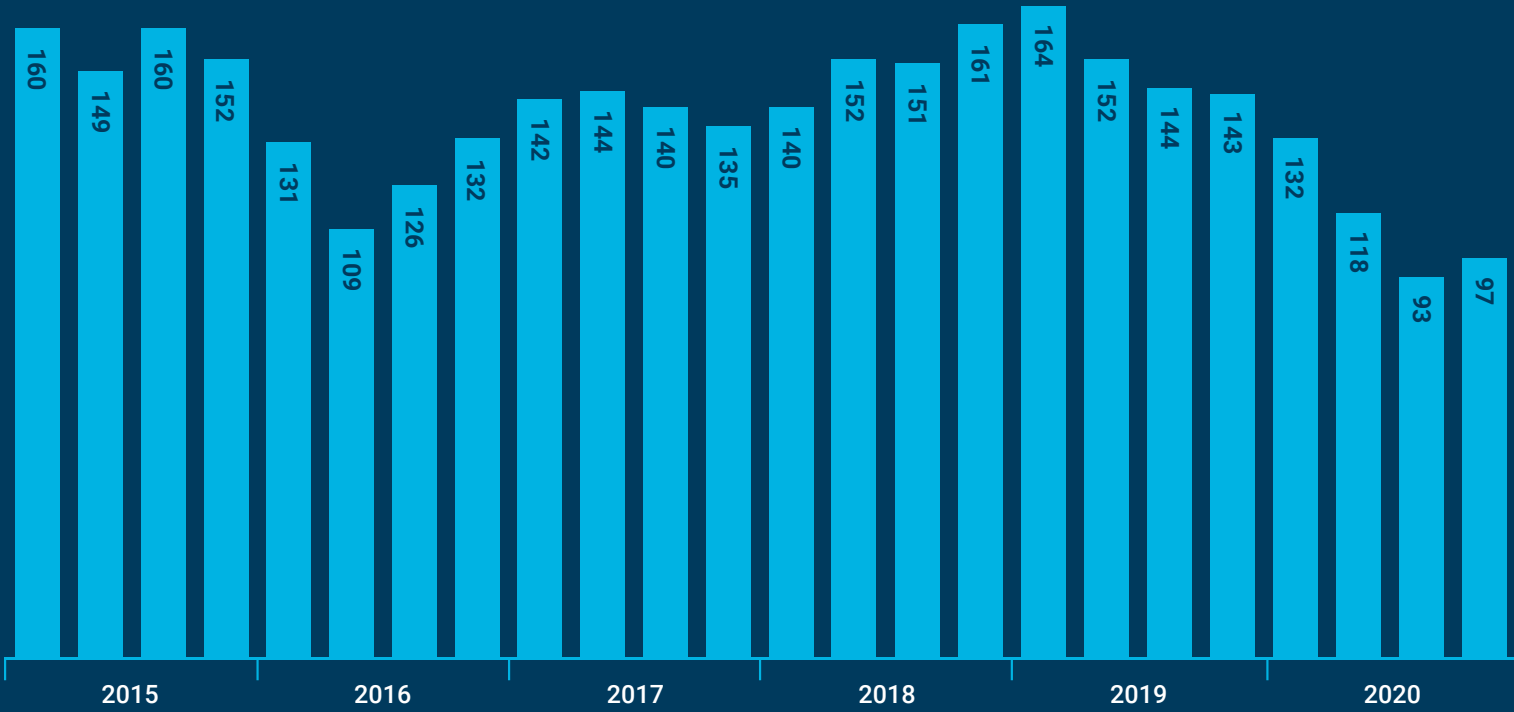
Broad Access to Vessels

Currently operating a chartered-in fleet of around 110 vessels.



- Significant network of Ultramax to Handysize providers serves as foundation for everything from single voyage leases to longer term leases of vessels - basis for a highly flexible fleet.
- Extensive vessel access ensures that Western Bulk always has the opportunity to identify attractive vessels for any cargo load.
- A large vessel market with several vessels to trade creates opportunity to cherry-pick vessels that most efficiently match each cargo load and secure the highest possible margin.
- Selecting the optimal vessel depends on a range of factors, including vessel location and distance from cargo, fuel efficiency and charter hire.
- Western Bulk engages in short- (up to six months), medium- (six to twelve months) and long-term (more than twelve months) leases. The majority of leases are short- to medium-term.
- Any relation with vessel providers undergoes a thorough evaluation of counterparty risk.

Number of vessels operated by quarter



Western Bulk operates ~2% of the global fleet of Supra and Handy size vessels - wide space of available vessels ensure identification of the optimal vessel.

Well Diversified

- Western Bulk has a wide network of cargo owners diversified across geographies and commodities.
- Our wide network limits our exposure to specific customers, geographies or commodities. It also provides a wide foundation for revenue generation and reduces cyclicalty and counterparty risk.
- Our close relations to such a wide range of cargo owners globally provides a high deal flow with opportunities to locate cargo that efficiently match identified and available vessels.

Cargo owner diversification

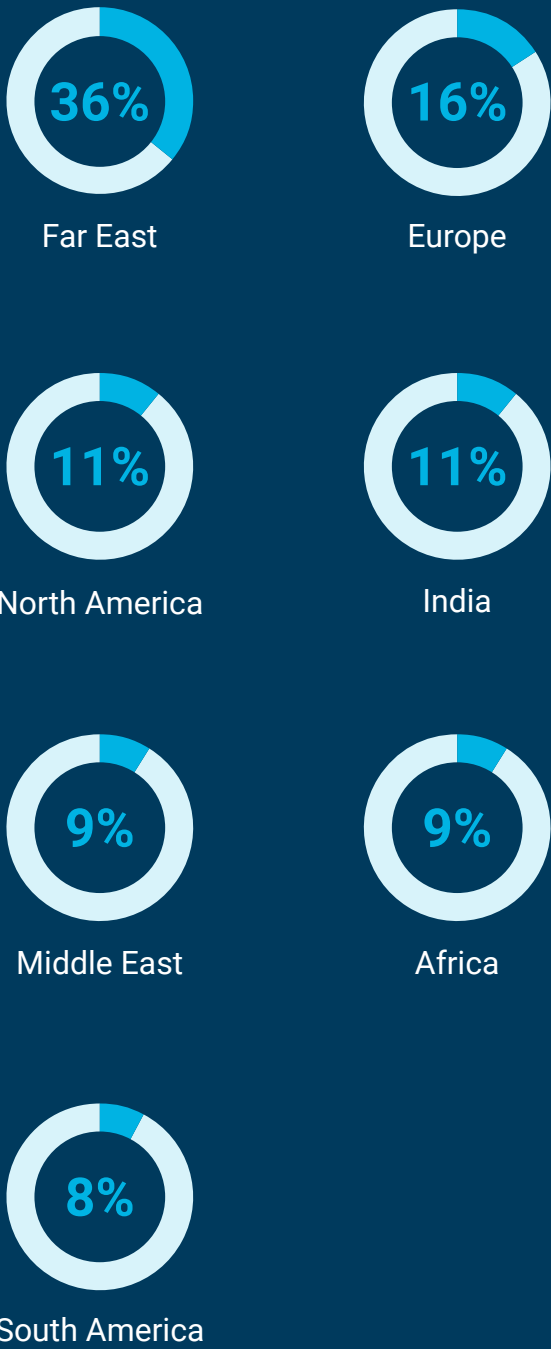
2020 Figures by Customer



Western Bulk has more than 300 different cargo customers. No single customer accounts for more than 3.4% of revenues.

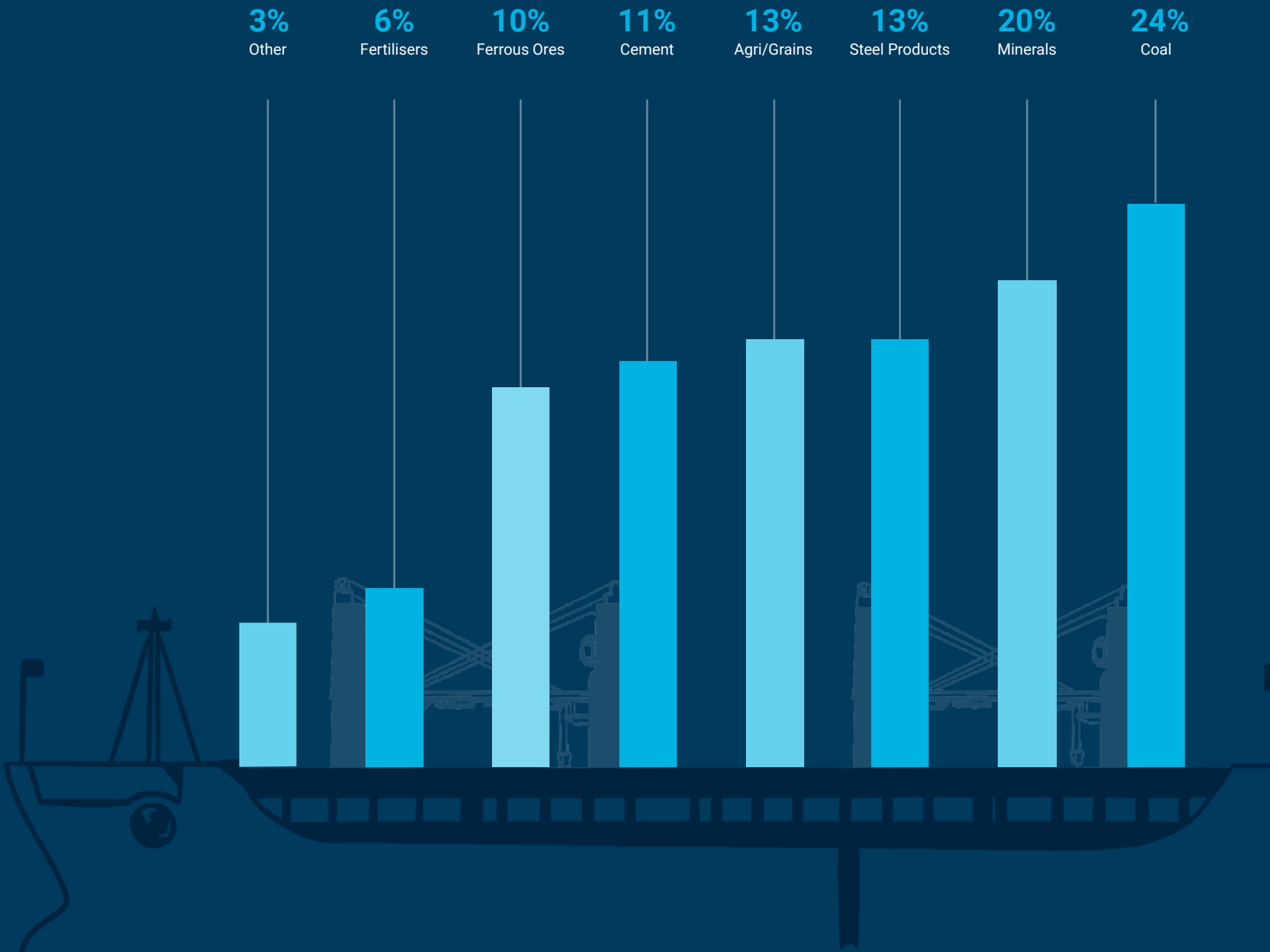
Geographic diversification

2020 Figures by Discharge area



Commodity diversification

2020 Figures by Commodity



Customer Focus



Focus

We are working hard on our customer proposition by enhanced focus on customer needs and the importance of consistent service delivery



Relationships

Intensify work to maintain and develop customer relationships



Goals

Goal to deliver world class operations across the group with consistent high quality both externally towards customers and internally.



Patrick Feng (Operations Manager in the Indian Ocean team)
and Trang Nguyen (Claims Counsel in the Legal team)

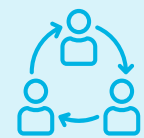
Organisational Culture

We have a very strong and agile commercial culture in Western Bulk. Building on this, we want to:



Be one company

Be one company working together to achieve our goals.



Open culture

Have an open culture where we share knowledge, information and business across offices and teams - making us more than just the sum of our parts.



Dynamic company

Be a dynamic company where we use data, systems and colleagues to constantly learn and adapt.



Nanna Brage (Bunker Procurement Manager) and May Yong (Administrative Officer for the Singapore office).



Our Offices

Western Bulk has a global reach and a local presence with offices located in strategically important areas for shipping and trade of dry bulk commodities.





Our Commercial Teams

South Atlantic

The South Atlantic team serves clients loading and/or discharging cargo on the Atlantic coasts of South America and Africa. Cargoes are carried on a trusted base of ships from our core owners and include both spot movements and industrial multi-year contracts.

The South Atlantic team aims to build on growing volumes with our industrial clients, provide personal service and attention on operational issues, and place the Group at the forefront of future trade opportunities.

The South Atlantic team is managed out of the Oslo office and operated on average about 20 vessels during 2020.

US Gulf

The US Gulf team serves the US Gulf/US East Coast/North Coast South America area and a broad base of clients with diverse ocean transportation needs originating from the US Gulf and neighboring loading zones from East Coast Canada to North Coast South America.

The US Gulf team is managed out of the Oslo office and operated on average about 15 vessels during 2020.

Continent

The Continent team's main activity is transport of various steel and bulk cargoes from the Continent and the Baltics.

The team is managed out of the Oslo office and operated on average about 10 vessels during 2020.

Black Sea/Mediterranean

The Black Sea/Mediterranean team's main activity is transport of various steel and bulk cargoes from Black Sea and the Mediterranean worldwide.

The team is managed out of the Oslo office and operated on average about 15 vessels during 2020.

Indian Ocean

Through its significant customer base, the Indian Ocean commercial team is active in most dry bulk commodities and services clients on spot, short to medium term as well as on long industrial contracts. The commercial team also runs extensive parceling operations within Asia on various bulk and break-bulk commodities.

The Indian Ocean team is based in the Singapore office and operated an average volume of about 25 vessels in the Handysize to Ultramax segment during 2020.

Pacific / US West Coast

The size and diversity of the Pacific basin demands that the Pacific / US West Coast portfolio is not just active in the more established core trades but also in niche cargo flows throughout the region. The team is considered a specialist in slag, fertilizer, clinker, coal, steel products, grains, iron ore and pet-coke.



The substantial intra and cross basin trades in the region necessitate the Pacific portfolio to work closely with all the other commercial teams. The team also represents the Group towards vessel owners based in the Asia region for both spot and period employment.

The Pacific / US West Coast team is run out of the Singapore and Seattle offices and operated a fleet of about 25-30 vessels on average during 2020, ranging from Handysize to Ultramax.

The Senior Management Team



Hans Aasnæs
Chief Executive Officer

Mr. Aasnæs has previously held the position of Senior Vice President at Umoe Group and was a Director of several of the group’s subsidiaries. From 2005 to 2013, he served as CEO of Storebrand Asset Management. Hans Aasnæs is a board member of the Executive Board of Norges Bank, the highest decision making body of the Norwegian Central Bank, which oversees Norges Bank Investment Management (NBIM). He is also chairman of the board at Nordic Trustee AS and Strand Havfiske AS, as well as a board member of Investinor AS. Mr. Aasnæs is an agricultural economist with an MSc from the Norwegian University of Life Sciences (NMBU), has a Graduate Programme in Economics and Business Administration from the Norwegian School of Economics (NHH) and is a certified financial analyst.



Egil Husby
Chief Strategy and
Transformation Officer

Mr. Husby is responsible for activities aimed at decisions support, business improvement and business transformation, and has been employed in the Group since late 2004. Until 2019 he served as Chief Risk Officer, responsible for risk management, business analysis and technology. Prior to that, he was at Norsk Hydro where he worked with risk management and structuring for Hydro’s energy trading activities. Mr. Husby has an MBA from the University of Adelaide and an MSc in mathematical statistics from the Norwegian University of Science and Technology (NTNU).



Kenneth Thu
Chief Financial Officer

Mr. Thu is responsible for finance, market and counterpart risk, accounting, business control, legal and HR. He has a background from retail, energy and management consulting. Before joining Western Bulk in 2017, he was the Acting CFO in Elkjøp Nordic AS, a part of Dixons Carphone Plc. Mr. Thu has also been employed by Expert AS, PA Consulting Group AS and Orkla Brands AS. He holds an MSc in Economics and Business Administration from the Norwegian School of Economics (NHH)

The Board of Directors



Bengt A. Rem
Chairman of the Board

Mr. Rem is the CEO of Kistefos AS, which owns 81% of the shares in Western Bulk Chartering AS. Prior to joining Kistefos AS in 2015, Mr. Rem was CEO in Arctic Partners. His previous experience includes Executive Vice President & CFO as well as other leading positions in the industrial investment Group Aker ASA, Head of the Department Responsible for Financial Instruments on the Oslo Stock Exchange and state authorised accountant in Arthur Andersen & Co. Mr. Rem holds an MSc in Business and Administration and Finance from the Norwegian Business School (BI) and a Master in Accounting and Auditing from the Norwegian School of Economics (NHH).



Erik Borgen
Member of the Board

Mr. Borgen is Investment Director at Kistefos AS. Prior to joining Kistefos AS in 2016, Mr. Borgen was a partner at the private equity firm HitecVision. His previous experience includes partner at Arctic Securities AS as well as other positions in Morgan Stanley and Perella Weinberg Partners. He has previously engaged in projects and activities within the fields of mergers and acquisitions, debt capital markets, IPO's and restructuring. Mr. Borgen holds an MSc in Finance from the Norwegian School of Economics (NHH).



Tord Meling
Member of the Board

Mr. Meling is Investment Director at Ojada AS, our second largest shareholder. He has worked more than 10 years in the airline Norwegian ASA, with experience in business development, aircraft financing and corporate finance. He also has experience from Deloitte. Mr. Meling holds an MSc in Finance from the Norwegian School of Economics (NHH).

Board of Directors' Report 2020

In a year dominated by the Covid-19 pandemic and subsequent global lockdowns, Western Bulk Chartering AS and its subsidiaries (the “Group”) was able to achieve a net profit after tax of USD 3.2 million and a Net TC result of USD 26.7 million. The transition to low Sulphur fuel oil following the IMO2020 regulation was handled in a very good manner.

Financial Performance for the Group

The Group was well positioned to benefit from the low market rates in the first quarter of 2020. For the second quarter the results were negatively impacted by Covid-19, combined with port closures and a depressed market. With rates down to levels not seen since early 2016 this led to a net loss after tax of USD -2.9 million for the first half of 2020.

The second half of the year saw improved results and a net profit after tax of USD 6.1 million. The fourth quarter was particularly profitable, benefiting from period vessels carrying spot cargoes in a rising Atlantic market.

The size of the fleet was kept relatively low throughout 2020, reduced from an average fleet of 132 vessels in the first quarter to an average of 97 vessels in the fourth quarter. This was partly due to uncertainties surrounding the development of the Covid-19 pandemic, as well as enhanced focus on profitable volume.

In line with the reduced volume, the Group’s turnover, expressed as gross freight revenues, was down to USD 778.7 million in 2020 compared to USD 1,062.7 million in 2019.

Administration expenses were USD 22.9 million in 2020 compared to USD 25.4 million in 2019.

Excluding bonus of USD 2.0 million in 2020, the Group saw savings of USD 4.5 million which was in line with previously communicated cost saving targets. The Group had an average of 108 FTEs employed in 2020 compared to 112 in 2019.

At the end of the year the Group had USD 18.3 million in free cash, a decrease of USD 5.7 million from 2019. The negative net cash flow was mainly due to an increase in working capital.

The balance sheet total was USD 79.3 million at the end of 2020 compared to USD 118.0 million the year before. Book equity totalled USD 19.8 million as of 31.12.2020, an increase of USD 3.8 million from the 31.12.2019 position of USD 16.0 million.

Market Development

The Pacific dry bulk market had a weak start to 2020 with an early Lunar New Year followed by the outbreak of the Covid-19 pandemic in China. The market improved in late February along with the start of the Brazilian grain export season; but it slumped in April and May as worldwide pandemic lockdowns disrupted global supply chains and reduced dry bulk demand. The post-lockdown recovery cycle started gradually from June and extended to the beginning of 2021.

Hence, in the first half of 2020 we saw the Baltic





Amit Rahul (Head of Operations - Pacific and Indian Ocean) and Yenny Sie (Accounting Manager in the Singapore office).

“ The Group is a world-leading operator within the Handy and Supra dry cargo segment, with a global trading pattern and the experienced staff and robust systems required to handle the large diversity in commodity types, trading routes and operating conditions that these segments offer.



Supramax Index 58’(BSI) posting its second lowest six-month average rate of USD 6,034/day since the index started in 2015, a fall of USD 2,170/day and -26% year on year. Whereas in the second half of 2020, the Baltic Supramax Index 58’(BSI) six-month average rate rebounded over 70% from the first half of the year to USD 10,327/day, yet still 11% below the same period of 2019. Full year 2020 averaged at USD 8,242/day, down 17% from that of 2019 (USD 9,948/day) as the market was yet to fully recover from the pandemic impact.

The spread between the Atlantic and the Pacific market rates widened in the first quarter of 2020 to USD 4,973/day, fell to USD -842/day in the second quarter of 2020, and recovered to USD 4,354/day in the second half of 2020. This reflects how the dry bulk market was first hit in the Pacific and then in the Atlantic, before the Pacific market recovered ahead of the Atlantic post-lockdown. Rising bunker prices have also contributed to the widening Atlantic premiums.

Future Development

The dry bulk market is expected to remain firm in 2021 with strong demand from China and recovered demand from the rest of the world. China, along with a few Asian economies is expected to support the Pacific market throughout most of 2021, while economies in the Atlantic region are expected to gradually recover from the pandemic and drive demand for the dry bulk market towards the second half of 2021.

The total dry bulk fleet is expected to grow less than 2.8% in 2021 due to a record low orderbook. On the other hand, demand for dry bulk vessels is expected to grow more than 3.5% this year due to recovered demand for coal and minor bulk which is expected to increase more than 4%, respectively. Trade volumes for iron ore is projected to grow with a modest rate of 2%, mostly driven by recovered demand

from EU and steady demand from China. Global grain trades are also set to see a growth of 2%, reflecting a slowing down after last year’s strong increase of 6%.

In addition to the favourable supply and demand growth prospects, the market is also benefiting from the positive expectation of continued economic recovery.

Going Concern

In accordance with §3-3a of the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimates and expectations for 2021 and the Group’s long-term strategy.

Business Overview

The Group is a world-leading operator within the Handy and Supra dry cargo segment, with a global trading pattern and the experienced staff and robust systems required to handle the large diversity in commodity types, trading routes and operating conditions that these segments offer.

The Group combines operational expertise in dry bulk shipping with portfolio and risk management techniques and approaches adapted from the financial industry. Given the diversity and complexity of the markets in which the Group operates, it has chosen to build a flat and decentralized organizational structure where most of the decision-making authority rests with its commercial teams. The risk management team monitors market and counterpart exposures of each commercial team and on an aggregate level for the Group.

Impact on the environment

The Group’s activities consist of chartering and operating dry bulk vessels for the transportation of products such as minerals, timber, cement, bauxite,

steel products, grains, coal and more. The chartering and operation of chartered-in vessels fully complies with international rules and standards in the jurisdictions and sectors in which they operate.

Western Bulk is continuously working to optimize operations in the fleet to minimize running costs and optimise fuel efficiency, which in turn can help reduce overall emissions from the fleet. A specific group role with a focus on optimisation has been established to develop a systematic approach to optimising the factors that affect performance metrics such as fuel consumption, by looking at the choice of ships, sailing speeds, use of weather routing companies. When chartering vessels, Western Bulk always considers vessel fuel performance over the period of the charter. Choosing ships that have better predicted fuel consumptions can in turn lead to lower emissions for the voyages the Company undertakes.

Organization

The Group cares about people, human rights, labour rights, safety and welfare. The Group is actively working to reduce sick leave and improve its working environment. During the year, no serious accidents or injuries have been reported. Total sick leave in the Norwegian Group was 1.45% (2019: 1.17%), divided into 0.80% short time absence, and 0.65% long time absence.

Working conditions for employees are considered to be good. The Group has implemented initiatives to maintain a healthy work environment, annual health checks, social and active events and activities, reimbursement of physical training expenses and individual workplace assessment by physiotherapist. The Group endeavours to offer all employees, regardless of gender, religion, beliefs or nationality, equal and attractive career opportunities. Employee performance is measured through performance appraisals.

The Group aims to be a company with full equality

between men and women, and no discrimination based on disability, gender, race, ethnic or cultural background. As of 31.12.2020, 38 of the Group’s 104 employees were women (37%), with 31% in Oslo, 46% in Singapore, 20% in Seattle and 50% in Santiago. An unequal recruitment base makes it difficult to achieve an equal mix of gender within certain Group units, but Western Bulk endeavours to have both genders represented in all employment processes.

Risk

The Group is exposed to a number of risks. In addition to the market risks associated with its chartering activity, the Group is also exposed to risks such as counterparty risk, credit risk, currency risk, operational risk and liquidity risk.

The Group operates with a clearly defined risk appetite and has implemented a comprehensive infrastructure of models, measures and internal control routines to mitigate risks or their potential consequences. It has developed a strong risk management culture that emphasise risk awareness in all decisions.

The Board recognises that counterparty risk is likely to prevail and that unexpected changes to demand and supply may cause market rates to fluctuate significantly, at least on a relative basis. Although the Group has a diversified exposure to counterparties, well-managed market exposure and a wide geographical positioning, we anticipate that the Group will be affected by these external factors. The Board is of the opinion that the Group’s exposures to the different risks are satisfactorily monitored and that it will be able to contain the risk at acceptable levels, for customers as well as shareholders.

Geopolitical Risk

With a global trading pattern, the Group is exposed to geopolitical risk and instability that exist or may

“ The Group cares about people, human rights, labour rights, safety and welfare. The Group is actively working to reduce sick leave and improve its working environment. During the year, no serious accidents or injuries have been reported



occur in parts of the world. The Group is paying close attention to concentration of geopolitical risks, and is targeting diversification to mitigate exposure that could potentially cause material effects to its results.

Market Risk

The Group has invested considerable resources in establishing and maintaining a risk control and monitoring system which on a daily basis quantifies the market exposure in the Group. This system allows the Group to measure risk and adjust its risk profile rapidly if required. The Group actively uses derivatives such as freight forward agreements (FFA), bunker swaps and other financial instruments to hedge its market exposure. The Group is not seeking to minimise the market risk, but rather to quantify and measure it to be able to take calculated positions in the market. The risk system sets absolute limits to the level of exposure taken by the Group. Such exposure may include being long/short on vessels relative to contract coverage, being long/short on geographical areas, vessel sizes and trade

routes, utilising options on cargoes and vessels, and more, to take market rate exposures.

Operational Risk

The Group is exposed to various operational risks in conducting its business worldwide, with vessels sailing to and calling at ports in most areas of the world. Operational responsibility rests with the Group’s commercial teams, as most operational risks are related to specific vessels, cargoes or markets. While single incidents mainly will have limited impact on the Group, the Group pays close attention to concentration of risks related to cargo type, geographical area and counterparties, targeting diversification to mitigate exposure that potentially could have material effect.

Financial Risk

The Group’s credit risk mainly relates to freight payable from our counterparts for voyages being performed. Such freight is mainly due at completion of loading the cargo, and if not paid, the Group will in most cases have a lien on the cargo. As such,



Allan Jiang (Chartering Manager in the Pacific/US West Coast team), Trang Nguyen (Claims Counsel) and Patrick Feng (Operations Manager in the Indian Ocean team).

credit risk is manageable, and mainly relates to potentially disputed parts of the amount invoiced such as laytime and demurrage upon discharge.

The Group's liquidity risk is mainly related to timing of cash in- and outflows and the Group continuously monitors its cash reserves and available liquidity to ensure sufficient liquidity is available to meet the known obligations of its operations, minimum liquidity covenants in financing agreements, and to meet measured cash flow risks related to the use of derivatives for hedging purposes.

The Group is exposed to currency risk, mainly for expenses incurred in local currency other than

US dollar. The Group measures its currency risk applying sensitivity analysis. The Group has hedged the expected NOK denominated administrative expenses for 2021 by entering into NOK/USD currency forward contracts.

The Group is exposed to interest rate risk from its financing facilities. The interest rate risk is negligible and currently unhedged.

Ownership Structure

As of 31.12.2020, Western Bulk Chartering AS is a privately owned company, with about 210 shareholders. The Norwegian privately owned investment company, Kistefos AS controls about 81% of the shares.

Financial Performance for the Parent Company and Allocations

Western Bulk Chartering AS (Parent Company) recorded a loss after tax of USD -0.8 million for 2020 and a net negative cash flow of USD -6.8 million. Equity was USD 37.2 million as of 31.12.2020 with a book equity ratio of 44%.

The Board recommends the following covering of the 2020 net loss for the parent company:

From Share premium	USD	-807 268
Total allocations	USD	-807 268

Oslo, 18. March, 2021

Bengt A. Rem
Chairman of the Board

Tord Meling
Board member

Erik Borgen
Board member

Hans Aasnæs
CEO

Responsible Business Conduct

Western Bulk views responsible business conduct practices, including environmental and social standards, as key to reducing the impact of marine activities. Western Bulk is committed to promoting responsible and sustainable practices as global, corporate citizen and within our sphere of influence as ship operators.

Adhering to high standards in Responsible Business Conduct (“RBC”) within the Group’s businesses has positive impacts on results and makes Western Bulk competitively stronger in a sector where customers are increasingly driven by such factors when choosing their business partners.

Western Bulk’s Code of Conduct and related internal policies establish clear expectations for all parts of the Group’s business with regard to good corporate conduct and compliance with applicable laws and regulations. The Code of Conduct includes requirements and clearly communicates the Group’s expectations related to dealing with third parties and matters of integrity.

Western Bulk has a compliance program that is aimed at addressing the risks relevant to the Group’s business. This program has explicit and visible support from senior management to emphasise the important role of compliance for the Group.

Western Bulk has a whistle-blower policy and reporting channel. Employees are expected and encouraged to report matters that may not comply with the principles set forth in the Code of Conduct or other policies.
Western Bulk has a Counterpart Risk team that

evaluates new and existing third parties against several commercial and RBC-related risk criteria. This process is risk based and the extent of the vetting process therefore varies with the special risk of each trade, including e.g. the industry or region. The Group uses external databases and sources to improve the quality of the findings related to each third party.

Western Bulk employees have a strong awareness of RBC related issues, and in particular related to the handling of corruption and sanctions risks. The importance of this area has been highlighted by a top-down promotion of RBC and compliance matters from the CEO and the senior management team.

The Western Bulk group’s commitments in the RBC sphere are:

• **Human Rights**

Western Bulk shall support, respect and commit to the principles set out in UN’s Universal Declaration on Human Rights and ensure that they are not complicit in human rights abuses.



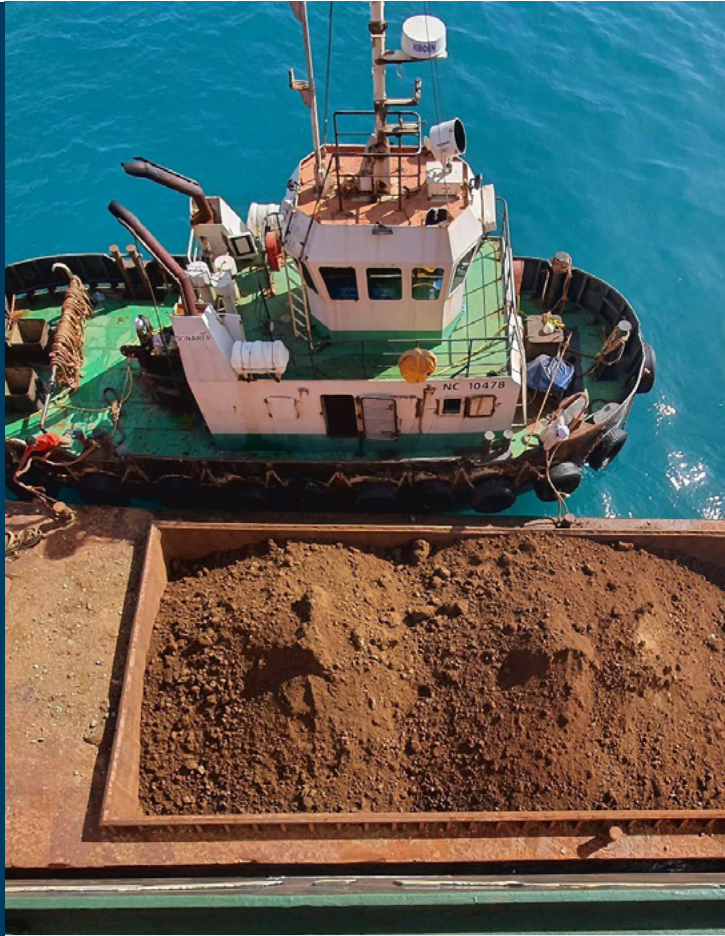


Anti Corruption

Western Bulk conducts its business with integrity. All activities within the Group are done in compliance with all applicable laws and regulations. The Code of Conduct prohibits engagement in corrupt or illegal practices directly or indirectly.

Western Bulk continues to participate in the Maritime Anti-Corruption Network (www.maritime-acn.org). Established in 2011, MACN is an industry group of over 130 industry participants including ship owners and operators, cargo owners and service providers working towards a vision of a maritime industry free of corruption. As part of MACN, Western Bulk supports the efforts of collective industry action to improve the compliance environment and integrity in the sector.

In 2020 Western Bulk completed TRACE certification for Western Bulk Carriers AS and Western Bulk Pte Ltd. TRACE certification means that the companies have completed a comprehensive and internationally recognised due diligence process administered by TRACE, the world's leading anti-bribery standard setting organization. The successful completion of TRACE certification demonstrates a commitment to commercial transparency.



Western Bulk participates in MACN and Trace



MACN
Maritime Anti-Corruption Network



Anti-Bribery
Compliance
Solutions

• Labour Rights

Non-Discrimination

Western Bulk's policies prohibit unlawful discrimination on grounds of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, labour union affiliation, social or ethnic origin.

Western Bulk treats all persons with dignity and respect. All employees support a work environment free from discrimination.

Compensation

Wages paid to employees and hired labour are considered fair and meet any national legal standards on minimum wage. Working hours are not excessive and as a minimum complies with applicable local laws or agreements.

Labour standards

Freedom of association and the right to collective bargaining and agreements are respected in all operations of the Group.

Safe working environment

All employees are provided with a safe and healthy work environment.

Seafarers

Owners of tonnage chartered by the Group are required to maintain standards for seafarers meeting at least those set by international standards and conventions.

• Environment

Western Bulk supports industry initiatives aimed at making shipping more sustainable, reducing the environmental impact of maritime activities and furthering the IMO 2030 and 2050 emission reduction targets.

Western Bulk is continuously working to optimize operations in the fleet to minimize running costs

and optimize fuel efficiency which in turn can help reduce overall emissions from the Group's activities.

• Competition

Western Bulk operates in a highly competitive industry. The Group competes in a fair and ethical manner in relation to competitors as well as to customers and suppliers. Western Bulk will under no circumstances cause or be part of any breach of general or special competition regulations or any other behaviour that is in breach of applicable competition (anti-trust) legislation.

• Taxation

Western Bulk Chartering AS is domiciled in Norway and controls legal and operational entities in Norway, Singapore, the United States of America, Chile, Sweden and Morocco. Western Bulk complies with tax laws, regulations and filing requirements in the jurisdictions where the Group is located. Western Bulk follows the arm's length principle and complies with the recommendations set out in the OECD Transfer Pricing Guidelines for internal transactions between group companies.

For further details about Western Bulk's taxation, please also refer to the explanatory notes in the Group's financial statements.

Group Financials

Western Bulk Chartering Group - Profit and Loss Statement

USD 1 000	Note	2020	2019
Gross revenues	3	778 690	1 062 723
Voyage expenses		-358 537	-451 850
Freight revenues on T/C-basis		420 153	610 873
T/C expenses		-391 355	-613 878
Other vessel expenses		-2 062	-3 396
Administration expenses	8,18	-22 918	-25 448
Operating expenses		-416 334	-642 722
Depreciations	7	-281	-373
Gain/(loss) on disposal of fixed assets		-	-12
Bad debt provision and write-offs	13	-14	78
Operating profit		3 524	-32 156

Western Bulk Chartering Group - Profit and Loss Statement

USD 1 000	Note	2020	2019
Net interest income		269	318
Net interest expense		-833	-2 835
Gain/(loss) on foreign exchange		747	-61
Gain/(loss) on financial assets		1	7
Other financial items		-346	-810
Net finance		-162	-3 381
Profit/(loss) before tax		3 362	-35 538
Tax income/(expense)	9	-159	-2 431
Profit/(loss) for the year		3 203	-37 969

Western Bulk Chartering Group - Balance Sheet

USD 1 000	Note	2020	2019
ASSETS			
Non current assets			
Deferred tax asset	9	740	602
Intangible assets	7	23	135
Property, plant and equipment	7	502	419
Investment in financial assets		630	630
Long term receivable		-	5
Total non current assets		1 895	1 789
Current assets			
Accounts receivable	12, 13	18 145	32 280
Other receivables	18	634	3 663
Bunker stocks		28 374	42 583
Bank deposits	11,12	30 297	37 729
Total current assets		77 450	116 255
TOTAL ASSETS		79 345	118 045

Western Bulk Chartering Group - Balance Sheet

USD 1 000	Note	2020	2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		174	113
Share premium		16 430	1 228
Received, but not yet registered capital increase		-	14 641
Total paid-in capital		16 604	15 982
Retained earnings			
Other equity / (uncovered loss)		3 203	-
Total retained earnings		3 203	-
TOTAL SHAREHOLDERS' EQUITY	14	19 807	15 982

Western Bulk Chartering Group - Balance Sheet

USD 1 000	Note	2020	2019
LIABILITIES			
Long term liabilities			
Deferred tax liability	9	153	185
Pension liabilities	8	1 214	1 747
Other long-term liabilities		-	395
Total long term liabilities		1 367	2 327
Short term liabilities			
Accounts payable		8 130	10 546
Other payable	17	24 574	63 372
Payable derivatives	5	661	3 678
Taxes payable	9	601	1 382
Short term Interest-bearing debt	12	23 955	20 758
Liabilities to related Group	10	251	-
Total short term liabilities		58 171	99 736
TOTAL LIABILITIES		59 538	102 063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		79 345	118 045

Oslo, 18. March, 2021

Bengt A. Rem
Chairman of the Board

Tord Meling
Board member

Erik Borgen
Board member

Hans Aasnæs
CEO



Western Bulk Chartering Group - Cash Flow Statement

USD 1 000	2020	2019
CASH FLOW FROM OPERATIONS		
Profit/(loss) before tax	3 362	-35 538
Taxes paid	-1 150	-1 067
Depreciations	281	373
Writedown and provisions	-	10 116
Gain/(loss) disposal fixed assets	-	-2
Changes in current receivables and current liabilities	-13 496	14 623
Net cash flow from/(to) operating activities	-11 003	-11 495
CASH FLOW FROM INVESTMENTS		
Investments in fixed- and intangible assets	-253	-143
Disposal of fixed assets	-	42
Investments in/ disposal of financial assets	-	-462
Changes in long term receivables	5	5
Net cash flow from investments	-248	-559

Western Bulk Chartering Group - Cash Flow Statement

USD 1 000	2020	2019
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in new short term and long term debt	3 196	20 758
Repayment of bond loan	-	-31 976
Share capital increase	623	29 849
Net cash flow from financing activities	3 819	18 632
Net change in liquidity during the year	-7 432	6 577
Liquid assets as of 01.01.	37 729	31 151
Liquid assets as of 31.12.	30 297	37 729
Restricted bank deposits as of 31.12.	12 126	13 683
Available liquid assets as of 31.12.	18 171	24 046

Notes to the Accounts

Note 1 - Accounting principles

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway. The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD) 1,000. The annual accounts have been prepared on a going concern basis.

Segment information

The Group's main activity is related to chartering and operation of vessels.

Reporting currency and functional currency

Both the parent company accounts and the consolidated accounts are reported in US dollars (USD). Group business activities are primarily denominated in USD. Based on historical figures for the Group, almost 100% of freight income, operating expenses for the vessels, bank deposits, receivables, accounts payable and external financing are denominated in USD. The consolidated accounts are presented in USD.

Foreign currency

Monetary items, receivables and liabilities in the balance sheet denominated in other currencies than USD are recorded at the year end exchange rates. Profit and loss items in foreign currencies are recorded at exchange rates prevailing at the time of the transaction. Both realized and unrealized gains and losses are included under financial items in the profit and loss statement.

The following exchange rate has been used as of 31.12.2020: USD/NOK 8,5326

Consolidation principles

Included in the Group is the parent company Western Bulk Chartering AS (the "Company") and companies where Western Bulk Chartering AS directly or indirectly has a majority of the voting capital. All intercompany balances and transactions between the companies have been eliminated in the consolidated accounts.

The cost price of shares and partnership shares are eliminated against the equity in the underlying companies at the time of purchase. Any excess of purchase consideration over fair value of assets and liabilities acquired is recorded as goodwill. Goodwill is not amortized. The accounts of foreign subsidiaries are kept in USD as well as in a secondary currency. The Group's consolidated accounts are prepared based on uniform accounting principles.

Classification of assets and liabilities

Current assets and current liabilities include items that fall due within one year as well as items associated with the business flows. Other items are defined as fixed assets/long term liabilities.

Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, and are presented net of commissions. Revenues and expenses related to a vessel's voyages are accrued based on the number of days before and after the end of each accounting period. A voyage is defined as starting after unloading the previous voyage (discharge-to-discharge). Hence the voyage result is also accrued with the inclusion of actual number of days resulting from the period of ballast, waiting for orders and loading the vessel.

Although the Group has major freight contracts covering several accounting years, accounting is based on individual voyages.

As long as the Group has a controlling interest dividends/group contributions are accounted for even if it is not received. Provisions are made accordingly in the contributing company.

Use of estimates

In accordance with generally accepted accounting principles, the Group's management must make estimates and assumptions that influence the value of assets and liabilities in the balance sheet and the amount of revenues and expenses included in the accounts during the accounting period. The actual figures may vary from these estimates.

When preparing the accounts, best estimates are used based on information available at the time the accounts are prepared.

Intangible assets

Costs for intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified, and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. Software expenses are depreciated on a straight-line basis over the asset's expected useful life. Expenses related to ordinary maintenance are expensed when incurred.

Gains/losses from sale of intangible assets are shown on a separate line under operating expenses.

Fixed assets

Fixed assets are included in the balance sheet at cost less ordinary depreciation and impairment. The straight-line method for calculating ordinary depreciation for the year has been applied. Fixed assets are depreciated over the expected economic life of

the assets. Expenses related to ordinary maintenance are expensed when incurred.

Gains/losses from sale of fixed assets are shown on a separate line under operating expenses.

Impairment of intangible and fixed assets

Impairment is recognised for the amount by which the asset's carrying value exceeds its recoverable amount unless the reduction in value is temporary. The recoverable amount is the higher of net sales value and net present value of future cash flows.

Leases

The Group differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operational leases. When a lease contract is classified as a financial lease where the Group is the lessee, the rights and obligations relating to the leasing contracts are recognised in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an ordinary operating cost.

Both in 2020 and 2019, all of the Group's leases were classified as operational leases.

Bunkers, other inventory and receivables

Inventories are valued at the lower of historical cost price according to the "first in first out" principle and estimated market value. Receivables are recorded at nominal value less expected losses.

Financial investments

Financial investments classified as current assets are recorded at the lower of cost price or market value.

Pensions

The Group has defined benefit plans and defined contribution plans. For defined contribution plans the annual contribution is expensed, and there is no pension asset or liability recognised in the balance sheet.

For any defined benefit plans, the annual pension expense is calculated based on actuarial estimates, including the premium paid during the year, and a pension asset or liability is recognised in the balance sheet based on the actuarial reports. The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled.

All pension schemes are valued in accordance with the IAS 19R which can be used under NGAAP (NRS 6) as well as under IFRS.

Taxes

The tax expense in the profit and loss accounts includes both taxes payable for the period and changes in deferred taxes. The change in deferred tax reflects changes in future tax liabilities and assets as a result of timing differences between the tax and the accounts. Deferred tax is the tax that relates to the accumulated result, but is paid in a subsequent period. Deferred tax/deferred tax assets have been calculated on net positive temporary differences between accounting and tax-based balance sheet values and which are reversed within a reasonable period of time together with the deferred tax asset related to tax losses carried forward.

Deferred tax liabilities/deferred tax assets within

the same tax system are recorded on a net basis. Deferred tax asset is recorded only if the future utilization is probable.

Contingent loss/gain

Provisions have been made for contingent losses that are likely and quantifiable. Contingent gains are not recorded.

Financial instruments and hedge accounting

The Group has defined a hedging strategy and applies financial instruments such as freight derivatives, bunker derivatives and currency derivatives to hedge future results. In accordance with the Norwegian Accounting Act §4-1 no. 5, profit/(loss) on hedging contracts are recognised in the same period as the profit/(loss) related to the hedged object is recognised for all derivatives entered into as part of the hedging policy. The Group has classified the hedges as cash flow hedges for accounting purposes. The market values of the derivatives are kept off-balance until realised. Option premiums paid/received and for any cleared derivatives the settlements paid or received are recognised as current assets and liabilities respectively, until maturity of the derivative when gain/loss is recognised in the profit and loss statement or whenever the assets are considered impaired.

Impairment is recognised for the amount by which the mark-to-market value of the Group's total contract portfolio (TCs, COAs, FFAs and bunker hedges) is negative. If the negative amount exceeds the assets related to the portfolio, including any prepaid amounts for derivatives, an accrual for the liabilities is made.

Profit and loss from derivatives is classified as T/C expenses for freight derivatives, Voyage expenses for bunker derivatives and as part of the administration expenses for currency derivatives serving as currency hedge for administration expenses in other



Isabella Kwok (Operations Manager in the Pacific/US West Coast team), Mohneesh Bhutani (Head of Indian Ocean team) and Ting En Lim (Accountant).

currencies than USD. Non-hedged trading made by Western Bulk Chartering AS is reported under financial items.

Cash flow statements

The cash flow statements are based on the indirect method. Restricted bank deposits are recorded as cash equivalents. Shares are considered to have a high price risk and are not classified as cash equivalents.

Subsequent events

New information related to events that existed on the balance sheet date has been included in the estimates. Important events taking place after the balance sheet date are described in the notes.

Changes in accounting principles

There are no material changes in the accounting principles for the periods presented.

Note 2 - Risk factors

The Group is exposed to a number of risks affecting its financial performance. The risk management team identifies and measures potential risks and implements the risk management policies set by the Board of Directors.

Dry bulk freight market

The Group is exposed to the global market for dry bulk freight, and its result will vary with freight rates, depending on its positioning in the market. The Group may at times have a surplus or a shortage of chartered tonnage, relative to its cargo commitments. In addition, the Group utilizes freight derivatives to hedge or adjust its exposures in the physical freight market. Its net position will generally be non-zero, and as a consequence it is exposed to changes in freight rates for the net surplus/shortage of vessels.

Operational risk

The Group is exposed to its ability to maintain a high utilization rate for its fleet and the ability to operate the vessels in the most efficient and economical manner. This depends on the skills of its chartering and operations personnel, as well as the general conditions in the freight market. The Group has credit and counterparty risk related to its business activity, and has well-established policies for monitoring counterparty approval and for monitoring counterparties’ performance. The procedure for approval of counterparts is based on both external rating services and internal investigations. The Group’s credit risk mainly relates to freight payable from our counterparts for voyages being performed. Such freight is mainly due at completion of loading cargo, and if not paid, the Group will in most cases have a lien on the cargo. As such, credit risk is manageable, and mainly related to potentially disputed parts of the amount invoiced such as laytime and demurrage upon discharge.

Bunker prices

Fluctuations in fuel prices is another substantial risk for the Group, as fuel costs constitute a significant part of voyage expenses. Exposures are created when future freight rates are set without indexation to fuel oil prices. The Group hedges its exposures in the energy market using fuel oil swaps and options or similar products.

Foreign exchange and interest rate risk

The Group’s transactions are mainly US dollar-denominated, and the functional currency is USD. However, the Group has a foreign exchange exposure related to administrative costs at its offices world-wide denominated in other currencies than USD. The exposures are hedged according to the Group’s hedging policy.

Liquidity and cash flow risk

The Group monitors its cash reserves and available liquidity at all times to ensure sufficient liquidity to meet known obligations of its operations, minimum liquidity covenants in financing agreements, and to meet measured cash flow risks related to the use of derivatives for hedging purposes.

Note 3 - Revenues

USD 1 000	2020	2019
By business area		
Chartering and operation	779	1 063
Total	779	1 063
Geographical distribution		
Singapore	102	147
Switzerland	82	130
U.S.A.	66	60
U.A.E.	57	78
South Africa	37	29
Saudi Arabia	33	27
France	28	60
Malta	27	30
U.K.	26	26
Belarus	21	19
Hong Kong	17	24
Brazil	16	14
India	15	24
China	14	12
Japan	13	16
Panama	12	18
Korea, Republic	11	7
Chile	11	6
Barbados	9	16
Thailand	9	16
Other	173	304
Total	779	1 063

The geographical distribution of revenues has been based on the customer’s (charterer’s) location.

Note 4 - Financial instruments

Bunkers instruments

The Group hedges its bunkers exposure related to freight contracts. The mark-to-market value of the hedging contracts as of 31.12.2020 amounted to USD -1.3 million.

USD million	Market value
Bunker hedges (swaps and options) maturing in 2021	-1.3
Total	-1.3

Freight instruments

As of 31.12.2020 the Group had entered into FFA contracts (forward freight agreements) and freight options for the period 2021 - 2023. The mark-to-market value of the hedging contracts as of 31.12.2020 amounted to USD 0.6 million.

USD million	Market value
FFA (forward freight agreements incl. options) maturing in 2021	-1.2
FFA (forward freight agreements incl. options) maturing in 2022	1.4
FFA (forward freight agreements incl. options) maturing in 2023	0.5
Total	0.6

FX-hedge for G&A expenses

As of 31.12.2020 the Group has hedged its NOK G&A requirements for 2021 with forward currency contracts. The fair value of these derivatives as of 31.12.2020 amounted to USD 0.8 million.

Note 5 - Prepaid income/cost

Prepaid income/cost is related to cleared FFA/Bunker hedge contracts. Prepaid income amounts to USD -0.7 million as of 31.12.2020.

USD million	Book value
Cleared FFA/ Bunker hedge contracts maturing in 2021	-2.5
Cleared FFA/ Bunker hedge contracts maturing in 2022	1.4
Cleared FFA/ Bunker hedge contracts maturing in 2023	0.5
Total	-0.7

Note 6 - Shares in subsidiaries

Western Bulk Chartering AS has the following direct ownership in subsidiaries as of 31.12.2020	Ownership share/ voting share	Business office
Western Bulk Management AS	100,0 %	Oslo
Western Bulk Carriers AS	100,0 %	Oslo
Western Bulk Pte Ltd	100,0 %	Singapore
Western Bulk Carriers KS	100,0 %	Oslo
Western Bulk Carriers (Seattle) Inc.	100,0 %	Seattle
Western Bulk Carriers (Sweden) AB	100,0 %	Lerum
Western Bulk Chile Ltda	100,0 %	Santiago
WBC I AS	100,0 %	Oslo
WB Barging AS	100,0 %	Oslo
WBC VI AS	100,0 %	Oslo
Western Bulk Carriers, GBMH (in liquidation)	100,0 %	Hamburg

Note 7 - Fixed- and intangible assets

USD 1 000	Grabs	Intangible	Other	Total
Acquisition cost as of 01.01.2020	275	1 211	2 053	3 539
Additions during the year	-	-	253	253
Disposals during the year	-	-260	-4	-265
Acquisition cost as of 31.12.2020	275	951	2 301	3 527
Accumulated depreciation as of 01.01.2020	181	1 076	1 730	2 986
Depreciation for the year	32	111	138	281
Writedown	-	-	-	-
Disposals	-	-260	-4	-265
Acquisition cost as of 31.12.2020	212	928	1 863	3 003
Book value as of 31.12.2020	63	23	439	524
Economic life time	5 year	5 year	5 year	

Other fixed assets is mainly related to office equipment.

Note 8 - Administrative expenses

USD 1 000	2020	2019
Salaries (incl. bonuses)	14 135	12 318
Employer's part of social security	961	1 113
Pension expenses, contribution plans	540	568
Pension expenses, benefit plans	-239	-106
Other benefits	1 113	1 511
Total salaries and social expenses	16 510	15 404
Other administrative expenses	6 408	10 044
Total	22 918	25 448
Persons employed (average for the year)	96	112

A bonus scheme has been established for the employees, based on financial results and other criteria.

Remuneration to the Board of Directors and CEO

The Board of Directors have not received any remuneration.

Principles for determination of compensation for executive management

The focus of the Group is to hire qualified managers and to pay according to the market. Salary and remuneration of the CEO is determined by the Board of Directors, and payment to other employees is determined by the CEO. The CFO and CSO are defined as the other members of the executive management.

The executive management, including the CEO principally have four payment components:

- 1. Fixed salary
- 2. Pension scheme
- 3. Bonus payments (cash) based on financial results
- 4. Other benefits

Fixed salary and pension scheme for the executive management, including the CEO, are on commercial terms and conditions. The executive management, including the CEO, also have a bonus incentive scheme after which they receive a bonus payment in cash on the basis of the Group’s financial results before bonus- and tax payments for the previous financial year.

The members of the executive management have ordinary benefits in kind such as free use of phone, newspaper subscriptions, ordinary pension contributions, life insurance and health insurance.

As a guideline, the Group shall not agree to severance pay for members of executive management unless required under applicable law or required for the Group to secure the necessary expertise and takes place in accordance with the fundamental principle for the Group’s salary policy for management as stated above.

Remuneration to the CEO

(USD 1 000)	Hans Aasnæs CEO 2020	Jens Ismar CEO 2019	Hans Aasnæs CEO 2019	Total CEO 2019
Salary	436	425	241	667
Bonus paid	-	-	-	-
Other remuneration	4	362	2	364
Total remuneration	440	787	244	1 031
Pension premium/cost	9	129	5	134

Former CEO Jens Ismar’s employment terminated in 2019. Jens Ismar has an early retirement agreement with the right to receive 66% of his salary as pension until the age of 67. Jens Ismar has not claimed or received any early retirement pension from Western Bulk during 2020.

Present CEO Hans Aasnæs is entitled to 6 months’ severance pay if he is released from his position by the Board.

Auditor fees

Fees to the auditor consist of the following services (USD 1 000)	2020	2019
Statutory audit	104	114
Tax advice	5	8
Other services outside the audit scope	18	23
Total	127	145

Pensions

The Group has several pension schemes for the employees. The pension schemes satisfy the respective statutory pension schemes in the countries where Western Bulk is located and cover a total of 79 employees. The Group may at any time make alterations to the terms and conditions of the pension schemes and undertake that they will inform the employees of any such changes.

Pension cost recognised in income statement (USD 1 000)	2020	2019
Defined contribution plans - expense	540	568
Defined benefit plan - expense	-212	-166
Defined benefits plan - remeasurements	-26	60
Total	302	462
Actuarial (gain)/losses recognised in equity	-	-

Defined benefit plans, including cost and assets/liabilities

The secured defined benefit plan was terminated end October 2018 along with the non-secured benefit plan covering pensions for two employees with salaries exceeding 12G. Both agreements were transferred to defined contribution plans as per 31.12.2018. Former employees already receiving pension received a paid-up policy and are no longer included in the Group’s pension scheme. The retirement age is 67 years.

Defined contribution plans

In the defined contribution plan, the Group pays an agreed annual contribution to the employee’s pension plan. The future pension will be determined by the amount of the contributions and the return on the pension savings. Any risk related to the future pension is borne by the employee. The pension cost related to defined contribution plans will be equal to the contributions to the employee’s pension savings in the reporting period.

Defined contribution plan - salary above 12G

For this defined contribution plan, an annual amount is transferred to a secured fund with a security deposit. Contribution to the mutual fund is a pledged asset for the Group, as well as a corresponding gross pension obligation to the members of the executive management. The mutual fund is pledged for the benefit of the executive management. In addition to the annual contribution, the Group accrues for social security cost relating to the contribution and value development of the mutual funds.

Early retirement

The former CEO has an early retirement agreement with the right to retire at the age of 62, receiving 66% of his salary as pension until the age of 67.

Pension obligations

Non-secured pension obligations in the balance sheet consist of early retirement agreement for former CEO and social security cost relating to net defined contribution plan for two employees with salaries exceeding 12G.

Assumptions used in the actuarial calculations

The calculation of pension liabilities involves the use of judgement and estimates across a range of parameters. The discount rate is set at 1.7 % for Norwegian pension schemes and is based on high quality corporate bonds (OMF).

The calculations are based on standard assumptions regarding mortality (K2013) and disability rates (KU), together with other demographic factors, which are prepared by Finance Norway (FNO).

When calculating future pensions for the defined benefit plans the following main assumptions have been made:	2020	2019
Discount rate (OMF)	1.70 %	2.30 %
Expected return on plan assets	1.70 %	2.30 %
Expected rate of compensation increase	2.25 %	2.25 %
Expected increase of social security base amount (G)	2.00 %	2.00 %
Expected rate of pension increase	0.00 %	0.50 %

The discount rate applied as of year-end 2020 is determined by reference to the market yield on covered bonds, plus an addition that takes into account the relevant duration of the pension commitments. Covered bonds are considered as high quality corporate bonds based on recent market developments.

Net pension expense for the defined benefit plan (USD 1 000)	2020	2019
Current service cost	-216	-199
Interest cost	22	34
Administration cost	6	6
Payroll tax	-24	-7
Pension expense, before remeasurements	-212	-166

Net pension obligation in the balance sheet (as of 31.12.)

(USD 1 000)	2020	2019
Net defined benefit obligation (asset)	993	1 271
Payroll tax	221	477
Obligation in financial statement	1 214	1 747

Change in benefit obligation (USD 1 000)		
Defined benefit obligation at the beginning of year	1 746	3 370
Service cost	-193	-83
Interest cost	23	34
Remeasurements	-31	54
Benefits paid	-	-1 684
Defined benefit obligation at end of year	1 544	1 692

Change in plan assets (USD 1 000)	2020	2019
Plan assets at beginning of year	433	1 832
Interest income on plan assets	2	-
Employer contributions	94	133
Adjustment of plan assets	23	135
Benefits paid	-	-1 679
Plan assets at end of year	552	421



Ting En Lim (Accountant), Mohneesh Bhutani (Head of Indian Ocean team), Isabella Kwok (Operations Manager in the Pacific/US West Coast team) and Henrik Klok (Chartering Manager in the Pacific/US West Coast team).

Note 9 - Tax

USD 1 000	2020	2019
The tax expense for the year consists of:		
Taxes payable	-219	566
Tonnage tax	531	820
Changes in deferred tax	-153	1 045
Total tax expense/(income)	159	2 431
Deferred tax relates to the following temporary differences:		
Fixed assets	-91	-152
Pensions	-1 790	-3 522
Accruals and provisions	-	-30
Gain/(loss) account for deferral	1 010	1 226
Tax losses carried forward	-6 652	-5 756
Finance loss carried forward	-6 172	-6 884
Total temporary differences	-13 695	-15 117
Deferred tax liability/(asset), net	-3 014	-3 324
Deferred tax asset not recognised in the balance sheet	2 427	2 907
Net deferred tax liability/(asset) recognised in the balance sheet	-587	-417
Deferred tax (asset), gross	-740	-602
Deferred tax liability, gross	153	185

Deferred tax liability is related to the tonnage tax system and can not be off-set with the deferred tax asset from ordinary taxation.

Analysis of the effective tax rate of the Group

The parent company Western Bulk Chartering AS is resident in Norway, where the corporate tax rate is 22%, while other parts of the Group are taxed in other jurisdictions. This analysis explains the main reasons for the effective tax rate of the Group differing from 22%.

USD 1 000	2020	2019
Profit before tax	3 362	-35 538
Total tax expense/(income)	159	2 431
Effective tax rate	5 %	-7 %
Calculated tax expense at 22% tax rate	740	-7 818
Non-deductible expenses:		
Writedown financial assets	-	5
Bad debt provision within ordinary taxation	-	-10
Other non deductible costs	7	831
Non-taxable income:		
Tax credit - SkatteFunn	-111	-
Tax exempt dividends received	-	-3
Difference in pre-tax profit/(loss) between functional currency and NOK, taxable income within tonnage tax system	-647	7 441
Tax not related to result:		
Tonnage tax	531	820
Other tax effects:		
Utilisation of tax loss carried forward	-361	-
Correction for previous years tax provisions	1	-
Writedown deferred tax assets	-	1 166
Total tax expense/(income)	159	2 431

Note 10 - Related parties

Reference is made to the annual report 2019, note 10 for information about transactions with related parties in 2019.

As of the date of this Annual Report, the main shareholder is Kistefos AS, controlling about 81% of the shares of the Issuer through its wholly owned subsidiary Kistefos Equity Holdings AS. The second largest shareholder, Ojada AS, holds about 10% of the shares.

During 2020, the Group has had the following transactions with the Kistefos group and Ojada AS:

Kistefos Equity Holdings AS

In connection with the reduction of the USD 15 million bunker facility to USD 5 million, and to bridge the transition to the new USD 10 million overdraft facility, the Kistefos group provided a shareholder loan of up to USD 2.8 million through its subsidiary Kistefos Equity Holdings AS. The shareholder loan was repaid in full in July 2020.

Kistefos AS

- a. Kistefos AS has provided a parent Group guarantee for the Group’s USD 10 million overdraft facility. Kistefos AS receives a guarantee fee in return.
- b. Kistefos AS has provided a parent Group guarantee for one of the Group’s long term COAs. Kistefos AS will receive a guarantee fee in return.
- c. As of 31.12.2020, the total outstanding payable amount to Kistefos AS was USD 0.3 million.

Ojada AS

In connection with the reduction of the USD 15 million bunker facility to USD 5 million, and to bridge the transition to the new USD 10 million overdraft facility, Ojada AS provided a shareholder loan of up to USD 0.5 million. The shareholder loan was repaid in full in July 2020.

Note 11 - Bank deposits

As of 31.12.2020, USD 3.2 million of the restricted deposits was tied to deposits in favor of clearing houses. USD 7.6 million was temporarily restricted in Collection Accounts connected to the revolving credit facility. USD 0.5 million was tied to security deposit for the new bunker payment facility. USD 0.3 million was taxes withheld from employees and USD 0.3 million was pledged to secure rent commitments. USD 0.1 million was posted as security deposit for FX hedges.

USD 1 000	2020	2019
Unrestricted bank deposits	18 272	24 046
Restricted bank deposits	12 026	13 683
Total bank deposits	30 298	37 729

Reference is made to note 12 about pledge over unrestricted bank accounts.

Note 12 - Interest-bearing debt

New Overdraft facility

The Group has entered into a new overdraft facility in the amount of USD 10 million. As per 31.12.2020, the facility was fully drawn.

Bunker facility

The Group has entered into an uncommitted USD 15 million frame agreement for up to 90 days extended payment on bunker invoices. The facility amount was reduced to USD 5 million in January 2020. As per 31.12.2020, a total of USD 4.9 million was drawn on the facility.

Revolving Credit facility

The Group has entered into a revolving credit facility agreement in the amount of USD 20 million for financing of outstanding account receivables. As per 31.12.2020, a total of USD 9.1 million was drawn on the facility.

Shareholder loan

The shareholder loans from the Kistefos group and Ojada AS were repaid in July 2020.

Financial covenants

The revolving credit facility includes a financial covenant requiring that the Group shall ensure a consolidated cash balance at all times of no less than USD 10.0 million. The Group was in compliance with all of its applicable financial covenants as of 31.12.2020.

Security and pledges provided

The Group has provided pledges of accounts receivables and Collection Accounts as security for the Revolving Credit Facility and the Overdraft Facility. The Group has provided a pledge of a Security Account of USD 0.5 million as security for the Bunker Purchase Facility.

Note 13 - Contingencies and provisions

Provisions for disputes

The Group is involved in several disputes, including lawsuits, both as defendant and plaintiff. Based upon the Group’s own views as well as opinions received from lawyers, provisions based on best estimate have been made in respect of the Group’s total exposure. The actual outcomes of these disputes are unknown, and it could take several years before the disputes and claims are finally settled. Consequently, there are uncertainties related to the estimates for provisions, which, depending on the outcome of each case, could prove to be insufficient to cover potential liabilities.

Due to ongoing disputes, the Group chooses not to disclose details of accruals. The total amount provided for where the Group is defendant is USD 5.1 million as of 31.12.2020 compared to USD 4.5 million as of 31.12.2019.

Write-offs and losses

In February 2020 the Group agreed to terminate all legacy commitments in Chile. The provision made in 2019 of USD 7.0 million was then reversed in full. The provision of USD 3.1 million related to the market value of various legacy contracts across the Group has been reduced by USD 1.1 million during 2020. Remaining provision of USD 2.0 million will be reversed over a two year period from 2021 to 2022.

Impairment provisions

No additional provision for future loss has been made as the Group’s overall forward book of contracts has a positive value as per 31.12.2020.

Note 14 - Equity, number of shares and shareholders

USD 1 000	Share capital	Share premium	Received, but not yet registered capital increase	Retained earnings	Total
Equity as of 31.12.2019	113	1 228	14 641	-	15 981
Share capital increase	61	15 202	-14 641	-	622
Profit/(loss) for the year	-	-	-	3 203	3 203
Equity as of 31.12.2020	174	16 430	-	3 203	19 807

Share capital

Nominal value per share	NOK	0,05
Registered share capital 31.12.2020	NOK	1 419 781
Registered share capital 31.12.2020, in USD	USD	174 422
Total number of shares issued as of 31.12.2020		28 395 620

Largest shareholders		
Name	# of shares	Ownership-%
Kistefos Group	22 893 152	80,62 %
Ojada AS	2 776 792	9,78 %
Sniptind Invest AS	645 278	2,27 %
Løren Holding AS	274 891	0,97 %
Skips AS Tudor	266 975	0,94 %
Skeie Alpha Invest AS	250 000	0,88 %
Avant AS	130 970	0,46 %
Piero AS	125 000	0,44 %
Other (202 other shareholders)	1 032 562	3,64 %
	28 395 620	100 %

Note 15 - Estimates

Due to the fact that a number of voyage related expenses are received well after a voyage has been completed, expenses are estimated until final invoices are received. As the accounts are based on a number of estimates, the 2020 profit and loss statement has been negatively impacted by USD 0.5 million due to the difference between estimated and actual expenses and provisions related to prior period voyages. The 2019 profit and loss statement had a negative adjustment of USD 4.7 million for prior period voyages.

Note 16 - Leasing and other commitments

TC Contracts - Group as lessee

Vessels chartered in on time charter for a period represent a commitment to pay hire. The minimal nominal hire payable represents a lease commitment of USD 55.7 million exclusive of optional periods. For vessels chartered in on floating rates, an estimate has been applied for the hire commitment.

Charter coverage: For 2021 approximately 8 vessels are chartered in on TC-contracts, 4 vessels short to cover the existing cargo or timecharter contracts, while approximately 1 has firm employment of a fleet of 4 in 2022.

	2021	2022	2023	2024	Beyond	Total
Nominal Hire Commitment (USD 1 000)	32 916	20 423	1 207	1 165	-	55 711
Vessel Hire Days	2 788	1 559	94	91	-	4 532
Average Rate USD/day	11 806	13 100	12 843	12 800	-	12 293
Vessel Equivalent/year (firm period)	8	4	-	-	-	n.a.

TC contracts - Group as a lessor

4 vessels are chartered out on TC-contracts lasting between 30 and 90 days as of 31.12.2020. These non-cancellable leases have terms of renewal but no purchase options or escalation clauses. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	< 30 days	1-3 months	> 3 months	Total
Nominal Hire Receivable (USD 1 000)	2 690	932	-	3 622
Vessel Days	271	119	-	390
Average Rate (USD/Day)	9 930	7 857	-	9 298

Leasing of offices

The Group leases office premises in Norway, Chile, USA, Singapore, Morocco and Sweden. Total annual lease commitments amount to approximately USD 1.3 million. The lease contracts expire in the period of April 2021 to February 2026.

Note 17 - Other payable

The decrease in other payable is mainly due to decreased deductions made in hire payments to Owners relating to bunkers on redelivery. Less vessels were redelivered in January 2021 compared to January 2020 as the volume was taken down during 2020. This payable is not due for payment, but will be offset against bunker stock when ownership of bunkers on board is transferred to Owners by the time of redelivery of the vessel.

Other payable also includes provision made for future losses (see note 13). The provision of USD 7.0 million made in 2019 relating to commitments in Chile was reversed in 2020 and is reflected in the decreased other payable.

Note 18 - Public subsidy

For 2019-2021 Western Bulk Management AS has received approval for a research and development (R&D) project within SkatteFunn. The SkatteFunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian trade and industry. The incentive is a tax credit and comes in the form of a possible deduction from the Group’s payable corporate tax. The SkatteFunn R&D Tax credit is reported under Other receivables and will be received in cash as Western Bulk Management AS has no tax payable in 2020.

The deduction rate for 2020 is 19% compared to 18% in 2019 and the cost ceiling is NOK 25 million per year.

SkatteFunn R&D Project (USD 1 000)	2020	2019
Salaries and other indirect costs	401	179
Other project related costs	85	53
Consultant fees	1 057	794
Total costs associated with the project	1 543	1 027
Total tax credit	293	185

The tax credit for 2019 was received in 2020. Tax credit reported under Other receivables as per 31.12.2020 is USD 293 245.

Note 19 - Subsequent events

There are no material events subsequent to the balance sheet date of 31.12.2020.

Parent Company Financials

Parent Company - Profit and Loss Statement			
USD	Note	2020	2019
Other operating revenue		-41 387	93 858
Administration expenses	2,3	-442 840	-1 031 405
Provision for future loss	13	300 000	630 000
Operating profit/(loss)		-184 227	-307 547
Net interest income		259 856	124 019
Net interest expense		-491 388	-2 421 408
Gain/(loss) on foreign exchange		37 911	-620 279
Writedown financial assets		-	-35 407 099
Profit financial items		38 898	-
Group contribution		-	238 088
Other financial expenses		-468 318	-1 073 523
Net finance		-623 041	-39 160 201
Profit/(loss) before tax		-807 268	-39 467 748
Tax income/(expense)	4	-	-1 166 684
Profit/(loss) for the year		-807 268	-40 634 432



Amit Rahul (Head of Operations - Pacific and Indian Ocean)
and Lisbeth Nordbø (Operations Manager in the Pacific/US West Coast team)

Parent Company - Balance Sheet

USD	Note	2020	2019
ASSETS			
Non current assets			
Investment in subsidiaries	7	59 386 774	42 386 784
Total non current assets		59 386 774	42 386 784
Current assets			
Receivables from group companies	9	4 357 524	5 105 403
Other receivables		452 666	504 349
Bank deposits	10	20 068 677	26 896 179
Total current assets		24 878 866	32 505 931
TOTAL ASSETS		84 265 640	74 892 715
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	5,6	174 422	113 369
Share premium		37 042 042	22 647 113
Received, but not yet registered capital increase		-	14 640 572
Total paid-in capital		37 216 465	37 401 054
Retained earnings			
Other equity		-	-
Total retained earnings		-	-
TOTAL SHAREHOLDERS' EQUITY	5	37 216 465	37 401 054

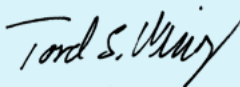
Parent Company - Balance Sheet

USD	Note	2020	2019
LIABILITIES			
Long term liabilities			
Interest-bearing debt		-	-
TOTAL LONG TERM LIABILITIES		-	-
Short term liabilities			
Accounts payable		18 480	3 741
Interest-bearing debt	11	10 000 000	-
Liabilities to parent company		250 556	-
Liabilities to group companies	9	35 489 303	32 880 055
Payable derivatives		660 837	3 677 863
Other current liabilities		630 000	930 000
Total short term liabilities		47 049 175	37 491 660
TOTAL LIABILITIES		47 049 175	37 491 660
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		84 265 640	74 892 715

Oslo, 18. March, 2021



Bengt A. Rem
Chairman of the Board



Tord Meling
Board member



Erik Borgen
Board member



Hans Aasnæs
CEO

Parent Company - Cash Flow Statement

USD	2020	2019
CASH FLOW FROM OPERATIONS		
Profit/(loss) before tax	-807 268	-39 467 748
Provision for future loss	-300 000	-630 000
Group Contribution	-	-238 088
Gain/loss disposal of assets	-38 898	-5 855
Writedown financial assets	-	38 686
Writedown investment in subsidiaries	-	35 373 778
Changes in current receivables and current liabilities	-2 700 046	4 025 043
Net cash flow from/(to) operating activities	A	-3 846 212
CASH FLOW FROM INVESTMENTS		
Investments in/disposal of financial assets	38 906	5 855
Investments in subsidiaries	-17 000 000	-5 000 000
Net cash flow from investments	B	-16 961 094

Parent Company - Cash Flow Statement

USD	2020	2019
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term debt	-	-31 975 561
Changes in interest-bearing short term debt	10 000 000	-
Share capital increase	622 677	29 849 928
Change in intra-group balances	3 357 127	22 879 002
Net cash flow from financing activities	C	13 979 805
Net change in liquidity during the year	A+B+C	-6 827 502
Liquid assets as of 01.01.	26 896 179	12 041 138
Liquid assets as of 31.12.	20 068 677	26 896 179
Restricted bank deposits as of 31.12.	3 744 355	7 583 516
Available liquid assets as of 31.12	16 324 322	19 312 663

Notes to the Accounts

Note 1 - Accounting principles

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway. The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD). The annual accounts have been prepared on a going concern basis.

Reporting currency and functional currency

The Company accounts are reported in USD and the functional currency is also USD.

Foreign currency

Monetary items, receivables and liabilities in the balance sheet denominated in other than USD are recorded at the year end exchange rates. Profit and loss items in foreign currency are recorded at exchange rates prevailing at the time of the transaction. Both realised and unrealised gains and losses are included under financial items in the profit and loss statement.

The following exchange rate has been used as at 31.12.2020: USD/NOK 8,5326

Classification of assets and liabilities

Current assets and current liabilities include items that fall due within one year as well as items associated with the business flows. Other items are defined as fixed assets/long term liabilities.

Revenue recognition

Interest income is accounted for when received. Internal interest income is accounted for when invoiced.

Dividends/group contributions are accounted for at the time when such dividend/group contribution is received, or when provided for, when the Western Bulk Chartering Group has controlling interest.

Investments in subsidiaries and associated companies

Subsidiaries and investments in associates are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down is no longer present.

Taxes

The tax expense in the profit and loss accounts includes both taxes payable for the period and changes in deferred taxes. The change in deferred tax reflects changes in future liabilities and assets as a result of timing differences between the tax and the accounts. Deferred tax is the tax that relates to the accumulated result, but is paid in a subsequent period. Deferred tax/deferred tax assets have been calculated on net positive temporary differences between accounting and tax-based balance sheet values and which are reversed within a reasonable period of time together with the deferred tax asset related to tax losses carried forward.

Deferred tax liabilities/deferred tax assets within the same tax system are recorded on a net basis. Deferred tax asset is recorded only if the future utilisation is probable.

Financial instruments and hedge accounting

Western Bulk Chartering and its subsidiaries (the "Group") has a defined hedging strategy. Reference is made to Notes in the Group accounts for information about financial instruments and hedge accounting.

Cash flow statements

The cash flow statements are based on the indirect method. Restricted bank deposits are recorded as cash equivalents. Shares are considered to have a high price risk and are not classified as cash equivalents.

Changes in accounting principles

There are no material changes in the accounting principles for the periods presented.

Note 2 - Administrative expenses

The Company has no employees. All employees in the Norwegian activity of the Western Bulk Chartering Group are employed by the management company Western Bulk Management AS. Consequently Western Bulk Chartering AS is not obliged to have mandatory occupational pension scheme according to the Act relating mandatory occupational pensions. Western Bulk Management AS performs management services for Western Bulk Chartering AS.

Note 3 - Remuneration to the Auditor and members of the Board of Directors

The audit fee to RSM Norge AS for the audit of the Annual accounts was USD 34 500. An additional USD 8 200 has been expensed for other consulting services provided.

The Board of Directors have not received any remuneration.

Note 4 - Tax

USD	2020	2019
The tax expense for the year consists of:		
Taxes payable	-	103
Changes in deferred tax	-	1 166 581
Total tax expense/(income)	-	1 166 684
Taxes		
Profit/(loss) before tax	-807 268	-39 467 748
Writedown/(reversal of writedown) financial assets	-44 886	35 407 810
Change in temporary differences	-326 998	-2 225 454
Bad debt provision	-	-4 546
Other non deductible costs	-	3 776 813
Utilization of tax loss carried forward	-1 641 808	-
Other	62 388	97 229
Difference in pre-tax profit/(loss) between functional currency and NOK	2 758 573	304 818
Basis for tax payable	-	-2 111 078
Tax payable 22%	-	-
Deferred tax relates to the following temporary differences:		
Current assets	-	-
Accruals and provisions	-630 000	-930 000
Other	292 603	355 310
Tax loss carried forward	-4 299 872	-4 939 841
Finance loss carried forward	-6 166 655	-6 883 565
Total temporary differences	-10 803 924	-12 398 096
Deferred tax asset not recognised in the balance sheet	2 376 863	2 727 584
Deferred tax liability/(asset)	-	-

Note 5 - Equity

USD	Share capital	Share premium	Received, but not yet registered capital increase	Other equity	Total
Equity as of 01.01.2020	113 369	22 647 113	14 640 572	-	37 401 054
Share capital increase, net	61 053	15 202 197	-14 640 572	-	622 678
Profit/(loss) for the year	-	-807 268	-	-	-807 268
Equity as of 31.12.2020	174 422	37 042 042	-	-	37 216 465

Note 6 - Shares and shareholders

Share capital		
Nominal value per share	NOK	0,05
Registered share capital 31.12.2020	NOK	1 419 781
Registered share capital 31.12.2020, in USD	USD	174 422
Total number of shares issued as of 31.12.2020		28 395 620

Dividend restriction
Western Bulk Chartering AS is restricted by its loan agreements, which prohibits dividend payments unless pre-approved by the lenders.

Largest shareholders	# of shares	Ownership-%
Kistefos Group	22 893 152	80,62 %
Ojada AS	2 776 792	9,78 %
Sniptind Invest AS	645 278	2,27 %
Løren Holding AS	274 891	0,97 %
Skips AS Tudor	266 975	0,94 %
Skeie Alpha Invest AS	250 000	0,88 %
Avant AS	130 970	0,46 %
Piero AS	125 000	0,44 %
Other	1 032 562	3,64 %
	28 395 620	100 %

The CEO of the Company owns 30 504 shares, an ownership of 0,1%.

Note 7 - Shares in subsidiaries

Western Bulk Chartering AS has the following direct ownership as of 31.12.2020	Business office	Ownership share/voting share	Book value (USD)
Western Bulk Management AS	Oslo, Norway	100 %	5 044 737
Western Bulk Carriers AS	Oslo, Norway	100 %	31 614 472
Western Bulk Pte Ltd ³⁾	Singapore	100 %	22 000 001
Western Bulk Chile Ltda ²⁾	Santiago, Chile	100 %	51
Western Bulk Carriers (Seattle) Inc	Seattle, USA	100 %	266 496
Western Bulk Carriers (Sweden) AB	Lerum, Sweden	100 %	5 930
WBC I AS	Oslo, Norway	100 %	307 546
Western Bulk Carriers KS ¹⁾	Oslo, Norway	100 %	147 541
Investments in subsidiaries			59 386 774

¹⁾ 3 % is owned by the subsidiary Western Bulk Management AS.
²⁾ 99.9% is owned by the subsidiary Western Bulk Pte Ltd.
³⁾ Internal loan from the Company of USD 17 million was converted to equity in Western Bulk Pte Ltd in 2020.

Note 8 - Financial instruments

The Company trades all currency-, freight- and bunker derivatives with external counterparts on behalf of the subsidiaries. See Note 4 in the consolidated group accounts for an overview of the market value as of 31.12.2020.

Note 9 - Intra-group balances and transactions with related parties

At the end of the year, the Company had the following amounts outstanding from/(to) group companies:

Company	2020	2019
Western Bulk Carriers AS	-22 577 974	-25 466 313
Western Bulk Pte Ltd	-4 122 280	2 041 649
Western Bulk Management AS	-4 028 279	-3 964 229
WBC I AS	-309 713	-303 532
WB Barging AS	-82 843	-81 854
Western Bulk Carriers (Sweden) AB	-10 534	-373
WBC VI AS	-156	-
Net Receivables/(liabilities) from group companies	-31 131 779	-27 774 652

Western Bulk Chartering AS is trading derivatives for hedging purpose on behalf of Western Bulk Pte Ltd and Western Bulk Carriers AS. These derivatives require daily margin calls and settlement, and a master agreement allows Western Bulk Chartering AS to forward the margin calls to Western Bulk Pte Ltd and Western Bulk Carriers AS.

Western Bulk Chartering AS and subsidiaries entered into a cash pool structure in 2019 where Western Bulk Chartering AS is the Group Account Holder. As of 31.12.2020, the Company had a net debt due to the subsidiaries of USD 17 651 723 (USD 13 698 601 as of 31.12.2019).

Western Bulk Chartering AS is VAT-registered together with the following companies:

- Western Bulk Management AS
- Western Bulk Carriers AS
- Western Bulk Carriers KS
- WB Barging AS
- WBC VI AS
- WBC I AS

All companies are jointly and severally liable for any debt towards the public authorities.

The Company has transactions with related companies and all transactions have been carried out as part of the ordinary operations and at arms-length prices. Western Bulk Chartering AS enters into FFA contracts (forward freight agreements), freight options and bunker hedges on behalf of its subsidiaries and receives a commission based on the related contracts. The total commission for 2020 amounted to USD 862 984. The intercompany balances related to these transactions are shown in the table above. See Note 5 in the consolidated group accounts for an overview of the financial instruments.

Other significant transactions are as follows: Management fee for 2020 paid to Western Bulk Management AS amounting to USD 246 530.

As of the date of this Annual Report, the main shareholder is Kistefos AS, controlling about 81% of the shares of the Company through its wholly owned subsidiary Kistefos Equity Holdings AS. The second largest shareholder, Ojada AS, holds about 10% of the shares.

During 2020, the Company has had the following transactions with the Kistefos Group and Ojada AS:

Kistefos Equity Holdings AS

In connection with the reduction of the USD 15 million bunker facility to USD 5 million, and to bridge the transition to the new USD 10 million overdraft facility, the Kistefos Group provided a shareholder loan of up to USD 2.8 million through its subsidiary Kistefos Equity Holdings AS. The shareholder loan was repaid in full in July 2020.

Kistefos AS

- a. Kistefos AS has provided a parent company guarantee for the Group’s USD 10 million overdraft facility. Kistefos AS receives a guarantee fee in return.
- b. Kistefos AS has provided a parent company guarantee for one of the Group’s long term COAs. Kistefos AS will receive a guarantee fee in return.
- c. As of 31.12.2020, the total outstanding payable amount to Kistefos AS was USD 0.3 million.

Ojada AS

In connection with the reduction of the USD 15 million bunker facility to USD 5 million, and to bridge the transition to the new USD 10 million overdraft facility, Ojada AS provided a shareholder loan of up to USD 0.5 million. The shareholder loan was repaid in full in July 2020.

Note 10 - Bank deposits

As of 31.12.2020 the restricted deposits were tied to deposits in favor of clearing houses.

	2020	2019
Unrestricted bank deposits	16 324 322	19 312 663
Restricted bank deposits	3 744 355	7 583 516
Total bank deposits	20 068 677	26 896 179

The Company had a net debt due to the subsidiaries of USD 17 651 723 as of 31.12.2020 (USD 13 698 601 as of 31.12.2019) included in the numbers above.

Note 11 - Interest-bearing debt

Overdraft facility

The Company has entered into a new overdraft facility in the amount of USD 10 million. As of 31.12.2020, the facility was fully drawn.

Financial covenants

The Revolving Credit Facility mentioned in note 12 below includes a financial covenant requiring that the Group shall ensure a consolidated cash balance at all times of no less than USD 10 million. The Group was in compliance with all of its applicable financial covenants as of 31.12.2020.

Security and pledges provided

The subsidiaries Western Bulk Carriers AS and Western Bulk Pte Ltd have provided pledges of accounts receivables and Collection Accounts as security for the Revolving Credit Facility and the Overdraft Facility. The Company has provided a pledge of a Security Account of USD 0.5 million as security for the Bunker Purchase Facility.

Note 12 - Guarantees

Bunker facility

Western Bulk Carriers AS and Western Bulk Pte Ltd have entered into an uncommitted USD 15 million frame agreement for up to 90 days extended payment on bunker invoices. Western Bulk Chartering AS is a guarantor for the facility. The facility amount was reduced to USD 5 million in January 2020. As of 31.12.2020, a total of USD 4.9 million was drawn on the facility.

Revolving Credit facility

Western Bulk Carriers AS and Western Bulk Pte Ltd have entered into a revolving credit facility agreement in the amount of USD 20 million for financing of outstanding account receivables. Western Bulk Chartering AS is a guarantor for the facility. As of 31.12.2020, a total of USD 9.1 was drawn on the facility.

Western Bulk Chartering AS has provided some parent company guarantees for its subsidiaries’ performances under some of their commercial contracts.

Note 13 - Contingencies and Provision

As of 31.12.2020 the Company has reduced its provision for future losses by USD 0.3 million. Reference is made to note 13 in the consolidated group accounts.

Note 14 - Subsequent events

There are no material events subsequent to the balance sheet date of 31.12.2020.

Auditor's Report



RSM Norge AS

To the General Meeting of Western Bulk Chartering AS

Filipstad Brygge 1,0252 Oslo
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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Western Bulk Chartering AS showing a loss of USD 807 268 in the financial statements of the parent company and profit of USD 3 203 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Western Bulk Chartering AS (the Company), which comprise the balance sheet as at 31 December 2020, 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, and
- The consolidated financial statements of Western Bulk Chartering AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Independent Auditor's Report 2020 for Western Bulk Chartering AS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 and the Group'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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 March 2021
RSM Norge AS

Cecilie Tronstad

Cecilie Tronstad
State Authorised Public Accountant (Norway)

Appendix C
Audited consolidated financial statements
For the year ended 31 December 2019

Annual Report

2019



**This is the 2019 annual report for Western Bulk Chartering AS.
In this report, Western Bulk Chartering AS and its subsidiaries
are referred to as “the Group” or “Western Bulk”.**



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Western Bulk - Key Figures

Western Bulk Group Excluding Chile and provisions for all periods

USD million	Full year '19	Full year '18
Net TC result ¹	20.0	44.7
EBITDA ¹	-5.4	18.3
Earnings after tax ¹	-11.6	17.3
Net TC Margin per ship day (USD) ¹	364	810
Average number of ships operated ²	150	151

Western Bulk Group

USD million	Full year '19	Full year '18
Earnings after tax	-38.0	4.2
Total assets	118.0	116.4
Book equity	16.0	24.1
Total liabilities	102.1	92.3
Free cash	24.0	23.0
Restricted cash	13.7	8.1
Total cash	37.7	31.2

¹ Impairment charges on loss-making contracts primarily related to Chile of USD -26.4 million in 2019 and USD -13.1 million in 2018 are excluded in the figures.

² Average number of vessels operated including Chile.

Company Description



140-160 vessels

Strong relations with vessel providers as a leading worldwide operator of dry bulk vessels in the Ultramax to Handysize (“geared bulk vessels”) segments. Currently operating a fleet of 140-160 vessels.



Broad network

More than 340 cargo customers, superior market and business intelligence, operations spread across more than 85 countries, diversified across commodities, and proprietary risk control systems.



Cost efficient

Western Bulk strives to identify the most cost efficient match of cargo and vessels that provides the greatest margin between payment received for the cargo shipment and the cost of leasing the vessel.



220 shareholders

Privately owned by approximately 220 shareholders. The Kistefos Group is the largest shareholder controlling about 82% of the shares. Experienced Board of Directors and support from the main shareholders.



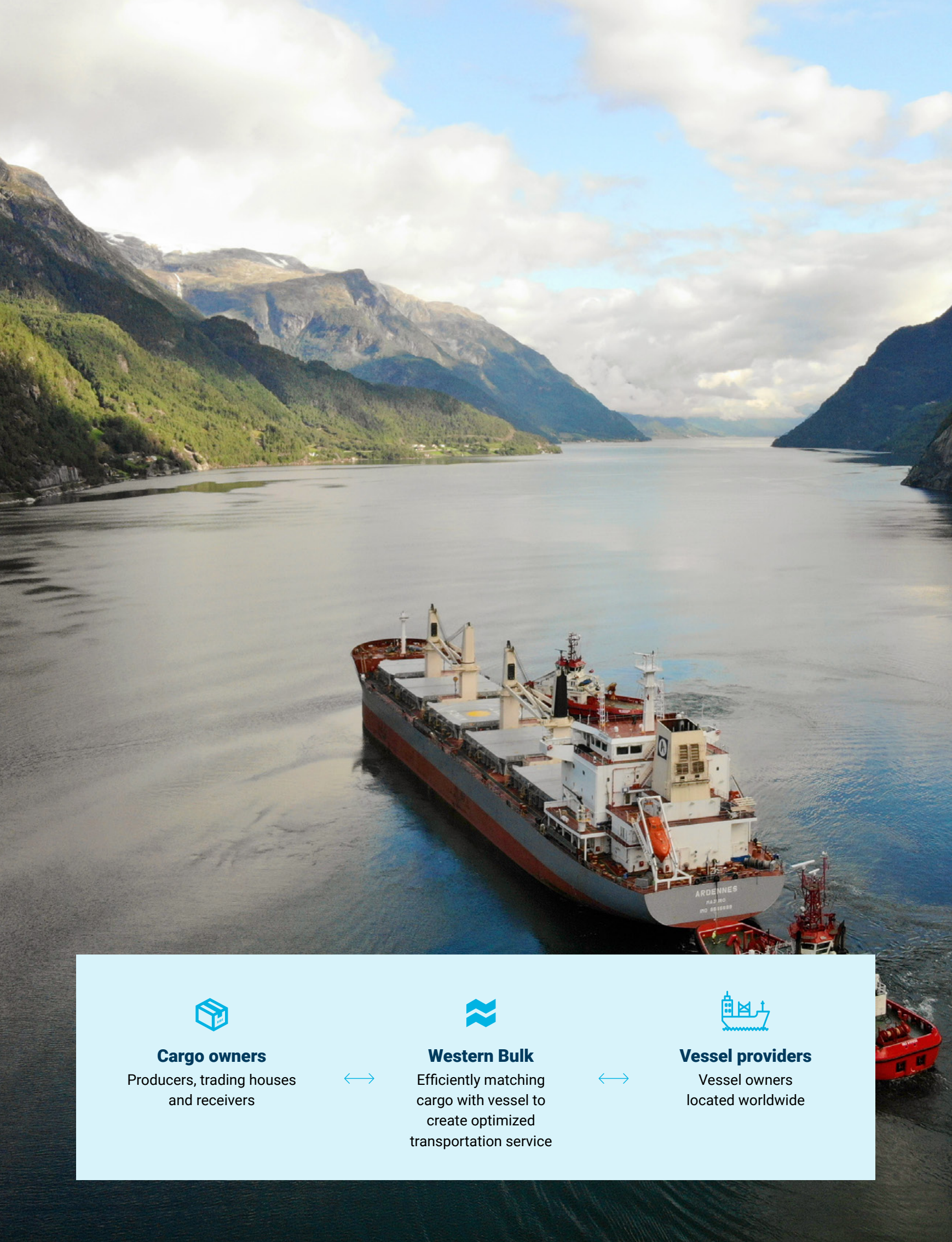
Global Presence

Offices located in Oslo, Singapore, Seattle, Santiago and Casablanca – headed by an experienced management team. Flat and decentralised organisational culture enables quick response to local market changes. Local presence allows intimate knowledge of cargo and vessels.



People

More than 100 employees working in skilled teams developed in-house. Our teams add to our performance, cooperating and supporting each other across functions and regions.



Cargo owners

Producers, trading houses
and receivers



Western Bulk

Efficiently matching
cargo with vessel to
create optimized
transportation service



Vessel providers

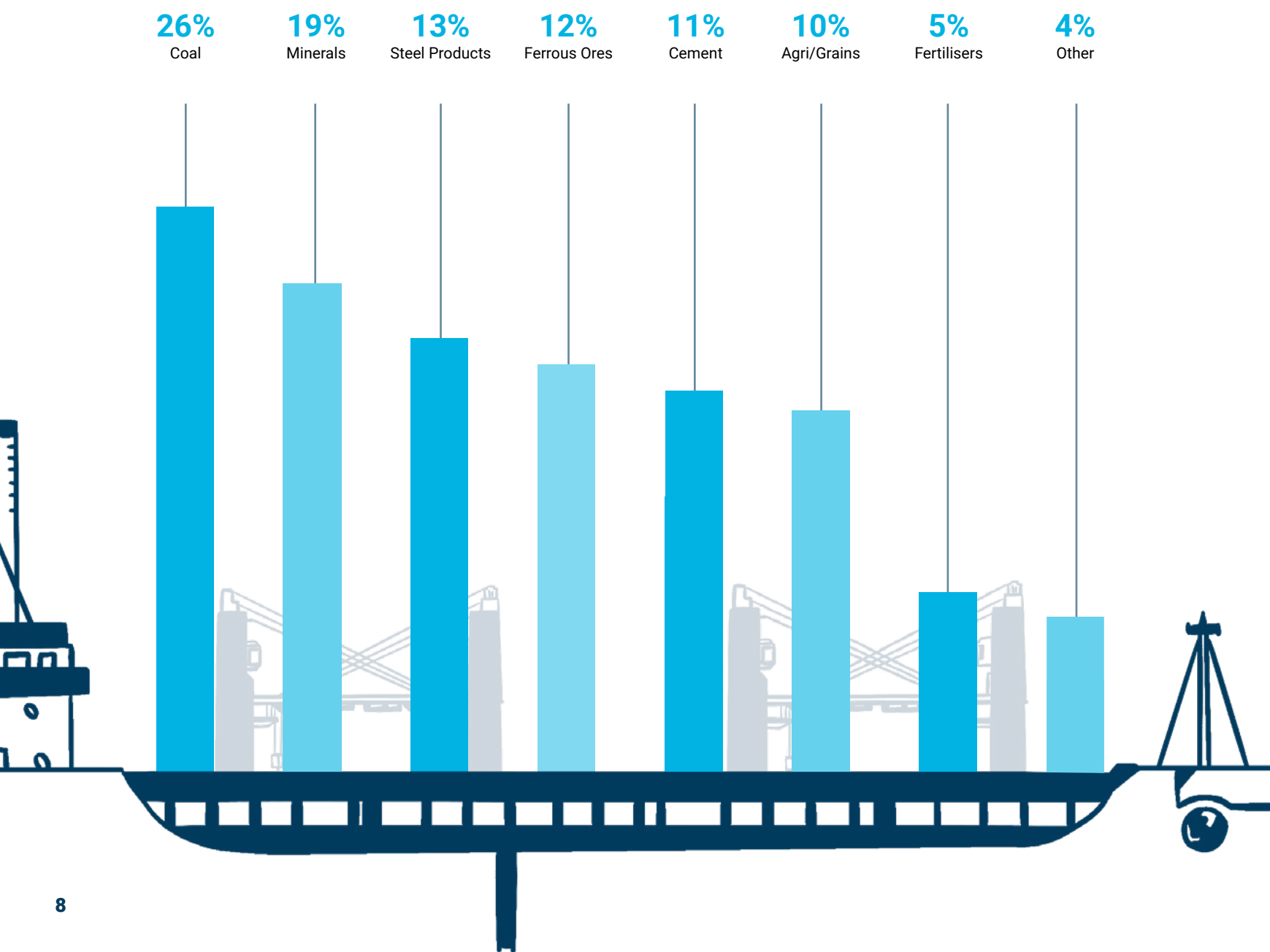
Vessel owners
located worldwide

Well Diversified

- Western Bulk has a wide network of cargo owners diversified across geographies and commodities.
- Our wide network limits our exposure to specific customers, geographies or commodities. It also provides a wide foundation for revenue generation and reduces cyclical risk and counterparty risk.
- Our close relations to such a wide range of cargo owners globally provides a high deal flow with opportunities to locate cargo that efficiently match identified and available vessels.

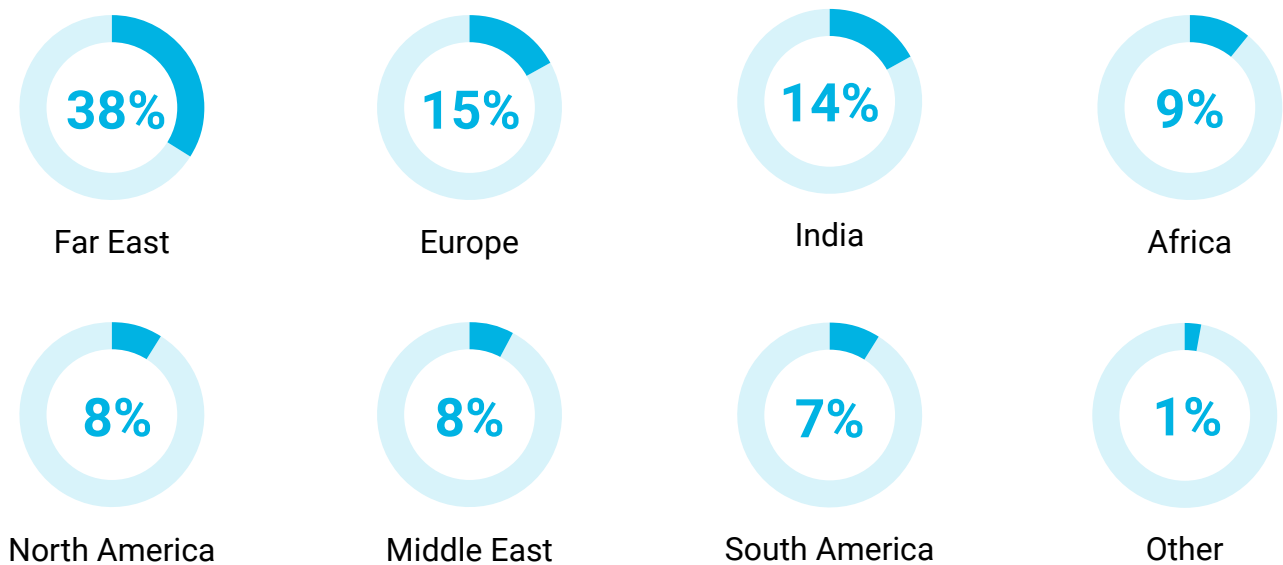
Commodity diversification

2019 Figures by Commodity



Geographic diversification

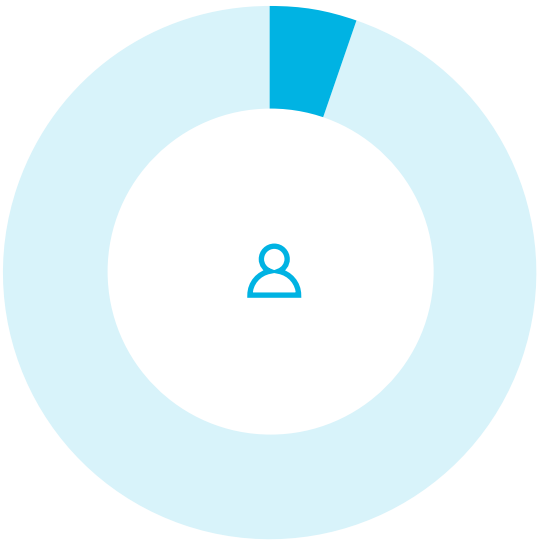
2019 Figures by Discharge area



Cargo owner diversification

2019 Figures by Customer

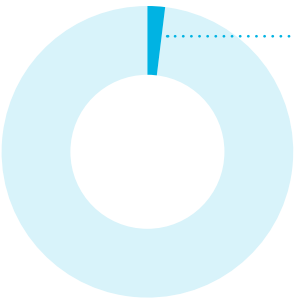
Western Bulk has more than 340 different cargo customers.
No single customer accounts for more than 3% of revenues.



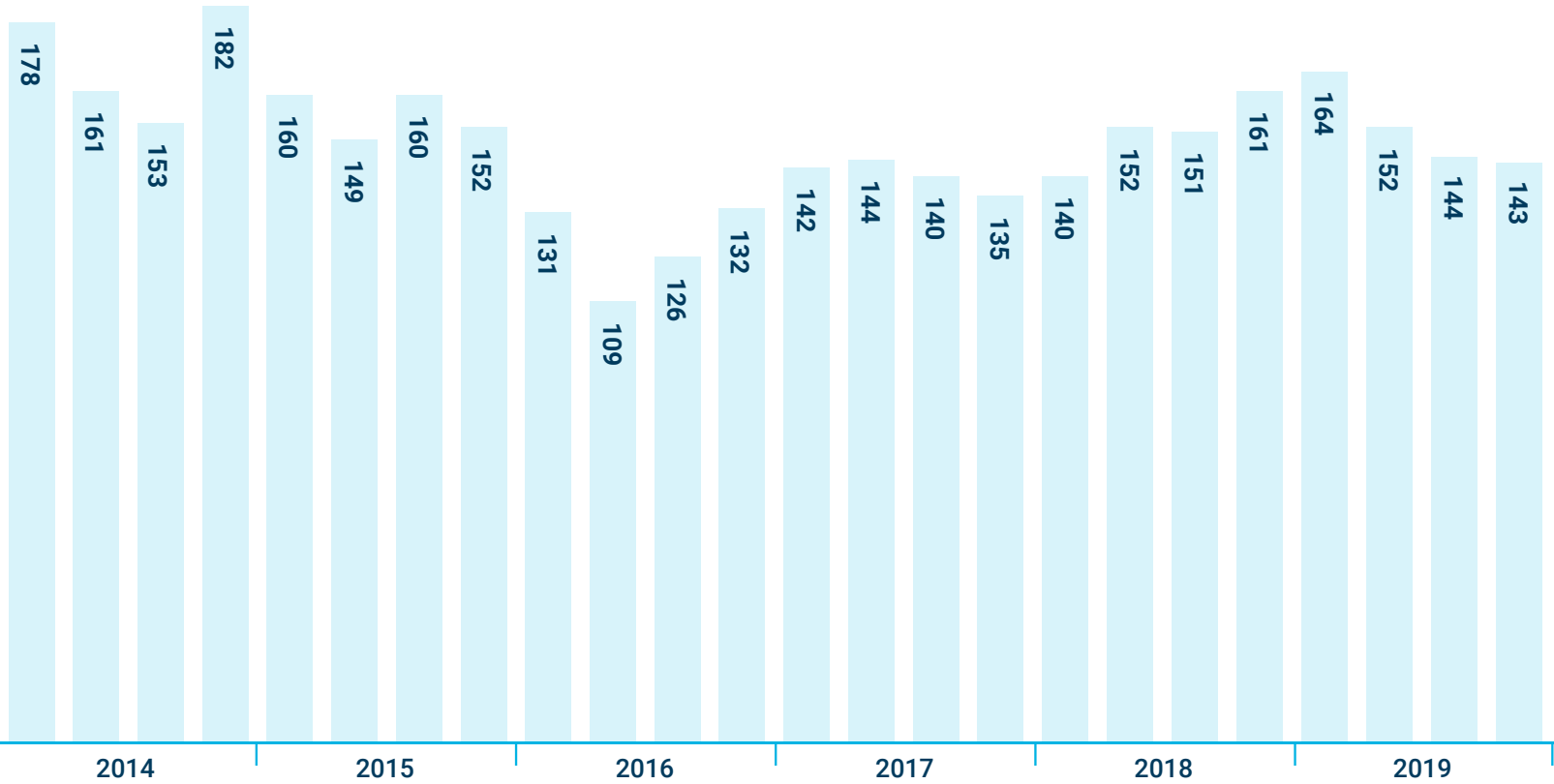
Access to an extensive fleet of vessels

Currently operating a chartered-in fleet of 140-160 vessels.

Number of vessels operated by quarter



Western Bulk operates ~2% of the global fleet - wide space of available vessels ensures identification of the optimal vessel.



- Significant network of Ultramax to Handysize providers serves as foundation for everything from single voyage leases to longer term leases of vessels - basis for a highly flexible fleet.
- Extensive vessel access ensures that Western Bulk always has the opportunity to identify attractive vessels for any cargo load.
- A deep vessel market to trade creates opportunity to cherry-pick vessels that most efficiently match each cargo load and secure the highest possible margin.
- Selecting the optimal vessel depends on a range of factors, including vessel location and distance from cargo, fuel efficiency and charter hire.
- Western Bulk engages in short- (up to six months), medium- (six to twelve months) and long-term (more than twelve months) leases. The majority of leases are short-term to medium-term.
- Any relation with vessel providers undergoes a thorough evaluation of counterparty risk.





Hans Aasnæs, CEO

Our values



AGILE

Energetic, responsive,
flexible and nimble



RELIABLE

Dependable, sincere,
steadfast and attentive



RISK AWARE

Making informed and
calculated decisions,
mindful of challenges



ENTREPRENEURIAL

Curious, adventurous,
ambitious, always
pursuing opportunities

Good prospects ahead

When I joined Western Bulk on the 1st of July 2019, I found a Company with a strong commercial culture and the potential to create significant value. I believe this can be achieved by establishing a clearly defined commercial strategy, based on our competitive advantages and by being disciplined in the way we follow this strategy.

Western Bulk has proven over time that we have a competitive advantage in reading the short-term market. Historically, this part of the business has generated favorable and stable returns while exposure further out on the curve has provided limited value. We will continue to build on and grow the profitable short-term trading business while being selective and disciplined in the way we deploy capital for medium- and long-term exposures.

We have strengthened our management team by including the Business Unit Managers of the Indian Ocean and Steel & Bulk divisions, which adds valuable commercial experience to the team. We are also developing a more systematic approach to customer development, to enhance the value of being able to maintain and nurture important customer relationships. We define charterers, vessel owners, operators and brokers as our customers. With good customer relations and repeat business, we can further improve our value creation.

We pride ourselves on not owning any vessels. This makes us nimble and gives us the flexibility to quickly adapt to market changes. By being asset-light, we have been able to build an agile culture that is uniquely positioned to respond to rapid market changes. Clearly, our employees are our key assets, and recruitment and development of talent is therefore another important focus area for the Company.

The last couple of years Western Bulk has taken vast steps to become more data driven and improve analytical capabilities. Building internal analytics and data science competence is an important strategic priority, and trading signals are being developed by combining multiple data sources. By utilizing and making existing and new data sources available in smarter and more efficient ways, we aim to take advantage of both long-held domain knowledge and disruptive technologies whilst continuing to be a leading dry bulk operator.

The Company's cost base has been and is subject to thorough scrutiny with several initiatives in place to realize cost reductions. This is achieved by saving on administration expenses, optimizing vessel performance, time in port, purchases, renegotiations, general spending as well as more optimal financing. Projects have been initiated to grasp additional savings associated with the number of voyages being executed across the Company. I see a great potential in continuous improvement by increasing the use of systems and non-financial KPIs together with an enhanced focus on capturing and internalizing learning from the 1 300 voyages carried out across the Company annually.

I strongly believe that there is a potential for increased profitability by a structured approach to voyage optimization. We have therefore established a centralized function to work with the business units to improve voyage results. We carry out 3 500 port calls every year and our vessels spend almost 50 % of their time in port. If we can manage to save an average of USD 1 000 worth of time or cost for each port call, we would improve profits by USD 3.5 million.

For the last two years the Group results have been heavily impacted by legacy positions in Chile. I am pleased that we have now reached an agreement to put that behind us and we will see no further losses related to legacy positions in Chile going forward. I am also encouraged by the fact that we have benefited from our flexibility in the weak market experienced in the first quarter of the new year. We brought down the volume of vessels towards the end of 2019 and booked several cargos to ensure that we entered the year with a short position. That has made us well positioned to benefit from the current weak market, illustrating the strength of our agile asset light model.



Hans Aasnæs, CEO

Unlocking the Value of Data

At Western Bulk we are constantly looking for opportunities to unlock value, and we are working hard to become more data driven across the value chain.

A couple of years ago we set out to renew our systems and data infrastructure, aiming to move all core systems and data to the cloud. We would only select systems with an open API, putting us in a position to combine all our business and market data in one place, enabling analysis across various data sets and sources. We are proud to say that we have been able to execute on this strategy, with all core systems now being in the cloud and with an ever-growing data lake from where we build models.

As an added benefit, these changes follow our business strategy to be asset light, with vastly reduced needs for on-prem servers. This light physical infrastructure, a new and improved agreement with our IT service provider, as well new tools such as Cisco Meraki for network surveillance and control, means that we are facing both significantly reduced IT costs and significantly improved control and flexibility. As a small example, we can now remotely set up a new office in just a few days.

On the data side we are proud of our business intelligence tools that provide easy access to business-critical data and historical data that enables us to easily slice and dice commercial and operational performance across the organisation. However, realising the need to continuously improve, in 2019 we strengthened our in-house competence by insourcing AWS development, and we are developing the next generation of analytics infrastructure. This is a cloud-based system where we aggregate vast amounts of internal and external data that feed into various tools and models. With this we aim to deliver even more real time and event driven decision support to our chartering and operations teams.

This is exciting work that combines the efforts of data scientists and analysts with the deep commercial and operational understanding of our chartering and operations staff. It includes efforts to develop short- and long-term market signals, systems for dynamic fuel optimisation as well as smart operations.

Machines and algorithms can never replace the creativity, entrepreneurship and commercial acumen of our staff, but in a world that is moving ever faster, and where patterns are becoming

more unpredictable we strongly believe they can add value by providing live insights from a combination of data sources and models, to keep our staff at the forefront of the market.



Board of Directors' Report 2019

In 2019 Western Bulk Chartering AS and its subsidiaries (the "Group") was struck by two unfortunate events; not foreseeing the magnitude of the sharp market fall at the start of the year and losses from legacy positions in Chile continuing to hamper results. This led to a loss after tax of USD -38.0 million, whereof USD -26.4 million related to Chile and provisions for future losses. Excluding Chile and provisions, the Group posted a loss after tax of USD -11.6 million and EBITDA of USD -5.4 million.

Financial Performance for the Group

2019 commenced with a dramatic drop in the Baltic Supramax Index (BSI) lasting throughout the first six months of the year. As a result of this Western Bulk had a tough first half of the year as period vessels fixed at the end of 2018 netted significant losses.

Legacy positions in Chile continued to hamper the results with a net loss of USD -16.3 million in 2019. In addition, provisions of USD 10.1 million were made for future commitments, primarily related to Chile. At the start of 2020 an agreement was reached to terminate all legacy commitments in Chile.

With period vessels fixed in 2018 mostly redelivered by the end of H1, the Group saw improved results in the second half of the year with earnings after tax of USD 5.7 million and EBITDA of USD 8.7 million, excluding Chile and provisions.

The size of the fleet was reduced throughout 2019, from 158 vessels in the first half of the year to 143 vessels in the second half. This was done to limit the risks related to the transition to the new IMO 2020 regulation, as well as an anticipation of a weak market in the first quarter of 2020. The number of vessels was however stable on an annual basis, as the average number of vessels operated was 150 for the full year compared to 151 in 2018.

The table below shows the development throughout the year per quarter excluding legacy positions in Chile and provisions with a total negative impact on Net TC of USD -26.4 million.

The Group's turnover, expressed as gross freight revenues, was stable at USD 1 062.7 million in 2019 compared to USD 1 070.2 million in 2018.

Western Bulk Excluding Chile and provisions	Q1-19	Q2-19	Q3-19	Q4-19	2019
Net TC result ¹ (USD million)	-1.9	0.7	10.9	10.3	20.0
Average fleet size ² (vessels)	164	152	144	143	150
Net TC result per ship day ¹ (USD)	-129	47	824	789	364

¹ Impairment charges on loss-making contracts primarily related to Chile of USD -26.4 million in 2019 are excluded in the figures.

² Average number of vessels operated including Chile.

Administration expenses were USD 25.4 million in 2019 compared to USD 26.4 million in 2018. Excluding one off savings of USD 1.8 million from conversion of defined benefit pension to defined contribution pension in 2018, the comparable expense was USD 28.2 million in 2018. The decrease of USD 2.8 million was mainly due to lower bonus accruals. The Group had an average of 112 FTEs employed in 2019 compared to 106 in 2018.

At the end of the year the Group had USD 24.0 million in free cash, an increase of USD 1.0 million from 2018. Negative net cash flow from operating activities and repayment of bond loan was more than offset by share capital increase of USD 29.8 million.

The balance sheet total was USD 118.0 million at the end of 2019 compared to USD 116.4 million the year before. Book equity totalled USD 16.0 million as of 31.12.2019, a decrease of USD 8.1 million from the 31.12.2018 position of USD 24.1 million.

Subsequent events after 31.12.2019

In February 2020 the Group negotiated an early termination of all legacy commitments in Chile. As this had a significant impact on assumptions for provisions made 31.12.2019 this has been incorporated in the final annual accounts for 2019. As a result, provisions have been reduced by USD 5.5 million from the preliminary annual accounts.

USD 1.9 million of the USD 10.1 million provisions made in the 2019 annual accounts were related to market value of derivatives associated with commitments in Chile. As the market value of these derivatives has increased in 2020 most of this provision can be reversed in the 2020 accounts.

The spread of the Coronavirus has had limited overall impact on Western Bulk's results in the first quarter of 2020. Some period vessels have seen losses due to a low Pacific market in particular, but this has been outweighed by gains on cargo commitments covered by vessels in the spot market at lower rates. The Group brought down the volume of vessels to a low of 138 when entering the year and had an overweight of cargo commitments resulting in a short market position for the first quarter of 2020. The volume of vessels has been kept at a low level with limited forward commitments in line with the strategy of emphasized focus on short term trading, allowing for a high degree of flexibility.

There is a risk of increased delays at ports following the spread of the Coronavirus, in particular due to quarantine restrictions. There is also a risk that the pandemic may lead to global recession

that will have a negative impact on dry bulk demand. However, as the Group has limited forward commitments, the impacts of this is considered manageable.

As a consequence of the spread of the Coronavirus all employees at the Oslo, Seattle and Santiago offices are working from home offices until further notice. The Group has a robust infra structure based on cloud solutions allowing for efficient work from remote locations. Employees are used to close interaction across geographies by the use of digital channels, and the Group currently sees limited negative impacts on the workforce. With teams spread across geographies the Group also has contingency in regards to potential infections at one of its premises.

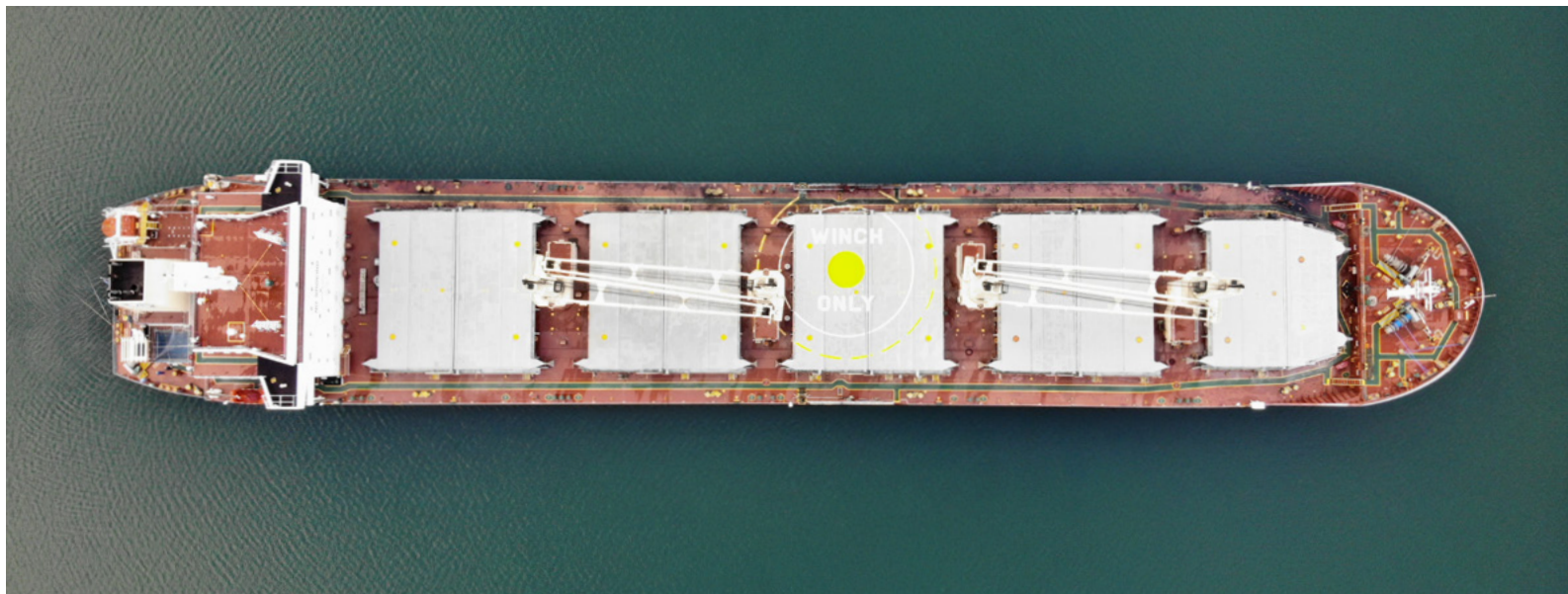
Market Development

A torrid start to 2019 saw the Baltic Supramax Index 58' (BSI) drop to levels not seen since the BSI posted its all-time low early 2016 before recovering slightly where it remained within a USD 8 000 per day to USD 10 000 per day range for the rest of the half year. The average rate for the first 6 months of the year came in at USD 8 205 per day down from USD 11 116 per day the same period 2018 as the market was hit by several factors that weakened the supply and demand balance.

The spread between the Atlantic and Pacific fell dramatically from positive to negative in the first weeks of the year as the Atlantic suffered from a lack of cargoes and sentiment, as a combination of seasonal decline mixed with threat of a pending trade war and a major mining disaster in Brazil took its toll on rates across the board. There was also a higher regional supply of tonnage as a weak Pacific market and low bunker prices in the fourth quarter of 2018 made it more attractive to reposition vessels to the Atlantic. The spread ended the half year at USD 2 365 per day and averaged USD 700 per day over the period.

In the second half of 2019 the Baltic Supramax Index 58' (BSI) rose to a six-monthly average of USD 11 665 per day, and the daily index rate touched an all-time high (since the index started in 2015) at USD 15 233 per day on 4th of September, before declining towards the end of the year.

The spread between the Atlantic and Pacific basins widened in the second half of 2019, due to more fronthaul cargo than backhauls, as well as higher ballasting costs for vessels on surging bunker prices ahead of the IMO 2020 deadline. The spread between Atlantic and Pacific rose from USD 2 379 per day as of 1st of July to a high of USD 6 822 per day on 23rd of September and ended the year at USD 4 146 per day.



Future Development

The dry bulk market started on a weak note in 2020, with an early Lunar New Year followed by the outbreak of the COVID-19 in China. This was compounded by disruptions of Brazilian iron ore shipments with heavy rains and interruptions to Australian iron ore supplies due to a cyclone. Nevertheless, the market started to improve from the low points in late February, driven by Chinese demand for soybean and corn followed by imports of industrial raw materials after the extended Chinese New Year holiday. However, the recent spread of the COVID-19 outside China has contributed to increased uncertainty, and the risk of further disruptions to the global supply chain is rising. More countries have announced lockdowns and transportation, manufacturing, construction, and energy industries are facing strong headwinds. The dry bulk market is under pressure, in particular in the Atlantic ocean due to increased risk of port closures disrupting the supply chain and shipping demand.

Although the spread of COVID-19 seems to largely have been brought under control in Asia, the Pacific market is expected to remain under pressure in the first half due to excessive fleet supply and weak economic fundamentals. We see that the Atlantic market is at higher risk due to spread of the virus, as well as lower bunker prices reducing the costs of vessels heading to Atlantic. Despite the negative developments, higher fleet demolition and inefficiencies caused by congestions and delays at ports could lend some support to the market, and the market is expected to recover towards the second half of the year once the pandemic ends.

Overall, Western Bulk has been well positioned for a weak market with several vessels redelivered and an overweight of cargo commitments, hence the low market has offered some opportunities. It is in the Western Bulk DNA to see opportunities and find solutions in a changing and volatile market. The Board of Directors is therefore cautiously optimistic for 2020 despite the dim market outlooks.

Going Concern

In accordance with §3-3a of the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared under the assumption of going concern. The assumption is based on estimates and expectations for 2020 and the Group's long-term strategy.

Business Overview

The Group is a world-leading operator within the Handy and Supra dry cargo segment, with a global trading pattern and an experienced staff and robust systems required to handle the large diversity in commodity types, trading routes and operating conditions that these segments offer.

The Group combines operational expertise in dry bulk shipping with portfolio and risk management techniques and approaches adapted from the financial industry. Given the diversity and complexity of the markets in which the Group operates, it has chosen to build a flat and decentralized organizational structure where most of the decision-making authority rests with its business units. The risk management team monitors market and counterpart exposures of each business unit and on an aggregate level for the Group.

Impact on the environment

The Group's activities consist of chartering and operating dry bulk vessels for the transportation of products such as minerals, timber, cement, bauxite, steel products, grains, coal and more. The chartering and operation of chartered-in vessels fully complies with international rules and standards in the jurisdictions and sectors in which they operate.

Organization

The Group cares about people, human rights, labour rights, safety and welfare. The Group is actively working to reduce sick leave and improve its working environment. During the year, no serious accidents or injuries have been reported. Total sick leave in the Norwegian Company was 1,17% (2018: 2,21%), divided into 0,67% short time absence, and 0,50% long time absence.

Working conditions for employees are considered to be good. The Group has implemented initiatives to maintain a healthy work environment, annual health checks, social and active events and activities, reimbursement of physical training expenses and individual workplace assessment by physiotherapist. The Group endeavours to offer all employees, regardless of gender, religion, beliefs or nationality, equal and attractive career opportunities and a program for the Group's Commercial Trainees. Employee performance is measured through performance appraisals.

The Group aims to be a Company with full equality between men and women, and no discrimination based on disability, gender, race, ethnic or cultural background. As of 31.12.2019, 39 of the Group's 117 employees were women (33%), with 30% in Oslo, 43% in Singapore, 20% in Seattle and 20% in Santiago. An unequal recruitment base makes it difficult to achieve an equal mix of gender within certain Group units, but Western Bulk endeavours to have both genders represented in all employment processes. No women are represented in Senior Management or on the Board of Directors.

Risk

The Group is exposed to a number of risks. In addition to the market risks associated with its chartering activity, the Group is also exposed to risks such as counterparty risk, credit risk, currency risk, operational risk and liquidity risk.

The Group operates with a clearly defined risk appetite and has implemented a comprehensive infrastructure of models, measures and internal control routines to mitigate risks or respond to risks to mitigate potential consequences. It has developed a strong risk management culture that emphasise risk awareness in all decisions.

With a continued muted outlook for the dry bulk shipping market, the Board recognizes that counterparty risk is likely to continue at a high level and that unexpected changes to demand and supply may cause market rates to fluctuate significantly, at least on a relative basis. Although the Group has a diversified exposure to counterparties, well-managed market exposure and a wide geographical positioning, we anticipate that the Group will be affected by these external factors. The Board is of the opinion that the Group's exposures to the different risks are satisfactorily monitored and that we will be able to contain the risk at acceptable levels, for customers as well as shareholders.

Geopolitical Risk

With a global trading pattern, the Group is exposed to geopolitical risk and instability that exist or may occur in parts of the world. The Group is paying close attention to concentration of geopolitical risks, and is targeting diversification to mitigate exposure that could potentially cause material effects to its results.

Market Risk

The Group has invested considerable resources in establishing and maintaining a risk control and monitoring system which on a daily basis quantifies the market exposure in the Group. This system allows the Group to measure risk and adjust its risk profile rapidly if required. The Group actively uses derivatives such as freight forward agreements (FFA), bunker swaps and other financial instruments to hedge its market exposure. The Group is not seeking to minimise the market risk, but rather to quantify and measure it to be able to take calculated positions in the market. The risk system sets absolute limits to the level of exposure taken by the Group. Such exposure may include being long/short on vessels relative to contract coverage, being long/short on geographical areas, vessel sizes and trade routes, utilising options on cargoes and vessels, and more, to take market rate exposures.

Operational Risk

The Group is exposed to various operational risks in conducting its business worldwide, with vessels sailing to and calling at ports in most areas of the world. Operational responsibility rests with the Group's business units, as most operational risks are related to specific vessels, cargoes or markets. While single incidents mainly will have limited impact on the Group, the Group pays close attention to concentration of risks related to cargo type, geographical area and counterparties, targeting diversification to mitigate exposure that potentially could have material effect.

Financial Risk

The Group's credit risk mainly relates to freight payable from our counterparts for voyages being performed. Such freight is mainly due at commencement of the voyage, and if not paid, the Group will in most cases have a lien on the cargo. As such, credit risk is manageable, and mainly relates to potentially disputed parts of the amount invoiced such as laytime and demurrage upon discharge.

The Group's liquidity risk is mainly related to timing of cash in- and outflows and the Group continuously monitors its cash reserves and available liquidity to ensure sufficient liquidity is available to meet the known obligations of its operations, minimum liquidity covenants in financing agreements, and to meet measured cash flow risks related to the use of derivatives for hedging purposes.

The Group is exposed to currency risk, mainly for expenses incurred in local currency other than US dollar. The Group measures its currency risk applying sensitivity analysis. The Group has hedged the expected NOK denominated administrative expenses for 2020 by entering into NOK/USD currency forward contracts.

The Group is exposed to interest rate risk from its financing facilities. The interest rate risk is currently unhedged.

Ownership Structure

As of 31.12.2019, Western Bulk Chartering AS is a privately-owned Company, with about 220 shareholders. The Kistefos Group controls about 82% of the shares.

Financial Performance for the Parent Company and Allocations

Western Bulk Chartering AS (Parent Company) recorded a loss after tax of USD -40.6 million for 2019 and a net positive cash flow of USD 14.9 million. Equity was USD 37.4 million as of 31.12.2019 with a book equity ratio of 50%.

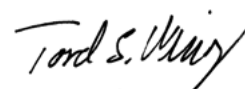
The Board recommends the following covering of the 2019 net loss for the parent Company:

From Share premium	USD	-31 306 985
From Other paid-in capital	USD	-9 327 447
Total allocations	USD	-40 634 432

Oslo, 18. March, 2020



Bengt A. Rem
Chairman of the Board



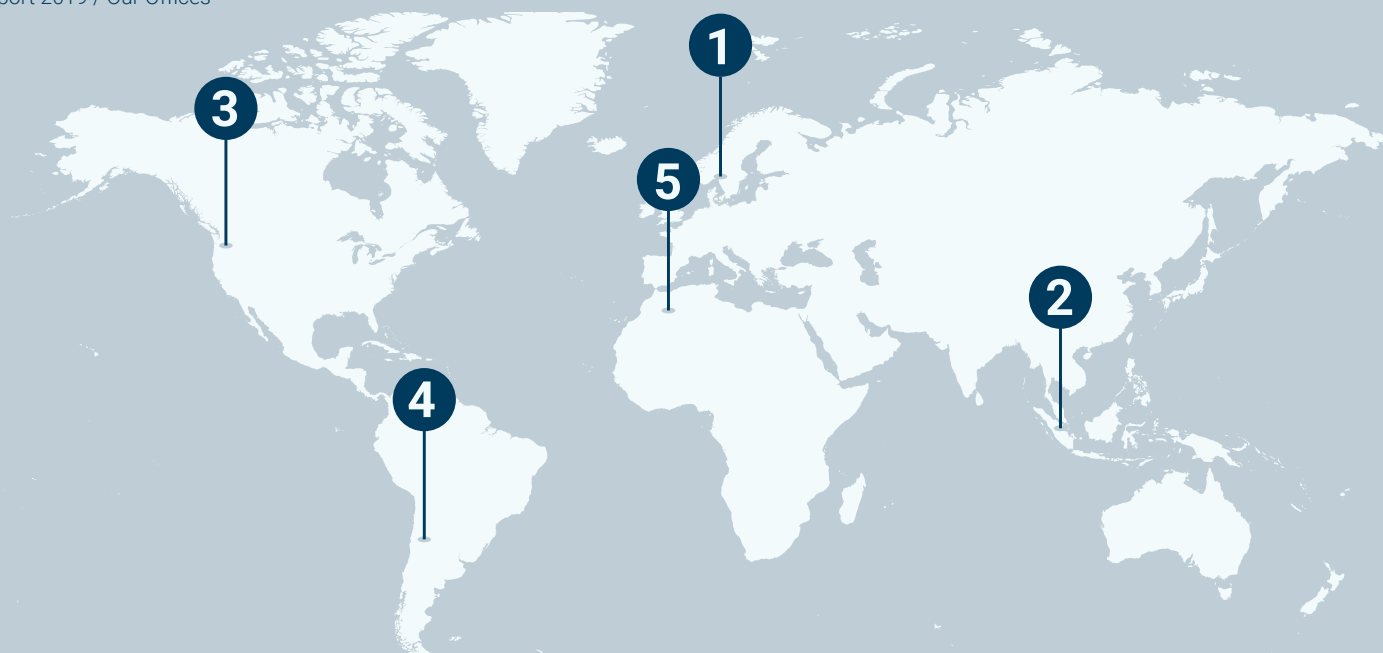
Tord Meling
Board member



Erik Borgen
Board member



Hans Aasnæs
CEO



Western Bulk - Our Offices

Western Bulk has a global reach and a local presence with offices located in strategically important areas for shipping and trade of dry bulk commodities.

1. Oslo Office

The Company Western Bulk was incorporated in Oslo, Norway in 1982. The CEO, CFO and CSTO are located in the Oslo office. Being situated in Oslo allows us to take part in one of the most complete maritime knowledge hubs in the world, as well as the emerging hub for tech-start-ups and digitalisation. For the last 10 years, the office has been situated in the historic Industry Export building at Solli Plass. The business units South Atlantic/US Gulf and Steel & Bulk/Continent-Mediterranean, are both managed from the Oslo office which has about 60 employees.

2. Singapore Office

Our office in Singapore was established in 2005 and is responsible for the overall activity in the Indian Ocean and South East Asia regions. Singapore's strategic location and infrastructure makes the port one of the busiest in the world, and the city has become a regional center of shipping and finance. The business units Indian Ocean and Pacific are managed from the Singapore office, which has about 45 employees.

3. Seattle Office

The US West Coast office is located in Seattle and has been in operation since Western Bulk acquired the Jebsen Bulk Pool in 1995. Being geographically and strategically well placed in the busy Pacific Northwest, the Seattle office assures day-to-day contact with numerous industries, cargo owners, trading houses, and

brokers in USA, Canada and Mexico. The Seattle office also looks after the operations of all Group vessels calling the West coast from Panama to Alaska and Hawaii.

4. Santiago Office

Western Bulk has been active in Chile since 1982, and our Santiago office was opened in 2006. The Chile operations have produced strong relationships with several major Chilean industrial companies. Geographically, with the time differences to Europe and the Far East, the Santiago office complements our other offices to enable 24-hour accessibility to Western Bulk around the world. The West Coast South America portfolio is managed from the Santiago office, which has 4 employees.

5. Casablanca Office

The office in Casablanca, Morocco was opened in the spring of 2016 as an extension of the South Atlantic Business Unit. The office is focusing on closer follow-up and building growing volumes with existing clients, as well as providing personal attention on operational issues on the African West Coast. The office has 1 employee.

Our Business Units



South Atlantic / US Gulf

Lars Christian Svensen Business Unit Manager

The South Atlantic/US Gulf business unit serves clients loading and/or discharging cargo on the Atlantic coasts of South America and Africa. Cargoes are carried on a trusted base of ships from our core owners and include both spot movements and industrial multi-year contracts.

The business unit also serves the US Gulf/USEC/NCSA area and a broad base of clients with diverse ocean transportation needs originating from the US Gulf and neighboring loading zones from East Coast Canada to North Coast South America.

The business unit has a small office in Casablanca, Morocco to support our industrial clients on Africa's Atlantic coast.

The South Atlantic/US Gulf business unit aims to build on growing volumes with our industrial clients, provide personal service and attention on operational issues, and place the Group at the forefront of future trade opportunities.

The South Atlantic/US Gulf business unit is managed out of the Oslo office and operated on average about 50 vessels during 2019.



Steel & Bulk / Continent - Mediterranean

Jan Christian Tungland Business Unit Manager

The Steel & Bulk / Continent - Mediterranean business unit focuses on developing long term industrial relationships with its customers through offering a service with high degree of flexibility and reliability.

The main activity is transport of various steel and bulk cargoes from Black Sea - Mediterranean and Continent - Baltic worldwide. The business unit is also active in trades to and from other destinations, partly on joint venture basis with the other business units in order to utilize the Group's presence and market knowledge worldwide. Complementary activities include long period tonnage and industrial bulk COAs.

The Steel & Bulk / Cont - Med business unit is managed out of the Oslo office and operated on average about 30 vessels during 2019.



Indian Ocean / Handy Australia

Vivek Kumar Business Unit Manager

The Indian Ocean business unit is based in the Singapore office and operated an average volume of about 30 vessels in the Handysize to Ultramax segment during 2019.

Through its significant customer base, the business unit is active in most dry bulk commodities and services clients on spot, short to medium term as well as on long industrial contracts.

The business unit also runs extensive parceling operations within Asia on various bulk and break-bulk commodities. Via joint setups with the other business units it is also involved in cross-basin trading, and thus linking the Singapore office nicely together with the other offices of the Group.

The business unit also runs a Handysize portfolio out of Australia which includes usual bulk commodities as well as parcelling.



West Coast South America

Firas Basem Douleh Vice President

The West Coast South America portfolio is run out of the Santiago office and operated on average about 22 vessels during 2019. In addition to the traditionally strong forestry and mineral segments, operations here include transportation of grains, salt, fertilizers, coal, iron ore and cement clinker.



Pacific / US West Coast

Torbjørn Gjervik Business Unit Manager

The Pacific / US West Coast business unit is run out of the Singapore and Seattle offices and operated a fleet of about 25 vessels on average during 2019, ranging from Handysize to Ultramax.

The size and diversity of the Pacific basin demands the portfolio is not just active in the more established core trades but also in niche cargo flows throughout the region. The business unit is continuously striving to develop new working relationships, although the current customer base already necessitates exposure to most bulk commodities, the unit is considered more of a specialist in slag, fertilizer, clinker, coal, steel products, grains, iron ore and pet-coke.

The huge intra and cross basin trades in the region necessitate the Pacific portfolio to work closely with all the other business units. The business unit also represents the Group towards vessel owners based in the Asia region for both spot and period employment.

The Senior Management Team



Hans Aasnæs
Chief Executive Officer

Mr. Aasnæs has previously held the position of Senior Vice President at Umoe Group and was a Director of several of the group's subsidiaries. From 2005 to 2013, he served as CEO of Storebrand Asset Management. Hans Aasnæs is chairman of the board at Nordic Trustee ASA and Strand Havfiske and a board member of Folketrygdfondet, Investinor and Gjensidige Investeringsrådgivning. Mr. Aasnæs is an agricultural economist and certified financial analyst and holds a higher degree from the Norwegian School of Economics.



Egil Husby
Chief Strategy and Transformation Officer

Mr. Husby is responsible for activities aimed at decisions support, business improvement and business transformation, and has been employed in the Company since late 2004. Until 2019 he served as Chief Risk Officer, responsible for risk management, business analysis and technology. Prior to that, he was at Norsk Hydro where he worked with risk management and structuring for Hydro's energy trading activities. Mr. Husby has an MBA from the University of Adelaide and an MSc in mathematical statistics from the Norwegian University of Science and Technology (NTNU).



Kenneth Thu
Chief Financial Officer

Mr. Thu is responsible for finance, accounting, business control, risk management, HR, legal and compliance. He has a background from retail, energy and management consulting. Before joining Western Bulk in 2017, he was the Acting CFO in Elkjøp Nordic AS, a part of Dixons Carphone Plc. Mr. Thu has also been employed by Expert AS, PA Consulting Group AS and Orkla Brands AS. He holds an MSc in Economics and Business Administration from the Norwegian School of Economics (NHH) in Bergen.

The Senior Management Team cont.



Indian Ocean

Vivek Kumar Senior Vice President

Mr Vivek Kumar is representing the commercial department of the Singapore office in the Senior Management. He is also the Managing Director of Western Bulk Pte Ltd.

Apart from his administrative roles, he also heads up the Indian Ocean business unit.

He holds a Bachelor Degree in Marine Engineering, is a fellow of Institute of Chartered Shipbrokers and a member of Singapore Chamber of Maritime Arbitration.

Mr Kumar started his career with NYK sailing on board their vessels as an engineer. He was a broker with Braemar Seascopes before joining Western Bulk in 2007 and has held various positions since then within the organisation.



Steel & Bulk / Continent

Jan Christian Tungland Senior Vice President

Jan Christian Tungland is representing the commercial department of the Oslo office in the Senior Management. He is also the Senior Vice President and head of our Black Sea, Mediterranean and Continent business unit.

Mr Tungland has almost 30 years of experience in the dry bulk market, and 16 years of management experience. He started his career in shipping in 1991 and moved on to become an exclusive broker for Western Bulk in Lorentzen & Stemoco in 1996. He joined the Company already in 1998 as a shipbroker. He soon took on a leadership role and became head of Western Bulk's Steel section in 2004, and Vice President, Steel & Bulk in 2010.

The Board of Directors



Bengt A. Rem
Chairman of the Board

Mr. Rem is the CEO of Kistefos AS, who owns 82% of the shares in Western Bulk Chartering AS. Prior to joining Kistefos AS in 2015, Mr. Rem was CEO in Arctic Partners. His previous experience includes Executive Vice President & CFO as well as other leading positions in the industrial investment Company Aker ASA, Head of the Department Responsible for Financial Instruments on the Oslo Stock Exchange and state authorised accountant in Arthur Andersen & Co. Mr. Rem holds an MSc in Business and Administration and Finance from the Norwegian Business School (BI) and a Master in Accounting and Auditing from the Norwegian School of Economics (NHH).



Erik Borgen
Member of the Board

Mr. Borgen is an Investment Director at Kistefos AS. Prior to joining Kistefos AS in 2016, Erik Borgen was a partner at the private equity firm HitecVision. His previous experience includes partner at Arctic Securities AS as well as other positions in Morgan Stanley and Perella Weinberg Partners. He has previously engaged in projects and activities within the fields of mergers and acquisitions, debt capital markets, IPO's and restructuring. Mr. Borgen holds an MSc in Finance from the Norwegian School of Economics (NHH).



Tord Meling
Member of the board

Mr. Meling is an Investment Director at Ojada AS, our second largest shareholder. He has worked more than 10 years in the airline Norwegian ASA, with experience in business development, aircraft financing and corporate finance. He also has experience from Deloitte. Mr. Meling holds an MSc in Finance from the Norwegian School of Economics (NHH).

Group Financials

Western Bulk Chartering Group - Profit and Loss Statement

USD 1 000	Note	2019	2018
Gross revenues	3	1 062 723	1 070 238
Voyage expenses		-451 850	-421 152
Freight revenues on T/C-basis		610 873	649 086
T/C expenses		-613 878	-613 493
Other vessel expenses		-3 396	-3 971
Administration expenses	8	-25 448	-26 404
Operating expenses		-642 722	-643 868
Depreciations	7	-373	-376
Writedown fixed assets	7	-	-28
Gain/(loss) on disposal of fixed assets		-12	1
Bad debt provision and write-offs		78	575
Operating profit		-32 156	5 391

Western Bulk Chartering Group - Profit and Loss Statement

USD 1 000	Note	2019	2018
Net interest income		318	361
Net interest expense		-2 835	-2 638
Gain/(loss) on foreign exchange		-61	798
Gain/(loss) on financial assets		7	-12
Other financial items		-810	-495
Bad debt provision and write-offs financial items		-	1 884
Net finance		-3 381	-103
Profit/(loss) before tax		-35 538	5 288
Tax income/(expense)	9	-2 431	-1 091
Profit/(loss) for the year		-37 969	4 197

Western Bulk Chartering Group - Balance Sheet

(USD 1 000)	Note	2019	2018
ASSETS			
Non current assets			
Deferred tax asset	9	602	1 710
Intangible assets	7	135	323
Property, plant and equipment	7	419	514
Investment in financial assets		630	193
Long term receivable		5	9
Total non current assets		1 789	2 750
Current assets			
Accounts receivable	12	32 280	32 927
Other receivables		3 663	4 829
Receivable derivatives	5	-	1 982
Bunker stocks		42 583	42 779
Bank deposits	11,12	37 729	31 151
Total current assets		116 255	113 669
TOTAL ASSETS		118 045	116 419
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY			
Paid-in capital			
Share capital		113	95
Share premium		1 228	20 092
Received, but not yet registered capital increase		14 641	-
Total paid-in capital		15 982	20 187
Retained earnings			
Other equity / (uncovered loss)		-	3 913
Total retained earnings		-	3 913
TOTAL SHAREHOLDERS' EQUITY	14	15 982	24 101

Western Bulk Chartering Group - Balance Sheet

(USD 1 000)	Note	2019	2018
LIABILITIES			
Long term liabilities			
Deferred tax liability	9	185	233
Pension liabilities	8	1 747	2 044
Other long-term liabilities		395	649
Interest-bearing debt	12	-	31 191
Total long term liabilities		2 327	34 117
Short term liabilities			
Accounts payable		10 546	18 713
Other payable	17	63 372	37 934
Payable derivatives	5	3 678	-
Taxes payable	9	1 382	1 179
Short term Interest-bearing debt	12	20 758	-
Liabilities to related Company	10	-	376
Total short term liabilities		99 736	58 202
TOTAL LIABILITIES		102 063	92 319
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		118 045	116 419

Oslo, 18. March 2020



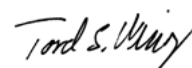
Bengt A. Rem
Chairman of the Board



Erik Borgen
Board member



Hans Aasnæs
CEO



Tord Meling
Board member

Western Bulk Chartering Group - Cash Flow Statement

(USD 1 000)	2019	2018
CASH FLOW FROM OPERATIONS		
Profit/(loss) before tax	-35 538	5 288
Taxes paid	-1 067	-1 042
Depreciations	373	376
Writedown and provisions	10 116	-2 390
Gain/(loss) disposal fixed assets	-2	-27
Changes in current receivables and current liabilities	14 623	-28 134
Net cash flow operating activities	-11 495	-25 928
CASH FLOW FROM INVESTMENTS		
Investments in fixed- and intangible assets	-143	-428
Disposal of fixed assets	42	29
Investments in/ disposal of financial assets	-462	290
Changes in long term receivables	5	-4
Net cash flow from investments	-559	-113
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in new short term and long term debt	20 758	-
Repayment of bond loan	-31 976	-
Capital increase	29 849	-
Net cash flow from financing activities	18 632	-
Net change in liquidity during the year	6 577	-26 042
Liquid assets as of 01.01.	31 151	57 193
Liquid assets as of 31.12.	37 729	31 151
Restricted bank deposits as of 31.12.	13 683	8 148
Available liquid assets as of 31.12	24 046	23 003



Mads Helland (Steel), Peter Knudsen (Counterpart Risk), Christopher Holtskog (Counterpart Risk), Haavard Haaland (Steel).

Notes to the accounts

Note 1 – Accounting Principles

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway. The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD) 1,000. The annual accounts have been prepared on a going concern basis.

Segment information

The Group's main activity is related to chartering and operation of vessels.

Reporting currency and functional currency

Both the parent Company accounts and the consolidated accounts are reported in US dollars (USD). Group business activities are primarily denominated in USD. Based on historical figures for the Group, almost 100% of freight income, operating expenses for the vessels, bank deposits, receivables, accounts payable and external financing are denominated in USD. The consolidated accounts are presented in USD.

Foreign currency

Monetary items, receivables and liabilities in the balance sheet denominated in other currencies than USD are recorded at the year end exchange rates. Profit and loss items in foreign currencies are recorded at exchange rates prevailing at the time of the transaction. Both realized and unrealized gains and losses are included under financial items in the profit and loss statement.

The following exchange rate has been used as of 31.12.2019:
USD/NOK 8,7803

Consolidation principles

Included in the Group is the parent Company Western Bulk Chartering AS (the "Company") and companies where Western Bulk Chartering AS directly or indirectly has a majority of the voting capital. All intercompany balances and transactions between the companies have been eliminated in the consolidated accounts.

The cost price of shares and partnership shares are eliminated against the equity in the underlying companies at the time of purchase. Any excess of purchase consideration over fair value of

assets and liabilities acquired is recorded as goodwill. Goodwill is not amortized. The accounts of foreign subsidiaries are kept in USD as well as in a secondary currency. The Group's consolidated accounts are prepared based on uniform accounting principles.

Classification of assets and liabilities

Current assets and current liabilities include items that fall due within one year as well as items associated with the business flows. Other items are defined as fixed assets/long term liabilities.

Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, and are presented net of commissions. Revenues and expenses related to a vessel's voyages are accrued based on the number of days before and after the end of each accounting period. A voyage is defined as starting after unloading the previous voyage (discharge-to-discharge). Hence the voyage result is also accrued with the inclusion of actual number of days resulting from the period of ballast, waiting for orders and loading the vessel. Although the Group has major freight contracts covering several accounting years, accounting is based on individual voyages.

As long as the Group has a controlling interest dividends/group contributions are accounted for even if it is not received. Provisions are made accordingly in the contributing Company.

Use of estimates

In accordance with generally accepted accounting principles, the Company's management must make estimates and assumptions that influence the value of assets and liabilities in the balance sheet and the amount of revenues and expenses included in the accounts during the accounting period. The actual figures may vary from these estimates.

When preparing the accounts, best estimates are used based on information available at the time the accounts are prepared.

Intangible assets

Costs for intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified, and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. Software expenses are depreciated on a straight-line

basis over the asset's expected useful life. Expenses related to ordinary maintenance are expensed when incurred.

Gains/losses from sale of intangible assets are shown on a separate line under operating expenses.

Fixed assets

Fixed assets are included in the balance sheet at cost less ordinary depreciation and impairment. The straight-line method for calculating ordinary depreciation for the year has been applied. Fixed assets are depreciated over the expected economic life of the assets. Expenses related to ordinary maintenance are expensed when incurred.

Gains/losses from sale of fixed assets are shown on a separate line under operating expenses.

Impairment of intangible and fixed assets

Impairment is recognized for the amount by which the asset's carrying value exceeds its recoverable amount unless the reduction in value is temporary. The recoverable amount is the higher of net sales value and net present value of future cash flows.

Leases

The Group differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operational leases. When a lease contract is classified as a financial lease where the Group is the lessee, the rights and obligations relating to the leasing contracts are recognized in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an ordinary operating cost.

Both in 2019 and 2018, all of the Group's leases were classified as operational leases.

Bunkers, other inventory, and receivables

Inventories are valued at the lower of historical cost price according to the "first in first out" principle and estimated market value. Receivables are recorded at nominal value less expected losses.

Financial investments

Financial investments classified as current assets are recorded at the lower of cost price or market value.

Pensions

The Group has defined benefit plans and defined contribution plans. For defined contribution plans the annual contribution is expensed, and there is no pension asset or liability recognized in the balance sheet.

For any defined benefit plans, the annual pension expense is calculated based on actuarial estimates, including the premium paid during the year, and a pension asset or liability is recognized in the balance sheet based on the actuarial reports. The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled.

All pension schemes are valued in accordance with the IAS 19R which can be used under NGAAP (NRS 6) as well as under IFRS.

Taxes

The tax expense in the profit and loss accounts includes both taxes payable for the period and changes in deferred taxes. The change in deferred tax reflects changes in future tax liabilities and assets as a result of timing differences between the tax and the accounts. Deferred tax is the tax that relates to the accumulated result, but is paid in a subsequent period. Deferred tax/deferred tax assets have been calculated on net positive temporary differences between accounting and tax-based balance sheet values and which are reversed within a reasonable period of time together with the deferred tax asset related to tax losses carried forward.

Deferred tax liabilities/deferred tax assets within the same tax system are recorded on a net basis. Deferred tax asset is recorded only if the future utilization is probable.

Contingent loss/gain

Provisions have been made for contingent losses that are likely and quantifiable. Contingent gains are not recorded.

Financial instruments and hedge accounting

The Group has defined a hedging strategy and applies financial instruments such as freight derivatives, bunker derivatives and currency derivatives to hedge future results. In accordance with the Norwegian Accounting Act §4-1 no. 5, profit/(loss) on hedging contracts are recognized in the same period as the profit/(loss) related to the hedged object is recognised for all derivatives entered into as part of the hedging policy. The Group has classified the hedges as cash flow hedges for accounting purposes. The market values of the derivatives are kept off-balance until realised. Option premiums paid/received and for any cleared derivatives the settlements paid or received are recognised as current assets and liabilities respectively, until maturity of the derivative when gain/loss is recognised in the profit and loss statement or whenever the assets are considered impaired.

Impairment is recognised for the amount by which the mark-to-market value of the Group's total contract portfolio (TCs, COAs, FFAs and bunker hedges) is negative. If the negative amount exceeds the assets related to the portfolio, including any prepaid amounts for derivatives, an accrual for the liabilities is made.

Profit and loss from derivatives is classified as T/C expenses for freight derivatives, Voyage expenses for bunker derivatives and as part of the administration expenses for currency derivatives serving as currency hedge for administration expenses in other currencies than USD. Non-hedged trading made by Western Bulk Chartering AS is reported under financial items.

Cash flow statements

The cash flow statements are based on the indirect method. Restricted bank deposits are recorded as cash equivalents. Shares are considered to have a high price risk and are not classified as cash equivalents.

Subsequent events

New information related to events that existed on the balance sheet date has been included in the estimates. Important events taking place after the balance sheet date are described in the notes.

Changes in accounting principles

There are no material changes in the accounting principles for the periods presented.



Arturs Krumins, Magnus Hansen from Pacific business unit.



Note 2 – Risk factors

The Group is exposed to a number of risks affecting its financial performance. The risk management team identifies and measures potential risks and implement the risk management policies set by the Board of Directors.

Dry bulk freight market

The Group is exposed to the global market for dry bulk freight, and its result will vary with freight rates, depending on its positioning in the market. The Group may at times have a surplus or a shortage of chartered tonnage, relative to its cargo commitments. In addition, the Group utilizes freight derivatives to hedge or adjust its exposures in the physical freight market. Its net position will generally be non-zero, and as a consequence it is exposed to changes in freight rates for the net surplus/shortage of vessels.

Operational risk

The Group is exposed to its ability to maintain a high utilization rate for its fleet and the ability to operate the vessels in the most efficient and economical manner. This depends on the skills of its chartering and operations personnel, as well as the general conditions in the freight market. The Group has credit and counterparty risk related to its business activity, and has well-established policies for monitoring counterparty approval and for monitoring counterparties' performance. The procedure for approval of counterparts is based on both external rating services and internal investigations. The Group's credit risk mainly relates to freight payable from our counterparts for voyages being performed. Such freight is mainly

due at commencement of the voyage, and if not paid, the Group will in most cases have a lien on the cargo. As such, credit risk is manageable, and mainly related to potentially disputed parts of the amount invoiced such as laytime and demurrage upon discharge.

Bunker prices

Fluctuations in fuel oil prices is another substantial risk for the Group, as fuel costs constitute a significant part of voyage costs. Exposures are created when future freight rates are set without indexation to fuel oil prices. The Group hedges its exposures in the energy market using fuel oil swaps and options or similar products.

Foreign exchange and interest rate risk

The Group's business operations are mainly USD denominated, and the functional currency is USD. However, the Group has a foreign exchange exposure related to administrative costs at its offices worldwide denominated in other currencies than USD. The exposures are hedged according to the Group's hedging policy.

Liquidity and cash flow risk

The Group monitors its cash reserves and available liquidity at all times to ensure sufficient liquidity to meet known obligations of its operations, minimum liquidity covenants in financing agreements, and to meet measured cash flow risks related to the use of derivatives for hedging purposes.

Note 3 – Revenues

(USD million)	2019	2018
By business area		
Chartering and operation	1 063	1 070
Total	1 063	1 070

Geographical distribution		
Singapore	147	112
Switzerland	130	118
U.S.A.	78	95
U.A.E.	60	43
South Africa	60	44
Saudi Arabia	30	44
France	29	36
Malta	27	18
U.K.	26	26
Belarus	24	18
Hong Kong	24	31
Brazil	22	15
India	20	16
China	19	15
Japan	19	21
Panama	18	37
Korea, Republic	16	24
Chile	16	31
Barbados	16	12
Thailand	16	19
Other	266	295
Total	1 063	1 070

The geographical distribution of revenues has been based on the customer's (charterer's) location.

Note 4 – Financial Instruments

Bunkers instruments

The Group hedges its bunkers exposure related to freight contracts. The mark-to-market value of the hedging contracts as of 31.12.2019 amounted to USD 0.9 million.

(USD million)	Market value
Bunker hedges (swaps and options) maturing in 2020	1.2
Bunker hedges (swaps and options) maturing in 2021	-0.2
Total	0.9

Freight instruments

As of 31.12.2019 the Group had entered into FFA contracts (forward freight agreements) and freight options for the period 2020 - 2023. The mark-to-market value of the hedging contracts as of 31.12.2019 amounted to USD 2.8 million.

(USD million)	Market value
FFA (forward freight agreements incl. options) maturing in 2020	2.8
FFA (forward freight agreements incl. options) maturing in 2021	1.6
FFA (forward freight agreements incl. options) maturing in 2022	-1.1
FFA (forward freight agreements incl. options) maturing in 2023	-0.5
Total	2.8

FX-hedge for G&A expenses

As of 31.12.2019 the Group has hedged its NOK G&A requirements for 2020 with forward currency contracts. The fair value of these derivatives as of 31.12.2019 amounted to USD 0.5 million.

Note 5 – Prepaid cost

Prepaid income/cost is related to cleared FFA/Bunker hedge contracts. Prepaid income amounts to USD 3.7 million as of 31.12.2019.

(USD million)	Book value
Cleared FFA/ Bunker hedge contracts maturing in 2020	4.0
Cleared FFA/ Bunker hedge contracts maturing in 2021	1.3
Cleared FFA/ Bunker hedge contracts maturing in 2022	-1.1
Cleared FFA/ Bunker hedge contracts maturing in 2023	-0.5
Total	3.7

Note 6 – Shares in subsidiaries

Western Bulk Chartering AS has the following direct ownership in subsidiaries as of 31.12.2019	Ownership share/ voting share	Business office	Currency	Share capital
Western Bulk Management AS	100,0 %	Oslo	NOK	1 500 000
Western Bulk Carriers AS	100,0 %	Oslo	NOK	300 000
Western Bulk Pte Ltd	100,0 %	Singapore	USD	47 500 001
Western Bulk Carriers KS	100,0 %	Oslo	NOK	34 160 000
Western Bulk Carriers (Seattle) Inc.	100,0 %	Seattle	USD	100
Western Bulk Carriers (Miami) Inc.	100,0 %	Miami	USD	10
Western Bulk Carriers (Sweden) AB	100,0 %	Lerum	SEK	50 000
Western Bulk (Chile) Ltda	100,0 %	Santiago	CLP	26 882 500
WBC I AS	100,0 %	Oslo	NOK	400 000
WB Barging AS	100,0 %	Oslo	NOK	500 000
WBC VI AS	100,0 %	Oslo	NOK	100 000
Western Bulk Carriers, GbmH (in liquidation)	100,0 %	Hamburg	EUR	-

Note 7 – Fixed- and intangible assets

(USD 1 000)	Grabs	Intangible	Other	Total
Acquisition cost as of 01.01.2019	275	1 211	2 163	3 649
Additions during the year	-	-	143	143
Disposals during the year	-	-	-139	-139
Acquisition cost as of 31.12.2019	275	1 211	2 167	3 653
Accumulated depreciation as of 01.01.2019	149	887	1 776	2 812
Depreciation for the year	32	189	152	373
Disposals	-	-	-85	-85
Accumulated depreciation as of 31.12.2019	181	1 075	1 844	3 100
Book value as of 31.12.2019	95	135	323	553
Economic life time	5 year	5 year	5 year	-

Intangible assets is related to software. Other fixed assets is mainly related to office equipment.

Note 8 – Administrative expenses

(USD 1 000)	2019	2018
Salaries (incl. bonuses)	12 318	16 202
Employer's part of social security	1 113	1 317
Pension expenses, contribution plans	568	363
Pension expenses, benefit plans	-106	-769
Other benefits	1 511	1 433
Total salaries and social expenses	15 404	18 546
Other administrative expenses	10 044	7 858
Total	25 448	26 404
Persons employed (average for the year)	112	106

A bonus scheme has been established for the employees, based on financial results and other criteria.

Remuneration to the Board of Directors and CEO

The Board of Directors have not received any remuneration.

Principles for determination of compensation for executive management

The focus of the Company is to hire qualified managers and to pay according to the market. Salary and remuneration of the CEO is determined by the Board of Directors, and payment to other employees is determined by the CEO. The CFO, CSTO, Business Unit Manager for Indian Ocean and Business Unit Manager for Steel & Bulk are defined as the other members of the executive management.

The executive management, including the CEO principally have four payment components:

1. Fixed salary
2. Pension scheme
3. Bonus payments (cash) based on financial results
4. Other benefits

Fixed salary and pension scheme for the executive management, including the CEO, are on commercial terms and conditions.

The executive management, including the CEO, also have a bonus incentive scheme after which they receive a bonus payment in cash on the basis of the financial results in WB Chartering before bonus- and tax payments for the previous financial year.

The members of the executive management have ordinary benefits in kind such as free use of phone, newspaper subscriptions, ordinary pension contributions, life insurance and health insurance.

As a guideline, the Company shall not agree to severance pay for members of executive management unless required under applicable law or required for the Company to secure the necessary expertise and takes place in accordance with the fundamental principle for the Company's salary policy for management as stated above.

Remuneration to the CEO

(USD 1 000)	Jens Ismar CEO 2019	Hans Aasnæs CEO 2019	Total CEO 2019	Jens Ismar CEO 2018
Salary	425	241	667	567
Bonus paid	-	-	-	251
Other remuneration	362	2	364	50
Total remuneration	787	244	1 031	868
Pension premium/cost	129	5	134	197

Former CEO Jens Ismar's employment terminated in 2019. Jens Ismar has an early retirement agreement with the right to receive 66% of his salary as pension until the age of 67. Jens Ismar has not claimed or received any early retirement pension from Western Bulk during 2019.

Present CEO Hans Aasnæs is entitled to 6 months' severance pay if he is released from his position by the Board.

Auditor fees

Fees to the auditor consist of the following services (USD 1 000)	2019	2018
Statutory audit	114	107
Tax advice	8	22
Other services outside the audit scope	23	14
Total	145	143

Pensions

The Group has several pension schemes for the employees. The pension schemes satisfy the respective statutory pension schemes in the countries where Western Bulk is located and cover a total of 89 employees. The Group may at any time make alterations to the terms and conditions of the pension schemes and undertake that they will inform the employees of any such changes.

Pension cost recognised in income statement (USD 1 000)	2019	2018
Defined contribution plans - expense	568	363
Defined benefit plan - expense	-166	-769
Defined benefits plan - remeasurements	60	-
Total	462	-406
Actuarial (gain)/losses recognised in equity	-	282

Defined benefit plans, including cost and assets/liabilities

The secured defined benefit plan was terminated end October 2018 along with the non-secured benefit plan covering pensions for employees with salaries exceeding 12G. Both agreements were transferred to defined contribution plans as per 31.12.2018. Former employees already receiving pension received a paid-up policy and are no longer included in the Group's pension scheme. The retirement age is 67 years.

Defined contribution plans

In the defined contribution plan, the Group pays an agreed annual contribution to the employee's pension plan. The future pension will be determined by the amount of the contributions and the return on the pension savings. Any risk related to the future pension is borne by the employee. The pension cost related to defined contribution plans will be equal to the contributions to the employee's pension savings in the reporting period.

Defined contribution plan - salary above 12G

For this defined contribution plan, an annual amount is transferred to a secured fund with a security deposit. Contribution to the mutual fund is a pledged asset for the Company, as well as a corresponding gross pension obligation to the members of the executive management. The mutual fund is pledged for the benefit of the executive management. In addition to the annual contribution, the Company accrues for social security cost relating to the contribution and value development of the mutual funds.

Early retirement

The former CEO has an early retirement agreement with the right to retire at the age of 62, receiving 66% of his salary as pension until the age of 67.

Pension obligations

Non-secured pension obligations in the balance sheet consist of early retirement agreement for former CEO and social security cost relating to net defined contribution plan for employees with salaries exceeding 12G.

Assumptions used in the actuarial calculations

The calculation of pension liabilities involves the use of judgement and estimates across a range of parameters. The discount rate is set at 2,3% for Norwegian pension schemes and is based on high quality corporate bonds (OMF).

The calculations are based on standard assumptions regarding mortality (K2013) and disability rates (KU), together with other demographic factors, which are prepared by Finance Norway (FNO).

When calculating future pensions for the defined benefit plans the following main assumptions have been made:	2019	2018
Discount rate (OMF)	2,30%	2,60%
Expected return on plan assets	2,30%	2,60%
Expected rate of compensation increase	2,25%	2,75%
Expected increase of social security base amount (G)	2,00%	2,50%
Expected rate of pension increase	0,50%	0,80%

The discount rate applied as of year-end 2019 is determined by reference to the market yield on covered bonds, plus an addition that takes into account the relevant duration of the pension commitments. Covered bonds are considered as high quality corporate bonds based on recent market developments.

Net pension expense for the defined benefit plan (USD 1 000)	2019	2018
Current service cost	-199	-971
Interest cost	34	94
Administration cost	6	73
Payroll tax	-7	35
Pension expense, before remeasurements	-166	-769

Net pension obligation in the balance sheet (as of 31.12.)

	Secured		Non-secured		Total	
(USD 1 000)	2019	2018	2019	2018	2019	2018
Net defined benefit obligation (asset)	-	-	1 271	1 564	1 271	1 564
Payroll tax	-	-	477	480	477	480
Obligation in financial statement	-	-	1 747	2 044	1 747	2 044

Change in benefit obligation (USD 1 000)

Defined benefit obligation at the beginning of year	-	4 402	3 370	3 157	3 370	7 559
Service cost	-	390	-83	349	-83	739
Interest cost	-	91	34	69	34	160
Past service cost/employer contribution	-	-1 009	-	-615	-	-1 624
Remeasurements	-	-284	54	456	54	172
Loss/(gain) on settlement at 31.10.2018	-	-3 545	-	-	-	-3 545
Benefits paid	-	-45	-1 684	-	-1 684	-45
Defined benefit obligation at end of year	-	-	1 692	3 416	1 692	3 416

Change in plan assets (USD 1 000)

Plan assets at beginning of year	-	3 171	1 832	-	1 832	3 171
Interest income on plan assets	-	65	-	-	-	65
Remeasurements	-	-21	-	-	-	-21
Settlement at 31.10.2018	-	-3 545	-	-	-	-3 545
Employer contributions	-	375	133	1 875	133	2 250
Administrative expenses	-	-	-	-	-	-
Adjustment of plan assets	-	-	135	-24	135	-24
Benefits paid	-	-45	-1 679	-	-1 679	-45
Plan assets at end of year	-	-	421	1 852	421	1 852

Note 9 – Tax

USD 1 000	2019	2018
The tax expense for the year consists of:		
Taxes payable	566	345
Tonnage tax	820	755
Correction for previous years tax provisions	-	15
Changes in deferred tax	1 045	-24
Total tax expense/(income)	2 431	1 091
Whereof tax expense foreign subsidiaries	319	83
Deferred tax relates to the following temporary differences:		
Fixed assets	-152	-139
Pensions	-3 522	-3 886
Current assets	-	-1 629
Accruals and provisions	-30	-
Gain/(loss) account for deferral	1 226	1 549
Tax losses carried forward	-5 756	-3 078
Finance loss carried forward	-6 884	-3 140
Total temporary differences	-15 117	-10 323
Deferred tax liability/(asset), net	-3 324	-2 269
Deferred tax asset not recognized in the balance sheet	2 907	792
Net deferred tax liability/(asset) recognized in the balance sheet	-417	-1 477
Deferred tax (asset), gross	-602	-1 710
Deferred tax liability, gross	185	233

Deferred tax liability is related to the tonnage tax system and can not be off-set with the deferred tax asset from ordinary taxation.

Analysis of the effective tax rate of the Group

The parent Company Western Bulk Chartering AS is resident in Norway, where the corporate tax rate is 22%, while other parts of

the Group are taxed in other jurisdictions. This analysis explains the main reasons for the effective tax rate of the Group differing from 22%.

(USD 1 000)	2019	2018
Profit before tax	-35 538	5 288
Total tax expense/(income)	2 431	1 091
Effective tax rate	-7%	21%
Calculated tax expense at 22% tax rate (23% in 2018)	-7 818	1 216
Non-deductible expenses:		
Writedown financial assets	5	7
Bad debt provision within ordinary taxation	-10	-154
Other non deductible costs	831	282
Deductible expenses netted with equity increase:		
Cost related to share capital increase	-	-
Non-taxable income:		
Tax exempt dividends received	-3	-90
Difference in pre-tax profit/(loss) between functional currency and NOK, taxable income within tonnage tax system	7 441	-886
Tax not related to result:		
Tonnage tax	820	755
Other tax effects:		
Utilisation of tax loss carried forward	-	-54
Correction for previous years tax provisions	-	15
Writedown deferred tax assets	1 166	-
Total tax expense/(income)	2 431	1 091

Note 10 – Related parties

Related parties

Reference is made to the annual report 2018, note 10 for information about transactions with related parties in 2018.

As of the date of this Annual Report, the main shareholder is Kistefos AS, controlling about 82% of the shares of the Issuer through its wholly owned subsidiary Kistefos Equity Holdings AS. The second largest shareholder, Ojada AS, holds about 10% of the shares.

During 2019, the Group has had the following transactions with the Kistefos group:

Kistefos Equity Holdings AS:

In connection with the maturity and repayment of the NOK 300 million bond loan facility, and to bridge the transition to a new financing structure, the Kistefos group provided a shareholder loan of up to USD 15 million through its subsidiary Kistefos Equity Holdings AS. The shareholder loan was repaid in full through a conversion of debt to equity in December 2019.

Kistefos AS:

a. Kistefos AS provided a parent Company guarantee for the Group's USD 6 million bank credit line in June 2018. The facility matured on June 30, 2019. Kistefos AS received a guarantee fee in return.

b. Kistefos AS has provided a parent Company guarantee for one of the Group's long term COAs. Kistefos AS will receive a guarantee fee in return.

c. As of 31.12.2019, the total outstanding payable amount to Kistefos AS was nil as all outstanding amounts were converted to equity in December 2019.

Note 11 – Bank deposits

As of 31.12.2019, USD 5.9 million of the restricted deposits was tied to deposits in favor of clearing houses. USD 4.1 million was temporarily restricted in Collection Accounts connected to the new revolving credit facility. USD 1.5 million was tied to security deposit for the new bunker payment facility. USD 1.3 million was tied to payable pension amount. USD 0.3 million was taxes withheld from employees and USD 0.3 million was pledged to secure rent commitments. USD 0.1 million was posted as security deposit for FX hedges.

USD (1 000)	2019	2018
Unrestricted bank deposits	24 046	23 004
Restricted bank deposits	13 683	8 148
Total bank deposits	37 729	31 152

Reference is made to note 12 about pledge over unrestricted bank accounts.

Note 12 – Interest-bearing debt

Bond loan

The NOK 300 million bond loan was settled at maturity date in April 2019. The Group owned NOK 29 million of the bond loan.

Bank credit line

The Group had a bank credit line of USD 6 million, which matured on 30.06.2019.

New Bunker facility

The Group has entered into an uncommitted USD 15 million frame agreement for up to 90 days extended payment on bunker invoices. As per 31.12.2019, a total of USD 14.9 million was drawn on the facility.

New Revolving Credit facility

The Group has entered into a revolving credit facility agreement in the amount of USD 20 million for financing of outstanding account receivables. As per 31.12.2019, a total of USD 5.9 million was drawn on the facility.

Shareholder loan

The shareholder loan from the Kistefos group was converted to equity in December 2019.

Financial covenants

The new revolving credit facility includes a financial covenant requiring that the Group shall ensure a consolidated cash balance at all times of no less than USD 10.0 million. The Group was in compliance with all of its applicable financial covenants as of 31.12.2019.

Security and pledges provided

The Group has provided a pledge of accounts receivables and new Collection Accounts as security for the Revolving Credit Facility. The Group has provided a pledge of a new Security Account of USD 1.5 million as security for the Bunker Purchase Facility.

Note 13 – Contingencies and provisions

Provisions for disputes

The Group is involved in several disputes, including lawsuits, both as defendant and plaintiff. Based upon the Group's own views as well as opinions received from lawyers, provisions based on best estimate have been made in respect of the Group's total exposure. The actual outcomes of these disputes are unknown, and it could take several years before the disputes and claims are finally settled. Consequently, there are uncertainties related to the estimates for provisions, which, depending on the outcome of each case, could prove to be insufficient to cover potential liabilities.

Due to ongoing disputes, the Company chooses not to disclose details of accruals. The total amount provided for where the Group is defendant is USD 4.5 million as of 31.12.2019 compared to USD 3.1 million as of 31.12.2018.

Write-offs and losses

The Group has made provisions of USD 10.1 million for future losses. USD 7.0 million was associated with legacy commitments in Chile, whereof USD 1.9 million was related to the derivatives already reflected in available cash due to margin calls. The remaining provision of USD 3.1 million was related to the market value of various legacy contracts across the Group spanning over a three year period from 2020 to 2022. The expected negative impact of provisions on available cash in 2020 is estimated to USD 6.1 million.

Impairment provisions

No additional provision for future loss has been made as the Group's overall forward book of contracts has a positive value as per 31.12.2019.

Note 14 – Equity, number of shares and shareholders

(USD 1 000)	Share capital	Share premium	Other paid-in capital	Received, but not yet registered capital increase	Retained earnings	Total
Equity as of 31.12.2018	95	20 092	-	-	3 913	24 101
Share capital increase	18	15 191	-	14 641	-	29 849
Profit/(loss) for the year	-	-34 056	-	-	-3 913	-37 969
Equity as of 31.12.2019	113	1 228	-	14 641	-	15 982

The extraordinary general meeting on 19 December 2019 adopted a resolution to conduct a repair issuance of up to about NOK 20 million towards the Company's 150 largest shareholders that did not have the opportunity to participate in the private placement made in December 2019. The repair issue will be carried out after the publishing of the 2019 Annual Report, latest within 30 June 2020.

Share capital

Nominal value per share	NOK	0,05
Registered share capital 31.12.2019	NOK	864 599
Registered share capital 31.12.2019, in USD	USD	113 046
Total number of shares issued as of 31.12.2019		17 291 975
Total number of shares not yet registered as of 31.12.2019		10 568 354

Largest shareholders

Name	# of shares	Ownership-%
Kistefos Group	22 893 152	82,17%
Ojada AS	2 726 992	9,79%
Norda ASA	319 463	1,15%
Sniptind Invest AS	276 679	0,99%
Skips AS Tudor	266 975	0,96%
Piero AS	205 000	0,74%
Løren Holding AS	161 000	0,58%
Skeie Alpha Invest AS	149 700	0,54%
Other (210 other shareholders)	861 368	3,09%
	27 860 329	100%

Note 15 – Estimates

Due to the fact that a number of voyage related expenses are received well after a voyage has been completed, expenses are estimated until final invoices are received. As the accounts are based on a number of estimates, the 2019 profit and loss statement has been negatively impacted by USD 4.7 million due to the difference between estimated and actual expenses and provisions related to prior period voyages. The 2018 profit and loss statement had a positive adjustment of USD 1.1 million for prior period voyages.

Note 16 – Leasing and other commitments

TC Contracts - Group as lessee

Vessels chartered in on time charter for a period represent a commitment to pay hire. The minimal nominal hire payable represents a lease commitment of USD 103.5 million exclusive of optional periods. For vessels chartered in on floating rates, an estimate has been applied for the hire commitment as of 31.12.2019. Charter coverage: For 2020 approximately 11 vessels out of a fleet of 14 vessels have employment with existing cargo contracts or have been relet on time charter, while approximately 4 and 1 vessels have firm employment of a fleet of 5 and 4 in 2021 and 2022 respectively.

	2020	2021	2022	2023	Beyond	Total
Nominal Hire Commitment (USD 1 000)	58 183	24 705	19 492	1 165	-	103 545
Vessel Hire Days	4 975	1 894	1 484	91	-	8 444
Average Rate USD/day	11 695	13 044	13 135	12 800	-	12 263
Vessel Equivalent/year (firm period)	14	5	4	-	-	n.a.

TC contracts - Group as a lessor

13 vessels are chartered out on TC-contracts lasting between 30 and 145 days as of December 31, 2019. These non-cancellable leases have terms of renewal but no purchase options or escalation clauses. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	< 30 days	1-3 months	> 3 months	Total
Nominal Hire Receivable (USD 1 000)	6 321	3 690	567	10 578
Vessel Days	608	366	63	1 037
Average Rate (USD/day)	10 391	10 085	9 030	10 200

Leasing of offices

The Group leases office premises in Norway, Chile, USA, Singapore, Morocco and Sweden. Total annual lease commitments amount to approximately USD 1.4 million. The lease contracts expire in the period of January 2021 to February 2026.



Andrew Redfern and Patrick Ness from Risk & Business Analysis

Note 17 – Other payable

The increase in other payable is mainly due to increased deductions made in hire payments to Owners relating to bunkers on redelivery. More vessels were redelivered in January 2020 compared to January 2019 and with higher average bunker prices due to the new IMO 2020 regulations total deduction has increased. This payable is not due for payment, but will be offset against bunker stock when ownership of bunkers on board is transferred to Owners by the time of redelivery of the vessel.

Other payable also includes provision made for future losses (see note 13) of USD 10.1 million whereof USD 1.9 million is related to value of derivatives already accounted for in available cash due to margin calls.

Note 18 - Subsequent events

In February 2020 the Group negotiated an early termination of all legacy commitments in Chile. As this had a significant impact on assumptions for provisions made 31.12.2019 this has been incorporated in the final annual accounts for 2019. As a result, provisions have been reduced by USD 5.5 million from the preliminary annual accounts.

USD 1.9 million of the USD 10.1 million provisions made in the 2019 annual accounts were related to market value of derivatives associated with commitments in Chile. As the market value of these derivatives has increased in 2020 most of this provision can be reversed in the 2020 accounts.

The spread of the Coronavirus has had limited overall impact on Western Bulk's results in the first quarter of 2020. Some period vessels have seen losses due to a low Pacific market in particular, but this has been outweighed by gains on cargo commitments covered by vessels in the spot market at lower rates. The Group brought down the volume of vessels to a low of 138 when entering the year and had an overweight of cargo commitments resulting in a short market position for the first quarter of 2020. The volume of vessels has been kept at a low level with limited forward commitments in line with the strategy of emphasized focus on short term trading, allowing for a high degree of flexibility.

There is a risk of increased delays at ports following the spread of the Coronavirus, in particular due to quarantine restrictions. There is also a risk that the pandemic may lead to global recession that will have a negative impact on dry bulk demand. However, as the Group has limited forward commitments, the impacts of this is considered manageable.

As a consequence of the spread of the Coronavirus all employees at the Oslo, Seattle and Santiago offices are working from home offices until further notice. The Group has a robust infra structure based on cloud solutions allowing for efficient work from remote locations. Employees are used to close interaction across geographies by the use of digital channels, and the Group currently sees limited negative impacts on the workforce. With teams spread across geographies the Group also has contingency in regards to potential infections at one of its premises.

Parent Company Financials

Parent Company - Profit and Loss Statement

(USD)	Note	2019	2018
Other operating revenue		93 858	1 231 539
Administration expenses	2,3	-1 031 405	-472 681
Provision for future loss	13	630 000	-1 182 000
Operating profit/(loss)		-307 547	-423 142
Net interest income		124 019	496 068
Net interest expense		-2 421 408	-2 622 083
Gain/(loss) on foreign exchange		-620 279	612 797
Writedown/(reversal of writedown) financial assets		-35 407 099	11 056
Dividend from subsidiary Company		-	250 000
Group Contribution		238 088	742 817
Other financial expenses		- 1 073 523	-1 537 985
Net finance		-39 160 201	-2 047 330
Profit/(loss) before tax		-39 467 748	-2 470 473
Tax income/(expense)	4	-1 166 684	537 107
Profit/(loss) for the year		-40 634 432	-1 933 366



Vivek Kumar and Sara Scaramelli from Indian Ocean business unit.

Parent Company - Balance Sheet

(USD)	Note	2019	2018
ASSETS			
Non current assets			
Deferred tax asset	4	-	1 178 913
Investment in subsidiaries	7	42 386 784	72 760 562
Investment in financial assets		-	38 686
Total non current assets		42 386 784	73 978 162
Current assets			
Receivables from group companies	9	5 105 403	2 781 153
Other receivables		504 349	97 625
Receivable derivatives		-	1 982 341
Bank deposits	10	26 896 179	12 041 138
Total current assets		32 505 931	16 902 256
TOTAL ASSETS		74 892 715	90 880 418
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY			
Paid-in capital			
Share capital	5	113 369	94 821
Share premium		22 647 113	38 763 290
Other paid-in capital		-	9 327 447
Received, but not yet registered capital increase		14 640 572	-
Total paid-in capital		37 401 054	48 185 558
Retained earnings			
Other equity		-	-
Total retained earnings		-	-
TOTAL SHAREHOLDERS' EQUITY	5	37 401 054	48 185 558

Parent Company - Balance Sheet

(USD)	Note	2019	2018
LIABILITIES			
Long term liabilities			
Interest-bearing debt	11	-	31 190 745
Total long term liabilities		-	31 190 745
Short term liabilities			
Accounts payable		3 741	1 034
Liabilities to parent Company		-	374 444
Liabilities to group companies	9	32 880 055	7 914 891
Payable derivatives		3 677 863	-
Other current liabilities		930 000	3 213 744
Total short term liabilities		37 491 660	11 504 113
TOTAL LIABILITIES		37 491 660	42 694 859
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		74 892 715	90 880 418

Oslo, 18. March 2020



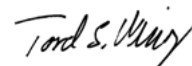
Bengt A. Rem
Chairman of the Board



Erik Borgen
Board member



Hans Aasnæs
CEO



Tord Meling
Board member

Parent Company - Cash Flow Statement

(USD)	2019	2018
CASH FLOW FROM OPERATIONS		
Profit/(loss) before tax	-39 467 748	-2 470 473
Provision for future loss	-630 000	1 182 000
Group Contribution	-238 088	-742 817
Gain/loss disposal of assets	-5 855	-
Writedown financial assets	38 686	-
Writedown investment in subsidiaries	35 373 778	-
Changes in current receivables and current liabilities	4 025 043	-9 050 517
Net cash flow from operating activitiesA	-904 183	-11 081 807
CASH FLOW FROM INVESTMENTS		
Investments in/disposal of financial assets	5 855	-
Investments in subsidiaries	-5 000 000	-5 681 324
Net cash flow from investmentsB	-4 994 145	-5 681 324
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term debt	-31 975 561	-
Capital increase	29 849 928	-
Change in intra-group balances	22 879 002	7 615 978
Net cash flow from financing activitiesC	20 753 369	7 615 978
Net change in liquidity during the yearA+B+C	14 855 041	-9 147 153
Liquid assets as at 1.1.	12 041 138	21 188 291
Liquid assets as at 31.12	26 896 179	12 041 138
Restricted bank deposits as of 31.12.	7 583 516	7 491 082
Available liquid assets as of 31.12	19 312 663	4 550 056

Notes to the accounts

Note 1 – Accounting principles

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway. The main accounting principles are described below. Unless otherwise stated, all figures specified in the notes are quoted in US dollars (USD). The annual accounts have been prepared on a going concern basis.

Reporting currency and functional currency

The Company accounts are reported in USD and the functional currency is also USD.

Foreign currency

Monetary items, receivables and liabilities in the balance sheet denominated in other than USD are recorded at the year end exchange rates. Profit and loss items in foreign currency are recorded at exchange rates prevailing at the time of the transaction. Both realised and unrealised gains and losses are included under financial items in the profit and loss statement.

The following exchange rate has been used as at 31.12.2019:
USD/NOK 8,7803

Classification of assets and liabilities

Current assets and current liabilities include items that fall due within one year as well as items associated with the business flows. Other items are defined as fixed assets/long term liabilities.

Revenue recognition

Interest income is accounted for when received. Internal interest income is accounted for when invoiced.

Dividends/group contributions are accounted for at the time when such dividend/group contribution is received, or when provided for, when the Western Bulk Chartering Group has controlling interest.

Investments in subsidiaries and associated companies

Subsidiaries and investments in associates are valued by the cost method in the Company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not

be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down is no longer present.

Taxes

The tax expense in the profit and loss accounts includes both taxes payable for the period and changes in deferred taxes. The change in deferred tax reflects changes in future liabilities and assets as a result of timing differences between the tax and the accounts. Deferred tax is the tax that relates to the accumulated result, but is paid in a subsequent period. Deferred tax/deferred tax assets have been calculated on net positive temporary differences between accounting and tax-based balance sheet values and which are reversed within a reasonable period of time together with the deferred tax asset related to tax losses carried forward.

Deferred tax liabilities/deferred tax assets within the same tax system are recorded on a net basis. Deferred tax asset is recorded only if the future utilisation is probable.

Financial instruments and hedge accounting

Western Bulk Chartering and its subsidiaries (the "Group") has a defined hedging strategy. Reference is made to Notes in the Group accounts for information about financial instruments and hedge accounting.

Cash flow statements

The cash flow statements are based on the indirect method. Restricted bank deposits are recorded as cash equivalents. Shares are considered to have a high price risk and are not classified as cash equivalents.

Changes in accounting principles

There are no material changes in the accounting principles for the periods presented.

Note 2 – Administrative expenses

The Company has no employees. All employees in the Norwegian activity of the Western Bulk Chartering Group are employed by the management Company Western Bulk Management AS. Consequently Western Bulk Chartering AS is not obliged to have mandatory occupational pension scheme according to the Act relating mandatory occupational pensions. Western Bulk Management AS performs management services for Western Bulk Chartering AS.

Note 3 – Remuneration to the Auditor and members of the Board of Directors

The audit fee to RSM Norge AS for the audit of the Annual accounts was USD 33 900. An additional USD 12 900 has been expensed for other consulting services provided.

The Board of Directors have not received any remuneration.



Amit Jakhmola, Charlie Holman, Moire Hammer, Gareth Jones, Lakshmi Priya and Yvonne Gu from Indian Ocean business unit chartering desk.

Note 4 – Tax

(USD)	2019	2018
The tax expense for the year consists of:		
Taxes payable	103	25 000
Changes in deferred tax	1 166 581	-562 107
Total tax expense/(income)	1 166 684	-537 107
Taxes		
Profit/(loss) before tax	-39 467 748	-2 470 473
Writedown/(reversal of writedown) financial assets	35 407 810	-10 911
Change in temporary differences	-2 225 454	1 892 366
Bad debt provision	-4 546	-65 133
Other non deductible costs	3 776 813	1 152 561
Other	97 229	149 082
Tax exempt dividends received	-	-250 000
Difference in pre-tax profit/(loss) between functional currency and NOK	304 818	-1 069 810
Basis for tax payable	-2 111 078	-672 318
Tax payable 22%	-	-
Deferred tax relates to the following temporary differences:		
Current assets	-	-1 628 794
Accruals and provisions	-930 000	-1 560 000
Other	355 310	448 955
Tax loss carried forward	-4 939 841	-2 618 842
Finance loss carried forward	-6 883 565	-3 139 577
Total temporary differences	-12 398 096	-8 498 258
Deferred tax asset not recognized in the balance sheet	2 727 584	690 707
Deferred tax liability/(asset)	-	-1 178 913

Note 5 – Equity

(USD)	Share capital	Share premium	Other paid-in equity	Received, but not yet registered capital increase	Other equity	Total
Equity as at 01.01.2019	94 821	38 763 290	9 327 447	-	-	48 185 558
Capital increase, net	18 548	15 190 808	-	14 640 572		29 849 928
Profit/(loss) for the year	-	-31 306 985	-9 327 447		-	-40 634 432
Equity as at 31.12.2019	113 369	22 647 113	-	14 640 572	-	37 401 054

The extraordinary general meeting on 19 December 2019 adopted a resolution to conduct a repair issuance of up to about NOK 20 million towards the Company's 150 largest shareholders that did not have the opportunity to participate in the private placement made in December 2019.

The repair issue will be carried out after the publishing of the 2019 Annual Report, latest within 30 June 2020.

Note 6 – Shares and shareholders

Share capital

Nominal value per share	NOK	0,05
Registered share capital 31.12.2019	NOK	864 599
Registered share capital 31.12.2019, in USD	USD	113 369
Total number of shares not yet registered as of 31.12.2019		10 568 354
Total number of shares issued as of 31.12.2019		17 291 975

Dividend restriction

Western Bulk Chartering AS is restricted by its loan agreements, which prohibits dividend payments unless pre-approved by the lenders.

Largest shareholders	# of shares	Ownership-%
Kistefos Group	22 893 152	82,17%
Ojada AS	2 726 992	9,79%
Norda ASA	319 463	1,15%
Snipind Invest AS	276 679	0,99%
Skips AS Tudor	266 975	0,96%
Piero AS	205 000	0,74%
Løren Holding AS	161 000	0,58%
Skeie Alpha Invest AS	149 700	0,54%
Other (210 other shareholders)	861 368	3,09%
	27 860 329	100%

Note 7 – Shares in subsidiaries

Western Bulk Chartering AS has the following direct ownership as at 31.12.2019

	Business office	Ownership share/ voting share	Book value (USD)
Western Bulk Management AS	Oslo, Norway	100%	5 044 737
Western Bulk Carriers AS	Oslo, Norway	100%	31 614 472
Western Bulk Pte Ltd ³	Singapore	100%	5 000 001
Western Bulk Chile Ltda ²	Santiago, Chile	100%	51
Western Bulk Seattle Inc	Seattle, USA	100%	266 496
Western Bulk (Miami) Inc.	Miami, USA	100%	10
Western Bulk Carriers Sweden AB	Lerum, Sweden	100%	5 930
WBC I AS ⁴	Oslo, Norway	100%	307 546
Western Bulk Carriers KS ¹	Oslo, Norway	100%	147 541
Investments in subsidiaries			42 386 784

¹ 3% is owned by the subsidiary Western Bulk Management AS.

² 99,9% is owned by the subsidiary Western Bulk Pte Ltd.

³ The investment is written down with USD 35.0 million as of 31.12.2019.

⁴ The investment is written down with USD 0.4 million as of 31.12.2019.

Note 8 – Financial instruments

The Company trades all currency-, freight- and bunker derivatives with external counterparts on behalf of the subsidiaries. See Note 4 in the consolidated group accounts for an overview of the market value as at 31.12.2019.

FX-hedge for G&A expenses

As of 31.12.2019 the Company has hedged NOK and SGD G&A requirements for 2020 on behalf of its subsidiaries Western Bulk Management AS and Western Bulk Pte Ltd with forward currency contracts. The external contracts are made in the name of the Company, and internal back to back contracts have been made between the Company and its subsidiaries. The fair value of these derivatives as of 31.12.19 amounted to USD 0.1 million.

Note 9 – Intra-group balances and transactions with related parties

At the end of the year, the Company had the following amounts outstanding from/(to) Group companies:

Company (USD)	2019	2018
Western Bulk Carriers AS *	-25 466 313	1 362 816
Western Bulk Pte Ltd *	2 041 649	-6 157 532
Western Bulk Management AS *	-3 964 229	-360 203
WBC I AS	-303 532	21 033
WBC VI AS	-	206
Western Bulk Carriers KS	-	-58
WB Barging	-81 854	-
WBC Sweden AB	-373	-
Net receivables/(liabilities) from group companies	-27 774 652	-5 133 738

* Western Bulk Chartering AS is trading derivatives for hedging purpose on behalf of Western Bulk Pte Ltd and Western Bulk Carriers AS. These derivatives require daily margin calls and settlement, and a master agreement allows Western Bulk Chartering AS to forward the margin calls to Western Bulk Pte Ltd and Western Bulk Carriers AS.

** Western Bulk Chartering AS and subsidiaries entered into a cash pool structure in 2019 where Western Bulk Chartering AS is the Group Account Holder. As per 31.12.2019, the Company had a net debt due to the subsidiaries of USD 13 698 601.

Western Bulk Chartering AS is VAT-registered together with the following companies:

- Western Bulk Management AS
- Western Bulk Carriers AS
- Western Bulk Carriers KS
- WB Barging AS
- WBC VI AS
- WBC I AS

All companies are jointly and severally liable for any debt towards the public authorities.

The Company has transactions with related companies and all transactions have been carried out as part of the ordinary operations and at arms-length prices. Western Bulk Chartering AS enters into FFA contracts (forward freight agreements), freight options and bunker hedges on behalf of its subsidiaries and receives a commission based on the related contracts. The total commission for 2019 amounted to USD 990 071. The intercompany balances related to these transactions are shown in the table above. See Note 5 in the consolidated group accounts for an overview of the financial instruments.

Other significant transactions are as follows: Management fee for 2019 paid to Western Bulk Management AS amounting to USD 248 401.

Note 10 – Bank deposits

As at 31.12.2019 the restricted deposits was tied to deposits in favor of clearing houses.

	2019	2018
Unrestricted bank deposits	19 312 663	4 550 056
Restricted bank deposits	7 583 516	7 491 082
Total bank deposits	26 896 179	12 041 138

The Company had a net debt due to the subsidiaries of USD 13 698 601 included in the numbers above.

Note 11 – Interest-bearing debt

Bond loan

The NOK 300 million bond loan was settled at maturity date in April 2019. The Group owned NOK 29 million of the bond loan.

Bank credit line

Western Bulk Chartering AS had a bank credit line of USD 6 million, which matured on 30.06.2019.

Reference is made to note 12 in the consolidated group accounts regarding financial covenants, security and pledges provided.

Note 12 – Guarantees

New Bunker facility

Western Bulk Carriers AS and Western Bulk Pte Ltd have entered into an uncommitted USD 15 million frame agreement for up to 90 days extended payment on bunker invoices. Western Bulk Chartering AS is a guarantor for the facility. As per 31.12.2019, a total of USD 14.9 million was drawn on the facility.

New Revolving Credit facility

Western Bulk Carriers AS and Western Bulk Pte Ltd have entered into a revolving credit facility agreement in the amount of USD 20 million for financing of outstanding account receivables. Western Bulk Chartering AS is a guarantor for the facility. As per 31.12.2019, a total of USD 5.9 million was drawn on the facility.

Western Bulk Chartering AS has provided some parent Company guarantees for its subsidiaries' performance under some of their commercial contracts and financial liabilities.

Note 13 – Contingencies and Provision

As of 31.12.2019 the Company has reduced its provision for future losses by USD 630 000. Reference is made to note 13 in the consolidated group accounts.

Note 14 – Subsequent events

The spread of the Coronavirus has had limited overall impact on Western Bulk's results in the first quarter of 2020. Some period vessels have seen losses due to a low Pacific market in particular, but this has been outweighed by gains on cargo commitments covered by vessels in the spot market at lower rates. The Group brought down the volume of vessels to a low of 138 when entering the year and had an overweight of cargo commitments resulting in a short market position for the first quarter of 2020. The volume of vessels has been kept at a low level with limited forward commitments in line with the strategy of emphasized focus on short term trading, allowing for a high degree of flexibility.

There is a risk of increased delays at ports following the spread of the Coronavirus, in particular due to quarantine restrictions. There is also a risk that the pandemic may lead to global recession that will have a negative impact on dry bulk demand. However, as the Group has limited forward commitments, the impacts of this is considered manageable.

As a consequence of the spread of the Coronavirus all employees at the Oslo, Seattle and Santiago offices are working from home offices until further notice. The Group has a robust infra structure based on cloud solutions allowing for efficient work from remote locations. Employees are used to close interaction across geographies by the use of digital channels, and the Group currently sees limited negative impacts on the workforce. With teams spread across geographies the Group also has contingency in regards to potential infections at one of its premises.

RSM Norge AS

To the General Meeting of Western Bulk Chartering AS

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Independent Auditor's Report

www.rsmnorge.no

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Western Bulk Chartering AS showing a loss of USD 40 634 432 in the financial statements of the parent company and loss of USD 37 969 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Western Bulk Chartering AS (the Company), which comprise the balance sheet as at 31 December 2019, 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, and
- The consolidated financial statements of Western Bulk Chartering AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, 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.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

THE POWER OF BEING UNDERSTOOD
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RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av / is a member of Den norske Revisorforening.

Independent Auditor's Report 2019 for Western Bulk Chartering AS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements 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 and the Group'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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 March 2020
RSM Norge AS



Cecilie Tronstad
State Authorised Public Accountant (Norway)



Didrik Almgren, Lars Christian Svensen, Anders Dyrdal and Niklas Sindum from South Atlantic business unit chartering desk.

Responsible Business Conduct

As a Company providing shipping services worldwide, Western recognizes its responsibilities as a global, corporate citizen, within our sphere of influence as ship operators.

We believe that integrating Responsible Business Conduct (RBC) efforts into the Group's operating and business practices will have positive impact on our results, and at the same time make Western Bulk competitively stronger.

Western Bulk's Code of Conduct (available on www.westernbulk.com) establishes clear expectations for all parts of the Group's business with regard to good corporate conduct, which is in addition to abiding by applicable laws and regulations. The Code of Conduct includes requirements and clearly communicates the Group's expectations related to i.a. confidentiality issues, conflicts of interest, how to handle third parties and matters of integrity. These requirements are further detailed in internal policies and procedures. All employees undergo training in RBC issues regularly and at least annually.

Western Bulk has a Counterpart Risk team that evaluates new and existing third parties against several commercial and RBC risk criteria. This process is risk based and the extent of the vetting process therefore varies with the special risk of each trade, including e.g. the industry or region. The Group uses external databases and sources to improve the quality of the findings related to each third party.

Western Bulk has a "whistle-blower" policy and reporting channel, available on the Group's intranet. Employees are expected and encouraged to report behaviour that may be non-compliant with the principles set forth in the Code of Conduct or other policies. Concerns raised are initially handled by the Compliance Manager, before addressed with Western Bulk's Compliance Committee. The Compliance Committee consists of the CEO, CFO and CSTO together with the Compliance Manager. The Compliance Manager and the Committee clarify the concern raised, agree on how to proceed in any investigations required and propose any remedial actions required, before final decision on how to deal with the matter is taken by the CEO. The Compliance Manager also has a direct reporting line to the Board of Directors, regularly reports on the Group's progress in the work on RBC issues and has separate sessions with the Board of Directors twice a year without other management present.

Over the last few years Western Bulk has seen general improvement in the awareness in the organization of RBC related issues, and in particular related to the handling of corruption and sanctions risks. The Group is continuously evaluating how to further improve processes to ensure quality in decision making processes, including due consideration to RBC risks.

Below, we present the Group's status with regard to the following RBC topics; Human Rights, Labour Rights, Environment, Anti-Corruption, Consumer Interests, Science and Technology, Competition and Taxation.

Human Rights

Western Bulk shall support, respect and commit to the principles set out in UN's Universal Declaration on Human Rights and ensure that the Company is not complicit in human rights abuses.

Labour Rights

Western Bulk employees are shore-based, and the Group upholds the following key principles:

Non-Discrimination

The Group's policy prohibits unlawful discrimination against employees, shareholders, directors, customers and suppliers because of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, labour union affiliation, social or ethnic origin. Workplace diversity at all levels is encouraged. All persons shall be treated with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities. All employees and officers shall assist in creating a work environment free from any such discrimination.

Compensation

The Group shall ensure that wages paid to employees and hired labour are considered fair and meets any national legal standards on minimum wage, and that working hours are not excessive and as a minimum complies with applicable local laws or agreements.

Labour standards

Freedom of association and the right to collective bargaining and agreements shall be respected in all operations of the Group.

Safe working environment

The necessary conditions for a safe and healthy work environment is provided for all employees.

The Group has limited influence on the working conditions of the seafarers employed on chartered-in tonnage, except for having contract clauses specifying that ship-owners shall follow international standards and conventions. Western Bulk takes risks related to piracy issues and safety at sea in general very seriously and has dedicated resources to ensure appropriate evaluation of the risks and that the necessary precautions are made prior to sending a vessel through potentially high-risk areas. The consideration of the risks involved, as well as the recommended precautions, are made in dialogue and close cooperation with the vessel's owner and the ship's master.



Table 2 - Western Bulk Fuel Purchased

Fuel purchased	2015	in % of total	2016	in % of total	2017	in % of total	2018	in % of total	2019	in % of total
Heavy Fuel, normal sulphur (for main engine), thousand tonnes	611	91%	475	92%	479	92%	513	93%	449	81%
Very low sulphure fuel oil (for main engine), thousand tonnes	-	-	-	-	-	-	-	-	55	10%
LS MGO/Diesel oil, low sulphur (for main-/aux. engine), thousand tonnes	55	8%	38	7%	39	8%	36	6%	52	9%
MGO/Diesel oil, normal sulphur (for aux. engine), thousand tonnes	4	1%	1	1%	-	-	1	1%	1	-
Total, tonnes	669	100%	514	100%	519	100%	549	100%	557	100%

Environment

As Western Bulk is a charterer of tonnage, the Group does not have direct control over the environmental impact of the day-to-day operations of the chartered-in fleet. Western Bulk uses contract clauses requiring the owners of our chartered-in vessels to comply with current laws and regulations. For the areas where Western Bulk's actions can make a difference, for example for bunker purchases, the Group's policy is to comply with all applicable laws and regulations.

Key Principles:

Resource Efficiency

Western Bulk's aim is to operate in such a way that energy and raw materials are used efficiently, and waste and residual products are minimized over the life cycles.

Precautionary Principle

Western Bulk supports the precautionary principle by avoiding materials and methods posing environmental and health risks as far as reasonably practicable.

Western Bulk only charters in vessels with valid certificates of class. Further, Western Bulk has internal requirements for vetting of the vessels and uses RightShip and Equasis as sources of information to ensure the quality of chartered tonnage for the intended cargo operation.

MARPOL (International Convention for the Prevention of Pollution from Ships)

Includes regulations aimed at preventing and minimizing pollution from ships - both accidental pollution and that from routine operations.

(Source: www.imo.org/About/Conventions/ListOfConventions/Pages/Default.aspx)

MARPOL Annex VI

Sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances.

(Source: [www.imo.org/OurWork/Environment/PollutionPrevention/AirPollution/Pages/The-Protocol-of-1997-\(MARPOL-Annex-VI\).aspx](http://www.imo.org/OurWork/Environment/PollutionPrevention/AirPollution/Pages/The-Protocol-of-1997-(MARPOL-Annex-VI).aspx))



Western Bulk's charterparty contracts specify that the owners of our chartered-in vessels shall comply with international oil pollution legislation, and to comply with low-sulphur regulations in IMO's International Convention for the Prevention of Pollution from Ships (MARPOL).

New IMO regulations came into force 1 January 2020, whereby the allowed limit of sulphur contained in the fuel was lowered to 0.50% globally (unless an exhaust gas scrubber is installed in the vessel). Increased consumption for low sulphur fuel oil and low sulphur gas was seen towards the end of 2019 in order to ensure compliance with the new regulations. By proper planning, Western Bulk has avoided significant losses related to de-bunkering larger quantities HSF and lack of compliant fuel. Western Bulk has so far not, and does not expect, to contract a significant number of vessels with exhaust gas scrubbers installed entering 2020.

Average bunker consumption per steaming day (metric ton HFO) has been at a stable level over the last years. Western Bulk will work towards at least maintaining this level going forward.

In general, newer tonnage has lower fuel consumption than older tonnage, and thereby less emissions. The quality of the vessel is also usually higher than for older tonnage, reducing the risk of incidents. Internal statistics show that the average age of WB Chartering's chartered-in tonnage has remained stable over the last years (see table 1).

Table 1 - Western Bulk Average Fleet Age

	2012	2013	2014	2015	2016	2017	2018	2019
Fleet								
Average number of ships	129	153	169	155	124	140	151	150
Fleet age								
Average age	7,2	6,8	6,5	6,6	6,8	7,1	7,4	7,7
Weighted average age	7,0	6,3	6,1	5,7	5,9	6,6	7,4	7,6
Median	5,0	4,0	4,0	5,0	6,0	6,0	7,0	7,0
Fleet age by age category								
0-5 Years	51%	57%	61%	65%	57%	46%	34%	34%
5-10 Years	22%	20%	18%	17%	26%	35%	45%	47%
10-15 Years	14%	16%	12%	10%	13%	15%	15%	14%
15-20 Years	9%	7%	9%	7%	5%	4%	6%	5%
20-25 Years	3%	1%	-	1%	-	-	-	-
Over 25 Years	1%	-	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%	100%	100%

Anti Corruption

WB Chartering is committed to conduct business with integrity and openness in our business dealings. The Group's policies communicate that employees at every level of the organization shall adhere to applicable laws and regulations in the countries where Western Bulk operates. The Code of Conduct requires all employees to refrain from bribery and includes requirements to prevent money laundering and/or tax evasion directly or indirectly through the Group's financial transactions.

Employees receive regular training twice a year to ensure due implementation of Western Bulk's internal policies related to anti-corruption, including so-called facilitation payments.

Before approving contractual counterparts, they are vetted using a risk-based approach against databases containing information on various risks, such as sanctions, criminal records and adverse media coverage. Port agents are vetted by Western Bulk's global provider of port cost management services, through their internal due diligence process. This includes i.a. sanctions screening, review of agency ownership and verification of bank account ownership.



MACN
Maritime Anti-Corruption Network

Western Bulk joined the Maritime Anti-Corruption Network (MACN, www.maritime-acn.org) in 2013. Established in 2011, MACN is a global business network working towards its vision of a maritime industry free of corruption, where the members learn and share best practices to improve their anti-corruption programs. MACN also collaborates with key stakeholders, including governments, authorities, and international organizations, in markets where corruption is prevalent to its membership, to identify and mitigate the root causes of corruption in the maritime industry. The Group participates in knowledge sharing and other collective action initiatives together with the secretariat and other members of the network.

Customer Interest

Western Bulk's reputation is a critical asset to the Group. In order to maintain and further strengthen Western Bulk's position in the market, it is important that services provided meet the quality expected by the Group's customers. Western Bulk carries many different types of cargo for customers worldwide and follows the requirements laid out in IMO's International Maritime Solid Bulk Cargoes Code (IMSBC Code). The primary aim of this Code is to facilitate the safe stowage and shipment of solid bulk cargoes.

Science & Technology

Innovation provides benefits for the shipping industry's stakeholders. Western Bulk is investing resources in implementing improvements in our operations through technology. Further, Western Bulk wants to contribute with the Group's experience, competence and capacity in this regard in external ventures that may result in new developments. Generally, Western Bulk advocates supporting Norwegian research communities that can contribute to maintaining or improving Norway's front position in the maritime business. On several occasions, Western Bulk has cooperated with academic institutions in Norway.

Competition

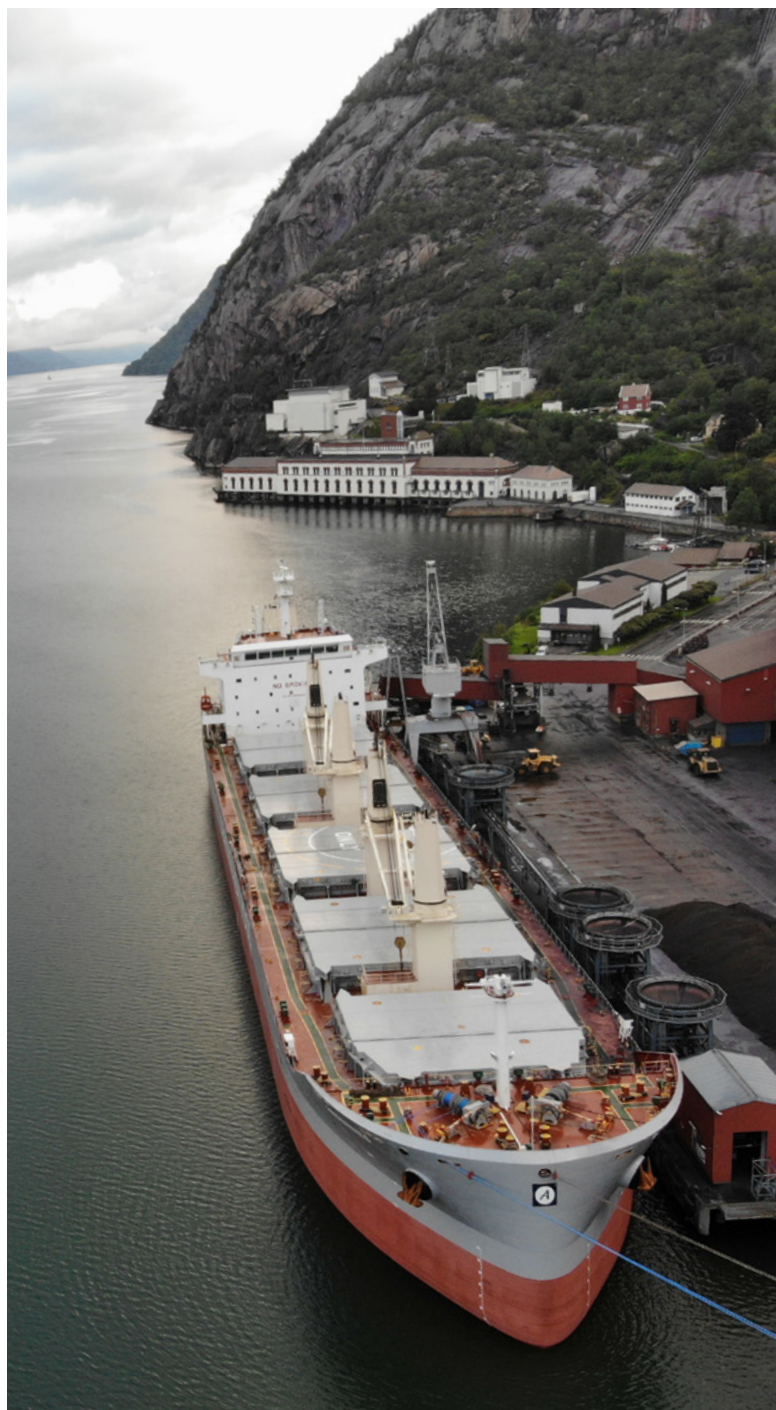
Western Bulk operates in a highly competitive industry. The Group competes in a fair and ethically justifiable manner in relation to competitors as well as to customers and suppliers. Western Bulk will under no circumstances cause or be part of any breach of general or special competition regulations, such as illegal pricing cooperation, illegal market sharing or any other behaviour that is in breach of applicable competition legislation.

Taxation

Western Bulk Chartering AS is domiciled in Norway and controls legal and operational entities in Norway, Singapore, the United States of America, Chile, Sweden and Morocco. Western Bulk complies

with tax laws, regulations and filing requirements in the jurisdictions where the Group is located. Western Bulk follows the arm's length principle and complies with the recommendations set out in the OECD Transfer Pricing Guidelines for internal transactions between the companies controlled by Western Bulk.

For further details about Western Bulk's taxation, please also refer to the explanatory notes in the Group's financial statements.





Vessels at sea



Vessels at shore

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Western Bulk Carriers AS/
Western Bulk Management AS**

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Appendix D
Unaudited consolidated interim financial statements
For the six month period ended 31 June 2021



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Front page picture: MV Interlink Quality sailing through the Hvaler archipelago on its way to discharge soybeans in Fredrikstad, Norway.

1. Key Figures and Highlights

WB Chartering Group (USDm)	1H 2021	1H 2020	Full year '20	Full year '19
Net TC result ^{1) 2)}	20.2	7.8	26.7	(6.4)
Administrative expenses	10.1	10.4	22.9	25.4
EBITDA ^{1) 2)}	10.1	(2.6)	3.8	(31.8)
Net profit after tax ¹⁾	9.0	(2.9)	3.2	(38.0)
Net TC Margin per ship day (USD) ^{1) 2)}	1 020	343	663	(117)
Average number of ships operated	109	125	110	150
Total assets	121.1	76.3	79.3	118.0
Book equity	29.8	13.9	19.8	16.0
Total liabilities	91.4	62.4	59.5	102.1
Free cash	27.5	17.6	18.3	24.0
Restricted cash	13.7	6.2	12.0	13.7
Total cash	41.2	23.8	30.3	37.7

¹⁾ FY2019 Net TC including impairment charges on loss-making contracts primarily related to Chile of USD -26.4 million, where internal policies were not adhered to by a former employee.

²⁾ 1H 2021 Net TC including USD -1.5 million loss on positional FFAs (Forward Freight Agreements). These are derivative positions not qualifying as a hedge, hence booked as financial items in the financial statements in chapter 4.

Main Shareholders (Name)	# Of Shares	Ownership %
Kistefos group	22 893 152	78,19 %
Ojada AS	2 776 792	9,48 %
Employees	948 698	3,24 %
Snipind Invest AS	645 278	2,20 %
Løren Holding AS	274 891	0,94 %
Other (204 other shareholders)	1 740 904	5,95 %
	29 279 715	100 %

Comments to the results

Western Bulk reached a **net profit after tax** of USD 9.0 million and **EBITDA** of USD 10.1 million in the first half of 2021, compared to a net loss after tax of USD -2.9 million and EBITDA of USD -2.6 million in the first half of 2020.

Net TC in the first half of 2021 reached USD 20.2 million, an improvement of USD 12.4 million from USD 7.8 million in the same period in 2020. In line with the enhanced strategy of trading the short-term market, Western Bulk entered the year with limited forward exposure out on the curve. As the market showed significant improvement at the start of the year, the Group's agility proved valuable in booking tonnage and building a long position for the remainder for 2021. The basin spread between the Pacific and Atlantic also proved favorable for repositioning of vessels.

Net TC Margin per ship day for the first half of 2021 reached USD 1,020 compared to USD 343 for the same period in 2020. For the second quarter of 2021, Net TC Margin per ship day was USD 2,667 compared to USD 212 for the second quarter in 2020.

The average number of vessels was kept relatively low through the first half of 2021, increasing from an average fleet of 105 vessels in the first quarter of 2021 to an average of 114 vessels in the second quarter with an average of 109 vessels for the first half year.

Administration expenses were stable at USD 10.1 million, down from USD 10.4 million for the first half of 2020. Salaries, office expenses and other administrative expenses were reduced by USD 1.4 million, while bonus accruals increased by USD 1.1 million.

Financing and available cash

At the end of the period Western Bulk had USD 27.5 million free cash in addition to up to USD 16.8 million in unutilized overdraft facilities. The accelerated market levels have led to an increase in cash tied up in working capital because of more outstanding receivables and higher prepayments for hire of vessels. Current physical working capital¹ amounts to about USD 40 million. With a total fleet of 132 vessels as per the end of the first half year, this equals an average of about USD 300,000 per vessel, an increase from historical levels of between USD 100,000 and USD 200,000. The increase in working capital has been more than offset by positive net results combined with about USD 31 million in received margins from derivatives maturing in the second half of 2021. The value of freight derivatives maturing in the second half of 2021 increased substantially in the first half of 2021, while the market values of these derivatives are kept off-balance until realized in the second half of 2021.

Western Bulk has three working capital facilities with credit lines totaling up to USD 35 million. One facility of USD 5 million relates to bunker purchases, one for accounts receivables of up to USD 20 million depending on eligible receivables, and one overdraft facility of USD 10 million. As of 30.06.2021 the company had a gross interest-bearing debt of USD 18.2 million drawn from bunkers and accounts receivables facilities, while the overdraft facility was unutilized.

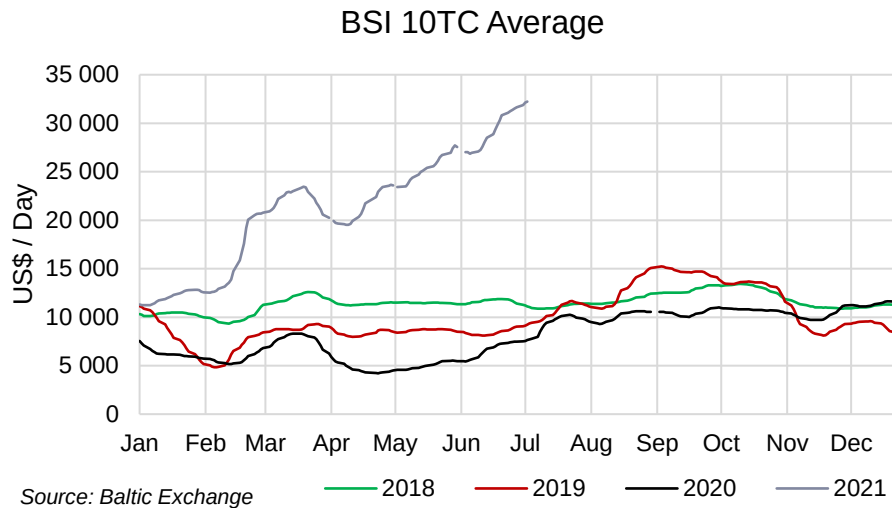
Company update

The management and Board of Directors are optimistic on the outlook for the dry bulk sector and have initiated the process of seeking a listing on Euronext Growth in the third quarter of 2021. In connection with the listing, the company will consider raising a smaller amount of new equity for working capital purposes to allow for growth and scale on investments made in recent years and benefit from the prevailing strong dry bulk market conditions. The company has retained Arctic Securities AS and DNB Markets, a part of DNB Bank ASA as financial advisors in connection with the listing process. The company is currently registered on Euronext NOTC, a marketplace for unlisted shares.

¹ Physical working capital includes Accounts Receivables, Bunker Stocks, Other Receivables less; Accounts Payable, Prepaid Freight, Accrued Costs, Accrued Taxes/Pensions and Other current liabilities

2 Dry Bulk Market Highlights

The dry bulk market reached ten-year highs in the first half of 2021 as trade rebounded with longer ton-miles and disruptions lending market support. The Baltic Supramax Index 58'(BSI) increased by 248% (USD 14,980/day) compared to the same period of last year to an average of USD 21,014/day, more than double of the average of USD 10,327/day in the second half of 2020. The spread between Atlantic and Pacific markets narrowed to USD 785/day in the first half of 2021, the second lowest 6-monthly average to the USD 699/day in the first half of 2019. This was due to a strong Pacific market which also led to lower costs of repositioning vessels from the Pacific to the Atlantic market

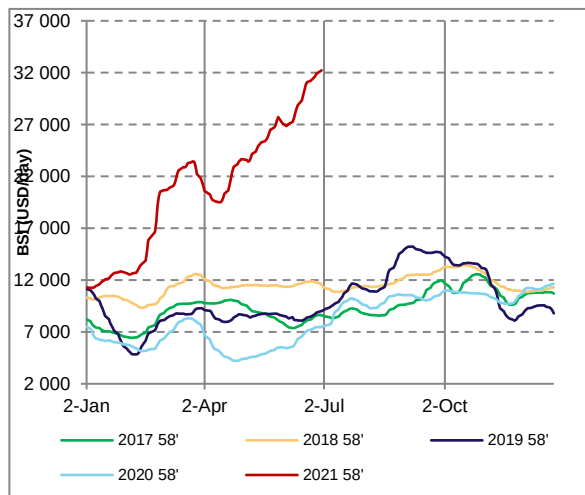
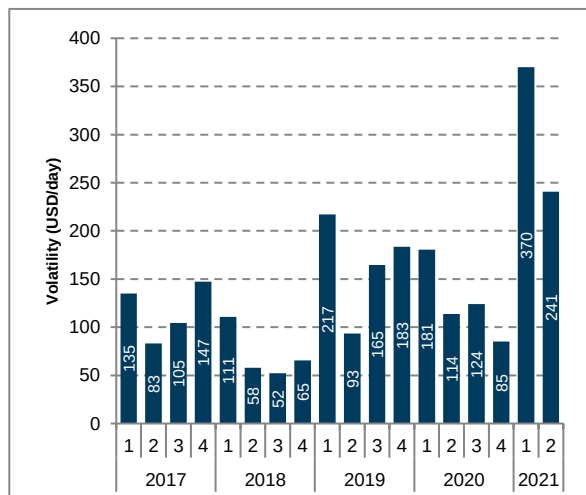
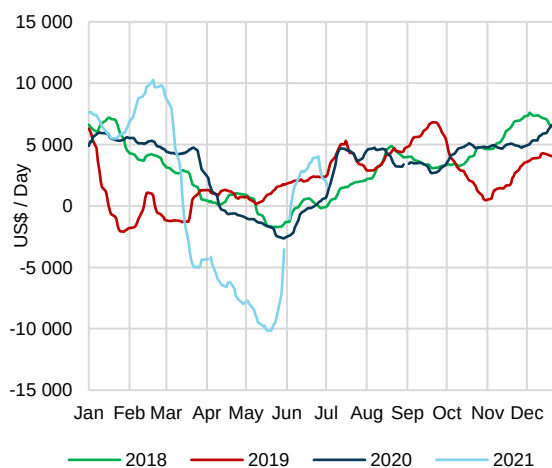
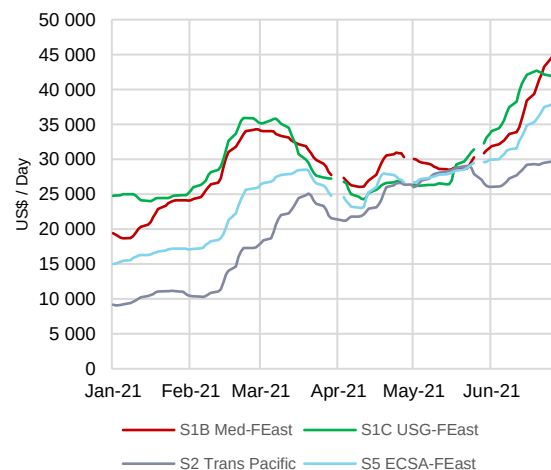


The Pacific Supramax market has been performing exceptionally well since the beginning of the year following the rapid economic recovery in the Far East and surging commodity prices. In addition to the strong demand for coal in China, backhaul volume remained robust in Q2 sending several vessels out of the Pacific basin, and increasing the ton-mile demand. The import ban on Australian coal by China has been another catalyst for the Supramax demand this year as Chinese buyers were forced to use smaller vessels for coal import from Indonesia while Australia shifted to markets further away including India, the Middle East and even Europe. Meanwhile, fleet growth for other tonnage than Cape remained modest at about 3% YoY due to limited orderbook supporting the market fundamentals.

Unlike the steady performance in the Pacific, the Atlantic Supramax market was very volatile in the first half of 2021. Atlantic freight rates were high at the beginning of the year as strong grain exports at the end of 2020 from US and Russia were extended into the beginning of 2021. This combined with coal demand surging in Europe under a cold snap compounding with limited vessel supply and frozen shorelines in some Baltic areas due to snow and ice. A downward correction followed in March when rising imports of coal and steel products began discharging and more ballasters arrived in the Atlantic. Thereafter, a firm Pacific market kept vessels from ballasting to the Atlantic causing the market to rebound in late May and continue to be elevated in June amid improving availability of cargos for export.

The global dry bulk fleet expanded 1.2% in the first half of 2021 and is expected to grow 3% for the full year, lower than the 3.9% growth in 2020. Growth for 2022 will continue to be limited given the current orderbook at 37.2 million dwt. In particular, the Supramax fleet has increased by 1.1% in the first half of 2021 and considering the remaining orderbook and slippage it is expected to grow by 3.2% for the full year.

The dry bulk market has extended its strong momentum in the third quarter of 2021, as the China-Australia embargo, strong Pacific-Atlantic steel trades, severe port congestion and waiting time and surging container rates persist. However, steel imports to the Atlantic are likely to slow down in the second half of this year following ramp up of domestic output and inventories. In addition, port congestion due to covid related labor shortage and long quarantine times are likely to abate once the world normalizes. The Chinese unofficial ban on Australian coal has resulted in longer distances for Australian coal exports to the Atlantic and Chinese coal imports from the Atlantic. This has increased demand for the dry bulk fleet and there is a risk of lower demand if the ban is lifted.

Baltic Supramax Index²**Volatility in Baltic Supramax Index²****BSI Atlantic-Pacific Spread²****BSI Selected Routes²**

3. Outlook

Western Bulk is benefitting from a considerable market recovery combined with increasing returns on investments in operational improvement and data driven decision making. Based on current market levels, the second half of 2021 is likely to see further strengthening of results with net profit after tax for the full year of 2021 expected to reach between USD 40 and 50 million. This is due to an extraordinary strong market and favorable positions taken early this year.

The improved results are a testimony to the many deliberate strategic and operational initiatives Western Bulk has implemented in recent years to regain the historical profitability of its asset light business model. Key initiatives include investments to allow for more data driven decision making, and a more systematic approach to business development and client relationship management. In addition, the Company has made organizational changes to strengthen cooperation between regions to improve decision making, as well as to capture a larger arbitrage potential from higher dry bulk market

² Source: Baltic Exchange

volatility. In addition, the number of vessels was taken down from 160 to about 110 vessels to consolidate the business and improve quality throughout the organization, and to allow for the number of vessels to be rebuilt with higher average trading margins. The company is gradually increasing the number of vessels again and is seeing positive impacts from the focus on building relationships with core vessel owners and cargo customers. For the second half of 2021 a substantial portfolio of optional period for the chartered in tonnage has been established.

Free cash at the end of the year is expected in the area of USD 30 to 40 million with USD 20 million in net interest bearing debt, and up to USD 15 million in unutilized credit facilities. This is based on the extraordinary strong outlook for the remainder of the year, combined with required working capital following an increase in the number of vessels at higher market rates.

Western Bulk's main risk factors are described in Western Bulk Chartering's annual report for 2020, which is available at www.westernbulk.com.

Oslo, 4.8.2021

The Board of Directors of Western Bulk Chartering AS

Bengt A. Rem, Chairman

Erik Borgen, Board member

Tord Meling, Board member

Hans Aasnæs, CEO

DISCLAIMER

This report includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Western Bulk Chartering AS and its subsidiaries and affiliates (the "Group") lines of business. These expectations, estimates, and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the Group's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although the Group believes that its expectations and the information in this release were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this release. Neither Western Bulk Chartering AS nor any other company within the Group is making any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in the release, and neither Western Bulk Chartering AS, any other company within the Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the release. This release speaks of the date hereof and Western Bulk Chartering AS undertakes no obligation to publicly update or revise any forward-looking information or statements in the release, other than what is required by law. The Group consists of many legally independent entities, constituting their own separate identities. Western Bulk Chartering AS is used as the common brand or trademark for most of these entities. In this release we may sometimes use "Group", "we," or "us," when we refer to Western Bulk Chartering's Group companies in general or where no useful purpose is served by identifying any particular company of the Group.

4. Financial Statements

Included in this section are the consolidated interim financial statements for Western Bulk Chartering AS and its subsidiaries.

Consolidated Condensed Income Statement

Western Bulk Chartering Group

(USD 1,000)	1H 2021	1H 2020	Full year '20	Full year '19
Gross revenues	565 255	423 293	778 690	1 062 723
Voyage expenses	(217 715)	(218 275)	(358 537)	(451 850)
T/C expenses	(324 822)	(196 144)	(391 355)	(613 878)
Other vessel expenses	(982)	(1 056)	(2 062)	(3 396)
Net T/C result	21 736	7 817	26 737	(6 401)
Administration expenses	(10 070)	(10 443)	(22 918)	(25 448)
Result before depreciation and impairment, finance items and income tax	11 666	(2 626)	3 819	(31 849)
Provision for future loss	-	-	-	-
Depreciation	(84)	(156)	(281)	(373)
Writedown fixed assets	-	-	-	-
Provision for doubtful debt	-	-	(14)	78
Gain/(loss) on disposal of property, plant and equipment	(29)	-	-	(12)
Operating profit/(loss)	11 553	(2 782)	3 524	(32 156)
Financial income	52	575	1 289	321
Financial expenses	(780)	(642)	(1 485)	(3 813)
Gain/(loss) positional FFA	(1 536)	90	33	104
Realised gain/(loss) financial assets	-	1	1	7
Net profit before tax	9 291	(2 758)	3 362	(35 538)
Income tax expense	(324)	(109)	(159)	(2 431)
Net profit for the period	8 967	(2 867)	3 203	(37 969)

Consolidated Condensed Balance Sheet

Western Bulk Chartering Group

(USD 1,000)	1H 2021	1H 2020	Full year '20	Full year '19
ASSETS				
Non current assets				
Deferred tax asset	738	720	740	602
Intangible assets	18	63	23	135
Tangible fixed assets	375	344	502	419
Investment in financial assets	630	630	630	630
Long term receivables	608	-	-	5
Total non-current assets	2 368	1 758	1 895	1 789
Current Assets				
Bunker stocks	48 032	23 377	28 374	42 583
Accounts receivable	44 594	23 830	27 168	32 280
Other receivables	(15 052)	934	(8 389)	3 663
Receivables derivatives	-	2 640	-	-
Bank deposits	41 198	23 808	30 297	37 729
Total current assets	118 772	74 589	77 450	116 255
TOTAL ASSETS	121 141	76 347	79 345	118 045
EQUITY AND LIABILITIES				
Equity				
Share capital	180	174	174	113
Share premium	17 426	16 430	16 430	1 228
Received, but not yet registered capital increase	-	-	-	14 641
Other paid-in capital	-	-	-	-
Retained earnings	12 170	(2 669)	3 203	-
Total equity	29 776	13 935	19 807	15 982
Long term liabilities				
Deferred tax liability	152	167	153	185
Pension liabilities	1 028	1 266	1 214	1 747
Interest-bearing debt	-	-	-	-
Other long-term liabilities	-	-	-	395
Total long-term liabilities	1 181	1 432	1 367	2 327
Current liabilities				
Accounts payable	21 687	9 058	8 130	10 546
Other payable	17 919	25 874	24 574	63 372
Payable derivatives	31 641	-	661	3 678
Taxes payable	386	725	601	1 382
Shareholder loan	-	1 000	-	-
Liabilities related company	374	38	251	-
Amounts owed to credit institutions	18 177	24 284	23 955	20 758
Total current liabilities	90 184	60 979	58 171	99 736
Total liabilities	91 365	62 411	59 538	102 063
TOTAL EQUITY AND LIABILITIES	121 141	76 347	79 345	118 045

Consolidated Condensed Statement of Changes in Equity

Western Bulk Chartering Group

(USD 1,000)	Share capital	Share premium	Other paid-in capital	Resolved, but not yet registered capital increase	Retained earnings	Total equity
January 1, 2021	174	16 430	-	-	3 203	19 807
Share capital increase, net	5	996	-	-	-	1 002
Result for the period	-	-	-	-	8 967	8 967
June 30, 2021	180	17 426	-	-	12 170	29 776

Consolidated Condensed Statement of Cash Flow

Western Bulk Chartering Group

(USD 1,000)	1H 2021	1H 2020	Full year '20	Full year '19
CASH FLOW FROM OPERATIONS				
Profit/(loss) before tax	9 291	(2 758)	3 362	(41 014)
Taxes paid	(545)	(505)	(1 150)	(1 067)
Ordinary depreciation	84	156	281	373
Writedown and provisions	-	-	-	15 592
(Gain)/loss on disposal financial assets	29	-	-	(2)
Changes in current receivables and current liabilities	7 407	(15 956)	(13 496)	14 623
Net cash flow from/(to) operating activities (A)	16 266	(19 064)	(11 003)	(11 495)
CASH FLOW FROM INVESTMENTS				
Investments in fixed and intangible assets	(8)	(10)	(253)	(143)
Investments in financial assets	-	-	-	(630)
Disposals of financial assets	-	-	-	167
Disposal of fixed assets	27	-	-	42
Changes in long term receivables	(608)	5	5	5
Net cash flow from investments (B)	(589)	(6)	(248)	(559)
CASH FLOW FROM FINANCING ACTIVITIES				
Changes in interest-bearing short term and long term debt	(5 778)	4 525	3 196	(11 217)
Share capital increase	1 002	623	623	29 849
Net cash flow from financing activities (C)	(4 776)	5 148	3 819	18 632
Net change in cash and cash equivalents (A+B+C)	10 901	(13 921)	(7 432)	6 578
Cash and cash equivalents at start of the period	30 297	37 729	37 729	31 151
Cash and cash equivalents at end of the period	41 198	23 808	30 297	37 729
Restricted bank deposits at end of the period	13 735	6 219	12 026	13 683
Available cash and cash equivalents at end of the period	27 463	17 589	18 272	24 047
(excluding undrawn credit line)				

Selected Explanatory Notes

Note 1. General information

Western Bulk Chartering AS is a private limited company incorporated and domiciled in Norway. The registered address of the office is Henrik Ibsens Gate 100, 0255 Oslo.

Western Bulk Chartering AS and its subsidiaries ("WB Chartering") is a major operator in the dry bulk shipping market and a charterer of primarily Supramax/Ultramax and Handysize dry bulk vessels, running an average fleet of 109 vessels in the first half of 2021.

This financial report is authorized for issue by the Board of Directors as of 4.8.2021.

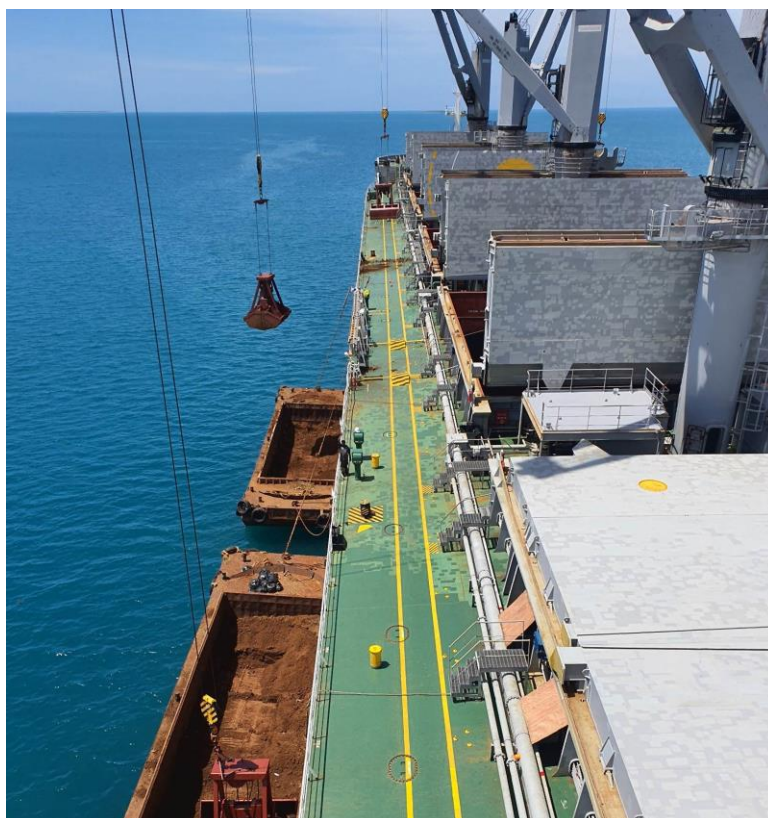
Note 2. Accounting policies

The condensed financial statements of Western Bulk Chartering AS and its subsidiaries (the "Group") are prepared in accordance with Norwegian Generally Accepted Accounting Principles (N-GAAP). Please refer to the 2020 annual report for a detailed description of the accounting policies. The report is available on www.westernbulk.com.

Note 3. Significant judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions. These estimates are based on the actual underlying business, its present and forecast profitability over time and expectations about external factors such as dry bulk shipping freight rates, interest rates, foreign exchange rates, oil prices and more which are outside the Group's and parent company's control. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group is involved in several disputes, including lawsuits, both as defendant and plaintiff. Based upon the Group's own views as well as opinions received from lawyers, provisions based on best estimate have been made in respect of the Group's total exposure. The actual outcomes of these disputes are unknown, and it could take several years before the disputes and claims are finally settled. Consequently, there are uncertainties related to the estimates for provisions which, depending on the outcome of each case, could prove to be insufficient to cover potential liabilities.

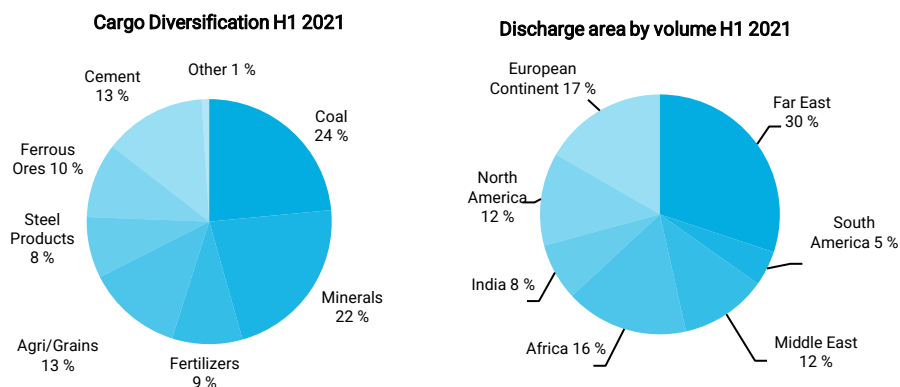


MV Bao Lucky loading manganese ore in the southwest Pacific Ocean.

5. About Western Bulk

Western Bulk is a major operator of dry bulk vessels in the Handysize, Supramax and Ultramax segments. The Group operates its chartered-in fleet and cargo contracts through its two subsidiaries Western Bulk Carriers AS and Western Bulk Pte Ltd, which are supported by chartering and operations teams in Oslo (Norway), Singapore, Seattle (USA), Santiago (Chile) and Casablanca (Morocco).

Western Bulk has a highly diversified customer base with a broad cargo mix and diverse geographical footprint. During the first half of 2021, the Group conducted business with more than 200 different cargo customers, of which no single customer exceeded 7,5% of total revenue. No single commodity accounted for more than 24% of the volume of transported cargo in H1 2021.



Group structure: The below chart shows the main companies of the Group.

