GoodBulk Ltd.

Consolidated Financial Statements
for the years ended December 31, 2020 and 2021

GoodBulk Ltd.
Clarendon House, 2 Church Street
Hamilton
Bermuda

BOARD OF DIRECTORS

John Michael Radziwill – *Director, Chairman and Chief Executive Officer*

Gregory Gleb Belonogoff – *Director*

Andy Mitchell – *Director (appointed on July 27, 2020)*

Angus Robert Marsham Paul – *Director*

Timothy Scott Huxley – *Director*

Carlos Peña Pellegrini – *Director (appointed on March 5, 2020)*

Milos Brajovic – *Director (until July 27, 2020)*

Andrew Garcia – *Director, President (until March 5, 2020)*

The consolidated financial statements were authorized for issuance by the Board of Directors on March 25, 2022.

Index to financial statements

GOODBULK LTD.

Consolidated Financial Statements
as of December 31, 2021

Independent Auditor's Report

Deloitte & Touche S.p.A.
Via Petrarca, 2
16121 Genova
Italia

Tel: +39 010 5317011
Fax: +39 0105317022
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Goodbulk Ltd.

Opinion

We have audited the consolidated financial statements of Goodbulk Ltd. (the Company), which comprise the statement of consolidated financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, 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.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's consolidated financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the consolidated entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Carlo Laganà
Partner

Genoa, Italy
March 29, 2022

GoodBulk Ltd.
Consolidated statement of financial position
As of December 31, 2020 and 2021
(All amounts expressed in thousands of U.S. Dollars unless otherwise stated)

	Notes	Dec. 31, 2020	Dec. 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	37,608	39,653
Trade receivables	5	15,154	24,877
Receivables from related parties	22	800	1,809
Prepayments and other current assets	6	9,313	8,645
Inventories	7	2,230	3,964
Total current assets		**65,105**	**78,948**
Non current assets			
Vessels, net	8	493,152	455,955
Total non current assets		**493,152**	**455,955**
Total assets		**558,257**	**534,903**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables	9	7,067	7,554
Payables to related parties	22	380	3,124
Derivative financial instruments	12	2,207	1,600
Accruals and deferred income	10	2,302	4,354
Bank borrowings, current portion	11	26,888	26,962
Total current liabilities		**38,844**	**43,594**
Non current liabilities			
Bank borrowings, non current portion	11	171,267	144,304
Derivative financial instruments	12	4,783	1,275
Total non current liabilities		**176,050**	**145,579**
Total liabilities		**214,894**	**189,173**
Shareholders' equity			
Share capital	13	30,021	30,028
Share premium		22	115
Contributed surplus		330,453	236,727
Reserves		(6,990)	(2,875)
Treasury shares	13	(6,317)	(6,730)
Retained earnings (losses) / earnings		(3,826)	88,465
Total shareholders' equity		**343,363**	**345,730**
Total liabilities and shareholders' equity		**558,257**	**534,903**

The accompanying notes form an integral part of this statement.

GoodBulk Ltd.
Consolidated statement of profit or loss
For the years ended December 31, 2020 and 2021
(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	Notes	2020	2021
Revenues	14	171,395	288,319
Voyage expenses	15	(71,963)	(103,793)
Vessels operating expenses	16	(48,838)	(48,270)
Net other operating (expenses) / income	17	(496)	9,723
Depreciation	8	(40,843)	(41,381)
Gain on sale of vessels	8	4,641	-
General and administrative expenses	18	(3,118)	(4,827)
Profit from operations		**10,778**	**99,771**
Net financial expense	19	(15,297)	(7,633)
(Loss) / profit for the year		**(4,519)**	**92,138**
(Losses) / earnings per share (in U.S. Dollars) – basic and diluted		(0.15)	3.07

The accompanying notes form an integral part of this statement.

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated)

	Notes	2020	2021
(Loss) / profit for the year		**(4,519)**	**92,138**
Other comprehensive (loss) / income:			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges	12	(4,473)	1,908
Recycled loss of cash flow hedges reclassified to profit or loss	12	2,663	2,207
Other comprehensive (loss) / income for the year		**(1,810)**	**4,115**
Total comprehensive (loss) / income for the year		**(6,329)**	**96,253**

The accompanying notes form an integral part of this statement.

GoodBulk Ltd.
Consolidated statement of changes in shareholders' equity
For the years ended December 31, 2020 and 2021
(All amounts expressed in thousands of U.S. Dollars unless otherwise stated)

	Share capital		Share premium	Contributed surplus	Reserves	Treasury shares	Retained earnings / (losses)	Total
	# of shares	Par value						
Balance as of December 31, 2019	**30,009,672**	**30,010**	**363,018**	**-**	**(5,180)**	**(6,317)**	**2,782**	**384,313**
Issuance of shares for Directors remuneration	11,044	11	89	-	-	-	-	100
Share premium reduction on June 23, 2020 (Note 13)		-	(26,728)	-	-	-	(26,728)	-
Share premium reduction on December 16, 2020 (Note 13)		-	(336,357)	336,357	-	-	-	-
Dividend declared (Note 13)		-	-	-	-	-	(29,510)	(29,510)
Capital repayment (Note 13)		-	-	(5,904)	-	-	-	(5,904)
Share-based compensation (Note 22)		-	-	-	-	-	693	693
Loss for the year		-	-	-	-	-	(4,519))	(4,519)
Other comprehensive loss for the year		-	-	-	(1,810)	-	-	(1,810)
Total comprehensive loss for the year		-	-	-	(1,810)	-	(4,519)	(6,329)
Balance as of December 31, 2020	**30,020,716**	**30,021**	**22**	**330,453**	**(6,990)**	**(6,317)**	**(3,826)**	**343,363**
Issuance of shares for Directors remuneration	7,282		93	-	-	-	-	100
Capital repayment (Note 13)		-	-	(93,726)	-	-	-	(93,726)
Acquisition of treasury shares (Note 13)		-	-	-	-	(413)	-	(413)
Share-based compensation (Note 22)		-	-	-	-	-	153	153
Profit for the year		-	-	-	-	-	92,138	92,138
Other comprehensive income for the year		-	-	-	4,115	-	-	4,115
Total comprehensive income for the year		-	-	-	4,115	-	92,138	96,253
Balance as of December 31, 2021	**30,027,998**	**30,028**	**115**	**236,727**	**(2,875)**	**(6,730)**	**88,465**	**345,730**

The accompanying notes form an integral part of this statement.

GoodBulk Ltd.
Consolidated statement of cash flows
For the years ended December 31, 2020 and 2021
(All amounts expressed in thousands of U.S. Dollars unless otherwise stated)

	2020	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss) / profit for the year	(4,519)	92,138
Adjustments to reconcile net profit to net cash generated by operating activities:		
Depreciation	40,843	41,381
Gain on sale of vessels	(4,641)	-
Directors remuneration settled by issuance of Company's shares	100	100
Equity-settled share-based payment transactions	907	2,935
Net financial expenses	15,297	7,633
Changes in operating assets and liabilities:		
Decrease / (increase) in trade receivables	6,176	(9,723)
Increase in receivables from related parties	(287)	(1,009)
(Increase) / decrease in prepayments and other current assets	(6,929)	668
Decrease / (increase) in inventories	788	(1,734)
(Decrease) / increase in trade payables	(502)	566
Decrease in payables to related parties	(29)	(38)
(Decrease) / increase in accruals and deferred income	(66)	2,241
Cash provided by operations	47,138	135,158
Interest paid	(9,759)	(7,189)
Net cash provided by operating activities	**37,379**	**127,969**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for vessels	(17,253)	(4,356)
Net proceeds from vessels' sale	39,013	-
Financial income received	142	-
Net cash provided by / (used in) investing activities	**21,902**	**(4,356)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	-	(413)
Dividend payment	(29,510)	-
Capital repayment	(5,904)	(93,726)
Proceeds from bank loans	200,000	-
Bank loan repayments	(227,342)	(27,429)
Payment for refinancing project expenses (Note 11)	(3,760)	-
Payment of loan arrangement and commitment fees	(2,126)	-
Net cash used in financing activities	**(68,642)**	**(121,568)**
Net change in cash and cash equivalents	**(9,361)**	**2,045**
Cash and cash equivalents, beginning of the year	46,969	37,608
Cash and cash equivalents, end of the year	**37,608**	**39,653**
Non-cash investing and financing activities		
Unpaid capital expenditure relating to drydock	2,284	2,112

The accompanying notes form an integral part of this statement.

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

1. General Information

GoodBulk Ltd. ("GoodBulk" or the "Company") was incorporated in Bermuda on October 20, 2016 for the purpose of owning and operating dry bulk vessels. The Company's registered address is Clarendon House, 2 Church Street, Hamilton, Bermuda. GoodBulk and its subsidiaries (together, the "Group") are engaged in the ownership and operation of dry bulk carriers, providing worldwide seaborne transportation solutions. No one party exercises control over the Company. Refer to Note 2 for a summary of the Company's management and operations.

The Company's common shares started trading on the Norwegian Over-The-Counter List (the "N-OTC") on March 29, 2017 under the symbol "BULK". As of December 31, 2021, there were 30,027,998 common shares and 1 Class A share issued and outstanding.

2. Organization and Operations

The accompanying financial statements include the accounts of the Company and its subsidiaries. As of December 31, 2021, the Company's subsidiaries, which are all wholly owned and incorporated in Liberia, are listed below (including data related to the owned ships):

Wholly owned subsidiaries (all incorporated in Liberia)	Vessel name	Type	Built	Size dwt
Aquamarine Carrier Co. Ltd.	Aquamarine	Capesize	2009	182,060
Singapore Shipping Co. Ltd.	Aquadonna	Capesize	2005	177,173
Nautical Dream Shipping Co. Ltd.	Nautical Dream	Capesize	2013	180,730
Aquacharm Shipping Co. Ltd.	Aquacharm (***)	Capesize	2003	171,009
Aquajoy Shipping Co. Ltd.	Aquajoy (**)	Capesize	2003	171,009
Aquavictory Shipping Co. Ltd.	Aquavictory	Capesize	2010	182,060
Aquahope Shipping Co. Ltd.	Aquahope	Capesize	2007	177,173
Aquakatana Shipping Co. Ltd.	Aquakatana	Capesize	2005	185,897
Iron Range Shipping Co. Ltd.	Aquarange	Capesize	2011	179,842
Itasca Shipping Co. Ltd.	Aquamarie	Capesize	2012	178,896
Pretty Carrier Co. Ltd.	Aquaenna	Capesize	2011	175,975
Atlantic Bridge Shipping Co. Ltd.	Aquabridge	Capesize	2005	177,106
Proud Shipping Co. Ltd.	Aquaproud	Capesize	2009	178,055
Minnetonka Shipping Co. Ltd.	Aquatonka	Capesize	2012	179,004
Voyageurs Shipping Co. Ltd.	Aquavoyageurs	Capesize	2005	177,022
Minnehaha Shipping Co. Ltd.	Aquahaha	Capesize	2012	179,023
Belle Taine Shipping Co. Ltd.	Aquataine	Capesize	2010	181,725
Scope Carrier Co. Ltd.	Aquascope	Capesize	2006	174,008
Silver Surfer Shipping Co. Ltd.	Aquasurfer	Capesize	2013	178,854
Maka Franz Shipping Co. Ltd.	Aquamaka	Capesize	2009	179,362
Angel Carrier Co. Ltd.	Aquacarrier (*)	Capesize	2011	175,935
Aquakatie Shipping Co. Ltd.	Aquakatie	Capesize	2007	174,100
Windsor Carrier Co. Ltd.	Aquasalwador	Capesize	2012	180,012
Navigator Carrier Co. Ltd.	Aquanavigator	Capesize	2011	179,905
Explorer Carrier Co. Ltd.	Aquaexplorer	Capesize	2012	178,928
Aquaknight Shipping Co. Ltd.	Aquaknight	Panamax	2007	75,395
		TOTAL		**4,530,258**

(*) Vessel sold on January 28, 2020. (**) Vessel sold on May 5, 2020. (***) Vessel sold on October 29, 2020

As used herein, the term "deadweight ton" or "dwt" refers to a unit of a vessel's capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kilograms. A vessel's dwt or total deadweight is the total weight necessary to submerge the vessel to its maximum permitted draft.

The Group's fleet is managed by related companies, C Transport Holding Ltd. ("CTH") and its subsidiary, C Transport Maritime S.A.M. (together, "CTH Group" or the "Manager" or "CTM"), which are owned by Brentwood Shipping and Trading Inc. ("Brentwood"), a shareholder of the Company. A detailed description of the scope of services provided by and the remuneration for the CTH Group can be found in Note 22.

The Group employs its vessels mainly in the spot market and participates in two Revenue Sharing Agreements ("RSAs").

As of December 31, 2021, except for M/V Aquasurfer, M/V Aquamarie, M/V Nautical Dream, M/V Aquakatana, M/V Aquamaka and M/V Aquanavigator which operate outside RSAs with time charter contracts having fixed period expiration dates no later than May 2022, all the remaining Capesize vessels participate in the pool managed by CTH under the Capesize Revenue Sharing Agreement (the "Capesize RSA"). The vessels under the Capesize RSA are in turn employed under the CCL Capesize Chartering Ltd. RSA ("CCL RSA"), launched in January 2016 by CTM and other participants who are Bocimar International NV, Golden Ocean Group Management Limited and Star Bulk Carriers Corp. As of December 31, 2021, the CCL RSA commercially managed more than 100 Capesize vessels.

The Panamax vessel, M/V Aquaknight, was employed on a time charter expiring at the end of January 2022.

3. Significant Accounting Policies

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of derivative financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are expressed in U.S. Dollars ("$"), which is the functional currency of all of the subsidiaries in the Group because their vessels operate in international shipping markets in which revenues and expenses are primarily settled in $, and the Group's most significant assets and liabilities are paid for and settled in $.

The principal accounting policies are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the subsidiaries controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns with respect to the investee.

Income and expenses of subsidiaries, acquired or disposed of during the year, are included in the consolidated financial statements from the effective date of the acquisition and up to the effective date of the disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue and Expense Recognition

The Group generates its revenues from employing its vessels under time charters or through voyage charter agreements.
Time charter revenue is recognized as earned on a straight-line basis over the term of the relevant time charter starting from the vessel's delivery to the charterer, except for any off-hire period. Unearned revenue includes cash received prior to the balance sheet date, relating to services to be rendered after the balance sheet date. Accrued revenue (or deferred income) represents income recognized in advance (or deferred) as a result of straight-line revenue recognition in respect of charter agreements that provide for varying charter rates. Time charter revenue amounts received in advance are classified as liabilities until the criteria for recognizing the revenue as earned are met.
Under a time charter agreement, vessel operating expenses such as management fees, crew wages, provisions and stores, technical maintenance and insurance expenses and broker's commissions are paid by the vessel owner, whereas voyage expenses such as bunkers, port expenses, agents' fees, and extra war risk insurance are paid by the charterer.
Time charter revenue is only recognized when an agreement exists, the price is fixed, service is provided and the collection of the related revenue is reasonably assured. Revenue is shown net of address commissions, if applicable, payable directly to charterers under the relevant charter agreements. Address commissions represent a common market practice discount (sales incentive) on services rendered by the Group and no identifiable benefit is received in exchange for the consideration provided to the charterer. Commissions on time charter revenues are recognized on a pro rata basis over the duration of the period. The address commission is also included by the Baltic Exchange in their daily market index.

Under a voyage charter agreement, a contract is entered into for the use of a vessel under which the Group is paid freight on the basis of moving cargo from a loading port to a discharge port. The Group determined that its voyage charters consist of a single performance obligation which is met evenly as the voyage progresses and hence, the voyage revenues are recognized on a pro rata basis over the duration of the voyage from load port to discharge port. Estimated losses on voyages are provided for in full at the time such losses become evident. Under a voyage charter agreement, vessel operating expenses and voyage expenses are paid by the vessel owner. The Group accounts for voyage charter revenue when all the following criteria are met (i) the amount of revenue can be measured reliably, (ii) it is probable that the economic benefits associated with the transaction would flow to the entity, (iii) the transactions stage of completion at the balance sheet date can be measured reliably, and (iv) the costs incurred and the costs to complete the transaction can be measured reliably.
Revenues in the Capesize RSA and in the Supramax RSA ("RSAs") are recognized on a gross basis representing time charter and voyage revenues earned by the Group's vessels participating in the RSAs, as the Group enters into contracts directly with charterers and is responsible to perform all of its obligations under each charter to which it is a party. The RSAs aggregate the revenues and expenses of all of its participants and distribute the net earnings based upon each participating vessel's weighting and its number of pool operating days in the period. Each

member vessel receives a provisional hire paid monthly in arrears, with a final distribution following the presentation of the final annual results of the RSAs.
Furthermore, in relation to the vessels participating in the RSAs, the net allocation from the RSAs which represents the RSAs' share of the net revenues earned from the other participants' vessels less the other participants' share of the net revenues earned by the Group's vessels included in the RSAs, is classified in the statement of profit or loss as other income or expenses, depending on whether it is a positive or negative adjustment for the Company.
Each participant's share of the net RSAs revenues is based on a key figure expressing the relative theoretical earning capacity of its vessels and the number of days such vessels participated in the RSAs.
Vessel operating expenses comprise all expenses relating to the operation of the vessel, including crewing, insurance, repairs and maintenance, stores, lubricants, spares and consumables and miscellaneous expenses. Vessel operating expenses are recognized as incurred; payments in advance of services or use are recorded as prepaid expenses.

Voyage expenses consist of bunkers consumption, agency fees and port expenses directly attributable to the voyage charter or for repositioning and are expensed as incurred.

Financial Income and Costs

Interest income is recognized on an accrual basis. Dividend income is recognized when the right to receive payment is established.

Interest expense, other borrowing costs and realized loss on interest rate swaps are recognized on an accrual basis.

Foreign Currencies

Transactions in currencies other than the Group's functional currency ("foreign currencies") are recognized at the rates of exchange prevailing at the dates of the applicable transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Exchange differences are recognized in the statements of profit or loss in the period in which they arise.

Deferred Financing Costs

Commitment, arrangement, structuring, legal and agency fees incurred for obtaining new loans or refinancing existing facilities are recorded as deferred loan issuance costs and classified contra to debt, while the fees incurred for the undrawn facilities are classified as assets in the statement of financial position and are reclassified contra to debt on the drawdown dates.
Deferred financing costs are amortized to financial costs over the term of the relevant loan, using the effective interest method. When the relevant loan is terminated or extinguished, the unamortized loan fees are written off in the consolidated statement of profit or loss.

Inventories

Inventories represent stocks of lubricants on board vessels and are stated at the lower of cost or market, calculated on a FIFO (First In First Out) basis, or net realizable value.

Vessels

Vessels are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The initial cost of a vessel comprises its purchase price and any directly attributable costs for bringing the vessel to its working condition. The cost of the vessel is allocated into two components, a "vessel component" and a "drydocking component".

Depreciation for the vessel component is calculated on a straight-line basis, after taking into account the estimated residual value, over the estimated useful life of the vessel, which is estimated to be 20 years from the date of initial delivery. The vessel's residual value is based on the estimated scrap value which is equal to the product of its lightweight tonnage and estimated scrap price, which represents the Company's estimate of the current selling price assuming the vessel is already of age and condition expected at the end of its useful life. The drydocking component is amortized over the estimated period to the next scheduled drydocking which typically occurs every five years. If a drydocking is performed prior to the scheduled date, the remaining unamortized balance is written-off. Subsequent drydock costs incurred are capitalized as a separate component of the vessel cost when incurred.

Ordinary maintenance and repairs that do not extend the useful life of the vessels are charged to operations as incurred. Major renovation costs and modifications are capitalized and depreciated over the remaining useful life.

The useful life of the vessels and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits. When vessels are sold or retired, their cost, accumulated depreciation and accumulated impairment loss, if any, are eliminated from the accounts and any gain or loss resulting from their disposals is included in the statement of profit or loss.

Impairment of Vessels

The Company reviews its vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be recoverable. If any such indication exists, the recoverable amount of the vessel is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of the vessel is estimated to be less than its carrying amount, the carrying amount of the vessel is reduced to its recoverable amount by recording an impairment loss which is recognized immediately in profit or loss.
Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Each vessel is considered to be a single cash-generating unit. The net selling prices of the vessels are estimated based on valuations from independent ship brokers.

When an impairment loss subsequently reverses, the carrying amount of the vessel is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the vessel in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

Provisions are recognized when (1) the Group has a present obligation (legal or constructive) as a result of a past event, (2) it is probable that the Group will be required to settle the obligation, and (3) a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial Instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the applicable instrument. All financial instruments are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

- ***Cash and cash equivalents***

  Cash and cash equivalents represent cash on hand and deposits with banks which are repayable on demand and short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less that are subject to an insignificant risk of change in value.

- ***Trade receivables***

  Trade receivables are carried at the amount expected to be received from the third party to settle the obligation. Trade receivables are stated net of the provision for determining the Expected Credited Losses ("ECLs") using the "12-month ECLs" measurement base.

- ***Bank borrowings***

  Interest-bearing bank loans and overdrafts are stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement of the borrowings is recognized over the term of the borrowings.

- ***Derivative financial instruments***

  Derivative financial instruments are initially recognized on trade date at fair value and are subsequently re-measured to their fair value at each reporting date. The resulting changes in fair value are recognized in the consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit or loss depends on the nature of the hedge relationship.
  Derivatives are presented as assets when their valuation is favorable to the Group and as liabilities when unfavorable to the Group.

  The Group's criteria for classifying a derivative instrument in a hedging relationship include:

  (1) the hedging relationship consists only of eligible hedging instruments and eligible hedged items;

(2) at inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge; and

(3) the hedging relationship meets all of the hedge effectiveness requirements.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item. Hedge accounting is discontinued when the Group terminates the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

Any gain or loss accumulated in shareholders' equity at that time remains in shareholders' equity and is recognized in the consolidated statement of profit or loss when the hedged item affects the consolidated statement of profit or loss. When a forecast transaction designated as the hedged item in a cash flow hedge is no longer expected to occur, the gain or loss accumulated in equity is recycled immediately to the consolidated statement of profit or loss.

Share-based payment arrangements

Equity-settled share-based payments to key management personnel are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting periods, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity.
Cash-settled share-based payments result in the recognition of a liability, which is an obligation to make a payment in cash. The initial measurement of the liability is based on the fair value at the grant date of the underlying equity instruments. The grant-date fair value of the liability is recognized over the vesting period. At each reporting date, and ultimately at the settlement date, the fair value of the recognized liability is remeasured with any changes in fair value recognized in profit or loss.

Treasury Shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and presented within equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented as share premium.

Segment Information

The information provided to the Group's chief operating decision maker (the "CODM"), being the Chief Executive Officer, to review the Group's operating results and allocate resources is on a consolidated basis for a single reportable segment. Furthermore, when the Group charters a vessel to a charterer (or employs the vessel under the RSAs), the charterer (or the RSA's management) is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Group's management evaluates whether estimates should be made on ongoing basis, utilizing historical experience, consultation with experts and other methods the Company considers reasonable in the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

In the process of applying the accounting policies above described, Management has not identified critical accounting judgments, but has identified the following key sources of estimation uncertainty:

Vessel lives and residual value: vessels are stated at cost, less accumulated depreciation. The estimates and assumptions that have the most significant effect on the vessel carrying amount relate to the estimated useful life of the vessel and its residual value. An increase in the estimated useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and an increase in the estimated useful life of a vessel would also extend the annual depreciation charge into later periods. A decrease in the useful life of a vessel or its residual value would have the effect of increasing the annual depreciation charge. If regulations place significant limitations over the ability of a vessel to trade on a worldwide basis, the vessel's useful life will be adjusted to end at the date such regulations become effective. The estimated residual value of a vessel may not represent the fair market value at any one time partly because market prices of scrap rates tend to fluctuate.
Vessel cost: the Company recognizes drydocking costs as a separate component of the vessel's carrying amount and amortizes the drydocking cost on a straight-line basis over the estimated period until the next drydocking. If the vessel is disposed of before the next drydocking, the remaining balance of the drydock cost is written-off and forms part of the gain or loss recognized upon disposal of vessels in the period of disposal. The general rule is to amortize a vessel's estimated drydocking expenses for the first special survey over five years, in case of new vessels, and until the next drydocking for secondhand vessels unless the Company intends to drydock the vessels earlier as circumstances arise. The drydock component is estimated at the time of delivery of the vessel based on the Manager's historical experience with similar types of vessel.

Costs that will be capitalized as part of the future drydockings will include a variety of costs incurred directly attributable to the drydock and costs incurred to meet classification and regulatory requirements, as well as expenses related to the dock preparation and port expenses at the drydock shipyard, drydocking shipyard expenses, expenses related to hull, external surfaces and decks, and expenses related to machinery and engines of the vessel, as well as expenses related to the testing and correction of findings related to safety equipment on board. Drydocking costs do not include vessel operating expenses such as replacement parts, crew expenses, provisions, lubricants consumption, insurance, management fees or management costs during the drydocking period. Expenses related to regular maintenance and repairs of vessels are expensed as incurred, even if such maintenance and repair occurs during the same time period as drydocking.

For subsequent drydockings actual costs are capitalized when incurred. Drydocking schedules are subject to changes (always meeting due date imposed by the regulation in place) for commercial and/or operational reasons. These changes could have impacts on the annual depreciation charge and the determination of the value in use computed for impairment test purposes.

Impairment of Vessels: The Group evaluates the carrying amounts of its vessels to determine whether there is any indication that the vessels have suffered an impairment loss by considering both internal and external sources of information. If any such indication exists, the recoverable amount of the vessels is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use.
In assessing the fair value less cost to sell of the vessel, the Group obtains on an annual basis (or when there is an indication that an asset or assets may be impaired) vessel valuations from independent and internationally recognized ship brokers which are also commonly used and accepted by the Group's lenders for determining compliance with the relevant covenants in our credit facilities.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The projection of cash flows related to vessels is complex and requires management to make various estimates including future charter rates, vessel operating expenses and the discount rate. All of these items have been historically volatile.

As of December 31, 2020, the fair value less cost to sell relating to seventeen single vessels was lower than their carrying value. The value in use for each of them was higher than the carrying amount of these vessels and, consequently, no impairment loss was recognized.

In determining the value in use, the Group estimated the discounted projected net operating cash flows for each of these fourteen vessels. The significant factors and assumptions the Group used in its discounted projected net operating cash flow analysis included, among others, operating revenues, dry-docking costs, operating expenses and the discount rate. Revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessel as well as the estimated average time charter rates for the remaining life of the vessel after the completion of its current contract. The estimated daily time charter rates used for non-contracted revenue days were based on FFA Curve till the end of 2021 and on 10 years historical average hire rates for the periods after 2021. The revenue assumptions excluded days of scheduled off-hire and assume a utilization rate of 98.4% based on the fleet's historical performance and internal forecasts. In addition, the Group used an annual operating expenses escalation factor equal to 0.25% based on its historical data and performance, as well as expectations of future inflation and operating and dry-docking costs. Estimates for the remaining useful lives of the current fleet and residual and scrap values were the same as those used for the Group's depreciation policy. In the Group's impairment assessment, the weighted average cost of capital (''WACC'') used to discount future estimated cash flows to their present values was 6.62% as of December 31, 2020.

All estimates used and assumptions made were in accordance with the Group's internal budgets and historical experience of Management in the shipping industry.

As of December 31, 2021, the fair value less cost to sell relating to all the vessels was higher than their carrying value.

Fair value of derivative financial instruments: The Group's risk management policies permit the use of derivative financial instruments to manage interest rate risk.

The fair value of the Group's interest rate swap agreements is the estimated amount that the Group would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the current credit worthiness of both the Group and the swap counterparties. The estimated amount is the present value of estimated future cash flows, being equal to the difference between the benchmark interest rate and the fixed rate in the interest rate swap agreement, multiplied by the notional principal amount of the interest rate swap agreement at each interest reset date.

The fair value of the Group's interest rate swap agreements at the end of each period are most significantly affected by the interest rate implied by market-observable data such as the London Interbank Offered Rate (''LIBOR'') yield curve. While the fair value of the Group's interest and currency swap agreements are typically more sensitive to changes in short-term rates, significant changes in the long-term benchmark interest and foreign exchange rates also materially impact interest and currency swap agreements.

The LIBOR yield curve is expected to vary over the life of the interest rate swap agreements. The larger the notional amount of the interest rate swap agreements outstanding and the longer the remaining duration of the interest rate swap agreements, the larger the impact of any variability in these factors will be on the fair value of the Group's interest rate swaps.

Although the Group measures the fair value of its derivative instruments utilizing the inputs and assumptions described above, if it were to terminate the agreements at the reporting date, the amount the Group would pay or receive to terminate the derivative instruments may differ from the estimate of fair value.

Measurement of share-based compensation: Share-based compensation to key management personnel are measured at the fair value of the equity instruments on the grant date. Details regarding the determination of the fair value of share-based transactions are set out in Note 22. The fair value determined at the grant date of the equity-settled share-based compensation is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the retained earnings.

Adoption of new standards and interpretations

(a) Standards and interpretations adopted in the current period

In 2021 there were no new standards and interpretation having material effect on the Group's financial statements.

(b) Standards and amendments in issue not yet adopted

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle
- Amendments to IAS 1 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of current accounts denominated in \$. The Group is also subject to minimum liquidity requirements under its loan agreements (refer Note 11).

5. Trade Receivables

Trade receivables are comprised of:

	Dec. 31, 2020	**Dec. 31, 2021**
Amounts due from employment of the Group's vessels under Capesize RSA	13,759	22,953
Trade receivables due from third parties	1,435	1,964
Provision for expected credit loss	(40)	(40)
Total	15,154	24,877

Trade receivables from the employment of the Group's vessels under the Capesize RSA include:

- working capital contributions of \$10,400 (December 31, 2020: \$8,450), being \$650 per vessel and;
- the balance related to the distribution for December which was collected in January.

As of December 31, 2021, the Group does not expect any material loss from non-collections of its receivables.

6. Prepayments and Other Current Assets

Prepayment and other current assets comprise:

	Dec. 31, 2020	**Dec. 31, 2021**
Prepayments of operating and general and administrative expenses	695	1,079
Other assets	8,618	7,566
Total	9,313	8,645

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

Other assets include $7,352 (December 31, 2020: $ 8,444) related to receivables from insurance in connection with repairs of damages occurred in 2020 and 2021 under hull & machinery coverage and relevant reimbursements for loss of hire. In 2021 the Company collected $6,066 (2020: $3,278) from insurers as advances and/or final settlements for damages' reimbursements.

7. Inventories

Inventories comprise solely of lubricants on board the Group's vessels.

8. Vessels, net

The movements in vessels are reported in the following table:

Costs	
January 1, 2020	**639,867**
Additions	16,814
Disposals	(47,765)
Fully depreciated drydock	(3,771)
December 31, 2020	**605,145**
Additions	4,184
December 31, 2021	**609,329**

Accumulated depreciation and impairment	
January 1, 2020	**88,314**
Depreciation	40,843
Disposals	(13,393)
Fully depreciated drydock	(3,771)
December 31, 2020	**111,993**
Depreciation	41,381
December 31, 2021	**153,374**

Net book value as of December 31, 2020	**493,152**
Net book value as of December 31, 2021	**455,955**

All the vessels have been pledged as collateral under the terms of the Group's loan agreements (Note 11).

Vessels with an aggregate carrying amount of $119,772 (December 31, 2020: $242,681) are subject to operating leases as they are employed under time charter agreements.

The additions relate to drydock works and Ballast Water Treatment System installations already finalized at year end or paid in advance waiting for the finalization during the next stop of vessels in the shipyard.

On January 28, 2020, the Group sold the M/V Aquacarrier to an unrelated party for a net consideration of $17,640 (net of brokerage commission amounting to $360 charged by CTH Group and a third-party broker for $180, each). At the sale's date the carrying amount of the vessel was equivalent to the net consideration received and therefore the economic result of the sale was nil.

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

On May 5, 2020, the Group sold M/V Aquajoy to an unrelated party for a net consideration of $10,800 (net of brokerage commission amounting to $450 charged by CTH Group and a third-party broker for $112.5 and $337.5, respectively). The sale generated a gain of $2,088.

On October 29, 2020, the Group sold M/V Aquacharm to an unrelated party for a net consideration of $10,573 (net of brokerage commission amounting to $327 charged by CTH Group and a third-party broker for $109 and $218, respectively). The sale generated a gain of $2,553.

9. Trade Payables

The balance of trade payables represents the current amount due to suppliers in the normal course of business operations. The balance is entirely payable within 12 months, according to the normal payment terms of the Group.

10. Accruals and Deferred Income

Accruals and deferred income comprise:

	Dec. 31, 2020	**Dec. 31, 2021**
Accruals of interest expenses	1,336	1,147
Freight taxation	-	505
Deferred income	537	1,382
Other accruals	429	1,320
	2,302	4,354

11. Bank borrowings

Bank borrowings comprise:

	Nominal Interest Rate	Date of Final Maturity	**Dec. 31, 2020**	**Dec. 31, 2021**
ING Bank (*) $ 200M	LIBOR+2.35% / 2.76%	Jul-25	195,020	169,028
Danish Ship Finance $37M	LIBOR+2.25%	Mar-23	4,982	3,545
Less: unamortized deferred financing costs			(1,847)	(1,307)
Total bank borrowings			**198,155**	**171,266**
Bank borrowings, current portion			26,888	26,962
Bank borrowing, non-current portion			171,267	144,304

(*) As facility agent and coordinating bank.

On January 13, 2020, the Group signed a supplementary agreement with Danish Ship Finance to extend the maturity date of M/V Aquabridge and M/V Aquavoyageurs loan tranches having original expiration dates on January 15, 2020, and July 15, 2020, respectively, and an outstanding total balance as of December 31, 2019 amounting to $8.5 million. The final maturity date for both loan tranches was postponed to March 1, 2023; the interest rate applicable during the extension period was agreed to be LIBOR plus 225 basis points; all other terms under the loan facility remained unchanged.

On January 28, 2020 the M/V Aquacarrier was sold (Note 6) and the Group fully repaid the relevant loan tranche with ABN AMRO which was outstanding by $8,891 as of December 31, 2019.

On July 10, 2020 the Company drew down the $200.0 million loan facility coordinated by ING Bank N.V. in participation with Danish Ship Finance and Credit Suisse. The loan was signed on July 01, 2020 with the aim of refinancing the existing facilities (the "refinancing project").

Contextually the Company fully repaid the existing facilities with ABN AMRO, Credit Suisse, ING Bank and the Danish Ship Finance loan tranches related to M/V Aquasurfer and M/V Aquamarie which had an aggregate total outstanding amount of $196.1 million as of July 10, 2020.

On October 29, 2020, the Company repaid in advance $4,980 under the facility agreement with ING Bank N.V. in connection with the sale of M/V Aquacharm (Note 8).

ING Bank N.V. - $200.0 million

The $200M facility bears interest at LIBOR plus 235 basis points on $175.0 million and at a fixed rate of 2.76% on $25.0 million. The loan includes a non – amortizing period up until January 2021; the outstanding balance of the loan as of December 31, 2021, is repayable in fifteen consecutive quarterly installments of $6.5 million plus a balloon of $71.6 million due in July 2025. The facility was secured by a first priority mortgage over twenty-one vessels.
The loan agreement contains debt covenants including restrictions as to changes in management and ownership of the mortgaged vessels, additional indebtedness and mortgaging of vessels without the lender's prior consent. The aggregate market value of the vessels mortgaged under the facility must be at least 135% of the outstanding loan amounts and the total bank debt over total assets adjusted to market value must not exceed 70%. Under the agreement, the Company is also required to maintain minimum liquidity of the greater of $15 million or $500 per mortgaged vessel owned by the Group, an Equity Ratio equal to equity to total assets of greater than 30% and an equity net worth of $50 million. As of December 31, 2020, and 2021, the Group was in compliance with all financial covenants of the loan facility. The Company may make or pay dividends or other distributions (in cash or in kind) provided that no event of default has occurred and is continuing.

Danish Ship Finance AS (DSF) - $37.0 million
The outstanding balance of the loan (signed on November 22, 2017) relates to the financing of M/V Aquabridge and M/V Aquavoyageurs for $2,640 and $2,342, respectively. The loan bore interest at fixed rate ranging from 5.00% to 5.23%; as for the supplementary agreement signed on January 13, 2020 the interest rate applicable is LIBOR plus 225 basis points starting from January 15, 2020 and July 15, 2020, respectively for M/V Aquabridge and M/V Aquavoyageurs tranches. The facility is secured by a first priority mortgage over the financed vessels. The outstanding balance as of December 31, 2021, is repayable in six consecutive quarterly installments of $0.36 million with a final balloon of $1.4 million in March 2023. The loan agreement contains debt covenants including restrictions as to changes in management and ownership of the mortgaged vessels, additional indebtedness and mortgaging of vessels without the lender's prior consent. The aggregate market value of the vessels mortgaged under the facility must be at least 145% of the outstanding loan amounts and the total bank debt over total assets adjusted to market value below 70%. Under the agreement, the Company is also required to maintain minimum liquidity of the greater of $10 million or $500 per mortgaged vessel. As of December 31, 2020, and 2021, the Company was in compliance with all financial covenants of the loan facility. The borrowers and the Company may make or pay dividends or other

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

distributions (in cash or in kind) provided that no event of default has occurred and is continuing or would occur by reason of the payment of such dividend or other distribution.

The estimated principal repayments required to be made after December 31, 2021, based on the loan agreements, are as follows:

Repayment schedule	**Dec. 31, 2021**
Not later than one year	27,428
Later than one year and not later than three years	54,091
Later than three years and not later than five years	91,054
Later than five years	-
	172,573

The weighted average interest rate for the outstanding loan facilities for the year ended December 31, 2021, was 3.8% (December 31, 2020: 4.4%), including the interest rate swaps (Note 12).

The outstanding amount of the ING Bank $ 200M facility includes a portion of $21,751 which bears interest at a fixed rate of 2.76%; the estimated fair value of this portion as of December 31, 2021, amounts to $21,353. The fair value was determined by taking into consideration the present value of the future cash flows of interest, being equal to the difference between the benchmark interest rate (based on LIBOR) and the fixed rate of the loan. The fair value computation meets Level 2 classification, according to the fair value hierarchy as defined by IFRS 13 Fair Value Measurement (Note 9).

After excluding the unamortized deferred loan issuance costs, the carrying amount of all other Group's bank loans recognized in the consolidated financial statements approximates their fair values since the debt bears interest at a variable interest rate.

A reconciliation of borrowings arising from the Group's operations is as follows:

Year 2020

	Dec. 31, 2019	**Cash flows**	**Non-cash items**	**Dec. 31, 2020**
Bank debt outstanding	225,506	-	-	225,506
Proceeds from bank loans	-	200,000	-	200,000
Bank loan repayments	-	(227,342)	-	(227,342)
Payment of deferred financing costs	-	(2,126)	-	(2,126)
Amortization of deferred financing costs	-	-	692	692
Write-off of deferred financing costs for early terminated loans	-	-	1,425	1,425
Total	**225,506**	**(29,468)**	**2,117**	**198,155**

Year 2021

	Dec. 31, 2020	**Cash flows**	**Non-cash items**	**Dec. 31, 2021**
Bank debt outstanding	198,155	-	-	198,155
Bank loan repayments	-	(27,429)	-	(27,429)
Amortization of deferred financing costs	-	-	540	540
Total	**198,155**	**(27,429)**	**540**	**171,266**

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

12. Derivative Financial Instruments

The Group enters into interest rate swap agreements (IRS) which convert the floating interest rate exposure into a fixed interest rate in order to hedge the exposure to fluctuations in prevailing market interest rates. Under the IRSs, the bank counterparty effects quarterly floating-rate payments to the Group for the notional amount based on the U.S. dollar LIBOR, and the Group effects quarterly payments to the bank on the notional amounts at the respective fixed rates.

In January 2020, the IRS with ABN AMRO which had a notional amount of $8,891 as of December 31, 2019, was terminated early in connection with the full repayment of the relevant bank loan, due to the sale of M/V Aquacarrier (Note 8). The Group paid the bank $361, which was the IRS market value at the time of the termination.

In July 2020, as part of the refinancing project (Note 11), by paying a total amount of $2,450 which represented the market value at that time, the Group terminated early the IRSs still in place with ABN AMRO, which had a total notional amount as of December 31, 2019 of $76,356. Contextually, the IRSs in place with ING Bank and Credit Suisse, which had total notional amounts as of December 31, 2019 of $64,462 and $55,684, respectively, were blended and extended to be in line with the terms of the ING Bank $200M facility.

The fair value of the derivative liabilities is as follows:

	Dec. 31, 2020	**Dec. 31, 2021**
Derivative liabilities designated and effective as hedging instruments carried at fair value		
Interest rate swaps	6,990	2,875
Total	**6,990**	**2,875**
Derivative financial instruments, current	2,207	1,600
Derivative financial instruments, non-current	4,783	1,275
Total	**6,990**	**2,875**

The principal terms of the IRSs designated as cash flow hedging instruments are as follows:

Counterparty	**Trade date**	**Effective date**	**Termination date**	**Fixed interest rate**	**Notional amount as of Dec. 31, 2021**
Credit Suisse	Jul-20	Jul-20	Jul-25	1.72%	46,104
ING Bank	Jul-20	Jul-20	Jul-25	2.73%	52,398
Total					**98,502**

The IRS agreements described above hedge 65.3% of the total outstanding amounts of the bank loans with variable interest rates as of December 31, 2021, amounting to $150,823.

For the year ended December 31, 2021, the effective portion of changes in the fair value of IRSs amounting to a gain of $1,908 has been recognized in Other Comprehensive Income (2020: loss of $4,473). For the year ended December 31, 2021, a loss of $2,207 was recognized in profit or loss representing the realized loss on IRSs in relation to the interest expense component of the hedge (2020: $2,663).

The IRSs are measured at fair value. The fair value at the end of the reporting period was determined by discounting the future cash flows using the interest rate yield curves at the end of the reporting period and the credit risk inherent in the contract.

The IRSs meet Level 2 classification, according to the fair value hierarchy as defined by IFRS 13 Fair Value Measurement. There were no financial instruments in Levels 1 or 3 and no transfers between Levels 1, 2 or 3 during the periods presented. The definitions of the levels provided by IFRS 13 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. Share Capital and Treasury Shares

As of December 31, 2021, the share capital of the Company was represented by 30,027,998 common shares (December 31, 2020: 30,020,716) and one Class A share, owned by Brentwood. All shares have a par value of $1.00. The shares are registered in the Norwegian Central Securities Depository (Verdipapirsentralen, or "VPS") with ISIN BMG4095E1003, pursuant to a Registrar Agreement with DNB Bank ASA Registrars Department, dated February 6, 2017.

The Board of Directors may exercise all of the powers of the Company within the limits as set out in its bye-laws.

The holders of common shares in the capital of the Company have the following rights:

- to receive notice of and to attend and to vote at all general meetings of the Company, in which case shareholders shall be entitled to one vote per share;

- to receive dividends and such other distributions (in cash or in specie) as the Board of Directors may from time to time declare, pari passu and on a per share basis with the holder of the Class A Share; and

- in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to receive, on a pro rata basis, the surplus assets of the Company, pari passu and on a per share basis with the holder of the Class A share.

The holder of the Class A share in the Company has the same rights as common shareholders, plus the right to appoint and maintain the three Class A Directors one of which must not be an affiliate, out of a total of eight directors on the Company's Board.

As of December 31, 2020, and 2021, fund entities managed by CarVal, Lantern Capital Partners ("Lantern"), and Brentwood each beneficially own 48.8%, 12.2% and 11.5% of the Company's outstanding shares, respectively. These shareholders can exercise significant influence over the Company due to their holdings and certain rights that they have under the Company's bye-laws and pursuant to an amended and restated founders' agreement, dated October 25, 2017, as long as they hold certain minimum amounts of the Company's outstanding common shares, and are

"special members," each with the right to appoint one "special director" to the Board of Directors. Fund entities managed by CarVal also has the right to nominate an independent director and remove such director. In addition, as mentioned above, Brentwood, as holder of the Company's Class A share, has the right to appoint and maintain three Class A Directors. These rights shall terminate immediately prior to the consummation of an initial public offering.
The bye-laws of the Company provide that certain matters require a unanimous vote of the Special Directors and the Class A Directors. These matters include substantive rights to direct the relevant activities of the Company, including, but not limited to, approval of the budget, making investments or vessel acquisitions in excess of $1.0 million, and to enter into, amend or terminate any material contract having a value in excess of $250 per year.

The changes in the Company's share capital and share premium are reported below:

Year 2020

- Issuance of 11,044 common shares for directors' remuneration, which has been accounted for as share-based compensation.

- On June 23, 2020, the Shareholders approved the reduction of the Share Premium account for an amount of $26,728 by way of a transfer to the Retained Earnings account.

- On December 16, 2020, the Shareholders approved the reduction of the Share Premium account for an amount of $336,357 by way of a transfer to the Contributed Surplus account.

Year 2021

Issuance of 7,282 common shares for directors' remuneration, which has been accounted for as share-based compensation.

The dividend distributions and capital repayments are reported below:

Year 2020

- On February 19, 2020, the Board of Directors declared a cash dividend of $1.0 per common share to shareholders of record as of February 21, 2020 and payable on March 3, 2020 amounting to $29.5 million.

- On November 17, 2020, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $5,904, being U.S. Dollar 0.20 per common share to shareholders of record as of December 10, 2021, and payable on December 16, 2021.

Year 2021

- On March 2, 2021, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $10,029, being U.S. Dollar 0.34 per common share to shareholders of record as of March 15, 2021, and payable on March 23, 2021.

- On April 26, 2021, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $10,024 being U.S. Dollar 0.34 per common share to shareholders of record as of April 30, 2021, and payable on May 11, 2021.

- On July 27, 2021, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $29,483 being U.S. Dollar 1.00 per common share to shareholders of record as of August 2, 2021, and payable on August 13, 2021.

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

- On October 26, 2021, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $29,460 being U.S. Dollar 1.00 per common share to shareholders of record as of November 5, 2021, and payable on November 16, 2021.

- On December 14, 2021, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $14,730 being U.S. Dollar 0.50 per common share to shareholders of record as of December 16, 2021, and payable on December 29, 2021.

Treasury Shares

- On January 21, 2021, the Company purchased 21,364 treasury shares at a price of U.S. Dollar 5.00 each for a total amount of $107.

- On March 24, 2021, the Company purchased 20,100 treasury shares at a price of U.S. Dollar 5.00 each for a total amount of $101.

- On July 27, 2021, the Company purchased 20,000 treasury shares at a price of U.S. Dollar 10.25 each for a total amount of $205.

As of December 31, 2021, the Company owns 561,464 treasury shares.

14. Revenues

	2020	2021
Voyage freight	112,480	242,224
Time charter revenues	58,915	46,095
Total revenues	171,395	288,319

Voyage freight revenues include demurrage revenues (net of despatch costs) for $9,565 (2020: $2,060).

15. Voyage Expenses

An analysis of voyage expenses is as follows:

	2020	2021
Bunker	48,007	71,846
Port expenses	21,181	24,965
Brokerage commission	2,497	4,478
Freight taxation	-	505
Other costs	278	1,999
	71,963	103,793

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

16. Vessel Operating Expenses

An analysis of the vessel operating expenses is as follows:

	2020	2021
Wages and other crew expenses	26,535	26,445
Stores, spare parts, lube oil, maintenance and other technical expenses	10,764	11,321
Technical management fees (Note 22)	5,101	4,692
Insurance and club calls	4,378	4,180
Other costs	2,060	1,632
	48,838	48,270

17. Net Other Operating (Expenses) / Income

An analysis of net other operating (expenses) / income is as follows:

	2020	2021
Net allocation from the Capesize RSA	(711)	6,505
Other income	215	3,218
	(496)	9,723

The net allocation from the RSAs represents a positive (or negative) adjustment, due to the sharing of the voyages' results with the other members of the RSAs.

18. General and Administrative Expenses

An analysis of general and administrative expenses is as follows:

	2020	2021
Management fees (Note 22)	1,282	1,180
Legal and advisory services	442	302
MIP expense (Note 22)	907	2,935
Board of Directors remuneration (Note 22)	200	200
Travel expenses (Note 22)	90	-
Other expenses	197	210
	3,118	4,827

19. Net Financial Expenses

An analysis of net financial expenses is as follows:

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

	2020	2021
Interest income	141	-
Interest expense	(9,142)	(7,000)
Amortization of deferred financing costs (Note 11)	(692)	(540)
Compensation for IRS cancellation (Note 12)	(361)	-
Expenses for the refinancing project	(5,185)	-
Net foreign exchange differences	(58)	(93)
	(15,297)	(7,633)

The 2020 expenses for the refinancing project (Note 11) include $1,310 of breaking costs paid to the banks to early terminate the loan agreements in place, $1,425 for the write-off of the residual deferred financing costs related to these loans and $2,450 paid as compensation fee to terminate the IRSs with ABN AMRO (Note 12).

20. Income Tax

Under the laws of the countries of the Group's incorporation and/or vessels' registration, the Group is not subject to tax on international shipping income. However, it is subject to registration and tonnage taxes, which are included in vessel operating expenses.

Furthermore, each subsidiary is subject to a 4% U.S. federal tax in respect of its U.S. source shipping income (imposed on gross income without the allowance for any deductions), because none of the subsidiaries meet the requirements for an exemption from such tax provided by Section 883 of the U.S. Internal Revenue Code of 1986. As a result, the subsidiaries must file U.S. federal tax returns and pay the relevant U.S. federal tax on their U.S. source shipping income, which is not considered an income tax. Such taxes have been recorded within Voyage expenses as Freight Taxation in the accompanying consolidated statement of profit or loss.

21. Contingencies

Various claims, suits and complaints, including those involving government regulations, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, environmental claims, agents and insurers and from claims with suppliers relating to the operations of the Group's vessels. Currently, Management is not aware of any such claims or contingent liabilities requiring disclosure in the consolidated financial statements.

22. Related Party Transactions

CTH Group – Management Service Provider

Management fees charged by the CTH Group are detailed as follows:

	2020	2021
1.25% commission on RSAs revenues	1,118	3,284
1.25% commission on vessels outside RSAs	708	501
Technical management fees (Note 16)	5,101	4,692
G&A management fees (Note 18)	1,282	1,180
1% commission on vessels' sale (Note 8)	402	-
	8,611	9,657

The CTM Group, as manager of the RSAs, charges a 1.25% commission (presented within the voyage expenses) on the voyages performed by the vessels in the RSAs. For the avoidance of doubt, the commission paid by the Group to the CTM Group for vessels employed in the RSAs is in lieu of and not in addition to commercial management fees under the management agreements.

The Company's vessels are commercially managed by CTH and technically managed by CTM. CTH and CTM are companies affiliated with the Group.

Commercial Management Agreement

In January 2017, the Company entered into a Commercial Management Agreement with CTH for the operational and commercial management of all its dry bulk vessels owned or chartered from the date they are delivered to the Company or its subsidiaries. CTH's services include negotiating contracts related to the vessels, negotiating terms of employment of the vessels and negotiating the terms of all contracts for the purchase or sale of the vessels, in each case subject to the express limitations and guidelines imposed by the Group. Fees payable to CTH under this agreement are: (i) in relation to time chartered-in and time chartered-out vessels, 1.25% commission on all hires paid or 1.25% commission on all gross freight on all of the performed voyage charter contracts; and (ii) 1.00% commission of the MOA price for the sale of any vessel by the Group, which rates will not increase for the five years commencing January 2017. In addition, if additional services are requested additional fees will be agreed to by the Company. The Commercial Management Agreement expires on October 26, 2022, and then automatically renews for an additional five-year term.

After completion of an initial public offering, the agreement will only be subject to termination by the Group upon three months prior notice. In case of termination by the Group that is not a result of CTH's failure to perform a material obligation, the Group must pay CTH a termination fee equal to twice the amount of commissions due over the prior twelve months. Unless terminated earlier, the Commercial Management Agreement will expire five years after completion of an initial public offering, during which period the commission fee rates as noted above will remain fixed.

Shipmanagement Agreement

The Group has entered into a Shipmanagement Agreement with CTM for each vessel owned by the Group. CTM's services include providing technical management services, such as selecting and engaging the vessel's crew, providing payroll and compliance services, providing competent personnel to supervise the maintenance and general efficiency of the vessel, arranging and supervising drydockings, repairs, alterations and the upkeep of the vessel, appointing surveyors and technical consultants, arranging the transportation of shore personnel when servicing the vessel, arranging supervisory visits to the vessel, and maintaining a safety management system. The Group pays CTM a basic annual management fee in the lump sum amount of $144 per vessel owned. Additionally, the Group reimburses CTM for rent, communication and other general expenses in the lump sum amount of $15 per vessel per quarter, and for travel and out-of-pocket expenses incurred by CTM in connection with its management services.

In case of termination by the Group that is not a result of CTM's failure to perform a material obligation, the Group must pay CTM a termination fee equal to the basic management fees for the prior 12 months. In addition, a Shipmanagement Agreement is deemed terminated upon the sale of the vessel to a non-affiliated third party however, fees will continue to be paid for a period of three months thereafter. Unless terminated earlier, each Shipmanagement Agreement will expire five years after the completion of an initial public offering, during which period the commission fees as noted above will remain fixed. Each Shipmanagement Agreement expires on October 26, 2022, and then automatically renews for an additional five-year term.

Services Agreement

The Group entered into a Services Agreement with CTM for the provision of staff services, including customer and supplier management, accounting, treasury, budgeting and reporting, consultancy services, corporate and legal services, and information technology services. The Group pays CTM an annual management fee of $50 for each vessel owned by the Group, in quarterly instalments. The Group also reimburses CTM for all travel and subsistence expenses CTM incurs in the provision of services.
After completion of an initial public offering, the agreement will only be subject to termination by the Company upon three months prior notice. Upon any termination by the Group that is not a result of CTM's failure to perform its obligations (including if such failure is due to applicable law or insolvency of CTM), the Group must pay CTM a termination fee equal to twice the amount of management fees for the prior twelve months. Unless terminated earlier, the Services Agreement will expire five years after completion of an initial public offering, during which period the management fee rate amount as noted above will remain fixed. The Services Agreement expires on October 26, 2022, and then automatically renews for an additional five-year term.

C Transport Maritime B.V. - Back to Back Charters

C Transport Maritime Ltd BV (CBV), a company 100% owned by the Carras Group, provided disponent owner services for certain charterers that wished to trade with European Union vessel-owning companies. The Group enters in an agreement (by way of a fixture recap) back to back with CBV and CBV enters into an agreement with the charterers on the same terms. No fees or commissions are charged by CBV. In 2021, such back to back charters amounted to a total of $229.3 million (2020: $107.0 million). Trade receivables as of December 31, 2021, include $1,056 (December 31, 2020: nil) to be received from third parties via CBV.

Directors Remuneration

The total remuneration of the Company's directors for the years ended as of December 31, 2020, and 2021 included in general and administrative expenses, amounted to $200, of which $100 was paid in cash and $100 was settled through the issuance of common shares (11,044 in 2020 and 7,282 in 2021).

In August 2017, the Board of Directors authorized a grant of 13,636 common shares to John Michael Radziwill who serves as Chairman of the Board of Directors and Chief Executive Officer, contingent upon the Company having a liquidity event (meaning a listing of the Company's shares on a recognized stock exchange or a sale of substantially all of the Company or its assets). This will be accounted for on the issuance of the common shares.

Management Incentive Plan

On July 23, 2019, the Shareholders approved the Management Incentive Plan ("MIP") for key management personnel ("participants"). Under the terms of MIP which was authorized by the Board of Directors on June 21, 2019, participants have the right to receive up to 500,000 Company's shares and all distributions, dividends or sale proceeds arising out of or related to such shares (the "Plan Asset").

The payment of the participants right in and to the Plan Asset is subject to the achievements of pre-established performance goals. If these performance goals will be not achieved on or prior to the termination date, the Plan Asset shall be forfeited and returned to the Company. On June 8, 2020, the Board of Directors decided to extend the MIP termination date from December 31, 2022 to December 31, 2023.

Under IFRS 2 the MIP qualifies as a share-based payment arrangement including non-market performance conditions with a variable vesting period and two types of settlements: (i) an equity-settlement (transfer to participants of up to 500,000 shares) and (ii) a cash-settlement in relation to the payment of dividends on the above shares.

The fair value of the Plan Asset as of December 31, 2021, has been estimated by the management in the total amount of $8,168, including $2,492 and $5,676 related to the equity and cash settlement, respectively (December 31, 2020: $4,792, including $3,744 and $1,049 related to the equity and cash settlement, respectively). This fair value has been computed based on (i) the Group's Net Asset Value at the grant date (July 23, 2019), (ii) the expectations of future payments for dividends and (iii) the expected likelihood of reaching the established performance conditions before the end of 2023.

The total expense recognized in respect of the MIP for the year 2021, included in general and administrative expenses, amounted to $2,935, including $153 and $2,782 related to the equity and cash settlement, respectively (2020: $907, including $693 and $214 related to the equity and cash settlement, respectively).

As of December 31, 2021, the total amount accumulated in the retained earnings account in respect of the equity settlement component is equal to $1,370 (December 31, 2020: $1,217).

As of December 31, 2021, the liability in respect of the cash settlement component amounts to $3,124 (December 31, 2020: $342).

In December 2019, the Company provided the participants with an advance payment amounting to $500 in anticipation of the Plan Asset distribution, as approved by the Board of Directors on December 10, 2019.

In December 2020, the Company provided the participants with an advance payment amounting to $300 in anticipation of the Plan Asset distribution, as approved by the Board of Directors on December 9, 2020.

In December 2021, the Company provided the participants with an advance payment amounting to $1,000 in anticipation of the Plan Asset distribution, as approved by the Board of Directors on December 13, 2021.

Travel Expenses

In accordance with the Company's policy, directors are reimbursed their direct expenses related to travel to and from Board meetings, and in the case of non-affiliate and independent directors, reimbursement of other pre-approved expenses incurred directly in providing services to the Group. The travel expenses of the directors and the CTH Group management in accordance with the Shipmanagement Agreement have been charged for $78 in 2020 (no charges in 2021).

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

Receivables from Related Parties

Receivables from related parties are as follows:

	Dec. 31, 2020	Dec. 31, 2021
CTH Group	-	9
Advance to MIP participants	800	1,800
	800	1,809

The balance due from the CTH Group relates to the services management, as reported above.

Payables to Related Parties

Payables to related parties are as follows:

	Dec. 31, 2020	Dec. 31, 2021
CTH Group	38	-
MIP liability	342	3,124
	380	3,124

The payable to the CTH Group relates to the management fees, as reported above.

The MIP liability relates to the cash settlement component of the share-based transaction described above.

23. Commitments

As of December 31, 2021, five Capesize vessels and M/V Aquaknight are time charted out with contracts having expiration date no later than May 2022. Future minimum revenues (net of address commission) receivable in 2022 upon collection of hire under these non-cancellable time charter agreements amount to $6.8 million (for these vessels dry-docking is not scheduled during the duration of the time charter agreements; in addition, early delivery of the vessels by the charterers or any exercise of the charterers' options to extend the terms of the charters are not accounted for).

24. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including market risk, liquidity risk and credit risk. The Group's overall risk strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market Risk

Interest Rate Risk

As of December 31, 2021, the 65.3% of the total outstanding amounts of the bank loans with variable interest rates ($150,823) is hedged by the IRS agreements (described in Note 12, with a notional amount of $98,502) which convert the floating interest rate exposure into a fixed interest rate (average of 4.61%).

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

Under the IRSs, the bank counterparty effects quarterly floating-rate payments to the Group for the notional amount based on the three-month U.S. dollar LIBOR, and the Group effects quarterly payments to the bank on the notional amount at the respective fixed rates.

As of December 31, 2021, the Group is exposed to the risk of increase in interest rates on an outstanding balance of $52,321; we have estimated that a 10% increase in the market interest rate would decrease the 2021 net result and equity by about US$ 0.1 million.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Currency risk is low due to the fact that transactions in currencies other than the $ are limited to some port expenses incurred in local currencies.

Liquidity Risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group minimizes liquidity risk by maintaining sufficient cash and cash equivalents and by having available adequate amounts of undrawn credit facilities.

The following tables detail the Group's expected cash flows for its non-derivative financial liabilities and interest rate swap agreements. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest expense and principal repayment cash flows. The future interest payments were determined based on the average fixed interest rate (through the bank loan duration) of 4.27% on an outstanding balance of $120,253; the variable future interest payments on an outstanding balance of $52,321 were determined based on an average LIBOR plus the margins applicable to the Group's loans.

	Less than 3 month	**3-12 months**	**1-5 years**	**5+ years**	**Total**
December 31, 2020					
Trade payables	7,067	-	-	-	7,067
Payables to related parties	380	-	-	-	380
Accruals	1,765	-	-	-	1,765
Bank loan – principal	6,857	20,571	172,574	-	200,002
Interest on bank loans	1,836	5,215	16,560	-	23,611
	17,905	25,786	189,134	-	232,825
December 31, 2021					
51Trade payables	7,554	-	-	-	7,554
Accruals	2,972	-	-	-	2,972
Bank loan – principal	6,857	20,571	145,145	-	172,573
Interest on bank loans	1,629	4,978	11,083	-	17,690
	19,012	25,549	156,228	-	200,789

Credit Risk

(All amounts expressed in thousands of U.S. Dollars unless otherwise stated, except per share)

Credit risk is the risk that a counterparty will fail to discharge its obligations and cause a financial loss. The Group is exposed to credit risk in the event of non-performance by any of its counterparties. To limit this risk, the Group deals exclusively with financial institutions and customers with high standing.

	Dec. 31 2020	**Dec. 31 2021**
Cash and cash equivalents	37,608	39,653
Trade and other receivables	25,267	35,331
	62,875	74,984

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk. Management monitors exposure to credit risk and believes that there is no substantial credit risk arising from the Group's counterparties.

During the year ended December 31, 2020 and 2021, the Company placed the majority of its vessels in the RSAs managed by CTM. As a result, a portion equal to 87.0% (2020: 69.0%) of the Company's shipping revenue was derived from these RSAs. Credit risk is shared by RSA members in proportion to their RSA participation. The RSA's manager, CTM, limits credit risk by dealing with first class counterparties. Clients are subject to risk management evaluations with assignment of an internal rating score and ongoing credit valuations are periodically performed. When deemed necessary, CTM requires letters of credit, guarantees or collateral.

Credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

.

Climate Change Risk

The Company periodically evaluates the risks related to the climate change and their relevant impacts on its business operations in particular with reference to the compliance with the international regulation and to the achievement of the decarbonization goals. The Company fully supports the International Maritime Organization's (IMO) environmental protection regulation including those on reducing CO2 and Greenhouse Gases (GHG) emissions, as well as those on ballast water treatment. In maintaining vessels operating at maximum efficiency the Company monitors evolution in new technologies and continues looking for innovative solutions that will help gradually decarbonize maritime transportation in line with IMO goals.

25. Capital Risk Management

The Group monitors capital using a gearing ratio, which is total debt divided by total equity plus total debt. The gearing ratio is calculated as follows:

	Dec. 31, 2020	**Dec. 31, 2021**

Bank borrowings	200,002	172,573
Total debt	**200,002**	**172,573**
Total equity	**343,363**	**345,730**
Total debt and equity	**541,518**	**518,303**
Gearing ratio	**36.9%**	**33.3%**

26. (Losses) / Earnings Per Share

The computation of basic earnings / losses per share is presented as follows:

	2020	**2021**
Net (loss) / profit available to common shareholders	(4,519)	92,138
Weighted average number of shares, basic and diluted	30,013,934	30,024,106
(Losses) / earnings per share in U.S. Dollars, basic and diluted	(0.15)	3.07

Diluted earnings per share is the same as basic loss per share. There are no other potentially dilutive shares outstanding.

27. Subsequent Events

On March 15, 2022, the Company entered into an agreement to sell M/V Aquamaka to an unrelated party for a net consideration of $26.2 million. The delivery of the vessel to its new owner is expected by mid of April. The sale is expected to generate available cash of $18.6 million, net of loan repayment of $7.6 million with a gain from disposal of $4.2 million.

On March 18, 2022, the Board of Directors authorized a capital repayment out of the Contributed Surplus account in the aggregate amount of $29,467, being U.S. Dollar 1.00 per common share (excluding N° 561,464 treasury shares owned by the Company) to shareholders of record as of April 4, 2022, and payable on April 29, 2022.

Despite the global gradual recovery from COVID-19, the Group continues to take proactive measures to ensure the health and wellness of the crew while maintaining effective business continuity and uninterrupted service to the customers. The overall impact of COVID-19 on the Group's business, and the efficacy of any measures the Group takes in response to the challenges presented by the COVID-19 pandemic, will depend on how the outbreak further develops, the duration and extent of the restrictive measures that are associated with the pandemic and their impact on global economy and trade, which is still uncertain.

The Company carefully monitors the evolution of the war between Russia and Ukraine. As the Company has not operations in and/or trading relationships with Ukraine and Russia, the war and the relevant sanction blocking laws had not a direct impact on the Company business operations.

28. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorized for issue on March 25, 2022.